



# 2<sup>ND</sup> NLIU-IALR ARBITRAL AWARD DRAFTING & PRESENTATION COMPETITION, 2026

*In the matter of an arbitration under the arbitration rules of the SIAC 2025*

SIAC ARB2369/25/IALR

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**Aureon Manufacturing Ltd.**  
3 Kiryat Hamada St.,  
Jerusalem-9100800, Israelania

-- CLAIMANT --



**Kestrel Petrochemicals State Corporation**  
23 King George St 1,  
Jerusalem, 9426101, Israelania

-- RESPONDENT --



## ACKNOWLEDGEMENTS

This Case Record has been drafted by Mr. Nishant Doshi, Senior Associate at Shardul Amarchand Mangaldas & Co., and Mr. Anirveda Sharma, Associate at Shardul Amarchand Mangaldas & Co.

Mr. Nishant Doshi is a dispute resolution lawyer with great experience in international and domestic commercial arbitration. He has represented various private and public corporations before various judicial fora and in ad hoc and institutional arbitrations in a wide range of disputes. He graduated in law from SLS, NOIDA (associated with Symbiosis International University, Pune) in the year 2016 and pursued his LLM in Commercial and Corporate Law from Queen Mary University of London, specialising in international commercial arbitration and investment arbitration.

Mr. Anirveda Sharma specializes in international and domestic commercial arbitration and corporate litigation. He has represented various private and public corporations before various Courts in India and in ad-hoc and institutional arbitrations involving wide range of disputes pertaining to infrastructure and construction contracts, railway & defence projects, oil & natural gas exploration projects, multi-national corporations in the field of construction and maintenance of power generation projects.

The Indian Arbitration Law Review, NLIU Bhopal would also like to thank its Research Assistants, Mr. Harshit Madaan, Ms. Bhumi Vashisht, Mr. Chirag Saxena, and Mr. Siddhant Samaiya for their valuable assistance. We also thank Mr. Aprameya Setlur for designing the case file graphics.

Last but not the least, we also thank Mr. Prashant Mishra, Founder and Advisor, Indian Arbitration Law Review. Based in New Delhi, Mr. Mishra is a litigation and arbitration lawyer with nearly two decades of experience. A former Partner at Luthra & Luthra Law Offices and now an independent practitioner, his guidance has been invaluable at every stage of the journey of IALR as also preparing this Case Record.



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## PROBLEM STATEMENT

1. Israelania, a powerful nation in Asia, and Indania, a rapidly growing economy in South America, have enjoyed decades of strong economic partnership. Their industries complemented each other, with Israelania providing advanced machinery and capital, while Indania supplied skilled labour and raw materials.
2. The harmony between the two nations collapsed after a major political shift in Israelania. The newly elected president Mr. Frump, emphasising self-reliance and economic sovereignty, declared in a national address:

*“From this day forward, Indania will impose a one hundred per cent tariff on all imports from Israelania and a mandatory fee of one crore rupees for every Israelanian worker seeking employment within our borders.”*

3. The announcement being confirmed by an Official Order caused economic upheaval and disrupted established partnerships.
4. As a result of these policies, Kestrel Petrochemicals Limited, an Israelanian public sector undertaking that had operated refinery undertakings in Indania, repatriated its operations from Indania owing to adverse cost–profit dynamics following the governmental policy changes. The company had relied heavily on labour drawn from Indania and found its operating model unsustainable under the new regulatory regime.
5. Israelania viewed the repatriation as a strategic national opportunity, the more so because the undertaking had relocated to Indania in 1965 for lack of adequate infrastructure at home. The Prime Minister issued a public statement declaring:

*“The undertaking refinery of the PSU is coming back to its homeland, which will bring a 20 percent increase in GDP and employment in the country. Mr Racsido, Union Minister of the Petrochemical Ministry, has already been allocated for this task.”*

6. The following day the entire nation observed the project with hope. After thorough deliberations, Kestrel Petrochemicals Limited was incorporated afresh under Israelanian Company Law, 2013 as a Government Company. Kestrel Petrochemical’s chairman affirms in a press release, citing the board resolution of the company, that it has no commercial, contractual, or operational ties remaining with Indania.

