

Industrial Outlook Survey of the Manufacturing Sector for Q4:2024-25

Today, the Reserve Bank released the results of 109th round of its quarterly industrial outlook survey (IOS). The survey¹ encapsulates qualitative assessment of the business climate by Indian manufacturing companies for Q4:2024-25 and their expectations for Q1:2025-26 as well as outlook on select parameters for the subsequent two quarters. In all, 1,310 companies responded in this round of the survey² conducted during January-March 2025.

Highlights:

A. Assessment for Q4:2024-25

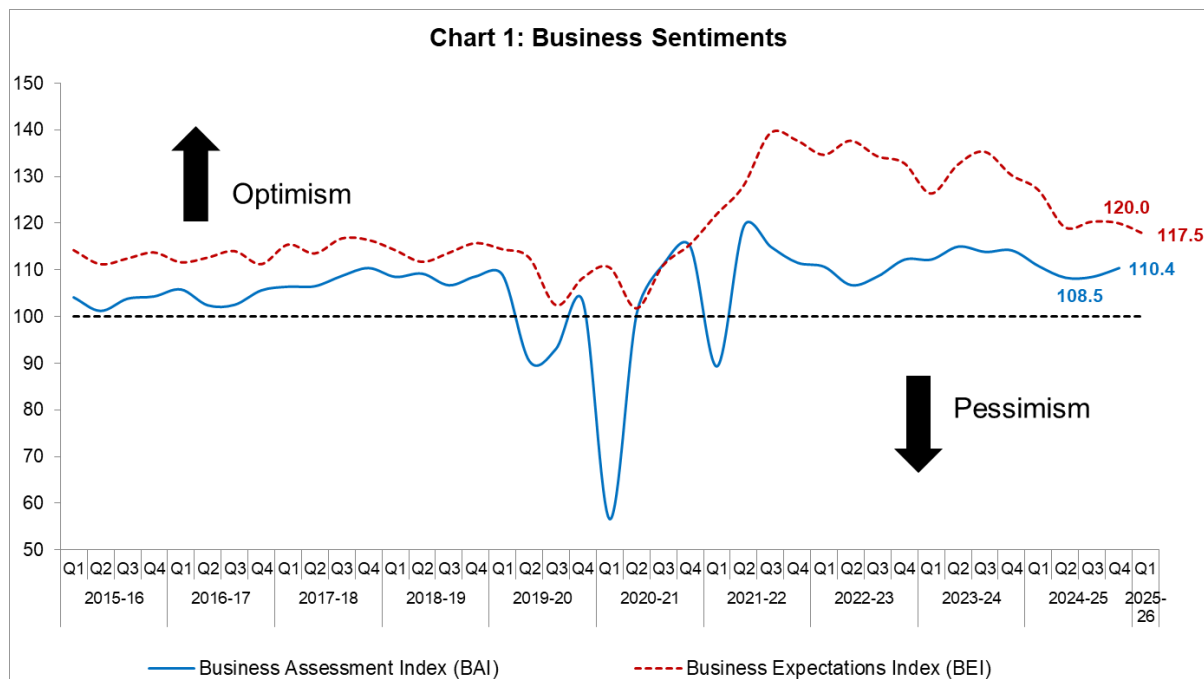
- Manufacturers reported improved demand conditions as reflected in their assessment on production, order books, capacity utilisation, and exports ([Table A](#)).
- Pressures from input costs and staff cost increased during Q4:2024-25.
- Majority of the responding firms polled for no-change in selling prices and profit margins.
- Business assessment index (BAI) for the manufacturing sector improved in Q4:2024-25 ([Chart 1](#)).

B. Expectations for Q1:2025-26

- Manufacturers remained optimistic on demand conditions in Q1:2025-26; the optimism was, however, lower when compared to that in the previous quarter, which is partly seasonal.
- Pressures from input costs and finance cost are expected to ease in Q1:2025-26, while pressures from salary outgo are likely to increase.
- Respondents expect some moderation in growth of selling prices and profit margins, in sync with their expectations on demand conditions.
- Business expectations index stood firmly in growth terrain at 117.5 in Q1:2025-26 though it moderated from its level of 120.0 in Q4:2024-25 ([Chart 1](#)).

¹ The survey results reflect the respondents' views, which are not necessarily shared by the Reserve Bank.

