

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1688**

ANSWERED ON TUESDAY, THE AUGUST 6, 2024/ SRAVANA 15, 1946 (SAKA)

**CREDIT FLOW TO TRANSPORT AND REAL ESTATE SECTOR**

1688. SHRI M. MOHAMED ABDULLA:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has taken any steps to increase credit flow to sectors like transport and real estate which were mostly affected during the Covid-19 pandemic;
- (b) if so, the details thereof; and
- (c) whether Government plans to implement any new schemes to promote the same?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) to (c): In the wake of Covid-19 pandemic, Emergency Credit Line Guarantee Scheme (ECLGS) was launched in May, 2020 as part of Aatmanirbhar Bharat Abhiyaan to support eligible Micro, Small and Medium Enterprises (MSMEs) and business enterprises to ease their liquidity position. The Scheme provided for collateral free loans to existing eligible borrowers with 100% guarantee in respect of the eligible amount as per the Scheme guidelines to all the sectors including transport and real estate. The scheme was valid till 31.3.2023.

With regard to the transport sector, the Ministry of Road Transport and Highways had extended multiple relaxation during COVID period to enhance the credit flow, which, *inter-alia*, included—

- (i) relaxation in payment schedule to provide monthly payment to the contractor;
- (ii) direct payment to approved sub-contractor through escrow account;
- (iii) release of Performance Guarantee / Retention Money on pro-rata basis;
- (iv) extension of time to contractors to meet their obligations without penalty; and
- (v) provisions for ensuring losses due to traffic variations are adequately compensated through extensions in the Contract etc.

Further, with regard to the real estate sector, the Government has taken fiscal and financial measures including, *inter alia*, reduction in GST on under-construction affordable housing projects and other housing projects, increase in limits of affordable housing projects to be categorised as priority sector lending, and setting up of affordable housing fund in National Housing Bank.

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