7. Kestrel Petrochemicals State Corporation was allotted a parcel of land by the Government, however, it was subject to procedural permissions/clearances from requisite Authorities, for the new petrochemical refinery. Kestrel aimed to complete the project by November 2025 as their operations were completely halted in the Petrochemical Industry.
8. Thereupon, Kestrel Petrochemicals Limited issued an open tender on 10 September 2024 for the design and construction of the proposed refinery facility. On 12 December 2024, Aureon Manufacturing Limited was declared the successful bidder and awarded the contract for execution of the project. The investment was widely regarded across Israelania as a significant economic milestone, anticipated to stimulate growth and create extensive employment opportunities nationwide.
9. During the negotiations for finalising Contractual clauses, a private whistleblowing agency, Veritas Watch, published a January 2025 report classifying Aureon as Category C: Non-Performing Contractor based on the year-wise analysis. The report sparked rumours and concern among financiers, subcontractors and other stakeholders, leading to formal enquiries about the project's viability.
10. In response Aureon convened an urgent board meeting and adopted Board Resolution No. 2025/BR/06 (*Annexure 3*) authorising an authorised press release and a formal undertaking to reassure parties. The CEO in the Press Release and Resolution ensured,

*“The board resolution is binding, and we reaffirm the commitment to complete the Kestrel refinery Project within required time, considering that time is of the essence in this project.”*

11. Based on these affirmations, Kestrel and Aureon formalised and executed the engineering and construction contract on 1 February 2025 (*Annexure 1*). The contract expressly treated time as of the essence and fixed a stringent completion period of nine months, such that the works were to be completed by 1 November 2025. The agreement set out detailed reciprocal obligations for owner and contractor.
12. The Contract placed obligations on the Owner to provide free-hand materials and necessary environmental clearances for the Project. Whereas the Contractor's essential obligation was to complete the project strictly within stipulated time with certain essential modifications, if they are sine qua non for the project.

### ENVIRONMENTAL APPROVAL DELAY

13. During the fulfilment of the construction timeline, the contractor, Aureon Manufacturing Limited, mobilised its labour and machinery resources to commence preliminary works. However, to its dismay, it discovered that the necessary approval to even begin site operations had not been obtained. Under the applicable Israelania Environmental Law, it was the obligation of the project owner, Kestrel Petrochemicals State Corporation, to secure the Environmental Clearance prior to commencement (*Annexure 4*).
14. The clearance process required a scoping visit and baseline survey by the Indian Environmental Authority. The Authority's visit depended on certain preparatory measures being completed on site, including the erection of perimeter fencing, removal of derelict tanks and contaminants, provision of safe access for inspectors, and preparation of sampling areas.
15. These preparatory tasks were assigned to Aureon as part of its mobilisation obligations. However, when the Authority arrived to conduct the scoping visit, several of these works remained incomplete, preventing the survey from proceeding. As a result, the Authority deferred the inspection, and Kestrel's Environmental Clearance application was delayed by 45 days from the date of original certification.
16. Aureon and Kestrel each recorded their dissatisfaction in correspondence regarding the delay, with Kestrel being the first to formally register its concerns. Aureon asserted that it could not fully meet its initial mobilisation obligations due to a last-minute change in structural requirements issued by Kestrel, which the Owner maintained was sine qua non for project completion and for securing the Environmental Clearance.
17. Kestrel's instruction required a material redesign of the storage and containment arrangements, relocation of two processing modules, deeper foundations and substitution of specified materials with higher grade items. The instruction necessitated suspension of certain works, re-sequencing of the programme and procurement of specialist supplies, and thereby impacted the project critical path.
18. Although the delay initially caused disruption, the matter was largely resolved following the Environmental Authority's final approval after 45 days. Aureon subsequently proceeded with construction and remained on schedule to meet the contractual deadline.



