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Stalled Construction Projects: The Real Wastage of Money, Resources and Time

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A construction project that has been completely shelved or perpetually postponed is known as an abandoned project. In the construction sector, project abandonment is a major problem. Any point in the project lifecycle might experience abandonment, which results in a large loss for the stakeholders. The delay in the construction of buildings results in the wastage of important resources, including money, time, labour, etc. The lack of regulatory oversight, the confusing paperwork and land rules, the alleged misappropriation of money and funds paid by homebuyers, the excess supply of housing, the credit crunch and failing returns, the pending insolvency resolution plans, and the inability of builders to pay their debts to city and development authorities are some of the factors that have made this situation worse. According to data from Anarock, a real estate services company, India's top seven cities had more than 4 lakh stuck or delayed housing units worth over Rs 4.5 trillion, as of May 2022¹. These abandoned Projects are a major waste of land and create a loss in the area's economic value. The abandoned projects become a financial burden on people who mortgaged or invested their life savings in such projects. Another waste to the environment is the projects that are unretrievable and must be destroyed. Given that more than 150 MT of construction and demolition trash are produced in India each year or around 40% of all C&D waste generated worldwide, this garbage poses a serious environmental threat to

¹ '480,000 homes worth over Rs 4.5 trillion stuck in top seven cities' *Business Standard* (13 June 2022)
<https://www.business-standard.com/article/current-affairs/480-000-homes-worth-over-rs-4-5-trillion-stuck-in-top-seven-cities-122061200268_1.html> accessed 18 March 2024

the major parts of Indian localities.² This essay attempts to pinpoint the primary reason behind India's halted or abandoned initiatives and discusses real-life cases, the contribution of various stakeholders towards the same, the wastage of resources done by these stalled projects, and the legal remedy to revive the money or the projects and the steps taken by the government to revive these stalled projects.

Keywords: *stalled projects, abandoned projects, regulatory oversight.*

INTRODUCTION

In India, the urban development and real estate sectors make up the construction business. Among other things, the real estate category includes hotels, leisure parks, offices, and residences. The sub-segments of urban development, on the other hand, include clean channels for supplying water, proper sanitation, transportation, education facilities, and healthcare centres. The construction industry has around 9% contribution to India's GDP³.

The Real Estate sector is an essential segment of the Indian economy which has linkages with more than 250 ancillary industries and employs more than 18% of India's workforce.⁴ The Indian economy has been multiplied by the real estate sector's rise during the past 20 years. Real estate is one of the industries that creates the most jobs, second only to agriculture. Given India's rapid economic growth, the government and real estate sector have made meeting the country's desire for high-quality, reasonably priced real estate a top priority.

The construction market size in India was \$825.6 billion in 2023 and will achieve an Average Annual Growth Rate of more than 5% during 2025-2028.⁵ Investments in the development of hotel, industrial, green energy, and transportation infrastructure projects are credited with the market's expansion. The construction Industry in India is expected to reach \$1.4 Tn by 2025⁶. However, it must be recognized that not all building projects are completed on schedule or

² Sourabh Jain et. al., 'Construction and demolition waste generation in cities in India: an integrated approach' (2012) 12(3) International Journal of Sustainable Engineering
<<http://dx.doi.org/10.1080/19397038.2019.1612967>> accessed 18 March 2024

³ Pratyush Kumar, 'The construction sector in India' (*Invest India*)
<<https://www.investindia.gov.in/sector/construction>> accessed 19 March 2024

⁴ *Ibid*

⁵ Global Data, *India Construction Market Size, Trend Analysis by Sector, Competitive Landscape and Forecast to 2028* (2024)

⁶ Kumar (n 3)

within budget and when a project is abandoned, the stakeholder such as the developer, contractor, consultant, and customer suffers the most.

In the context of this paper, an abandoned project includes construction projects that are totally shelved or are persistently delayed or postponed. The abandonment of building projects has harmed the ecology, society, and economy. It is an absolute waste of money and precious resources. Abandoned projects significantly impact a developing country's economy because the building sector is so vital to its economy and it helps create jobs and build the country's infrastructure, and when these building projects come to a halt or are shelved they create a loss in funds, and the authorized land used for it is wasted. Housing projects that are severely delayed or, worse yet, have stopped are still a problem for the nation's residential industry. From the time they reserve a property until they move in, thousands of buyers navigate a difficult process that passes through numerous government agencies, various statutory boards, and trial courts. In several instances, parents wait for their homes while their adult children are ready to buy their own homes. India has more than 135 infrastructure projects delayed by five years or more. According to the latest report in July 2023 by the Infrastructure and Project Monitoring Division (IPMD), 809 projects were delayed and 213 projects were behind schedule even after being granted extensions.⁷

