



# Aerospace & Defense Manufacturing

Working Capital Management & Financing Guide

# Aerospace & Defense - Overview

₹1.1L Cr

MARKET SIZE

15-20%

YOY GROWTH

₹35k Cr

EXPORT TARGET

₹6.21L Cr

BUDGET 24-25

22%

PRIVATE SHARE

## 🎯 Strategic Growth

India is transitioning from one of the world's largest importers to a global manufacturing hub for defense equipment.

## 📍 Major Hubs

Bengaluru (Aviation), Hyderabad (Missile Hub), UP and Tamil Nadu Defense Corridors are leading the manufacturing charge.

## 🚀 Growth Drivers

"Atmanirbhar Bharat" (Self-Reliance) and 74% FDI through automatic route are key policy catalysts.

## 🌐 Ecosystem

A robust ecosystem of 16,000+ MSMEs supports major entities like MoD, DRDO, ISRO, and global OEMs.

# Operational Process in A&D Mfg

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90-365 Days

## Contracting

RFP participation, Technical bidding, and Prototype development.



180-730 Days

## Engineering

Alloy sourcing, component fabrication, and sub-assembly.



60-180 Days

## Certification

Rigorous safety trials and CEMILAC/DGAQA approvals.



120-270 Days

## Realization

Milestone-based payments and performance incentives.

# Key Resources & Inputs

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## Strategic Materials

Titanium alloys, Carbon fiber composites, and specialized electronics for high-precision components.

## Human Capital

Aerospace engineers, ballistics experts, and certified quality inspectors with high-level clearances.

## Physical Capital

5-axis CNC machines, 3D metal printers, and cleanroom facilities for advanced assembly.

## Compliance

Adherence to AS9100 standards and Department of Defense (DoD) quality protocols.

# Working Capital Cycle in A&D

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## Inventory Days

180–365 Days

Due to long-lead strategic materials and multi-year WIP assembly.

## Accounts Receivable

90–180 Days

Lengthy payment processing cycles in government and large contracts.

## ! The Cash Gap Solution

Aerospace manufacturers face a 240 to 450-day liquidity gap—the longest of any manufacturing sector. Bridging this gap is critical for operational stability.

# Standard Industry Standards

Component	Days/Months
Inventory (Strategic/WIP)	180 - 365 Days
Domestic Receivables (MoD/PSUs)	90 - 150 Days
Retention Money (Performance)	12 - 24 Months
Accounts Payable	30 - 60 Days
<b>Net Cash Gap (Core)</b>	<b>240 - 450 Days</b>

# How Terkar Capital Can Help

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## Unsecured WC

Up to ₹5 Cr for initial R&D and payroll during long trial periods.

## Secured Finance

₹5-100 Cr+ against confirmed government contracts and POs.

## Bank Guarantees

Essential for participating in high-value defense tenders and MoD contracts.

## LC Discounting

Financing for importing specialized strategic materials and components.



# Partner with Terkar Capital

Empowering Aerospace & Defense Companies with Smart Capital



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