### MATERIAL SUPPLY DELAY

19. During the final phase of construction in October 2025, completion of certain critical activities required Kestrel to supply free-hand materials, including stabilizer modules, high-pressure piping, and catalyst units, as stipulated under the contract. These materials were essential for the final assembly and commissioning of the refinery units, and their timely provision was critical to ensure that the project could be completed within the contractual timeline.
20. Anticipating potential delays, Aureon formally requested the materials via email to Kestrel on 10 September 2025 (*Annexure 5*):

*“Timely supply of the materials is critical to meet the contractual handover date of 1 November 2025. Delays at this stage will directly impact commissioning and delivery commitments.”*
21. To Aureon’s dismay, the request went unanswered for several weeks. Only on 25 September 2025 did Kestrel respond, confirming that the requested materials were in transit (*Annexure 6*):

*“Requested materials are being transported and will reach the site at the earliest by 1 October 2025.”*
22. However, on 27 September 2025, an unprecedented ice hail storm with wind speeds reaching 80 km/h struck the region, accompanied by incessant rainfall, which disrupted transportation. By 05 October 2025, the roads had reopened and transport conditions had normalised, yet the materials were not delivered until 15 October 2025.
23. Consequently, Aureon was unable to complete the works necessary to meet the contractual handover date of 1 November 2025. As a result, Aureon had already lost several critical working days and was unable to complete the refinery within the stipulated contractual deadline. This failure caused substantial losses to Kestrel, as pre-scheduled orders for refined products could not be fulfilled, affecting commercial commitments and market reputation losses.
24. On 7 November, 2025, Aueron requested Kestrel for reimbursement of the additional costs incurred during the prolongation period of the Contract costs and damages arising from delay in completion of the Project which was attributable to the Owner’s failure to secure Environmental Clearance and supply the essential free-hand materials (*Annexure 7*). Aureon contended that the delay was the result of both the late Environmental Clearance and the delay in material supply, asserting that both events contributed concurrently to the project’s extension (*Annexure 8*).

## RELIEF SOUGHT

- I. Aureon, in its submissions, seeks payment of INR 12 crore towards prolongation costs and damages arising from Kestrel's failure to obtain Environmental Clearance and supply free-hand materials on time, relying on the PRV & Co. certificate dated 20 November 2025 as proof of its losses.
- II. Kestrel, in its submissions, prays for dismissal of Aureon's claims, contending that the delays were due to Aureon's own shortcomings or excusable events under the Contract, including force majeure. It further seeks enforcement of the Exclusionary Clause, limiting Aureon's remedy to an extension of time, and requests the Tribunal to exclude the PRV & Co. certificate or, alternatively, direct production of supporting records and the accountant's cross-examination.



## INDICATIVE GROUNDS

### CLAIMANT (AUREON MANUFACTURING LIMITED)

#### 1. Failure of Kestrel to fulfil its contractual obligations:

- The obligation to obtain the necessary Environmental Clearance under Israelian Environmental Law rested solely with Kestrel as the project owner.
- Kestrel's delay of 45 days in obtaining clearance directly hindered Aureon's ability to commence and progress works on schedule, constituting a breach of its obligations.

#### 2. Delay in supply of free-hand materials:

- Kestrel was contractually bound to supply specific materials such as stabiliser modules, high-pressure piping, and catalyst units, essential for final assembly and commissioning.
- Despite Aureon's written request on 10 September 2025, the materials were supplied only on 15 October 2025, well beyond a reasonable timeline, thus disrupting completion of critical works and causing financial loss.

#### 3. Inapplicability of force majeure and exclusionary defences:

- The hailstorm was not the proximate cause of delay, the materials were already in transit late due to Kestrel's inaction.
- Force majeure cannot excuse prior non-performance or negligence. Similarly, the Exclusionary Clause cannot operate where the owner's failure amounts to prevention of performance or breach of fundamental contractual obligations.

#### 4. Entitlement to prolongation damages:

- Aureon incurred substantial costs for idle labour, plant and equipment hire, extended site management, and lost business opportunities directly resulting from Kestrel's delays.
- The claim of INR 12 crore is substantiated by the Chartered Accountant's Certificate dated 20 November 2025 issued by PRV & Co., which provides a detailed computation of prolongation losses.

