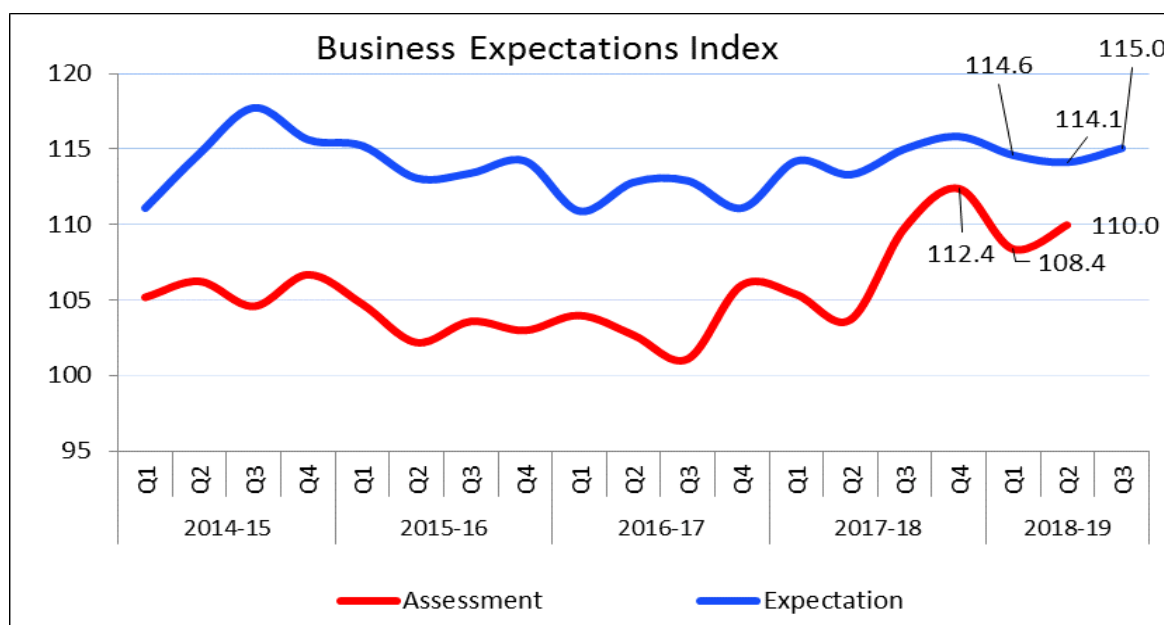


Industrial Outlook Survey of the Manufacturing Sector for Q2:2018-19

Today, the Reserve Bank released the results of the 83rd round of the Industrial Outlook Survey (IOS) conducted in July-September 2018. The Survey captures qualitative assessments of the business environment by companies in India's manufacturing sector for Q2:2018-19 and their expectations for Q3:2018-19¹. Responses were received from 1095 companies in this round of the survey.

Highlights:

- Respondents were more optimistic on demand conditions in Q2:2018-19 than in Q1:2018-19, as revealed in their assessment of production, order books, capacity utilisation and exports.
- Optimism about the overall financial situation ebbed slightly, presumably reflecting shortfalls in internal accruals; however, the availability of finance from banks and other sources remained stable.
- While sentiments on selling price remained unchanged, profit margins deteriorated due to higher input (raw material) prices and rising cost of finance.
- Overall, business sentiment in the Indian manufacturing sector improved, as reflected in an increase in the Business Expectations Index (BEI)² from 108.4 in Q1:2018-19 to 110.0 in Q2:2018-19.



¹ The survey responses are those of the respondents and are not necessarily shared by the Reserve Bank of India. The 82nd round (Q1:2018-19) survey results were released on [August 1, 2018](#) on the RBI website.

² The Business Expectations Index (BEI) is a composite indicator calculated as a weighted (share of GVA of different industry group) net response of nine business indicators. The nine indicators considered for the computation of the BEI 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. It gives a snapshot of the business outlook in every quarter. BEI takes values between 0 and 200, and 100 is the threshold separating expansion from contraction.