² Results of the previous survey round were released on the Bank's website on [February 07, 2025](#).



C. Expectations for Q2:2025-26 and Q3:2025-26

- Manufacturers perceive sequential improvement in production, order books, capacity utilisation and overall business situation during Q2 and Q3:2025-26 ([Table B](#)).
- Input cost pressures are expected to persist till end-2025 with rise in selling prices.

Table A: Summary of Net responses³ on Survey Parameters

(per cent)

Parameters	Assessment period		Expectation period	
	Q3:2024:25	Q4:2024:25	Q4:2024:25	Q1:2025-26
Production	26.2	27.9	38.6	36.9
Order Books	21.9	24.4	36.8	35.6
Pending Orders	10.4	6.2	7.1	2.5
Capacity Utilisation	17.4	18.7	32.1	31.0
Inventory of Raw Materials	-6.0	-6.4	-7.5	-8.7
Inventory of Finished Goods	-6.8	-7.9	-8.9	-9.1
Exports	7.6	13.5	24.2	18.4
Imports	11.3	12.3	23.9	16.1
Employment	10.2	12.0	16.7	12.9
Financial Situation (Overall)	24.9	27.0	41.9	36.3
Availability of Finance (from internal accruals)	24.7	22.3	34.6	30.4
Availability of Finance (from banks & other sources)	18.9	15.1	27.1	21.7
Availability of Finance (from overseas, if applicable)	8.0	3.8	18.0	9.7
Cost of Raw Material	-46.5	-47.2	-49.2	-40.1
Cost of Finance	-12.6	-10.8	-19.9	-12.8
Salary/ Other Remuneration	-17.5	-18.0	-23.0	-36.8
Selling Price	2.6	4.4	15.1	12.5
Profit Margin	-12.8	-9.5	11.7	7.0
Overall Business Situation	25.9	28.4	45.4	38.8

Table B: Business Expectations on Select Parameters for extended period – Net response

(per cent)

Parameters	Round 108	Round 109		
	Q4:2024:25	Q1:2025-26	Q2:2025-26	Q3:2025-26
Overall Business Situation	45.4	38.8	48.8	50.4
Production	38.6	36.9	47.0	50.8
Order Books	36.8	35.6	46.2	47.4
Capacity Utilisation	32.1	31.0	44.4	45.9
Employment	16.7	12.9	22.2	21.6
Cost of Raw Materials	-49.2	-40.1	-49.3	-48.5
Selling Prices	15.1	12.5	24.8	23.6

Note: [Please see the excel file for time series data](#)

³ Net Response (NR) is the difference between the percentage of respondents reporting optimism and those reporting pessimism. It ranges between -100 to 100. Any value greater than zero indicates expansion/optimism and any value less than zero indicates contraction/pessimism. In other words, $NR = (I - D)$, where, I is the percentage response of 'Increase/optimism', and D is the percentage response of 'Decrease/pessimism' and E is the percentage response as 'no change/equal' (i.e., $I+D+E=100$). For example, increase in production is optimism whereas decrease in cost of raw material is optimism.

Table 1: Assessment and Expectations for Production (Percentage responses)@

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q4:2023-24	1,354	46.6	12.3	41.1	34.4	62.3	4.2	33.6	58.1
Q1:2024-25	1,351	41.4	13.6	45.0	27.9	60.0	6.0	34.0	54.0
Q2:2024-25	1,300	37.6	14.7	47.7	22.9	40.7	4.3	55.0	36.3
Q3:2024-25	1,447	42.4	16.2	41.5	26.2	40.5	4.3	55.2	36.3
Q4:2024-25	1,310	40.9	13.0	46.1	27.9	42.8	4.2	52.9	38.6
Q1:2025-26						41.4	4.6	54.0	36.9

'Increase' in production is optimistic.

@:Due to rounding off Percentage may not add up to 100.