## **RESPONDENT (KESTREL PETROCHEMICALS STATE CORPORATION)**

### **1. Delays attributable to Aureon's own default**

- The 45-day delay in Environmental Clearance was primarily caused by Aureon's failure to complete the preparatory site works required for inspection by the Environmental Authority.
- The instruction for structural redesign issued by Kestrel was sine qua non for the project and necessary to secure approval and ensure safety; such directions cannot constitute breach.

### **2. Force majeure and mitigation**

- The 10-day delay in material supply arose solely from an unforeseen and severe hailstorm, which qualifies as a force majeure event under the Contract.
- Kestrel acted diligently in restoring transportation and cannot be held liable for circumstances beyond its control.

### **3. Limitation of liability under Exclusionary Clause**

- The Contract expressly restricts Aureon's remedy for delay caused by the Owner to an extension of time, excluding any claim for monetary damages.
- Aureon, having agreed to the clause while expressly acknowledging "time as of the essence," is estopped from claiming otherwise.

### **4. Quantum and evidentiary objections**

- The PRV & Co. Certificate is inadmissible as it was produced late, without accompanying source documents, and not subject to prior disclosure in the contractual dispute process.
- Aureon has failed to demonstrate causation, reasonableness, or substantiation of the alleged losses, rendering its claim speculative and overstated.

## ISSUES BEFORE THE ARBITRAL TRIBUNAL

- I. **Attribution of Delay:** Whether the delays in completion of the refinery project were attributable to Kestrel, to Aureon, or to excusable events, including force majeure.
- II. **Breach and Contractual Liability:** Whether Kestrel's failure to timely obtain the Environmental Clearance and/or supply the free-hand materials constituted breach of contract, thereby rendering it liable for prolongation damages.
- III. **Operation of the Exclusionary Clause:** Whether the Exclusionary Clause limits Aureon's remedy exclusively to an extension of time, thereby precluding any claim for monetary damages.
- IV. **Force Majeure and Causation:** Whether the severe hailstorm qualifies as a force majeure event excusing Kestrel's delay, and whether such an event was the proximate cause of the overall project delay.
- V. **Admissibility and Evidentiary Value:** Whether the PRV & Co. Certificate dated 20 November 2025 is admissible evidence and, if so, whether it reliably substantiates Aureon's claimed losses.

## ANNEXURE 1: THE CONTRACT

### ENGINEERING AND CONSTRUCTION CONTRACT

This Engineering and Construction Contract (“Contract”) is made on this 1st day of February, 2025 (“Execution Date”)

BY AND AMONG:

1. KESTREL PETROCHEMICALS LIMITED, a government company incorporated under the Act, having business identification number 892925091 and having registered office at King George St 1, Jerusalem (hereinafter referred to as the “OWNER”), which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns)

AND

2. Aureon Manufacturing Limited, a private company, incorporated under the Act, having business identification number 37920961 and having registered office at 3 Kiryat Hamada St., Jerusalem-9100800 (hereinafter referred to as the “CONTRACTOR”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns)

The OWNER and CONTRACTOR shall hereinafter jointly be referred to as the “and individually as a “Party”.” and individually as a “Party”.

NOW THEREFORE, in consideration of the mutual promises, representations, and warranties set forth herein, the owner and the contractor hereby agree as follows:-

#### 1. DEFINITION AND INTERPRETATION

In this agreement, the following terms shall have the following meanings assigned to them herein below:-

- a. “Act” shall means the Companies Law, 5759-1999 of Isreal.
- b. “Date of Hindrance” shall mean the date wherein an impediment arises such that the Contractor may not be able to perform the Contract within the stipulated time.
- c. “Drawings” means the drawings of the Works, as included in the Contract, and any additional and modified drawings issued by (or on behalf of) the OWNER in accordance with the Contract.
- d. “Free Hand Materials” means those materials that shall be supplied by the OWNER under this contract, including stabilizer modules, high-pressure piping, and catalyst units.