THE PRESENT STATE OF INDIA'S POSTPONED AND STAGNANT PROJECTS

According to the Capex report, the Total number of projects in construction and real estate is 22,147 in stalled projects is 472. A report made by the IPMD department of the government showed that 848 projects were delayed out of the 1,820 monitored projects. 56 projects are already ahead of schedule and 618 are on their scheduled time. 431 projects reported cost overruns and 268 projects reported both time and cost overruns.⁸ The anticipated cost of completion has now risen by 18.5 percent because of these delays. According to the research,

⁷ Yaruqhullah Khan, 'Seven of 10 most-delayed infrastructure projects in India' (*Money Control*, 20 September 2023) <<https://www.moneycontrol.com/news/business/delayed-infrastructure-projects-rise-to-830-as-of-september-1-govt-report-11397131.html>> accessed 25 March 2024

⁸ 'Govt report shows over 800 delayed projects' (*CMIE*, 19 February 2023) <<https://www.cmie.com/kommon/bin/sr.php?kall=warticle&dt=20240219163433&msec=763>> accessed 25 March 2024

certain organizations are not accurately disclosing time and cost overruns, which results in under-reported overrun amounts.

The sector has been at risk for the last ten years due to the present state of stalled and persistently delayed projects in India. India is the hub of abandoned real estate projects, with more than 5 lakh housing projects worth INR 4.48 Lakh Crore blocked across seven submarkets.⁹ As per other reports, the NCR has the most halted projects, followed by the MMR with 41,720 delayed units.¹⁰ There are an estimated 500,000 homes throughout the nation where projects have halted, making the problem particularly severe.

The status of India's residential developments, which are presently in limbo, is having a huge influence on those who have already purchased homes in NCR. Noida and Greater Noida have around 1.5 lakh blocked units worth Rs 1 lakh, according to Anarock. Additionally, the Gurugram market has approximately 30,000 units worth more than INR 44,000 crore that are stopped or stuck, and Ghaziabad has 22,128 such projects worth INR 9,254 crore.¹¹ Nine percent of delayed projects were in Pune, while five percent were in Kolkata. The remaining nine percent were the combined metropolises of Bengaluru, Chennai, and Hyderabad in the south. Over Rs 1.5 lakh crore worth of 240,610 delayed or blocked units are in the National Capital Region. With 128,870 units valued at almost Rs 1.84 lakh crore, MMR comes in second. 26,030 apartments in Bengaluru, valued at more than Rs 28,072 crore, are not yet completed on time. Hyderabad has some 11,450 such units worth over Rs 11,310 crore, while Chennai has the least number of stuck homes among the top seven cities—5,190 units worth around Rs 3,731 crore.¹²

⁹ 'Stalled Real Estate Project and Way Out' (*REPL*, 17 January 2023) <<https://www.repl.global/stalled-real-estate-project-and-way-out/>> accessed 26 March 2024

¹⁰ *Ibid*

¹¹ *Ibid*

¹² E Jayashree Kurup, 'A stalled real estate sector was nobody's and everybody's fault' (*Money Control*, 4 August 2022) <<https://www.moneycontrol.com/news/opinion/a-stalled-real-estate-sector-was-nobodys-and-everybodys-fault-8389881.html>> accessed 27 March 2024

REASONS FOR DELAY IN CONSTRUCTION PROJECTS

Construction projects are special undertakings with several distinctive qualities, such as a long duration and an unfavourable setting, intricate procedures, high financial stakes, and a great deal of organizational and technological complexity. These factors pose significant risks, which have led to delays and overcost in construction projects.

- The most significant factors that lead to project stalling are budget and schedule limitations, as the project manager and the organization may encounter numerous challenges in completing the project within the allotted budget and timeline.
- Payment delays have a detrimental effect on labour productivity and stakeholder satisfaction; persistent payment delays will result in a halt.
- Of all the reasons for contractors, the low profit margin resulting from competition ranks highest. In small and medium-sized initiatives, the project was put on hold because of a poor profit margin and then finished with their funds.
- The lack of resources leads to improper resource allocation and utilization.
- The fraudulent tactics and bribes by the builders to the regulatory authorities to avoid the timely regulations at the time of approval of the project plan and land sites often are contributing factors to delay or halt of a project later. Many construction projects are particularly vulnerable to bribery and corruption because of their size and complexity, the stakeholders involved, the locations in which they are carried out, and the legal systems to which they are exposed.
- A project cannot get forward without sufficient funding. Delays in client payments may lead to financial difficulties for the construction businesses managing the project. The owner /client pays most construction businesses regularly.

