



INDUSTRY GUIDE

# Retail & E-commerce

Working Capital Management & Financing Guide

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# INDUSTRY OVERVIEW

₹17.5L Cr  
MARKET (2026)

12.4%  
E-COM GROWTH

15%  
Q-COM SHARE

350M+  
ONLINE SHOPPERS

60%  
TIER-2/3 ORDERS

## Market Dynamics

- **The "Bharat" Surge:** Growth led by Tier-2/3 cities crossing the \$4,000 GDP inflection point.
- **Q-commerce Dominance:** Platforms like Blinkit/Zepto moving beyond groceries into electronics and beauty.
- **Social Commerce:** WhatsApp/Instagram shopping growing at 40% YoY.

## Strategic Shifts

- **Omnichannel Default:** Physical stores now act as "micro-fulfillment centers."
- **Premiumization:** Rising affluence shifting demand from "value" to branded experiences.
- **D2C Momentum:** Direct-to-consumer brands leveraging tech for hyper-personalization.

# OPERATIONAL PROCESS

The modern retail lifecycle from procurement to final settlement.

## 01. Sourcing

30-60 Days

AI-driven demand sensing, global procurement, and warehouse inwards.

## 02. Merchandising

1-7 Days

E-com cataloging, visual merchandising for stores, and dynamic pricing.

## 03. Fulfillment

Real-time

Q-commerce (10 mins) vs. Standard (72 hrs) and hyper-local routing.

## 04. Returns

7-30 Days

Reverse logistics (25-35% fashion returns) and gateway settlement.

# KEY RESOURCES & INPUTS



## Inventory

Stock across categories like Apparel, Electronics, and FMCG — the primary asset.



## Infrastructure

Dark stores, RDCs, and last-mile delivery fleets for rapid fulfillment.



## Tech Stack

IMS, AI-personalization engines, and secure digital payment gateways.



## Human Capital

Supply chain experts, digital marketers, and retail associates.



## Analytics

Customer heat maps for physical stores and predictive stock-out alerts.



## Compliance

Data privacy (DPDP Act) and FDI regulatory norms for operations.

# REVENUE STREAMS



## Direct Product Sales

B2C and B2B marketplace transactions.



## Marketplace Commissions

Fees from third-party sellers on platforms.



## Advertising Revenue

Retail Media (Search Prominence) fees.



## Subscription Services

Loyalty programs for shipping/discounts.



## Value-Added Services

Warranties, installation, and BNPL fees.

# WORKING CAPITAL CYCLE

## Inventory Days: 45–90

High for fashion/electronics; low for FMCG.

## Receivables: 0–15 Days

Mainly prepaid or marketplace settlements.

## Payables: 30–60 Days

Standard credit terms from brands.