- e. “Materials” means things of all kinds (other than Plant) that need to be supplied by either of the parties for the completion of the Works as required under this contract, including the Free Hand Materials.
- f. “Long Stop Date” shall be 1 November 2025.
- g. “Permanent Works” means the permanent works to be executed by the CONTRACTOR under the Contract.
- h. “Plant” means the apparatus, machinery and vehicles intended to form or forming part of the Permanent Works.
- i. “Temporary Works” means all temporary works of every kind (other than CONTRACTOR’s Equipment) required on Site for the execution and completion of the Permanent Works and the remedying of any defects.
- j. “Governmental Approval” means any approval of any governmental authority or department that is required to be taken for the completion of the Works under this contract.
- k. “Works” mean the Permanent Works and the Temporary Works, or either of them as appropriate.
- l. “Site” means the places where the Permanent Works are to be executed and to which Plant and Materials are to be delivered, and any other places as may be specified in the Contract as forming part of the Site.

## **2. RESPONSIBILITIES OF THE OWNER**

The OWNER as a matter of obligation under this Contract shall be responsible for:-

- a. for the timely payment to the CONTRACTOR upon the completion of this contract;
- b. providing regular and frequent supervision and guidance to the CONTRACTOR for carrying out the works as per specifications;
- c. supplying execution drawings, specifications and/or guidelines to the CONTRACTOR for the proposed work;
- d. issuing reasonable notice for any modifications to the execution drawings, specifications and/or guidelines, provided that such modifications shall only be made when they are sine qua non for the “government approvals”;
- e. For giving the CONTRACTOR non-exclusive right of access to, and non-exclusive possession of the Site, within the time;
- f. supplying the CONTRACTOR “free hand material” for the specifications of the work provided for the use of any material.

## **3. RESPONSIBILITIES OF THE CONTRACTOR**

The CONTRACTOR as a matter of obligation under this Contract shall be responsible for:-

- a. taking up and complete the Works in accordance with the Contract Documents, drawings, and specifications, and on or before the Long Stop Date” stipulated, subject only to such extensions of time as may be granted under the Contract;

- b. employing qualified, skilled, and sufficient personnel, machinery, and equipment to carry out the Works efficiently and in conformity with standard engineering and construction practices;
- c. abiding by all execution drawings, specifications and/or guidelines including any modifications thereof, issued by the OWNER or OWNER'S authorised representatives, provided such directions are reasonably necessary for achieving compliance with statutory or environmental requirements;
- d. undertaking all preparatory site works required for inspection, survey, and scoping visits by statutory authorities, including but not limited to perimeter fencing, clearance of debris and contaminants, and preparation of sampling and access areas.
- e. rendering all assistance necessary for obtaining statutory approvals, including Environmental Clearance, provided that the ultimate obligation to obtain such approvals shall rest with the OWNER.
- f. procuring and provide the whole of the materials required for construction including tools, tackles, construction plant and equipment for the completion and maintenance of the works except the Free Hand Materials.

#### **4. SCHEDULE OF RATES AND PAYMENTS**

4.1. The price to be paid by the OWNER to CONTRACTOR for the whole of the work to be done and the performance of all the obligations undertaken by the CONTRACTOR under the contract documents shall be ascertained by the application of the respective rates.

4.2. The schedule of Rates shall be deemed to include and cover the risk of all possibilities of delay and interference with the CONTRACTOR's conduct of work which occur from any cause, including orders of the OWNER in the exercise of his powers and on account of extension of time granted due to various reasons and for all other possible or probable cause of delay.

#### **5. DISPUTE RESOLUTION CLAUSE**

5.1. Any dispute arising out of or in connection with this Contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration.

- a. The venue of the arbitration shall be Israelania
- b. The seat of the arbitration shall be Israelania.
- c. The Arbitral Tribunal shall consist of 3 arbitrators.
- d. The law governing this arbitration agreement shall be Israelanian Arbitration Act, 1996
- e. This contract is governed by the laws of Israelania.

