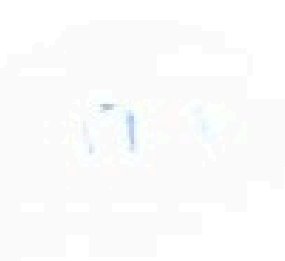




TERKAR[®]
CAPITAL

Electric Vehicle (EV) Industry

Working Capital Management & Financing Guide



EV INDUSTRY – OVERVIEW (2026)



2.45M

ANNUAL SALES



8.27%

EV PENETRATION



57%

E-2W SHARE



60%+

BATTERY LOCAL

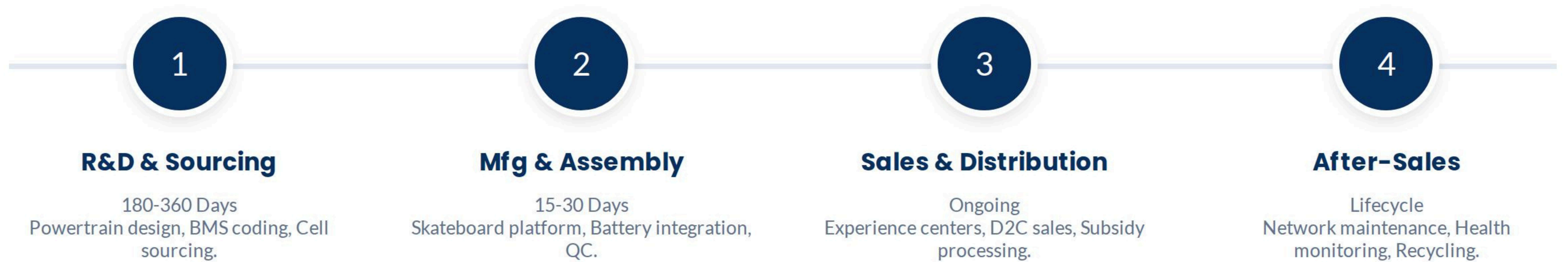


35k+

PUBLIC CHARGERS

- > **Democratized Growth:** All four segments (2W, 3W, PV, CV) registered double-digit growth in 2026.
- > **The "Price Wall" Reality:** Running costs 80% lower, but ₹7 Lakh upfront gap remains a primary barrier.
- > **Fleet Primacy:** E-commerce/logistics driving fast adoption due to Total Cost of Ownership (TCO) advantage.
- > **Policy Shift:** Transitioning to structural investments in "Rare Earth Mineral Corridor" and Auto PLI.
- > **6-Minute Charging:** Ultra-fast tech delivers 80% charge in under 20 minutes for high-end models.

OPERATIONAL PROCESS IN EV MFG



KEY RESOURCES & INPUTS

Critical Minerals

Lithium, Cobalt, Nickel, and Rare Earth elements required for high-performance motors.

Tech Stack

BMS software, Telematics, and OTA (Over-the-Air) update infrastructure management.

Infrastructure

Gigafactories for large-scale cell production and advanced robotic assembly lines.

Charging Network

Strategic AC/DC Fast chargers and Battery Swapping stations in key urban clusters.

Compliance

AIS 156 battery safety norms, PLI localization mandates, and state EV policies.

Human Capital

Specialized electrochemical engineers and software developers for EV architecture.

DELIVERABLES & REVENUE STREAMS

Revenue Stream	Description	Model
Vehicle Sales	Primary revenue from 2W, 3W, Cars, and Buses.	Direct Sales / Dealer
Battery-as-a-Service	Recurring revenue from battery swapping and leasing.	Subscription (BaaS)
Charging Infra	Revenue from per-unit (kWh) electricity sales at ports.	Pay-per-use
Software Services	Subscription for navigation and performance tuning.	SaaS / Subscription
Carbon Credits	Trading of GHG emission offsets earned.	Exchange Trading

WORKING CAPITAL CYCLE IN EV

Inventory (Cells/Parts)

60–120 Days: High reliance on imported cells/semiconductors requires larger safety stocks.

Accounts Receivable

15–45 Days: Retail is mostly cash/financed; Fleet/Govt can take 60-90 days.