- As regards their expectations for Q3: 2018-19, respondents were less optimistic on the outlook on demand conditions.
- Their sentiments on the overall financial situation deteriorated due to some lose of optimism on availability of finance from banks and other sources; however, respondents were more optimistic about availability of finance from overseas.
- The outlook on selling prices has improved; however, profit margins are expected to remain unchanged.
- The BEI improved from 114.1 in Q2:2018-19 to 115.0 in Q3:2018-19.

| Summary Table Net responses³ (per cent) | | | | |
|---|-------------------|------------|--------------------|------------|
| Parameters | Assessment period | | Expectation period | |
| | Q1:2018-19 | Q2:2018-19 | Q2:2018-19 | Q3:2018-19 |
| Production | 25.4 | 26.0 | 33.2 | 32.5 |
| Order Books | 22.7 | 24.5 | 27.7 | 28.9 |
| Pending Orders | 7.3 | 6.0 | 4.4 | 3.6 |
| Capacity Utilisation | 12.0 | 12.5 | 21.6 | 21.0 |
| Exports | 9.1 | 10.7 | 18.5 | 15.9 |
| Imports | 11.2 | 9.8 | 13.3 | 12.2 |
| Employment | 10.9 | 8.4 | 12.9 | 12.9 |
| Financial Situation (Overall) | 20.7 | 18.6 | 27.9 | 26.9 |
| Availability of Finance (from internal accruals) | 16.0 | 14.1 | 18.6 | 18.2 |
| Availability of Finance (from banks and other sources) | 11.7 | 12.2 | 14.3 | 13.1 |
| Availability of Finance (from overseas, if applicable) | 1.4 | 4.9 | 4.4 | 5.2 |
| Cost of Finance | -19.9 | -19.3 | -19.3 | -19.8 |
| Cost of Raw Material | -53.0 | -52.9 | -43.4 | -44.5 |
| Selling Price | 11.5 | 11.3 | 8.8 | 14.3 |
| Profit Margin | -10.3 | -12.2 | 0.0 | 0.1 |
| Overall Business Situation | 29.6 | 27.9 | 34.6 | 36.3 |
| Salary | 40.0 | 33.5 | 31.6 | 24.4 |

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

³ Net Response (NR) is the difference of percentage of the respondents reporting optimism and that reporting pessimism. The range is -100 to 100. Any value greater than zero indicates expansion/optimism and any value less than zero indicates contraction/pessimism i.e., $NR = (I - D)$; 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'; $I+D+E=100$. 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 | | | | Expectation | | | |
|------------|----------------|------------|----------|-----------|---------------------------|-------------|----------|-----------|---------------------------|
| | | Increase | Decrease | No change | Net response [#] | Increase | Decrease | No change | Net response [#] |
| Q2:2017-18 | 1141 | 34.9 | 18.5 | 46.6 | 16.4 | 42.2 | 12.0 | 45.8 | 30.2 |
| Q3:2017-18 | 1299 | 36.8 | 14.7 | 48.5 | 22.0 | 43.4 | 9.1 | 47.5 | 34.3 |
| Q4:2017-18 | 1250 | 40.7 | 13.4 | 45.9 | 27.3 | 42.5 | 8.4 | 49.2 | 34.1 |
| Q1:2018-19 | 1207 | 39.4 | 14.0 | 46.6 | 25.4 | 40.4 | 11.0 | 48.6 | 29.5 |
| Q2:2018-19 | 1095 | 39.2 | 13.1 | 47.7 | 26.0 | 43.0 | 9.8 | 47.2 | 33.2 |
| Q3:2018-19 | | | | | | 41.6 | 9.0 | 49.4 | 32.5 |

'Increase' in production is optimistic.

[@]: Due to rounding off percentage may not add up to 100.

[#]: Net Response (NR) is the difference of percentage of the respondents reporting optimism and that reporting pessimism. The range is -100 to 100. Any value greater than zero indicates expansion and any value less than zero indicates contraction.

