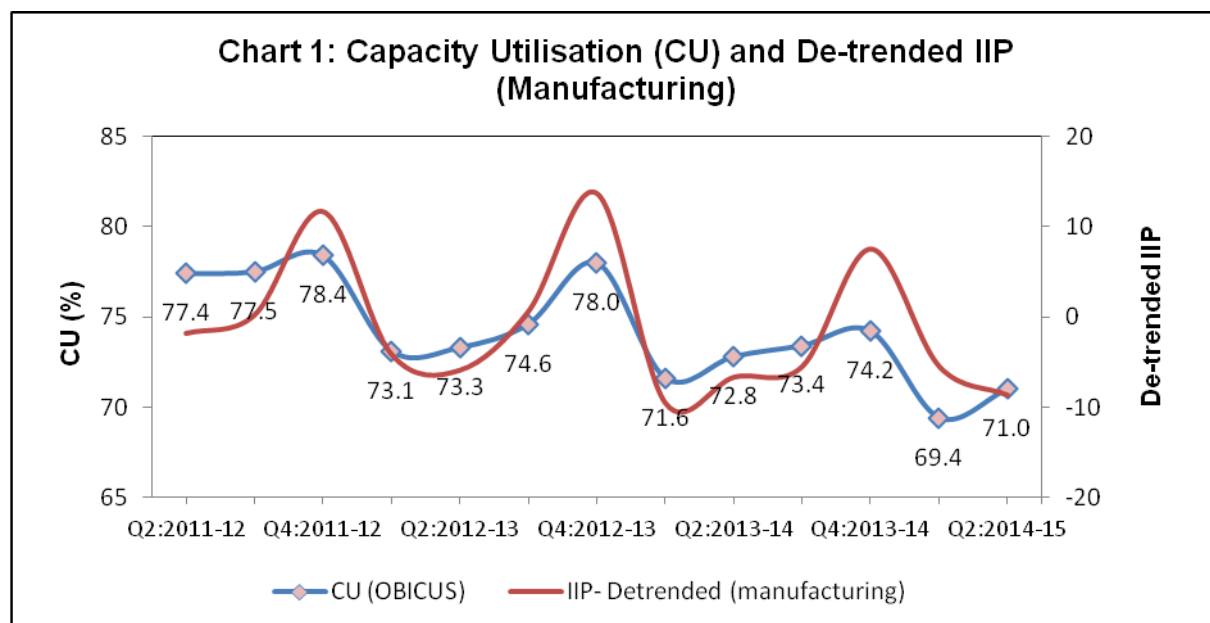


Quarterly Order Books, Inventories and Capacity Utilisation Survey (OBICUS)
July-September 2014 (27th Round)¹

The Order Books, Inventories and Capacity Utilisation Survey (OBICUS) captures actual data from the companies in the manufacturing sector. This round of OBICUS, which is 27th round in the series, captures data for Q2:2014-15. In all, 1,288 common (for last five quarters) manufacturing companies (Government: 49, Public: 896 and Private: 343) responded in this round of survey. The analysis is based on the data on order books, inventory levels for raw materials & finished goods, and capacity utilisation, received from these common set of companies.