Regrettably, because of payment delays, this frequently results in contractors having a negative cash balance. Perpetual delays on the part of the owner may cause financial strain and cash flow issues for the hired construction business, which will inevitably cause the project to stall.

EFFECT OF THE STALLED OR ABANDONED PROJECTS

An average construction project involves a large number of trades and players who are linked to both upstream and downstream sectors. These include manufacturers of equipment and plants, shipping companies, and suppliers of building materials. The general people are never directly impacted by the economic impacts of a public project's abandonment since such effects are covered by the government's reserves. However, often the initial goals of the programs will be lost, leaving the public with less opportunity to benefit. Private non-housing initiatives mainly affect a limited group of individuals involved in the project, such as the client, consultants, contractors, etc. However, the impacted parties might experience severe losses like monetary losses, a damaged reputation, or even bankruptcy.

However, every year there are more than a thousand clients who are instantly harmed by private housing initiatives, these prolonged house development projects have an impact on two buyers. First off, even though the properties they bought won't be completed, the buyers of those properties still owe bank loans for the unfinished ones. They also need to rent another house in the meanwhile, they also forfeit the chance to benefit from future rises in the value of their home and rental income.

Due to their failure to make loan payments, some home buyers have even been placed on the bank's blacklist. To deal with the developers and the authorities, home buyers of abandoned projects frequently find themselves on their own and must go through the laborious procedure of forming a committee. Whereas, some cases have stretched on for so long that, before a strategy to restart the project is in place, some of the owners have already passed away. Even if the developers and the home buyers occasionally reached agreements, the settlement amount may not accurately reflect the actual losses incurred by the home buyers. When financial strain sets in, the buyers frequently have no alternative but to grudgingly accept the settlement that is provided. After many years of abandonment, owners of certain restored projects on leasehold land have fewer years left on their lease, all of these have a detrimental impact on how overseas real estate investors perceive the nation. In addition to home buyers, other potential victims include developers, banks, landowners, and the government. For example, banks suffer from bad debts, land owners suffer from stranded land, and developers may suffer from a damaged

reputation and financial losses. It might be necessary for the government to intervene and use public funds to restart construction projects that have been shelved. Legal disputes result in significant financial outlays for all parties concerned.

The environment and society are not the only things negatively impacted by abandoned construction projects. For instance, some abandoned projects include pools of stagnant water that serve as mosquito breeding grounds and endanger public health. Abandoned building projects endanger public safety because they become magnets for drug users, criminals, and vagrants who take up residence in deserted spaces. It is dangerous for anyone to enter an abandoned construction site, especially for children who are there for play. Abandoned construction sites can be used as a rubbish dump and a location to release sludge, which harms the environment. Some have become unsightly due to overgrowth of foliage.

A FEW EXAMPLES OF DELAYED RESIDENTIAL PROJECTS ACROSS INDIA

There are various delayed and abandoned projects in India because, builders frequently put off projects due to workforce shortages or financial difficulties, which only makes things worse for homeowners who have to keep paying off debt and rent while they wait for their ideal houses. When compared, Delhi NCR has more abandoned housing development projects than in any other region of India. These large areas of land on the outskirts of New Delhi, in the cities of Noida, Greater Noida, and Gurgaon, resemble ghost towns; they are deserted, devoid of people, and dotted with partially constructed buildings. Numerous factors have contributed to the worsening of this situation, such as the absence of regulatory oversight, the disorganized and confusing land rules, the purported embezzlement of money paid by homebuyers, the glut of supply compared to demand, the credit crunch and collapsing returns, the pending plans for insolvency resolution, and the inability of builders to fulfill their obligations to city and development authorities.

Runwal Sanctuary, Mumbai:¹³ More than 100 purchasers in Mulund's Runwal Sanctuary project have been waiting nearly 15 years for their apartments to be delivered. The Reason due

¹³ Mehul R Thakkar, 'Seventeen years after launch, buyers await possession of apartments in Mumbai's Mulund' (*Money Control*, 05 August 2022) <<https://www.moneycontrol.com/news/business/real-estate/seventeen-years-after-launch-buyers-await-possession-of-apartments-in-mumbais-mulund-8937851.html>> accessed 25 March 2024

to which the project was delayed was legality over the status of the land on which the project was being structured which the authorities described as forest land. The clients were going to receive possession of the apartment in 2008 according to the original mentioned time but the possession got delayed with a pending court case now.