Table 2: Assessment and Expectations for Order Books (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q4:2023-24	1,354	43.4	11.6	44.9	31.8	61.8	6.0	32.1	55.8
Q1:2024-25	1,351	39.9	14.3	45.9	25.6	57.1	6.0	36.9	51.1
Q2:2024-25	1,300	35.3	15.8	48.9	19.5	39.4	4.2	56.3	35.2
Q3:2024-25	1,447	40.0	18.1	41.8	21.9	38.1	4.8	57.0	33.3
Q4:2024-25	1,310	38.2	13.8	48.0	24.4	41.6	4.7	53.7	36.8
Q1:2025-26						40.7	5.1	54.2	35.6

'Increase' in order books is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 3: Assessment and Expectations for Pending Orders (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Above Normal	Below Normal	Normal	Net response	Above Normal	Below Normal	Normal	Net response
Q4:2023-24	1,354	5.5	11.7	82.8	6.2	8.2	9.3	82.5	1.1
Q1:2024-25	1,351	5.7	11.6	82.7	5.9	6.4	8.1	85.5	1.8
Q2:2024-25	1,300	3.1	11.1	85.8	8.0	4.2	6.0	89.8	1.8
Q3:2024-25	1,447	4.4	14.8	80.8	10.4	3.8	5.6	90.5	1.8
Q4:2024-25	1,310	4.9	11.1	84.0	6.2	4.5	11.6	83.9	7.1
Q1:2025-26						4.3	6.8	88.9	2.5

Pending orders 'Below Normal' is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 4: Assessment and Expectations for Capacity Utilisation (Main Product) (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q4:2023-24	1,354	34.9	9.9	55.2	24.9	51.2	4.6	44.2	46.7
Q1:2024-25	1,351	30.1	11.4	58.6	18.7	48.4	4.8	46.8	43.6
Q2:2024-25	1,300	25.1	10.0	65.0	15.1	33.2	4.0	62.9	29.2
Q3:2024-25	1,447	29.9	12.5	57.6	17.4	33.4	3.9	62.6	29.5
Q4:2024-25	1,310	29.1	10.3	60.6	18.7	36.2	4.1	59.6	32.1
Q1:2025-26						35.4	4.4	60.1	31.0

'Increase' in capacity utilisation is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 5: Level of capacity utilisation (compared to the average in preceding 4 quarters) (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Above Normal	Below Normal	Normal	Net response	Above Normal	Below Normal	Normal	Net response
Q4:2023-24	1,354	20.0	10.4	69.6	9.6	33.3	5.7	61.1	27.6
Q1:2024-25	1,351	16.2	11.7	72.1	4.6	22.5	7.1	70.4	15.4
Q2:2024-25	1,300	14.9	8.1	77.0	6.8	13.1	4.7	82.2	8.4
Q3:2024-25	1,447	12.0	11.2	76.7	0.8	14.4	3.8	81.8	10.5
Q4:2024-25	1,310	10.9	8.5	80.6	2.3	12.5	4.4	83.0	8.1
Q1:2025-26						9.7	4.6	85.6	5.1

'Above Normal' in Level of capacity utilisation is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 6: Assessment and Expectations for Assessment of Production Capacity (with regard to expected demand in next 6 months) (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		More than adequate	Less than adequate	Adequate	Net response	More than adequate	Less than adequate	Adequate	Net response
Q4:2023-24	1,354	17.7	5.6	76.7	12.1	38.5	3.6	57.9	34.9
Q1:2024-25	1,351	9.8	3.2	87.0	6.6	27.2	4.7	68.1	22.5
Q2:2024-25	1,300	6.9	2.1	90.9	4.8	14.7	2.5	82.8	12.3
Q3:2024-25	1,447	8.8	3.7	87.5	5.0	12.8	1.5	85.7	11.3
Q4:2024-25	1,310	9.1	2.4	88.5	6.7	11.1	2.8	86.1	8.3
Q1:2025-26						12.1	1.7	86.2	10.4

'More than adequate' in Assessment of Production Capacity is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 7: Assessment and Expectations for Exports (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q4:2023-24	1,354	26.4	10.7	62.9	15.7	50.3	6.7	43.0	43.6
Q1:2024-25	1,351	23.7	12.8	63.4	10.9	41.6	5.5	52.9	36.1
Q2:2024-25	1,300	18.4	13.2	68.4	5.3	29.2	4.4	66.4	24.8
Q3:2024-25	1,447	22.1	14.5	63.4	7.6	31.2	5.0	63.9	26.2
Q4:2024-25	1,310	23.0	9.5	67.6	13.5	29.2	4.9	65.9	24.2
Q1:2025-26						23.4	5.0	71.6	18.4

