

**F. No. 21-MFPI/11-Mega FP (Vol-II)-Part(1)**  
Government of India  
Ministry of Food Processing Industries  
Panchsheel Bhawan, August Kranti Marg  
New Delhi-110049

Dated 26.12.2019

**OFFICE MEMORANDUM**

This is in reference to para 10.1 & 10.2 of Mega Food Parks Scheme guidelines and OM No. 66-MFPI/10-Mega FP dated 02.07.2015 of the Ministry regarding imposition of penalty on the SPVs/IAs of all the projects which have been accorded Final approval, in case of their failure to meet the timeline for each installment due.

2. In this regard, it has been observed that no project has been able to adhere to the 30 months' timeline to complete the project as prescribed in the Scheme Guidelines and there has been inordinate delay in meeting the timelines for each installment of grant including the first installment. Resultantly, the implementation period for the projects under execution is invariably being extended again and again.

3. The para 10.2 of the scheme guidelines provides for imposition of penalty on the SPVs which do not meet the timeline without adequate justification. The IMAC in its meeting held on 14.06.2019, decided to impose penalty in the form of reduction of grant amount of the installment on the SPVs/IAs, which do not adhere to the timelines provided in para 10.1 for each installment including the first installment.

4. Consequent to the decision of IMAC in its meeting held on 14.06.2019, the following provisions would be applicable for imposition of penalty on the SPVs/IAs of all the projects which have been accorded Final approval, in case of their failure to meet the timeline for each installment including the first installment due: -

- a. In case of non-adherence to the timeline of a particular installment due to the project, a penalty amounting to 1% of the quantum of installment due for release to the SPVs/IAs will be imposed for each month's delay beyond the stipulated timeline. The maximum amount of penalty, however, shall not exceed 10% of the installment to be released to the SPVs/IAs.
- b. The penalty will be imposed for such delay till the date of submission of the complete documents to the Ministry by the SPVs/IAs for the installment of the grant due.
- c. The timeline for each installment as provided in para 10.1 of the scheme guidelines and / or as approved by the IMAC at the time of according final approval shall be applicable for this purpose. Only 'force de majeure' reasons will be accepted as genuine reasons for delay in cases where SPVs/IAs fails to adhere to the timeline and request the Ministry for relaxation of penal action.



- d. However, the decision of IMAC shall be final and binding on imposition of the penalty, quantum of the penalty and the period for which the penalty to be imposed.
5. Remaining conditions as mentioned in OM 66-MFPI/10-Mega FP dated 02.07.2015 will be applicable.
6. This has the approval of competent authority.



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Copy to all SPVs/IAs