Raj Torres, Mumbai:¹⁴ One hundred and ninety-nine investors in the Ghodbunder Road's Raj Torres project, which was introduced in 2014, clients are still waiting for their apartments to be delivered. The reason the project came to a halt was financial issues for the developer. The authorities have not yet responded to inquiries made by certain purchasers to the Maharashtra RERA (Real Estate Regulatory Authority) Conciliation forum.

Pavilion Ozone Urbana, Bengaluru:¹⁵ Almost 100 purchasers who paid over Rs 1 crore apiece for apartments in the Ozone Urbana project's Pavilion block have been abandoned. This Township was introduced in 2014 and was supposed to be finished by 2016. Purchasers have brought complaints before the high court, the national consumer court, and the Karnataka RERA. The complaints and the cases are still pending giving mental and financial strain to the buyers.

Mantri Energia, Bengaluru:¹⁶ This town was introduced in 2014 and was supposed to be finished in 2018 but the Investors in this project have not yet moved into their new residences. The reason the project came to a halt is the alleged misappropriation of funds by investors. Allottees brought lawsuits against the builder, who seems to be experiencing a crippling financial crisis. The Director of this project was detained by the Directorate of Enforcement as part of an inquiry into possible money laundering and fund diversion.

Jaypee Wish Town, Noida:¹⁷ Jaypee Wish Town was a massive 1,063-acre real estate development in Noida, just outside of New Delhi, that was meant to provide prospective homeowners with glistening shopping centres, immaculate golf courses, and cutting-edge

¹⁴ *Ibid*

¹⁵ Souptik Datta, 'Ozone Urbana: 6 years on, this Bengaluru township is yet to touch the sky' (*Money Control*, 12 September 2022) <<https://www.moneycontrol.com/news/business/real-estate/ozone-urbana-6-years-on-this-bengaluru-township-is-yet-to-touch-the-sky-8938301.html>> accessed 26 March 2024

¹⁶ *Ibid*

¹⁷ Aditya Dev, 'Cabinet note on Suraksha's Wish Town plan likely soon' *Times of India* (17 February 2024) <<https://timesofindia.indiatimes.com/city/noida/revival-of-jaypee-infratech-ltds-wish-town-project-in-noida/articleshow/107767756.cms>> accessed 19 March 2024

medical facilities. Media reports referred to apartments that were scheduled for delivery by 2012 as ‘global homes with an Indian address’.

The magnitude of the economy's problems is demonstrated by the real estate market. Property developers like Wish, such as Wish Town's Jaypee Infratech Ltd., have collapsed, are deeply indebted, and are unable to obtain the capital necessary to finish projects on schedule. The \$335 billion non-bank financing market, which in recent years has become the lifeblood for millions of consumers who own small enterprises, has dried up. The Implementation and Monitoring Committee (IMC), which is now overseeing the company's operations on behalf of the National Company Law Tribunal (NCLT), has decided to hire additional contractors to enable homebuyers to promptly prepare their units for possession.

Tashee Homes Project/Tashee Capital Gateway, Gurgaon:¹⁸ The project was started in 2010 in Sectors 110A and 111 of Gurgaon. Up to 475 purchasers, both civilians and members of the armed forces, purchased homes here. The developer, KNS Infracon, abruptly halted work in 2016 without explaining. The project was later taken over under the SWAMIH scheme in October 2022 but no improvements were seen in the same. In 2020, some filed a motion with the Haryana RERA for damages for the postponement. An insolvency action filed by the builder was denied.

Earth Infrastructure Projects, NCR:¹⁹ This project was initiated by Earth Infrastructure in 2010 to take control in three to four years. Despite the company receiving many crores of rupees in deposits from potential customers, not a single property has been delivered. For roughly around three thousand purchasers, the wait is excruciatingly long. When the Noida Police looked into the complaints from buyers, they found that firm representatives had transferred money intended for housing projects to several shell companies. In 2016, almost more than 1,500 buyers

¹⁸ ‘100% dues cleared, 13 yrs gone, no handover of homes yet: Buyers’ *Times of India* (12 February 2024) <<https://timesofindia.indiatimes.com/city/gurgaon/100-dues-cleared-homebuyers-protest-delay-in-tashee-capital-gateway-housing-project/articleshow/107611675.cms>> accessed 25 March 2024

¹⁹ Akash Sinha, ‘Earth Infrastructure fraud: Buyers fume as Copia, Techone and Sapphire Court residential projects remain stuck’ (*Money Control*, 05 August 2022) <<https://www.moneycontrol.com/news/business/real-estate/earth-infrastructure-fraud-buyers-fume-as-copia-techone-and-sapphire-court-residential-projects-remain-stuck-8918571.html>> accessed 23 March 2024

initially petitioned the Supreme Court, but they were advised to move a suitable path of resolution. In 2017, they filed a case with the consumer court.

