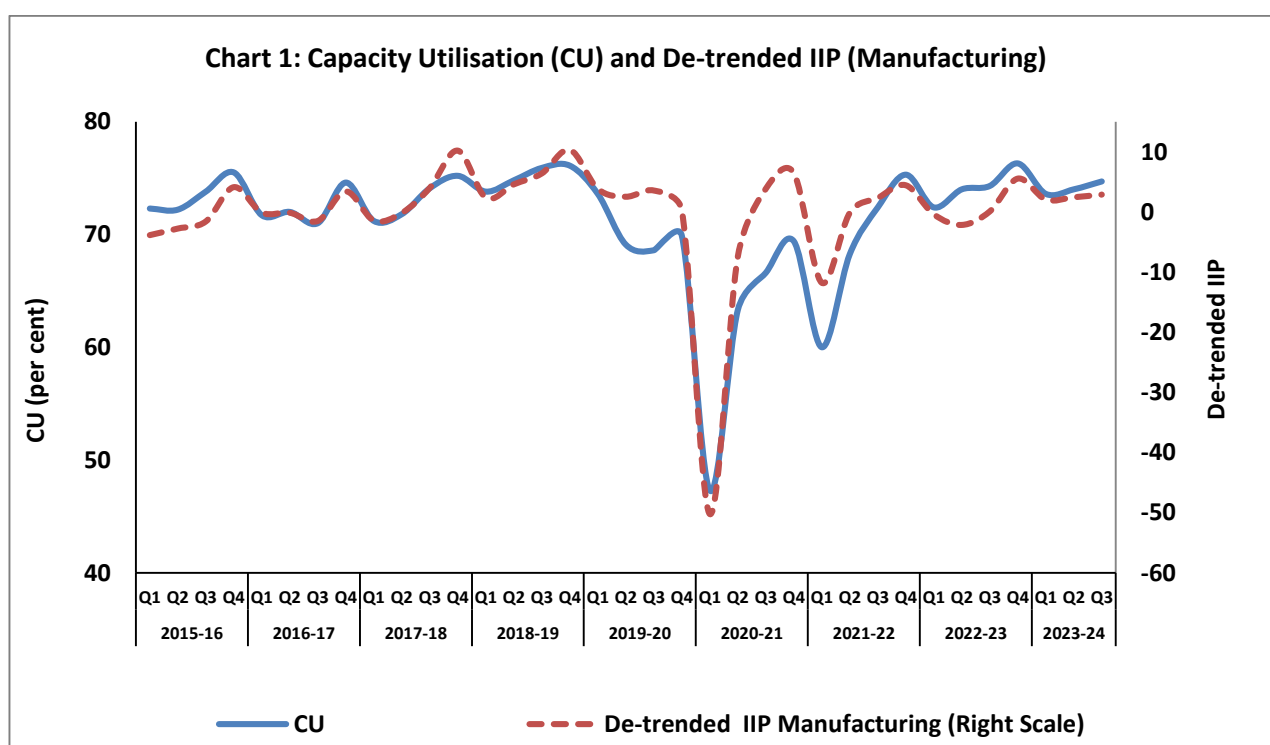


**Order Books, Inventories and Capacity Utilisation Survey
on the Manufacturing sector for Q3:2023-24**

Today, the Reserve Bank released the results of its 64th round of the quarterly order books, inventories and capacity utilisation survey (OBICUS), which was conducted during Q4:2023-24 and covered 813 manufacturing companies. The survey¹ provides a snapshot of demand conditions in India’s manufacturing sector during October-December 2023.