'Increase' in exports is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 8: Assessment and Expectations for Imports (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q4:2023-24	1,354	21.6	7.8	70.6	13.8	45.2	4.2	50.6	41.0
Q1:2024-25	1,351	21.6	7.7	70.7	13.9	35.2	4.1	60.7	31.1
Q2:2024-25	1,300	17.6	8.5	73.8	9.1	25.7	3.0	71.3	22.8
Q3:2024-25	1,447	20.4	9.1	70.5	11.3	28.0	3.6	68.4	24.3
Q4:2024-25	1,310	19.0	6.8	74.3	12.3	26.6	2.7	70.7	23.9
Q1:2025-26						19.4	3.3	77.2	16.1

'Increase' in imports is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 9: Assessment and Expectations for level of Raw Materials Inventory (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Above average	Below average	average	Net response	Above average	Below average	average	Net response
Q4:2023-24	1,354	13.3	6.0	80.7	-7.3	27.4	1.7	70.9	-25.7
Q1:2024-25	1,351	11.9	6.0	82.1	-5.9	20.2	3.9	75.9	-16.3
Q2:2024-25	1,300	8.8	6.1	85.1	-2.7	10.7	2.3	87.0	-8.3
Q3:2024-25	1,447	11.0	5.0	84.0	-6.0	11.9	2.3	85.8	-9.6
Q4:2024-25	1,310	11.3	4.9	83.8	-6.4	9.8	2.3	88.0	-7.5
Q1:2025-26						11.0	2.3	86.7	-8.7

'Below average' Inventory of raw materials is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 10: Assessment and Expectations for level of Finished Goods Inventory (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Above average	Below average	average	Net response	Above average	Below average	average	Net response
Q4:2023-24	1,354	12.4	6.0	81.7	-6.4	27.3	2.0	70.7	-25.3
Q1:2024-25	1,351	11.9	6.4	81.7	-5.5	20.1	3.9	75.9	-16.2
Q2:2024-25	1,300	9.5	6.5	84.0	-3.0	10.3	2.6	87.1	-7.7
Q3:2024-25	1,447	11.9	5.1	83.0	-6.8	12.1	2.2	85.8	-9.9
Q4:2024-25	1,310	12.6	4.7	82.7	-7.9	11.1	2.2	86.8	-8.9
Q1:2025-26						10.9	1.7	87.4	-9.1

'Below average' Inventory of finished goods is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 11: Assessment and Expectations for Employment Outlook (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q4:2023-24	1,354	21.7	4.9	73.4	16.8	41.7	2.2	56.1	39.5
Q1:2024-25	1,351	18.5	7.3	74.1	11.2	31.3	2.2	66.5	29.1
Q2:2024-25	1,300	15.9	6.2	77.9	9.7	17.7	2.1	80.2	15.6
Q3:2024-25	1,447	17.3	7.2	75.5	10.2	19.3	1.6	79.1	17.6
Q4:2024-25	1,310	17.4	5.4	77.2	12.0	18.0	1.2	80.8	16.7
Q1:2025-26						14.6	1.7	83.7	12.9

'Increase' in employment is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 12: Assessment and Expectations for Overall Financial Situation (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Better	Worsen	No change	Net response	Better	Worsen	No change	Net response
Q4:2023-24	1,354	45.0	10.1	44.9	34.8	58.2	4.0	37.8	54.2
Q1:2024-25	1,351	40.9	12.4	46.7	28.5	59.2	5.2	35.6	54.0
Q2:2024-25	1,300	37.5	11.9	50.6	25.6	44.7	2.5	52.8	42.2
Q3:2024-25	1,447	38.0	13.1	49.0	24.9	49.1	2.7	48.1	46.4
Q4:2024-25	1,310	37.0	10.1	52.9	27.0	44.8	3.0	52.2	41.9
Q1:2025-26						39.0	2.6	58.4	36.3

'Better' overall financial situation is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 13: Assessment and Expectations for Working Capital Finance Requirement (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q4:2023-24	1,354	37.5	4.7	57.8	32.8	49.6	2.9	47.6	46.7
Q1:2024-25	1,351	31.6	6.5	61.9	25.1	46.6	3.0	50.4	43.6
Q2:2024-25	1,300	24.1	4.7	71.2	19.4	32.0	2.1	66.0	29.9
Q3:2024-25	1,447	26.9	6.5	66.6	20.3	32.4	1.2	66.5	31.2
Q4:2024-25	1,310	24.3	5.1	70.6	19.2	30.9	2.3	66.8	28.6
Q1:2025-26						25.5	2.7	71.8	22.9

