



2026:DHC:4584



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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Date of Decision: 19.05.2026

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CONT.CAS(C) 910/2026and CM APPLs.34314/2026, 34315/2026, 34316/2026

M/S SARR FREIGHTS CORPORATION

.....Petitioner

Through: Mr. Saurabh Seth, Mr. Abhiroop Rathore, Mr. Kabir Dev, Mr. Sukhbir Singh, Ms. Sumeera Seth, Ms. Neelampreet Kaur, Advocates.

versus

SHAILESH VAGERWAL & ANR.

.....Respondents

Through: Ms. Avshreya Pratap Singh Rudy (CGSC) alongwith Ms. Usha Jamnal, Advocate.

CORAM:**HON'BLE MR. JUSTICE SACHIN DATTA****SACHIN DATTA, J. (ORAL)**

1. At the outset, the petitioner seeks to amend the memo of parties in view of certain errors therein. Let an amended memo of parties be filed by the petitioner, within a period of one week from today.
2. The present petition has been filed by the petitioner alleging wilful disobedience/non-compliance with the directions contained in the order dated 01.12.2025 passed in W.P.(C) 17662/2025. The same, *inter alia*, directs as under:

“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.



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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."

3. It transpires that after the aforesaid order was passed, an elaborate hearing was given to the petitioner on 05.12.2025.

4. Learned counsel for the respondents concedes that during the said hearing, various submissions were made by the petitioner seeking to resist the proposed debarment action against the petitioner. No further response was sought from the petitioner thereafter. However, on 08.05.2026, the following communication came to be issued:



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No.02726/OCEAN FREIGHT/PV/VII/OFK

Date:08/05/2026

To,
M/s SARR Freight Corporation
Sewak House, 1-E/12,
Jhandewalan Extn,
New Delhi, 110055.

E-mail: operations1@sarrfreights.com, sarr@sarrfreights.com, nidhi@sarrfreights.com

Subj: Debarment of M/s. SARR Freight Corporation, New Delhi due to poor performance in execution of Shipping/Transportation of OFK Consignment/Cargo(IMO Class-I Explosives & Non- Explosives) from Sweden Port to Cochin Port against the contract S.O. No. GEM 511687795015951 dt.29/04/2025.

- Ref:
1. OFK GeM Contract No. GEM 511687795015951 dt.29/04/2025.
 2. M/s. SARR letter No. SARR /MIL/KHAMARIA/2025-26/095 dtd. 21.07.25
 3. OFK L. No. Even Dated: 31.07.2025 against Performance Notice.
 4. M/s. SARR letter No. SARR /MIL/KHAMARIA/2025-26/01 dtd. 05.08.25
 5. OFK L. No. 02725/OCEAN FREIGHT/GEM-511687795015951/OFK/04 Dated: 11.08.2025.
 6. OFK L. No. 02725/OCEAN FREIGHT/GEM-511687795015951/OFK/05 Dated: 19.08.2025.
 7. OFK L. No. 02725/OCEAN FREIGHT/GEM-511687795015951/OFK/06 Dated: 05.09.2025
 8. OFK L. No. 02725/OCEAN FREIGHT/GEM-511687795015951/OFK/07 Dated: 06.09.2025 against Performance Notice.
 9. OFK L. No. 02725/OCEAN FREIGHT/GEM-511687795015951/OFK/07 Dated: 16.09.2025 against Performance Notice-2.
 10. OFK L. No. 02725/OCEAN FREIGHT/GEM-511687795015951/OFK/08 Dated: 23.09.2025.
 11. OFK L. No. 02725/OCEAN FREIGHT/GEM-511687795015951/OFK/09 Dated: 26.09.2025.
 12. M/s. SARR letter No. SARR /MIL/KHAMARIA/2025-26/1131 dtd. 08.10.25
 13. OFK Email Dated: 09.10.2025 and 22.10.2025.
 14. OFK L. No. 02725/OCEAN FREIGHT/PV/VI/OFK Dated:29.10.2025 (Performance Notice-3/Final)
 15. OFK Show cause Notice dtd. 07.11.2025
 16. OFK letter dtd. 14.11.2025 for cancellation of the contract
 17. OFK letter No.02725/OCEAN FREIGHT/PV/VII/OFK dtd. 26.12.2025.

Sir/Madam,

This is with reference to the Shipping/Transportation Contract awarded to your firm, M/s. SARR Freight Corporation, New Delhi, under S.O. No. GEM 511687795015951 dt.29/04/2025, for transportation of OFK Consignment/Cargo(IMO Class-I Explosives & Non- Explosives) from Sweden Port to Cochin Port, against which

had the original scheduled **delivery completion date as 01.08.2025** which was extended from 01.08.2025 to 09.10.2025 without LD and from 10.10.2025 to 01.11.2025 with LD.

However, M/s. SARR Freight Corporation New Delhi failed to execute the contract as per T&C of OFK subject tender.

Hence, Competent Authority at OFK decided to debar your firm M/s. SARR Freight Corporation, New Delhi for one year or for one tender whichever is later, related to importation of international logistics including airlifting and shipping of IMO Class-I explosive and non-explosive cargo.

Above letter is submitted for your information please.

5. It is submitted by the petitioner that the above communication, while seeking to debar the petitioner for one year or for one tender (whichever is



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later), makes no reference to the order dated 01.12.2025 nor to the submissions made by the petitioner pursuant to the hearing in terms thereof.

6. Learned counsel for the respondents submits that the petitioner has already availed its contractual remedy by invoking arbitration. Learned counsel for the petitioner affirms that no relief *qua* the debarment has been given in the arbitral proceedings.

7. Considering that the debarment order/ communication dated 08.05.2026 does not even takes note of the contentions/ defences raised on behalf of the petitioner during the oral hearing on 05.12.2025, the same tantamounts to disobedience of the directions contained in the order dated 01.12.2025 in W.P.(C) 17662/2025. The communication dated 08.05.2026 is cryptic and non-speaking.

8. In the circumstances, the impugned communication dated 08.05.2026 is set aside. The respondents are directed to grant a fresh opportunity of hearing to the petitioner and if it is considered appropriate to debar the petitioner, a reasoned order shall be passed thereafter.

9. At this stage, it is agreed that for the aforesaid purpose, a hearing shall be scheduled within a period of one week from today. The petitioner undertakes not to seek any adjournment therein. The debarment order (if any) may be passed within a period of six weeks thereafter.

10. The present petition, along with pending applications, stand disposed of in the above terms.

SACHIN DATTA, J

MAY 19, 2026/at/sv