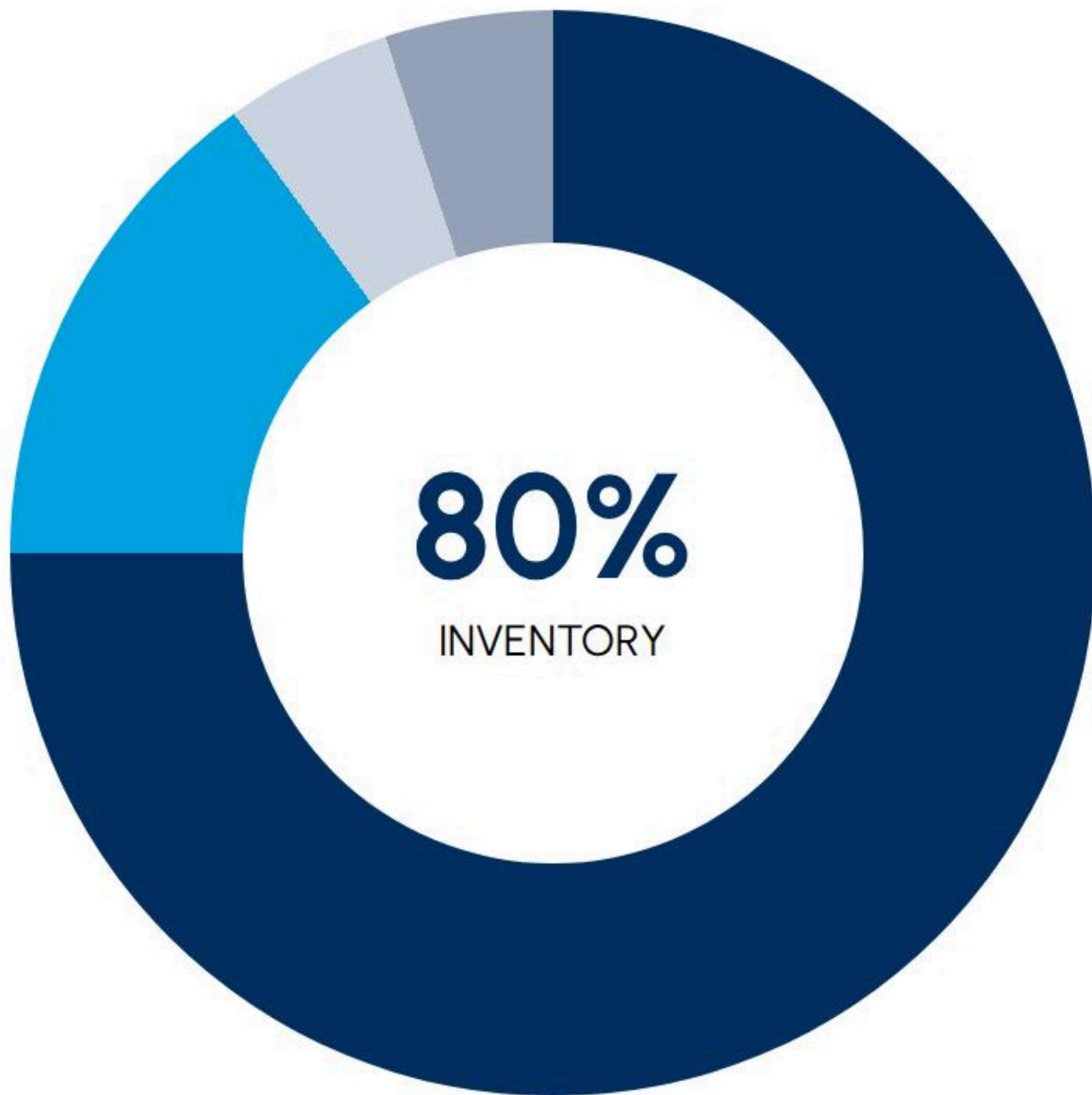
## The Cash Gap

While modern retail can have a "Short Cycle", rapid expansion creates a liquidity gap of:

**30 – 45**

DAY!

# CURRENT ASSET COMPOSITION



- Inventory (70-80%)
- Cash & Balances (10-15%)
- Trade Receivables (Low)
- Security Deposits (Rental)

*"Inventory is the dominant asset—highly seasonal and extremely sensitive to trends."*

# COMMON MISTAKES TO AVOID

## ✘ Ignoring Return Rates:

Failing to account for the "Silent Margin Killer"—high logistics costs of 30%+ returns in fashion.

## ✘ Poor Channel Sync:

Mismatched inventory between website and store leading to "ghost stock" orders.

## ✘ Discount Addiction:

Eroding brand equity and margins through perpetual "Sale" events.

## ✘ Underinvesting in Last-Mile:

Losing customers due to poor delivery experiences in Tier-2/3 cities.

# OPERATING METRICS

Metric	Industry Standard (2026)	Insight
Gross Margin	15% - 40%	Highly category dependent
Inventory Turnover	4x - 8x / Year	Efficiency benchmark
Customer Acquisition (CAC)	₹250 - ₹600	Driven by high competition
Return on Ad Spend (ROAS)	3.5x - 5.0x	Marketing efficiency target
Net Promoter Score (NPS)	> 50	Indicator of brand loyalty

# REVENUE REALIZATION

D2C / Prepaid

1-3 Days

Cash on Delivery

7-15 Days

Marketplace Sales

7-14 Days

B2B / Institutional

30-60 Days



## Best Practice

Incentivize UPI payments at checkout to reduce COD risk and speed up cash realization significantly.

# THREATS & CHALLENGES

## **Competition**

Aggressive Q-commerce expansion eating into traditional e-commerce and local Kirana margins.

## **Regulation**

Evolving FDI norms and DPDP Act (Data Privacy) impacting personalization strategies.

## **Logistics**

Rising fuel prices and the high cost of maintaining massive "Dark Store" networks.

## **Talent**

Shortage of skilled data scientists and supply chain experts for specialized roles.

# HOW TERKAR CAPITAL CAN HELP



## Inventory Funding

Up to ₹5 Cr for seasonal stockpiling before major festive sales like Diwali.



## Business Loans

Unsecured loans to fund aggressive digital marketing and Tier-2/3 expansion.



## Invoice Discounting

Immediate liquidity for B2B retailers supplying to marketplaces.



## POS Financing

Loans based on daily credit/debit card swipe volume and gateway data.



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Head Office, Pune and PCMC

101, 102, 103, Castle Eleganza, Dr. Ketkar Road, Erandavane, Pune. Maharashtra 411004.



Corporate Office, Mumbai

The Capital, Level 3, B-Wing, Plot C – 70, G Block, BKC, Bandra (E), Mumbai-400051, India.

[www.terkarcapital.com](http://www.terkarcapital.com)