

As 'stalled projects' pile up, Modi government moves to change classification

With an aim to spur global investments in India and boost business sentiment, the central government is mulling to take a few measures. According to The Indian Express, the Prime Minister's Office (PMO) is planning to rename projects currently tagged under the 'stalled' category as 'shelved' or 'dropped' or 'abandoned' ventures, to set the ball rolling for stalled projects across the country. It has been learnt that around 925 projects with an reported investment of Rs 13.25 lakh crore have earned the tag 'implementation stalled' on Private Economic Databases (PEDs) till January, 2018. Out of these projects, the top 100 projects alone constituted more than 75 per cent of the total promised investments.

A communique sent by the PMO's Project Monitoring Group (PMG) to several ministries last month had said that wherever the project proponents have decided not to pursue the projects, the same should be explicitly stated on the (e-suidha) portal to help Private Economic Databases (PEDs) to appropriately reclassify the project. The PMO's Project Monitoring Group has also said that continued classification of mere project ideas as 'implementation stalled' projects in public domain has been reflecting the investment scenario in poor light. This, it said was when the promoters themselves have not taken any concrete or firm step towards the project implementation for a variety of reasons.

Last year the then Commerce and Industry Minister and current Defence Minister Nirmala Sitharaman had informed the Rajya Sabha that there was "no prescribed criterion for classifying a project as a stalled project". Earlier, Union Minister Piyush Goyal had also said that the Centre would soon come out with a scheme to revive various stalled power plants in the country.

Through the planned reclassification of projects, the government hopes to bring down the number as well as investment value of stalled projects.