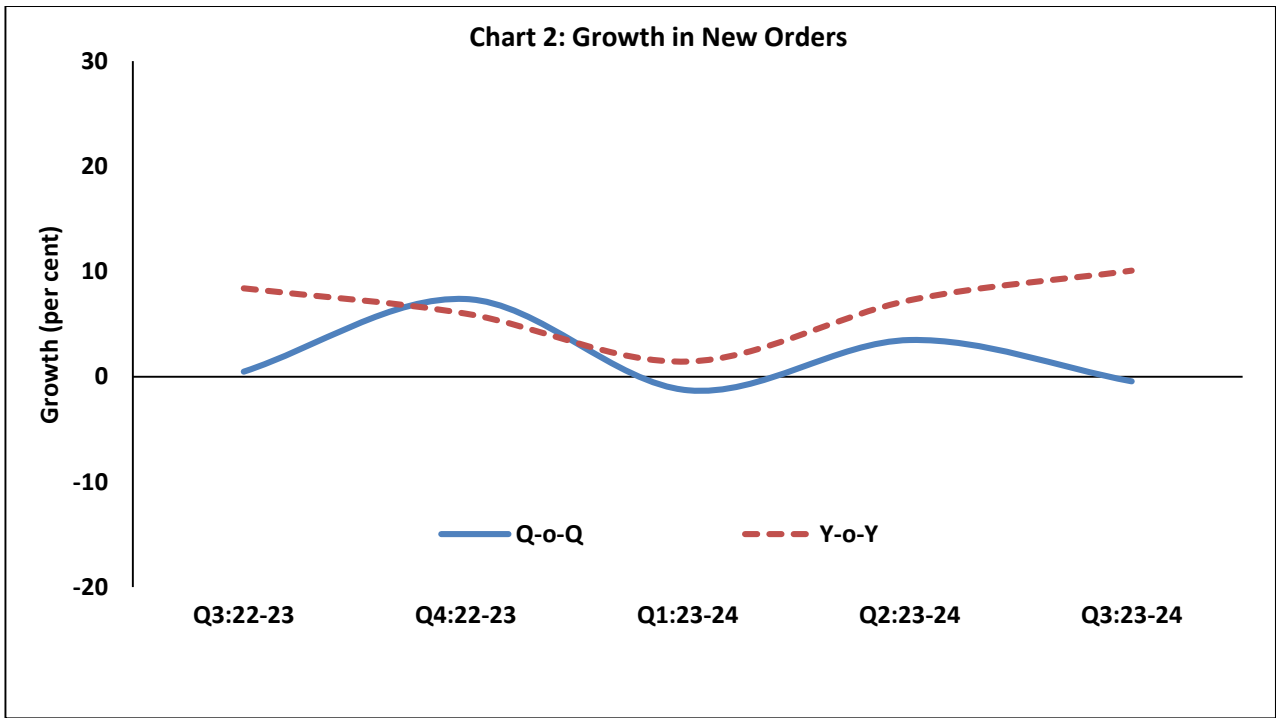
Highlights:

- At the aggregate level, the capacity utilisation (CU) in the manufacturing sector increased to 74.7 per cent in Q3:2023-24 from 74.0 per cent in the previous quarter ([Chart 1](#) and [Table 1](#)). The seasonally adjusted CU increased sequentially (q-o-q) by 10 basis points to 74.6 per cent.

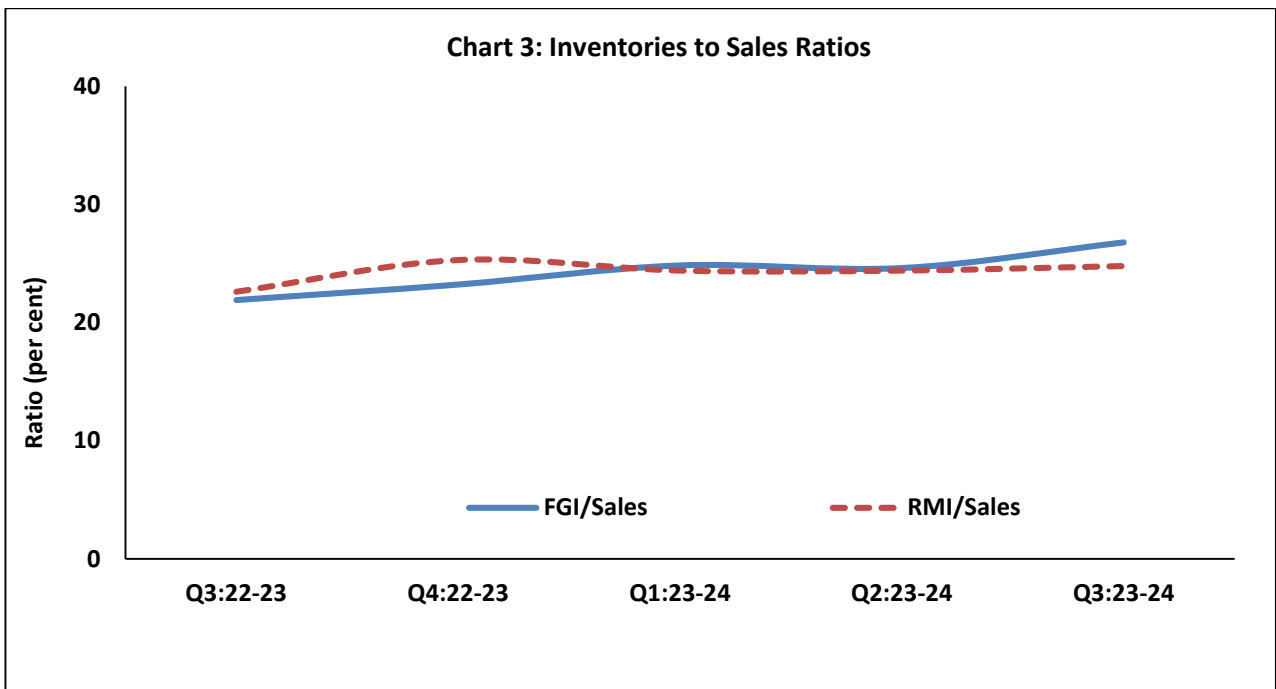


- The value of new orders received by the responding companies during Q3:2023-24 remained close to that in the previous quarter. On an annual (y-o-y) basis, however, the value of new orders increased by nearly 10 per cent ([Chart 2](#) and [Table 2A](#)).

