

# Expand working capital loans to all enterprises: Vikram Kirloskar

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Indian industry expects a prolonged recovery period after the national lockdown is eased and is hoping for government support, especially to small and medium enterprises, to help mitigate the pain, said Vikram Kirloskar, president, Confederation of Indian Industry. Kirloskar is also the chairman and managing director of Kirloskar Systems Ltd and vice-chairman of Toyota Kirloskar Motor. Edited excerpts of an interview:

## What sort of stimulus will India need to emerge out of the covid-19 crisis?

We believe the stimulus has to be twofold. One would be to assist and support the affected population through relief and cash transfers. This can be an additional ₹2 trillion given directly into the hands of beneficiaries. The second would be to support enterprises, especially MSMEs (micro, small and medium enterprises), to avert mass-scale closure of businesses and loss of jobs. We have suggested that this support can be extended through banks. This could be in the form of extra



Vikram Kirloskar, president, Confederation of Indian Industry, and chairman and managing director of Kirloskar Systems.

credit limits for wage payments and interest obligations of stressed sectors. Also, additional loans are required to enable MSMEs and stressed

sectors to overcome the loss of business. Expansion of working capital loan to all enterprises across the board would greatly help them address the

present challenges. To be able to do this, the government could consider a fund of ₹30,000 crore for banks, which would enable a leverage

## EXIT STRATEGY

Indian industry has urged the government to implement an exit strategy from the nationwide lockdown. **See Page 21**

of five-six times.

We have recommended that the government limit its fiscal spending to contain the crisis at an additional 2% of the gross

domestic product (GDP) over and above the allocation of ₹1.7 trillion. This is a prudent level that would prevent flight of capital and safeguard the macroeconomic fundamentals over a period of time.

## What should be the government's exit strategy from the lockdown?

From an industry perspective, we will abide by the decisions of the government as far as exit timing and strategy is concerned. The key ask is that the strategy be communicated well in advance to industry to enable restart plans.

It is perhaps important that

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