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IN THE HIGH COURT OF DELHI AT NEW DELHI

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W.P.(C) 17662/2025 and CM APPL.72959/2025

MS SARR FREIGHTS CORPORATION

.....Petitioner

Through: Mr. Akshay Makhija, Sr. Adv., Mr. Saurabh Seth, Ms. Sumeera Seth, Ms. Neelampreet Kaur, Mr. Abhiroop Rathore, Mr. Kabir Dev and Mr. Sukhvir Singh, Advs.

versus

UNION OF INDIA & ANR.

.....Respondents

Through: Ms. Avshreya Pratap Singh Rudy, CGSC, Ms. Usha Jamnal, Mohd. Junai Mahmood and Ms. Prajna Pandita, Advs., UOI.

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

01.12.2025

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1. The present petition has been filed by the petitioner challenging the letter / order dated 14.11.2025 bearing No.02725/OCEAN FREIGHT/PV/VII/OFK, issued by the respondent no.2, whereby contract No. GEMC 511687795015951 dated 29.04.2025, awarded to the petitioner for shipment of Class-I explosive and non-explosive defence cargo from a Swedish port to Cochin port has been cancelled.

2. The impugned letter dated 14.11.2025 (stated to have been received by the petitioner on 17.11.2025), sets out the factual context and concludes as under:

“This non-compliance with the contract timelines, performance notices, show cause notice and lack of proactiveness jeopardizes the operational schedule of OFK and indicates negligent behaviour towards execution of the awarded contract.

Hence, in view of above competent authority at OFK decided to cancel the subject contract cited u/r(I) and to take suitable administrative



action against your firm.”

3. On the last date of hearing, viz. 24.11.2025, it was stated by learned counsel for the petitioner as under:

“7. During the course of hearing, learned counsel for the petitioner submits that appropriate arrangements have been made by the petitioner for dispatch of the goods from the concerned Swedish Port and, in fact, the vessel containing the consignment of the concerned goods is already on its way from Swedish Port to Cochin Port.”

4. Today, it is informed that the statement made by learned counsel for the petitioner on the last date of hearing, as recorded in para-7 of the order dated 24.11.2025, was erroneously made. In fact, the concerned vessel has not started from the concerned Swedish port, contrary to what was stated during the proceedings on 24.11.2025. It is, however, now submitted that the concerned vessel shall depart from the Swedish port on or before 10.12.2025.

5. Learned senior counsel for the petitioner submits that the petitioner continues to be ready and willing to perform the contract by shipping the goods from the Swedish port to India. Learned counsel for the respondent submits that the said assurance / statement does not inspire any credibility in view of the previous conduct and track record of the petitioner.

6. Learned counsel for Union of India (UOI) emphasizes that there has been inordinate delay on the part of the petitioner in shipping the concerned goods and therefore the respondents were well within their right to terminate the contract. It is further urged that urgent arrangements are required to be made by the respondents to ship the goods from Swedish port to India and since the petitioner did not act with promptitude, the contract of the petitioner was terminated.



7. In the circumstances, especially considering that the contract in question is a defence contract for supply of explosives, this Court is not inclined to interdict with the said termination.

8. It is noticed that the disputes between the parties is essentially a contractual one. It also transpires that the contract contains an Arbitration Clause. In case the petitioner seeks to assail the validity of the termination, the petitioner is at liberty to avail appropriate contractual remedies *inter alia*, by way of invoking the arbitration clause contained in the contract between the parties.

9. Learned senior counsel for the petitioner apprehends that a debarment action might also be taken by the respondent against the petitioner without complying with the principles of natural justice and in violation of the order dated 31.10.2025, passed by this Court in WP(C) 16537/2025.

10. Learned counsel for Respondent No.1/ UOI submits that as far as the debarment action is concerned, a hearing has been scheduled on 05.12.2025 at 12.00 PM. It is submitted that the said date has been fixed solely in view of the petitioner's communication requesting that the hearing be scheduled only after 04.12.2025. It is assured that the petitioner shall be afforded ample opportunities to make its submission and thereafter, a reasoned order shall be passed qua debarment (if any) after duly taking into account the contentions of the petitioner.

11. Needless to say, the same shall be subject to the legal rights and remedies of the petitioner.

12. The petition is disposed of in the above terms.

DECEMBER 1, 2025/cl

SACHIN DATTA, J