'Increase' in working capital finance is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 14: Assessment and Expectations for Availability of Finance (from Internal Accruals) (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Improve	Worsen	No change	Net response	Improve	Worsen	No change	Net response
Q4:2023-24	1,354	35.9	6.0	58.0	29.9	49.3	2.0	48.7	47.4
Q1:2024-25	1,351	29.5	6.5	64.0	23.0	47.7	2.9	49.4	44.8
Q2:2024-25	1,300	23.5	5.4	71.1	18.1	33.0	1.2	65.9	31.8
Q3:2024-25	1,447	31.1	6.4	62.4	24.7	32.9	0.8	66.3	32.1
Q4:2024-25	1,310	27.8	5.5	66.6	22.3	35.8	1.3	62.9	34.6
Q1:2025-26						31.7	1.3	67.0	30.4

'Improvement' in availability of finance is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 15: Assessment and Expectations for Availability of Finance (from banks and other sources) (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Improve	Worsen	No change	Net response	Improve	Worsen	No change	Net response
Q4:2023-24	1,354	31.2	5.1	63.6	26.1	46.5	2.1	51.4	44.5
Q1:2024-25	1,351	25.9	5.9	68.3	20.0	43.2	2.8	54.0	40.5
Q2:2024-25	1,300	18.7	4.3	77.0	14.4	28.7	1.4	69.9	27.2
Q3:2024-25	1,447	23.5	4.5	72.0	18.9	27.4	0.7	72.0	26.7
Q4:2024-25	1,310	19.8	4.7	75.5	15.1	27.9	0.8	71.3	27.1
Q1:2025-26						23.0	1.3	75.7	21.7

'Improvement' in availability of finance is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 16: Assessment and Expectations for Availability of Finance (from overseas, if applicable) (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Improve	Worsen	No change	Net response	Improve	Worsen	No change	Net response
Q4:2023-24	1,354	21.2	5.2	73.6	15.9	45.3	1.4	53.4	43.9
Q1:2024-25	1,351	16.2	6.5	77.3	9.8	35.9	2.7	61.5	33.2
Q2:2024-25	1,300	9.4	4.3	86.4	5.1	18.1	1.2	80.7	16.9
Q3:2024-25	1,447	13.9	5.9	80.3	8.0	20.6	0.4	79.0	20.2
Q4:2024-25	1,310	8.5	4.7	86.8	3.8	19.0	1.0	79.9	18.0
Q1:2025-26						10.7	1.0	88.3	9.7

'Improvement' in availability of finance is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 17: Assessment and Expectations for Cost of Finance (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q4:2023-24	1,354	31.3	6.5	62.3	-24.8	48.8	2.9	48.3	-45.9
Q1:2024-25	1,351	23.3	6.7	70.0	-16.6	40.3	4.1	55.6	-36.3
Q2:2024-25	1,300	14.3	4.1	81.6	-10.2	22.1	2.9	75.0	-19.2
Q3:2024-25	1,447	17.9	5.3	76.8	-12.6	22.2	2.0	75.8	-20.2
Q4:2024-25	1,310	14.3	3.6	82.1	-10.8	21.8	1.9	76.3	-19.9
Q1:2025-26						15.5	2.7	81.8	-12.8

'Decrease' in cost of finance is optimistic. Footnote '@' given in Table 1 is applicable here. The column heads, namely 'Increase' and 'Decrease' in data releases for rounds 82-87 were interchanged and should be read as above.