5.2. If any court proceedings in relation to the arbitration are to be commenced in Israelania under the Israelania Arbitration Act, 1996, the Parties agree:

- a. to commence such proceedings before the Israelania Commercial Court (ICC); and
- b. that such proceedings shall, in any event, be heard and adjudicated by the ICC.

## **6. EXCLUSIONARY CLAUSE**

- a. Notwithstanding anything to the contrary contained in this Contract, the CONTRACTOR shall not be entitled to any claim, compensation, damages, or other payment whatsoever on account of delay in commencement, execution, or completion of the Works, however caused.
- b. In the event of any delay, including but not limited to delay arising from non-availability of drawings, designs, materials, or approvals by the OWNER, or from any other cause beyond the control of the OWNER/CONTRACTOR, the sole remedy available to the CONTRACTOR shall be an extension of time as may be determined under this clause.

## **7. EXTENSION OF TIME**

If the CONTRACTOR shall desire an extension of the time for completion of work on the grounds of his having been unavoidably hindered in its execution or any other grounds, he shall apply in writing to the OWNER within two weeks of the Date of Hindrance on account of which he desires such extension as aforesaid, and the OWNER shall if in his opinion (which shall be final), reasonable grounds have been shown thereof, authorize such extension of time as may in opinion be necessary or proper.

## **8. FORCE MAJEURE**

8.1. Any delays in or failure of the performance of either of the parties caused by events beyond its reasonable control, including but not limited to acts of God, extreme weather, epidemics/pandemics, quarantine restrictions, embargoes, government measures, strikes, war, civil unrest, natural disasters, and carrier-wide disruptions.

8.2. The affected Party shall notify the other within 5 days of becoming aware and use reasonable endeavours to mitigate the effects. performance times are extended accordingly.



## ANNEXURE 2: THE CA CERTIFICATE



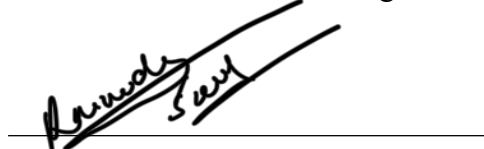
### Aureon Manufacturing Limited

(2A-43, New Industrial Township, Calcutta, India)

**Statement showing Overhead expenses incurred by Aureon Manufacturing Limited at the Refinery Project for Kestrel Petrochemicals Limited.**

S. No.	Financial Information	Amount (₹)
1	Employees Remuneration & Benefits	20,24,500
2	Rent	8,13,000
3	Repairs & Maintenance Expenses	10,76,500
4	Electricity Charges	4,59,200
5	Interest Expenses	16,45,000
6	Revenue Expenses	10,22,700
7	Share of Head Office Expenses	7,85,600
	Total	78,26,500

For Aureon Manufacturing Limited

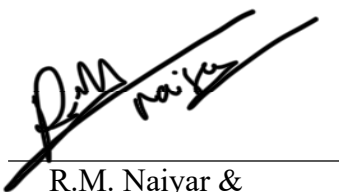


Ranaidu Scott

Vice President Accounts & Finance

### CERTIFICATE

Correctly extracted from Books of Accounts Records of Aureon Manufacturing Limited of “Kestrel Petrochemical Limited Refinery” for respective months.



R.M. Naiyar &  
Co. Chartered  
Accountants  
FRN: 10233ws

**ANNEXURE 3: BOARD RESOLUTION NO. 2025/BR/06**



**AUREON MANUFACTURING LIMITED**  
**BOARD RESOLUTION NO. 2025/BR/06**

**REGARDING KESTREL REFINERY PROJECT**

We, the undersigned, being the directors of Aureon Manufacturing Limited, consent and agree that the following resolution was made on 25 January 2025 at 11:00 AM, at the Board Meeting Room, Aureon Manufacturing Limited, Gurugram, Haryana.

We do hereby consent to the adoption of the following resolution as a binding resolution and as it was adopted at a regularly called meeting of the board. In accordance with the applicable Laws and the Bylaws of this company, the board of directors decided as follows:

WHEREAS, the Board finds it necessary to immediately address stakeholder concerns and reaffirm the Company's absolute and time-sensitive commitment to the successful and timely completion of the Kestrel Refinery Project.

