



Automotive & Auto Components Industry

Working Capital Management & Strategic Financing Guide

Automotive Industry - Overview (2026)



4.7 Million

PV Sales (FY26)
Record High



\$85 Billion

Auto Components
13.6% YoY Growth






\$23 Billion

Export Value
Asia & NA Focus

12% - 18%

EV Penetration
Passenger Segment

Key Resources & Inputs

-  **Raw Materials:** High-strength steel, aluminum alloys & lightweight plastics.
-  **Electronics:** Semiconductors, ECU modules & ADAS sensors (LiDAR/Radar).
-  **Manufacturing:** Robotic welding arms and automated paint booths.



Service Deliverables & Revenue Streams



Vehicle Sales

B2B (Fleet) & B2C (Retail) sales of ICE & EVs.



OEM Supply

Accounts for 54% of component turnover.






Aftermarket

Replacement parts growing at ~10% CAGR.

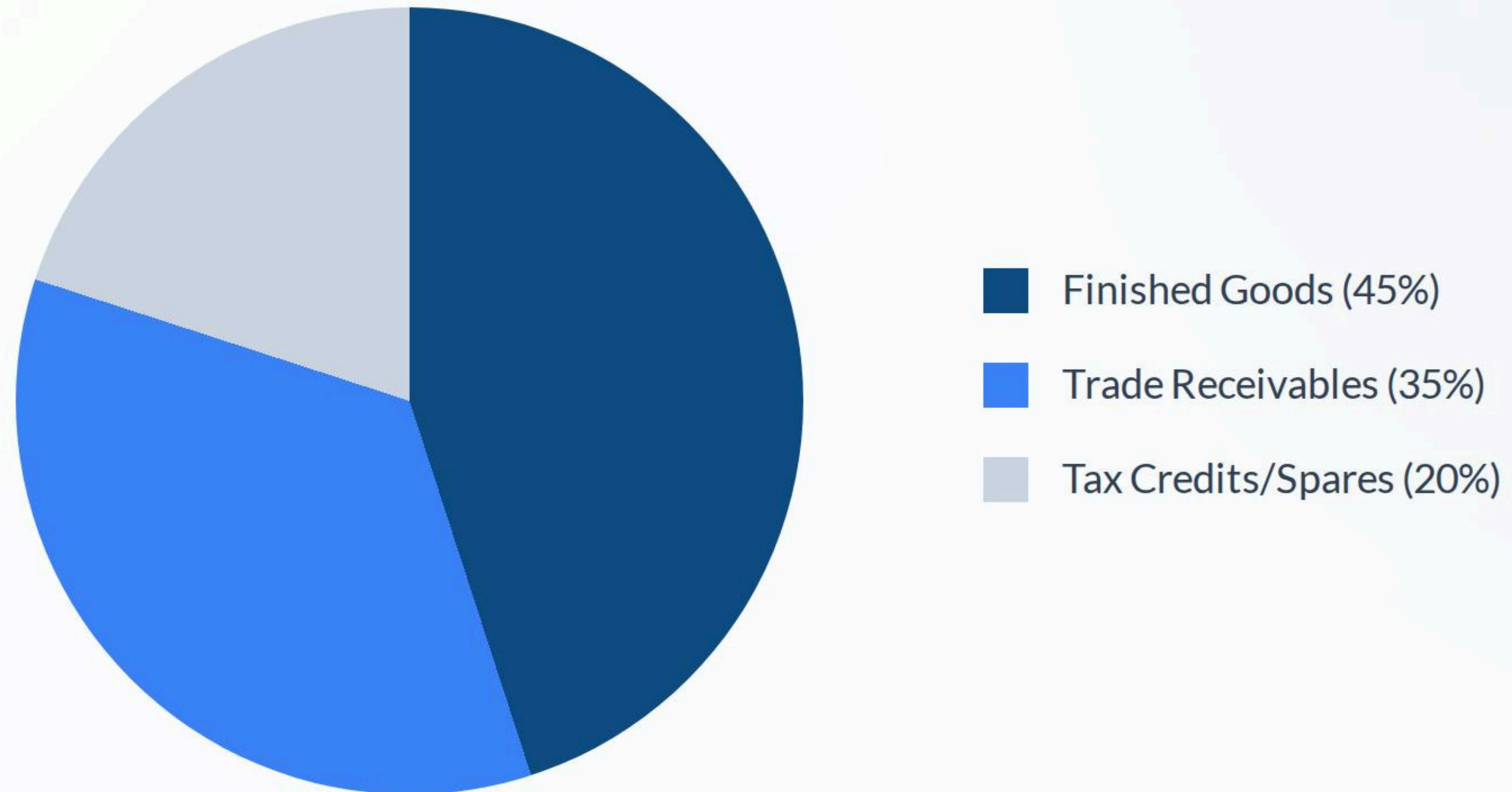
| Working Capital Cycle in Automotive

45-75

Day Liquidity Gap

-  Inventory: 30-60 Days (JIT Systems).
-  Receivables: 45-90 Days (OEM Cycles).
-  Payables: 60-120 Days (Tier-2 Suppliers).

Current Asset Composition



| Common Mistakes to Avoid

✘ **Inventory Bloat:** Holding slow-moving models.

✘ **Low Localization:** Over-reliance on imported chips.

✘ **Neglecting After-Sales:** Ignoring high-margin spares.

✘ **High Leverage:** Expansion without dealer commitments.

Standard Operating Metrics

| Metric | Industry Standard (2026) |
|---------------------------|--------------------------|
| Gross Margin (PV OEMs) | 10% - 15% |
| Gross Margin (Components) | 12% - 20% |
| Export Share of Turnover | 15% - 25% |
| Inventory Turnover Ratio | 6x - 10x |
| EBITDA Margin | 8% - 13% |

Revenue Realization Periods

Direct Retail (Financed)

7 Days

Aftermarket

30 Days

OEM Supply (Tier-1)

60 Days

Government Fleet

120 Days

Use Channel Financing and Bill Discounting to maintain liquidity.

How Terkar Capital Can Help



Channel Financing

Limits for dealers to lift stock, easing receivables.



Capex Loans

Funding for automation & EV localization (Up to ₹100 Cr+).



LC/BG Limits

Facilitating imports of advanced robotics & high-tech modules.



Partner with Terkar Capital

Accelerating the Financial Momentum of India's Mobility Revolution.



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