Table 18: Assessment and Expectations for Cost of Raw Materials (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q4:2023-24	1,354	50.2	6.3	43.5	-43.8	57.0	2.9	40.1	-54.2
Q1:2024-25	1,351	53.9	4.6	41.5	-49.3	55.9	3.1	40.9	-52.8
Q2:2024-25	1,300	44.5	5.8	49.8	-38.7	52.1	1.1	46.9	-51.0
Q3:2024-25	1,447	51.9	5.4	42.7	-46.5	49.2	1.6	49.3	-47.6
Q4:2024-25	1,310	50.7	3.5	45.8	-47.2	51.7	2.5	45.8	-49.2
Q1:2025-26						41.6	1.6	56.8	-40.1

'Decrease' in cost of raw materials is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 19: Assessment and Expectations for Salary/Other Remuneration (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q4:2023-24	1,354	26.1	1.8	72.1	-24.3	42.9	0.9	56.2	-42.0
Q1:2024-25	1,351	42.9	1.2	55.9	-41.7	52.9	0.9	46.2	-51.9
Q2:2024-25	1,300	18.8	1.4	79.8	-17.4	26.7	0.6	72.7	-26.1
Q3:2024-25	1,447	18.8	1.3	79.9	-17.5	27.8	0.3	71.9	-27.4
Q4:2024-25	1,310	19.2	1.2	79.6	-18.0	23.4	0.4	76.3	-23.0
Q1:2025-26						37.7	0.9	61.5	-36.8

'Decrease' in Salary / other remuneration is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 20: Assessment and Expectations for Selling Price (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q4:2023-24	1,354	18.9	10.8	70.3	8.1	40.4	5.6	54.0	34.8
Q1:2024-25	1,351	18.5	10.5	71.0	8.0	30.5	5.7	63.8	24.7
Q2:2024-25	1,300	10.9	10.7	78.4	0.2	20.3	3.1	76.5	17.2
Q3:2024-25	1,447	15.0	12.4	72.6	2.6	19.3	2.2	78.5	17.1
Q4:2024-25	1,310	14.1	9.6	76.3	4.4	19.0	3.9	77.0	15.1
Q1:2025-26						15.7	3.2	81.2	12.5

'Increase' in selling price is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 21: Assessment and Expectations for Profit Margin (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
Q4:2023-24	1,354	17.2	20.6	62.1	-3.4	40.3	9.5	50.2	30.8
Q1:2024-25	1,351	13.0	25.3	61.7	-12.3	30.4	10.4	59.2	20.0
Q2:2024-25	1,300	12.2	22.4	65.4	-10.2	16.7	6.8	76.4	9.9
Q3:2024-25	1,447	12.4	25.2	62.4	-12.8	19.4	5.8	74.9	13.6
Q4:2024-25	1,310	10.8	20.3	69.0	-9.5	19.0	7.3	73.7	11.7
Q1:2025-26						14.5	7.5	78.0	7.0

'Increase' in profit margin is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 22: Assessment and Expectations for Overall Business Situation (Percentage responses)

Quarter	Total response	Assessment				Expectations			
		Better	Worsen	No change	Net response	Better	Worsen	No change	Net response
Q4:2023-24	1,354	47.2	11.3	41.4	35.9	62.5	4.2	33.3	58.3
Q1:2024-25	1,351	42.7	13.1	44.2	29.6	62.0	5.5	32.5	56.5
Q2:2024-25	1,300	39.7	13.3	47.0	26.3	47.4	2.5	50.1	45.0
Q3:2024-25	1,447	40.4	14.5	45.1	25.9	51.2	3.9	44.9	47.4
Q4:2024-25	1,310	40.7	12.3	46.9	28.4	48.6	3.1	48.3	45.4
Q1:2025-26						42.3	3.5	54.3	38.8

'Better' Overall Business Situation is optimistic. Footnote '@' given in Table 1 is applicable here.

Table 23: Business Sentiments⁴

Quarter	Business Assessment Index (BAI)	Business Expectations Index (BEI)
Q4:2023-24	114.2	130.3
Q1:2024-25	110.8	127.2
Q2:2024-25	108.3	119.1
Q3:2024-25	108.5	120.3
Q4:2024-25	110.4	120.0
Q1:2025-26		117.5

⁴ For each survey round, two summary indices are computed – one based on assessment [viz., Business Assessment Index (BAI)] and another based on expectations [viz., Business Expectations Index (BEI)]. Each index is a composite indicator calculated as a simple average of nine business parameters, where each parameter is derived as a weighted net response, weights being the share of industry groups in gross value added (GVA). The nine parameters considered are: (1) overall business situation; (2) production; (3) order books; (4) inventory of raw material; (5) inventory of finished goods; (6) profit margins; (7) employment; (8) exports; and (9) capacity utilisation. BAI/BEI gives a snapshot of the business outlook in every quarter and takes values between 0 and 200, with 100 being the threshold separating expansion from contraction.