Table 2: Assessment and Expectations for Order Books

(Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|----------|-----------|--------------|-------------|----------|-----------|--------------|
| | | Increase | Decrease | No change | Net response | Increase | Decrease | No change | Net response |
| Q2:2017-18 | 1141 | 31.8 | 19.7 | 48.5 | 12.1 | 39.7 | 11.7 | 48.6 | 28.0 |
| Q3:2017-18 | 1299 | 35.4 | 16.2 | 48.4 | 19.2 | 39.6 | 9.6 | 50.8 | 29.9 |
| Q4:2017-18 | 1250 | 38.9 | 14.4 | 46.6 | 24.5 | 40.5 | 10.2 | 49.2 | 30.3 |
| Q1:2018-19 | 1207 | 36.2 | 13.5 | 50.3 | 22.7 | 38.8 | 10.4 | 50.8 | 28.4 |
| Q2:2018-19 | 1095 | 37.3 | 12.8 | 49.9 | 24.5 | 38.4 | 10.8 | 50.8 | 27.7 |
| Q3:2018-19 | | | | | | 39.6 | 9.6 | 51.8 | 28.9 |

'Increase' in order books is optimistic. Footnotes '[@]' and '[#]' given in Table 1 are applicable here.

Table 3: Assessment and Expectations for Pending Orders

(Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|--------------|--------------|--------|--------------|--------------|--------------|--------|--------------|
| | | Above Normal | Below Normal | Normal | Net response | Above Normal | Below Normal | Normal | Net response |
| Q2:2017-18 | 1141 | 4.2 | 17.9 | 77.9 | 13.7 | 6.5 | 12.5 | 81.0 | 6.0 |
| Q3:2017-18 | 1299 | 6.7 | 16.2 | 77.1 | 9.5 | 4.7 | 11.4 | 83.9 | 6.7 |
| Q4:2017-18 | 1250 | 4.5 | 14.8 | 80.7 | 10.3 | 6.8 | 12.5 | 80.7 | 5.7 |
| Q1:2018-19 | 1207 | 5.1 | 12.4 | 82.4 | 7.3 | 4.9 | 12.6 | 82.5 | 7.6 |
| Q2:2018-19 | 1095 | 7.2 | 13.2 | 79.7 | 6.0 | 6.3 | 10.7 | 83.0 | 4.4 |
| Q3:2018-19 | | | | | | 7.4 | 11.0 | 81.6 | 3.6 |

Pending orders 'Below Normal' is optimistic. Footnotes '[@]' and '[#]' given in Table 1 are applicable here.

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

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|----------|-----------|--------------|-------------|----------|-----------|--------------|
| | | Increase | Decrease | No change | Net response | Increase | Decrease | No change | Net response |
| Q2:2017-18 | 1141 | 22.9 | 15.8 | 61.3 | 7.1 | 27.6 | 11.3 | 61.1 | 16.3 |
| Q3:2017-18 | 1299 | 23.9 | 12.7 | 63.4 | 11.3 | 28.8 | 8.0 | 63.2 | 20.8 |
| Q4:2017-18 | 1250 | 27.4 | 12.6 | 60.0 | 14.8 | 28.4 | 8.9 | 62.7 | 19.5 |
| Q1:2018-19 | 1207 | 24.5 | 12.5 | 63.0 | 12.0 | 27.8 | 9.8 | 62.4 | 17.9 |
| Q2:2018-19 | 1095 | 24.4 | 11.9 | 63.6 | 12.5 | 29.3 | 7.7 | 63.0 | 21.6 |
| Q3:2018-19 | | | | | | 28.3 | 7.3 | 64.4 | 21.0 |

'Increase' in capacity utilisation is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

Table 5: Assessment and Expectations for Level of CU (compared to the average in last 4 quarters) (Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|--------------|--------------|--------|--------------|--------------|--------------|--------|--------------|
| | | Above Normal | Below Normal | Normal | Net response | Above Normal | Below Normal | Normal | Net response |
| Q2:2017-18 | 1141 | 9.7 | 15.6 | 74.7 | -6.0 | 9.7 | 10.8 | 79.5 | -1.1 |
| Q3:2017-18 | 1299 | 10.3 | 14.1 | 75.6 | -3.8 | 11.4 | 9.6 | 79.0 | 1.8 |
| Q4:2017-18 | 1250 | 12.6 | 13.5 | 73.9 | -0.9 | 13.0 | 10.7 | 76.2 | 2.3 |
| Q1:2018-19 | 1207 | 11.0 | 12.9 | 76.1 | -2.0 | 13.0 | 10.6 | 76.5 | 2.4 |
| Q2:2018-19 | 1095 | 11.7 | 12.3 | 76.0 | -0.6 | 11.8 | 9.3 | 78.9 | 2.5 |
| Q3:2018-19 | | | | | | 12.5 | 9.1 | 78.4 | 3.4 |