Further, Earth Infra launched Earth Techone, which is located in Greater Noida on the Yamuna Motorway, Earth Sapphire Court at Knowledge Park 5 in Greater Noida, and Earth Copia/ Ananta in Sector 112 in Gurgaon. These projects were initiated between 2010 and 2012, however not a single unit has been delivered. After the development was finished in 2016, the buyers relocated to NCLT in 2018. The NCLT selected Alpha Corp Development as the project's resolution applicant in June 2021, a decision that the Noida Authority contested. This problem extends beyond paying back the government. The Supreme Court is currently considering the Noida Authority's review appeal after it contested the operating creditor status it was granted in the case.

Panache Lotus, Noida:²⁰ The Lotus Panache project in Noida's Sector 110 may be the only one that offers hope for the future. The construction of 31 buildings was scheduled to be finished by August 2013, with the project beginning in May 2010. However, the developer did not follow through, and the buyers claimed the promoters had taken their money elsewhere. Even if a resolution plan before the NCLT has not yet been adopted, the resolution expert has ensured that the firm is operational and that at least more than half of the units have been completed.

LEGAL WAYS/SOLUTION TO REVIVE THE STALLED OR DELAYED CONSTRUCTION

Finding Solution through RERA - Firstly, to solve to revive the stalled or delayed construction or delivery of apartments one needs to make a grievance with the real estate regulator about the situation of the apartments. Notifying the Real Estate (Regulation and Development) Authority of a consumer complaint is the first step in resolving the issue of delayed projects. RERA ensures that the rules it has made help the client to ensure that the project it has invested in is timely delivered. These provisions are for the registered projects under RERA, so for these provisions

²⁰ 'There's light at the end of the tunnel for over 4,000 buyers of the Lotus Panache project in Noida who have waited for their homes for almost a decade' (*Money Control*, 4 August, 2022)
<<https://www.moneycontrol.com/news/business/real-estate/theres-light-at-the-end-of-the-tunnel-for-over-4000-buyers-of-the-lotus-panache-project-in-noida-who-have-waited-for-their-homes-for-almost-a-decade-8937181.html>> accessed 23 March 2024

to work, one has to ensure that the project is registered and if not, take steps to get them registered.

RERA has six provisions such as:

- **Written affidavit:** This will give the promoter's assurance of legal validity. The promoter must provide all the necessary paperwork in addition to a declaration backed up by an affidavit detailing when the project or a particular phase will be finished.
- The date of possession shall be inviolable. In addition, the 'agreement of sale' must expressly include the date of possession as well as the interest rate in the event of a default.
- **Clear Title to the Land:** Disputes over the property where a project is to be developed can occasionally cause delays in delivery and construction. If the land is owned by someone else, the promoter must give a written affidavit stating that the legal title to the land on which the development is proposed has legally valid documentation with authentication of such ownership.
- **Free from Encumbrances:** Project delays are frequently observed as a result of encumbrances that may limit the promoter's capacity to transfer property title. The promoter must offer a written affidavit attesting to the fact that the land is unencumbered.
- **Keeping a Separate Account:** The most prevalent worry in the sector has been diversion. According to RERA, 70 percent of the money that buyers contribute to a real estate project must be periodically placed into a separate account that must be kept open at a scheduled bank to pay for the cost of the land and building. This money can only be used for that reason. The amount of money taken out of the account will depend on how much work has been done after.
- **Making it an offense:** The builder faces penalties for breaking the rules, which include losing the project's registration as well as possibly facing up to three years in prison, a fine equal to an additional ten percent of the real estate project's estimated cost, or both. However, to keep the coders out of jail, several jurisdictions have made the offense more serious.