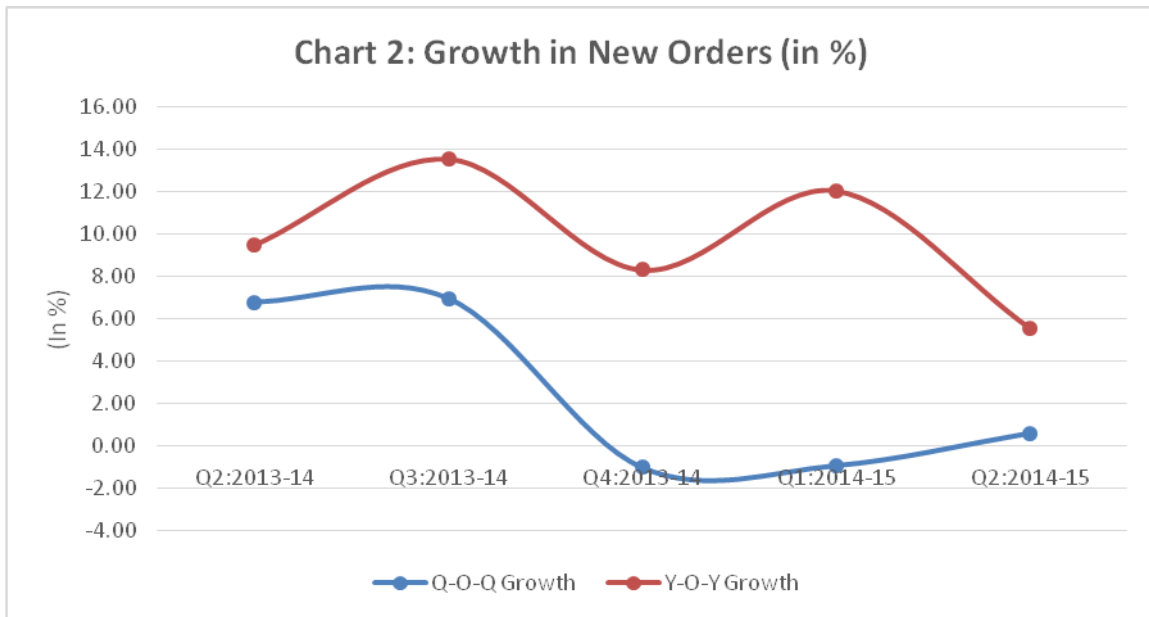
Highlights:

Capacity Utilisation (CU): There is broad co-movement between capacity utilisation and de-trended Index of Industrial Production (IIP)-manufacturing (Chart 1). Aggregate CU recorded a rise in Q2:2014-15 over the previous quarter. However, it stood at a level lower than its level a year ago (Table 1).

