

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 2310**

TO BE ANSWERED ON March 9, 2018 / PHALGUNA 18, 1939 (SAKA)

**STALLED PROJECTS**

**2310: DR. PRITAM GOPINATH MUNDE:**

Will the Minister of **FINANCE** be pleased to state:

- (a) whether the Government has wasted about Rs. 1,140,000 Crore of capital on stalled but which are in reality abandoned projects;**
- (b) if so, the details thereof and the response of the Government thereto;**
- (c) whether 500 companies that had invested in abandoned projects are facing bankruptcy proceedings and will have their remaining assets sold off at a fraction of their value in the next few years;**
- (d) if so, the details thereof;**
- (e) whether demonetization and the Goods and Services Tax (GST) have affected the Indian industry and killed off a large part of the unorganized sector; and**
- (f) if so, the details thereof and the reaction of the Government in this regard?**

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PON. RADHAKRISHNAN)**

(a) to (d): As per Project Monitoring Group (PMG), which functions with primary focus on expediting the approvals for clearances from Central and State Authorities for setting up of projects, there is no prescribed criterion for classifying a project as a stalled project. Further, PMG does not distinguish between a 'stalled' or an 'under implementation' project in accepting a project for resolution of its issues. Since its inception in June, 2013, PMG has accepted 902 projects with anticipated investment of Rs. 37.66 lakh crore (as on 06.03.2018) for resolution of bottlenecks/ delays in project implementation thereby expediting implementation of projects.

Data on Stalled/ Abandoned projects is not maintained centrally.

(e) & (f): In order to address the problems faced by borrowers due to withdrawal of legal tender of Specified Bank Notes (SBNs), RBI vide circular dated November 21, 2016, had provided an additional period of 60 days beyond what is applicable for the concerned regulated entity (RE), for recognition of certain categories of loan accounts as substandard. Further, in terms of circular dated December 28, 2016 additional 30 days (in addition to above-mentioned 60 days) have been allowed beyond what is applicable for the concerned regulated entity (RE) for recognition of certain categories of loan accounts as substandard. REs were also permitted to defer the down grade of an account that was standard as on November 1, 2016, but would have become NPA for any reason during the period November 1, 2016 to December 31, 2016, by 90 days from the date of such downgrade in such categories of loans. The aforesaid circulars were issued with a view to provide a temporary relief to the said categories of loans. Further, post introduction of GST, RBI released a circular dated February 07, 2018 granting relaxations to banks and NBFCs (Non-Banking Financial Company) in asset classification of loan accounts of MSME entities whose cash flows have been impacted adversely while transitioning to GST regime.

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