PROCEDURE FOR NCLT RESOLUTION UNDER INSOLVENCY AND BANKRUPTCY CODE 2016

This procedure is the safest, most sensible, and goal-oriented one. The Hon'ble NCLT (National Company Law Tribunal) may initiate the Resolution process upon filing a petition under Sections 7²¹ or Section 9²² of the Insolvency and Bankruptcy Code 2016, If any company is unable to pay its debts or, in the case of homebuyers, unable to hand over the units by the Builder Buyer Agreement (BBA). Real estate businesses have either been the focus of or are now going through Insolvency and Bankruptcy Code, 2016 Law resolution proceedings. A petition under Section 7²³ under the Insolvency and Bankruptcy Code, 2016 may be filed before the Hon'ble NCLT by ten percent of allottees or one hundred buyers, whichever is smaller, to initiate the resolution process in the case of residence buyers. If NCLT determines that default has taken place and the application is fully submitted, the Corporate Insolvency Resolution Process, or CIRP, is started.

- Project takeover by RERA Laws: RERA has brought a new set of rules that were passed with the goals of protecting and advancing the real estate sector and homebuyers. According to Section 8 of the RERA Act²⁴, the RERA authority can take over a project with the prior consent of the relevant State Government and cancel its registration.
- An industry association noted that although the Amitabh Kant committee, entrusted by the government with making recommendations on how to jumpstart abandoned real estate projects, recognized the financial strain on developers, it did not offer any immediate assistance. The report was delivered to Housing and Urban Affairs Minister Hardeep Singh Puri by the 14-member committee, which was established on March 31 and presided over by former NITI Aayog CEO Amitabh Kant²⁵.
- The committee's first inquiry concerned the number and location of legacy projects that had reached a standstill.

²¹ Insolvency and Bankruptcy Code 2016, s 7

²² Insolvency and Bankruptcy Code 2016, s 9

²³ Insolvency and Bankruptcy Code 2016, s 7

²⁴ Real Estate (Regulation and Development) Act 2016, s 8

²⁵ Ministry of Housing and Urban Affairs, *Report of the Expert Committee on Rehabilitation of Legacy Stalled Real Estate Projects* (2023)

- The committee recommends that the State Real Estate Regulatory Authority (RERA) must be notified of any project meeting the following requirements. If the land area exceeds 500 square meters or if there are more than 8 flats that need to be built.
- The committee pushed for removing the connection between the land authorities' sublease or registration grant and the homebuyers' ability to collect unpaid developer fees. Approximately one lakh purchasers would profit from this since subleases would be executed in their favour right away and registered According to the Indian Banks' Association (IBA), which was quoted in the committee report, more than 4 lakh dwelling units worth Rs. 4.08 lakh crore were estimated to be 'stressed,' with roughly 2.40 lakh (44%) of them located in the National Capital Region.²⁶
- In the Mumbai Metropolitan Area, there were an additional 21% of the units²⁷. The committee concluded that the 'lack of financial viability,' which had resulted in cost overruns and schedule delays, was the primary cause of the stress in these projects. The committee concluded that raising the projects' internal rates of return in order to secure funding would be the best course of action.
- A social impact fund called the Special Window for Affordable and Mid-Income Housing (SWAMIH) Investment Fund was established expressly to finish distressed and unfinished residential developments. The Government of India's Ministry of Finance is the Fund's sponsor. SBICAP Ventures Ltd., a State Bank Group company, is in charge of its management. It boasts one of the biggest private equity teams in the country for real estate, dedicated solely to financing and overseeing the completion of distressed housing projects. It is a debt fund registered with the Securities and Exchange Board of India as a Category-II AIF (Alternate Investment Fund).

CONCLUSION

This paper has examined the problems associated with abandoned building projects, such as the harm that these projects cause to the environment, society, and economy. While various factors lead to the delay or abandonment of projects such as inconsistent and untimely regularisation

²⁶ *Ibid*

²⁷ *Ibid*

of projects, inadequate finances, poor planning, corruption, regulatory oversight, and pending insolvency plans. India is one of the centres of delayed or stalled construction projects and needs an effective plan to revive these projects. As these abandoned projects are a major wasteland and made people invest heavily, the government is taking steps to provide people with solutions and legal remedies. Building construction projects that are delayed hurts all parties involved in the project's execution, including the clients. However, it is also a reality that the Client/owner has the option to impose Liquidated Damages (LD) on the Contractor to recoup the amount of its loss. By assigning the contractor the majority of the risk, the client reduces their own risk while drafting the contract's conditions. The government is using the laws to work towards reviving the Delayed and abandoned projects. These abandoned lands are proving to be a waste of resources as well as the time of the investors and builders and creating an unresolved hassle in the residential market.