¹ The survey responses are voluntary, and the results reflect the views of the respondents, which are not necessarily shared by the Reserve Bank. Results of the previous survey round were released on the Bank’s website on [February 08, 2024](#).



- The finished goods inventory (FGI) to sales ratio increased marginally in Q3:2023-24 from its level in the previous quarter while the raw material inventory² (RMI) to sales ratio remained stable ([Chart 3](#) and [Table 3A](#)).



Note-Please see the excel file for time series data.

² So far, the survey estimates of raw materials inventory (including stores and spares, loose tools, stock-in-trade and other inventories) were arrived at by netting out finished goods inventory and work-in-progress inventory from total inventory. Since the 53rd round of the survey (*i.e.*, Q4:2020–21), however, direct data on raw material inventory (excluding stores and spares, loose tools, stock-in-trade and other inventories) are also being collected from survey respondents, in parallel. Estimates of raw materials inventory based on the additional reporting are presented here.

ANNEX 1: Data Tables

Table 1: IIP*-Manufacturing and Capacity Utilisation				
Quarter	Number of responding companies	Capacity Utilisation	IIP-Manufacturing (Quarterly Average)	De-trended Quarterly IIP-Manufacturing
Q3:2022-23	727	74.3	137.0	0.1
Q4:2022-23	705	76.3	143.5	5.5
Q1:2023-24	665	73.6	141.2	2.1
Q2:2023-24	752	74.0	142.7	2.4
Q3:2023-24	761	74.7	144.2	2.9

*: Index of Industrial Production (Base: 2011-12)

Table 2A: Order Books Growth							
Quarter	Number of companies	Q-o-Q Growth # (per cent) **			Y-o-Y Growth # (per cent)		
		Backlog Orders	New Order Book	Pending Orders	Backlog Orders	New Order Book	Pending Orders
Q3:2022-23	277	1.8	0.5	3.9	14.7	8.4	18.4
Q4:2022-23	261	3.9	7.4	2.9	15.8	6.0	15.3
Q1:2023-24	244	-5.2	-1.3	-4.5	22.7	1.5	9.3
Q2:2023-24	245	3.1	3.5	5.6	24.1	7.3	15.7
Q3:2023-24	233	4.7	-0.4	4.1	13.7	10.1	19.0

#: Growth rates are calculated using three rounds common set of companies, namely, companies responded in the current quarter, one quarter ago and the same quarter a year ago.

** : Not seasonally adjusted.

Table 2B: Average Size of Order Books				
Quarter	Number of companies	Average Amount (` crore)		
		Backlog Orders	New Order Book	Pending Orders
Q3:2022-23	277	205.0	212.2	213.1
Q4:2022-23	261	215.6	225.4	221.9
Q1:2023-24	244	212.0	236.2	201.2
Q2:2023-24	245	227.7	248.6	240.4
Q3:2023-24	233	228.6	252.1	238.0

Table 3A: Inventory to Sales Ratios				
Quarter	Number of Companies	Ratio (per cent) ##		
		Total Inventory / Sales	Finished Goods Inventory / Sales	Raw Material Inventory / Sales
Q3:2022-23	675	60.6	21.9	22.6
Q4:2022-23	658	64.1	23.2	25.3
Q1:2023-24	622	63.0	24.8	24.4
Q2:2023-24	688	65.9	24.6	24.4
Q3:2023-24	714	67.7	26.8	24.8

##: Weighted average of industry level ratios using GVA as weights

Table 3B: Average Sales and Inventories						
Quarter	Number of Companies	Average Amount (` crore)				
		Sales	Total Inventory	Finished Goods Inventory	Work in progress Inventory	Raw Material Inventory
Q3:2022-23	675	1106.7	519.9	195.5	67.1	202.4
Q4:2022-23	658	1172.2	546.6	225.4	62.7	206.2
Q1:2023-24	622	1163.1	534.3	226.9	62.8	195.7
Q2:2023-24	688	1091.7	608.1	226.7	120.4	203.8
Q3:2023-24	714	1069.6	581.4	226.0	110.3	187.5

Note: The computations of order book growths and inventory to sales ratios are based on methodology given in the RBI press release dated October 8, 2021 (link:<https://website.rbi.org.in/en/web/rbi/-/publications/obicus-survey-on-the-manufacturing-sector-for-q1-2021-22-20650>) and not on the basis of averages given in the above tables. Please also see footnote 2 on direct estimation of RMI since 53rd round of the survey.