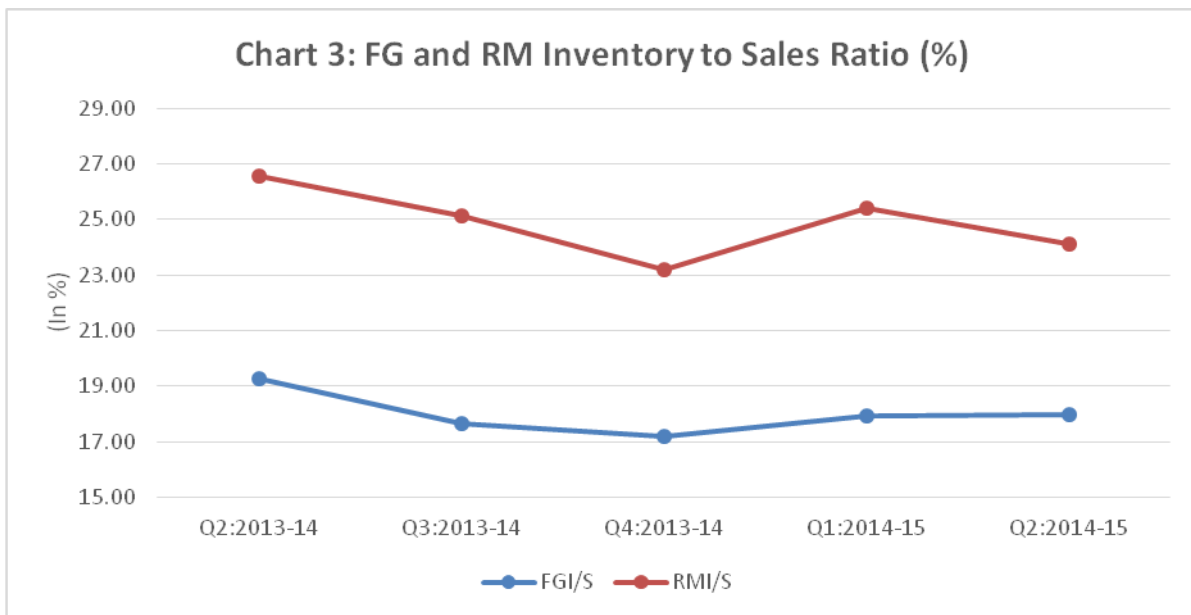


Order Books: The new orders declined in Q2:2014-15 on a year-on-year basis and grew at lower rate of 5.6 per cent compared to previous quarters (Chart 2).

¹ The 26th round (Q1:2014-15) survey results were released on September 30, 2014 on the RBI website. The survey results are those of the respondents and are not necessarily shared by the Reserve Bank of India.



Inventory to Sales Ratio: The finished goods inventory to sales ratio remained flat in Q2:2014-15 and stood at 18.0 per cent, down from its level of the same quarter of the previous year (Chart 3). The raw material inventory to sales ratio declined in Q2:2014-15 on both q-o-q and y-o-y basis.



Quarter	IIP - Mfg (Quarterly avg Base 2004-05)	De-trended Quarterly IIP-Mfg	CU (in latest survey round)	CU Range (from previous four survey rounds)*
Q2:2013-14	178.4	-6.7	72.8	72.8 – 74.3
Q3:2013-14	180.3	-5.5	73.4	73.4 – 74.6
Q4:2013-14	194.0	7.5	74.2	74.2 – 75.5
Q1:2014-15	181.7	-5.5	69.4	69.4 – 70.2
Q2:2014-15	179.2	-8.7	71.0	NA**

*Since CU is being computed based on 5 quarter common set of companies, therefore, CU for each round gets revised for subsequent four rounds.

** CU is calculated first time for Q2:2014-15

Quarter	Amount in (₹ Billion)			Q-o-Q growth (%) – Seasonally unadjusted			Y-o-Y Growth (%)		
	Avg Backlog order (516)	Avg New Order book (516)	Avg Pending order (516)	Avg Backlog order	Avg New Order book	Avg Pending order	Avg Backlog order	Avg New Order book	Avg Pending order
Q2:2013-14	1.742	1.418	1.768	1.5	6.8	1.5	-6.3	9.5	-3.0
Q3:2013-14	1.768	1.517	1.815	1.5	7.0	2.7	-3.0	13.5	-1.1
Q4:2013-14	1.819	1.502	1.805	2.9	-1.0	-0.6	-0.7	8.3	5.1
Q1:2014-15	1.759	1.488	1.838	-3.3	-0.9	1.9	2.4	12.0	5.5
Q2:2014-15	1.837	1.497	1.829	4.5	0.6	-0.5	5.5	5.6	3.5

Figures in parentheses are number of companies reporting order books

Quarter	Amount (in ₹ Billion)					Ratio (in per cent)		
	Avg Sales (1074)	Avg Total Inv (1074)	Avg FG Inv (1074)	Avg WiP Inv (1074)	Avg RM Inv (1074)	Total Inv/Sales	FG Inv/Sales	RM Inv/Sales
Q2:2013-14	4.591	2.517	0.884	0.414	1.219	54.8	19.3	26.6
Q3:2013-14	4.732	2.439	0.835	0.416	1.189	51.5	17.6	25.1
Q4:2013-14	4.968	2.415	0.854	0.410	1.151	48.6	17.2	23.2
Q1:2014-15	4.797	2.520	0.860	0.441	1.218	52.5	17.9	25.4
Q2:2014-15	5.001	2.549	0.900	0.443	1.207	51.0	18.0	24.1

Figures in parentheses are number of companies reporting inventories

RM - Raw Material; WiP - Work in progress; FG - Finished Goods; Inv - Inventory.