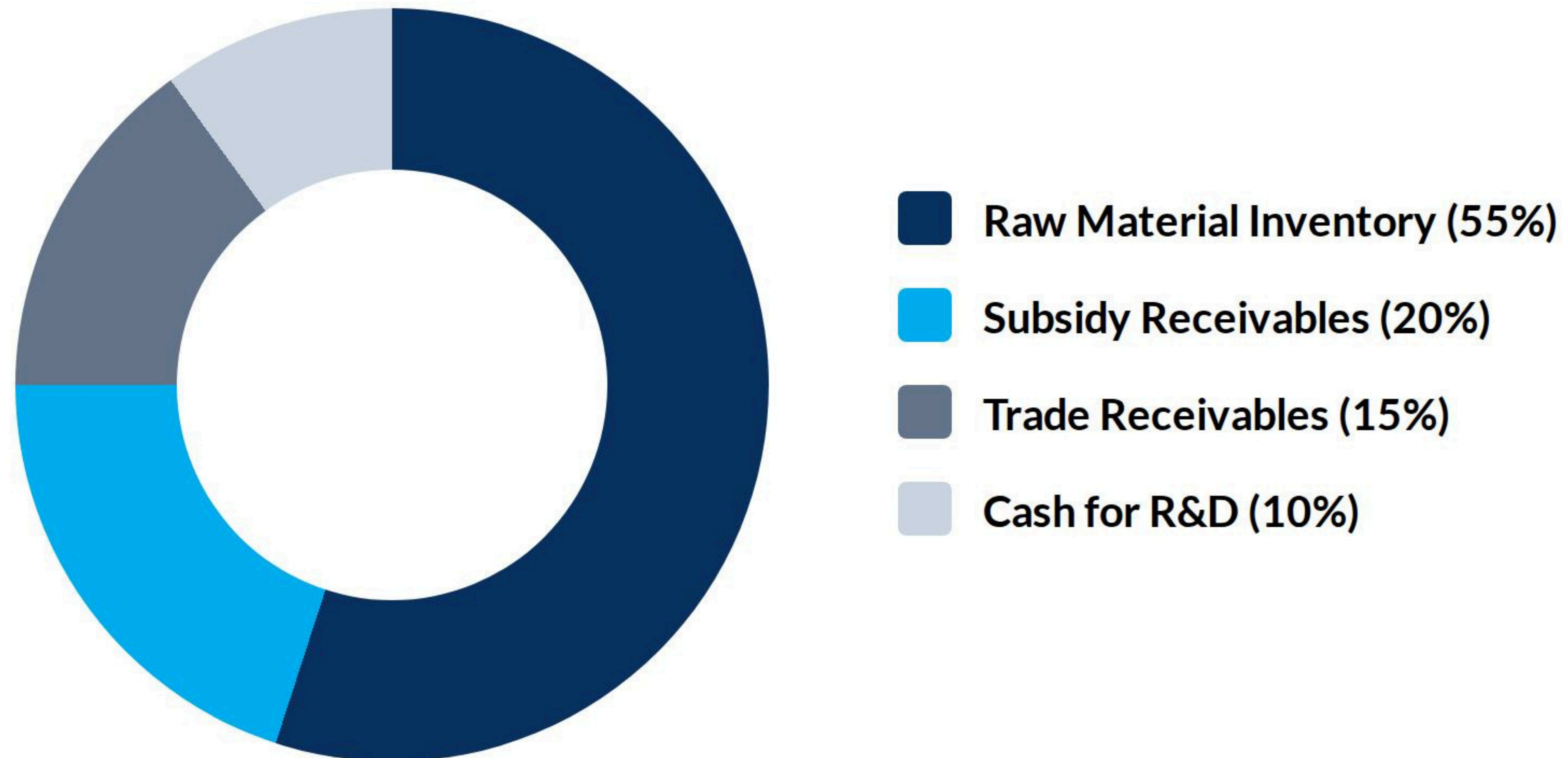
Accounts Payable

30–60 Days: Standard terms from Tier-2 component suppliers.

The Cash Gap

75 to 120-day gap: Exacerbated by delays in realizing government subsidy disbursements (FAME/PLI).

CURRENT ASSET COMPOSITION



COMMON MISTAKES TO AVOID

Poor BMS Calibration

Leading to thermal runaway (fires) and catastrophic brand damage early in the product lifecycle.

Under-calculating Lag

Assuming subsidies will hit the bank account instantly; they often take 6-9 months to clear.

Neglecting Resale

Failing to offer "Battery Buy-back" guarantees, which scares away first-time buyers concerned with battery life.

Scaling Without Service

Expanding sales to Tier-2 cities without an established mechanic or spare parts logistics network.

STANDARD OPERATING METRICS

Metric	Industry Standard (2026)
Gross Margin (Vehicle)	12% - 18% (Improving with localization)
Battery Cost %	35% - 45% of Total Vehicle Cost
Real World Range	400km - 500km (For Passenger EVs)
Inventory Turnover	3x - 5x (Lower due to cell stockpiling)
Subsidy as % of Price	10% - 15% (Declining)

REVENUE REALIZATION PERIODS

Retail Sales

Instant: Realized post-financing disbursement from partner banks.

Fleet Contracts

30–60 Days: Standard institutional credit terms.

Subsidies

90–180 Days: FAME-III / PLI realization cycle.

Best Practice: Use **Supply Chain Financing** to pay cell vendors while waiting for the 180-day subsidy cycle.

INDUSTRY THREATS & CHALLENGES

Supply Chain Fragility

Heavy dependence on critical mineral imports (China-dominance risk).

Inverted Duty Structure

Higher GST on raw materials vs. 5% on finished EVs impacting WC.

Charging Anxiety

Lack of standardized fast-charging in rural/semi-urban clusters.

Secondary Market

Uncertainty regarding the resale value of 5-year-old battery packs.

HOW TERKAR CAPITAL CAN HELP



Inventory Funding

Up to ₹10 Cr for bulk cell procurement during global price dips.



Subsidy Discounting

Immediate liquidity against confirmed govt incentive receivables.



Machinery Loans

Funding for assembly lines and automated testing equipment.



Unsecured Loans

To bridge gaps during high-burn R&D and market expansion.



Fleet Financing

Specialized debt for 3PL companies moving to 100% electric.



Strategic Advisory

Financial engineering to optimize your Debt-to-Equity and WCC.



Partner with Terkar Capital

Accelerating the Future of Mobility with Strategic Financial Engineering.



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