WHEREAS, the Board recognises that time is of the essence in this Project, and the Company is fully committed to complete the project within the required time, considering the best interest of the Company and its contracting parties.

**CERTIFICATION**

The undersigned, Company Secretary of Aureon Manufacturing Limited, hereby certifies that the foregoing is a true, correct, and complete copy of a resolution duly adopted by the Board of Directors of Aureon Manufacturing Limited on the date first written above, and that such resolution is in full force and effect.

## ANNEXURE 4: MINISTRY NOTIFICATION

### MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE NOTIFICATION

**Israelania, the 30th January, 2025**

S.O. 1533 Whereas, pursuant to sub-rule (3) of Rule 5 of the Environment (Protection) Rules, 1986, a draft notification was duly published vide S.O. 1324 (E) dated the 15th September, 2005, inviting objections and suggestions within a period of sixty days. Said draft notification proposed the imposition of restrictions and prohibitions on new projects or activities, or the expansion or modernization of existing projects, contingent upon the accord of prior environmental clearance (EC). Such EC was to be granted by the Central Government or the State or Union territory Level Environment Impact Assessment Authority (SEIAA), the latter constituted under sub-section (3) of section 3 of the Environment (Protection) Act, 1986, in accordance with the National Environment Policy and the specified procedure.

And whereas, copies of the said notification were made available to the public on 15th September, 2005;

And whereas, all objections and suggestions received in response to the above mentioned draft notification have been duly considered by the Central Government;

Now, therefore, the Central Government, pursuant to the powers conferred by the Environment (Protection) Act, 1986, and superseding S.O. 60 (E) dated January 27, 1994, hereby directs that the construction or expansion of any project in the Schedule, entailing capacity addition or change in process/technology, shall be undertaken only after obtaining prior environmental clearance. Clearance must be secured from the Central Government or the duly constituted State Level Environment Impact Assessment Authority, as per the procedure specified herein.

#### **I. Stage (1) - Screening**

“Screening” entails the scrutiny of Category 'B' project applications (Form 1) by the SEAC. This determines, based on the project's nature and location specificity, whether further environmental studies for an EIA are required. Projects requiring an EIA are termed Category 'B1'; the remaining projects are termed Category 'B2' and are exempt from the EIA requirement.

#### **II. Stage (2) - Scoping**

(i) “Scoping”: refers to the process by which the Expert Appraisal Committee (EAC) in the case of Category ‘A’ projects or activities, and State Level Expert Appraisal Committee (SEAC) in the case of Category ‘B1’ projects or activities, shall determine detailed and comprehensive Terms Of Reference (TOR).

The TOR shall address all relevant environmental concerns for the preparation of an Environment Impact Assessment (EIA) Report.

The EAC or SEAC shall determine the TOR based on:

- Information furnished in the prescribed application Form 1/Form 1A.
- TOR proposed by the applicant.
- A site visit by a sub-group, only if considered necessary.
- Other available information.

The TOR shall be conveyed to the applicant within sixty days of receipt of Form 1.

Exemption from Scoping:

All projects and activities listed as Category ‘B’ in Item 8 of the Schedule (Construction/Township/Commercial Complexes /Housing) shall not require Scoping and will be appraised on the basis of Form 1/ Form 1A and the conceptual plan.

### **III. Stage (3) - Public Consultation**

(i) “Public Consultation”: refers to the process by which the concerns of local affected persons and others who have plausible stake in the environmental impacts of the project or activity are ascertained.

Public Consultation is mandatory for all Category ‘A’ and Category B1 projects or activities, except the following:

- (a) All Building /Construction projects/Area Development projects and Townships (Item 8).
- (b) All Category ‘B2’ projects and activities.
- (c) Projects concerning national defence and security or involving other strategic considerations as determined by the Central Government.
- (d) Expansion of Roads and Highways (item 7 (f) of the Schedule) which do not involve any further acquisition of land.
- e) Modernization of irrigation projects (item 1(c) (ii) of the Schedule).

## (ii) Components of Public Consultation:

The Public Consultation shall ordinarily have two components:

- (a) A Public Hearing: A public hearing shall be conducted at the site or in its close proximity (district-wise), for ascertaining concerns of local affected persons. This hearing shall be carried out in the manner prescribed in Appendix IV.
- (b) Written Responses: Obtaining responses in writing from other concerned persons having a plausible stake.

## IV. Stage (4) - Appraisal

Appraisal is the detailed scrutiny by the EAC or SEAC of the application and all documents submitted by the applicant for the grant of EC.

The Appraisal shall consider the final EIA Report and the outcomes of the Public Consultation. The EAC or SEAC shall make categorical recommendations to the regulatory authority for either the grant of EC with stipulated terms and conditions, or the rejection of the application.

## ANNEXURE 5: RECORD OF CORRESPONDENCE (A)



Aureon Manufacturing Ltd. <nimisha@aureon.com>

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### **Urgent: Request for Timely Supply of Materials**

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Aureon Manufacturing Ltd. <nimisha@aureon.com>  
To: atul@kestrel.com

10 September, 2025

Dear Sir,

We request the prompt dispatch of the free-hand materials as per the agreed schedule. Timely delivery is essential to meet the planned handover date of 1 September 2025. Any delay in receiving these materials may affect the ongoing work and overall project completion.

Kindly confirm the expected delivery dates at the earliest.  
Thank you for your attention and cooperation.

Sincerely,

--

Nimisha  
*Project Manager*  
**Aureon Manufacturing Ltd.**



## ANNEXURE 6: RECORD OF CORRESPONDENCE (B)



Kestrel Petrochemicals State Corporation  
<atul@kestrel.com>

### Re: Request for Timely Supply of Materials

Kestrel Petrochemicals State Corporation <atul@kestrel.com>  
To: nimisha@aureon.com

25 September, 2025

Dear Ma'am,

We would like to inform you that the requested materials have now been dispatched and are currently in transit. They are expected to reach the site shortly.

We appreciate your patience and assure you that we are doing our best to deliver them as soon as possible.

Best regards,  
--

Atul

*Project Manager*

**Kestrel Petrochemicals State Corporation**





## ANNEXURE 7: RECORD OF CORRESPONDENCE (C)



Aureon Manufacturing Ltd. <nimisha@aureon.com>

### Claim for Extra Costs Incurred Due to Project Delays

Aureon Manufacturing Ltd. <nimisha@aureon.com>  
To: atul@kestrel.com

07 November, 2025

Dear Sir,

We would like to bring to your kind attention that the delay in project completion was mainly due to the delay in getting environmental clearance, and in the supply of essential free-hand materials from your end. Because of these delays, the project has not been completed as per the scheduled timeline and we had to bear extra costs for labour, machinery, and site overheads. Our teams were already mobilized on-site as per the original schedule, which led to significant financial losses when work was held up.

We request for the additional costs incurred during the extended period, as detailed in the CA Certificate attached.

We would appreciate your understanding and an early response on this matter.

Sincerely,

--

Nimisha

*Project Manager*

**Aureon Manufacturing Ltd.**



## ANNEXURE 8: RECORD OF CORRESPONDENCE (D)



Kestrel Petrochemicals State Corporation  
<atul@kestrel.com>

### Re: Claim for Extra Costs Incurred Due to Project Delays

Kestrel Petrochemicals State Corporation <atul@kestrel.com>  
To: nimisha@aureon.com

15 November, 2025

Dear Ma'am,

The delay was mainly due to last-minute design changes needed for clearance, which were necessary for the project, and it was further aggravated due to severe ice hailstorm during transit. The above-mentioned events were unavoidable and beyond our control. Furthermore, the delay of ten days in the supply of materials does not properly account for the one-month delay in the project completion, which occurred due to your team's management, and execution failure. At most, we can extend the completion time, but we would be unable to pay extra costs, as claimed.

We would appreciate your understanding in this matter.

Best regards,

--

Atul

*Project Manager*

**Kestrel Petrochemicals State Corporation**