'Above Normal' in Level of capacity utilisation is optimistic. Footnotes '@' and '#' given in Table 1 are 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 | | | | Expectation | | | |
|------------|----------------|--------------------|--------------------|----------|--------------|--------------------|--------------------|----------|--------------|
| | | More than adequate | Less than adequate | Adequate | Net response | More than adequate | Less than adequate | Adequate | Net response |
| Q2:2017-18 | 1141 | 10.4 | 7.4 | 82.2 | 3.0 | 12.2 | 6.6 | 81.2 | 5.6 |
| Q3:2017-18 | 1299 | 11.8 | 7.1 | 81.2 | 4.7 | 11.1 | 6.5 | 82.4 | 4.6 |
| Q4:2017-18 | 1250 | 12.2 | 6.3 | 81.4 | 5.9 | 12.9 | 6.9 | 80.2 | 6.0 |
| Q1:2018-19 | 1207 | 10.5 | 6.6 | 82.9 | 3.9 | 13.0 | 6.0 | 81.0 | 7.0 |
| Q2:2018-19 | 1095 | 11.2 | 7.2 | 81.6 | 4.0 | 11.3 | 6.0 | 82.7 | 5.2 |
| Q3:2018-19 | | | | | | 11.9 | 6.3 | 81.8 | 5.6 |

'More than adequate' in Assessment of Production Capacity is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

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

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|----------|-----------|--------------|-------------|----------|-----------|--------------|
| | | Increase | Decrease | No change | Net response | Increase | Decrease | No change | Net response |
| Q2:2017-18 | 1141 | 24.2 | 15.4 | 60.4 | 8.8 | 27.9 | 11.6 | 60.5 | 16.3 |
| Q3:2017-18 | 1299 | 22.5 | 14.7 | 62.8 | 7.8 | 27.6 | 8.6 | 63.8 | 19.0 |
| Q4:2017-18 | 1250 | 26.3 | 13.8 | 59.9 | 12.5 | 25.4 | 8.8 | 65.8 | 16.6 |
| Q1:2018-19 | 1207 | 23.6 | 14.5 | 61.8 | 9.1 | 28.4 | 9.8 | 61.8 | 18.6 |
| Q2:2018-19 | 1095 | 23.7 | 13.1 | 63.2 | 10.7 | 27.8 | 9.2 | 63.0 | 18.5 |
| Q3:2018-19 | | | | | | 26.1 | 10.2 | 63.7 | 15.9 |

'Increase' in exports is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

Table 8: Assessment and Expectations for Imports

(Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|----------|-----------|--------------|-------------|----------|-----------|--------------|
| | | Increase | Decrease | No change | Net response | Increase | Decrease | No change | Net response |
| Q2:2017-18 | 1141 | 17.1 | 8.2 | 74.7 | 8.9 | 18.6 | 7.9 | 73.5 | 10.7 |
| Q3:2017-18 | 1299 | 18.2 | 9.1 | 72.7 | 9.1 | 17.8 | 5.0 | 77.2 | 12.8 |
| Q4:2017-18 | 1250 | 19.8 | 8.7 | 71.5 | 11.0 | 19.7 | 6.2 | 74.1 | 13.5 |
| Q1:2018-19 | 1207 | 19.6 | 8.4 | 72.0 | 11.2 | 19.6 | 5.8 | 74.7 | 13.8 |
| Q2:2018-19 | 1095 | 18.3 | 8.6 | 73.1 | 9.8 | 19.1 | 5.8 | 75.1 | 13.3 |
| Q3:2018-19 | | | | | | 19.3 | 7.1 | 73.6 | 12.2 |

'Increase' in imports is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

Table 9: Assessment and Expectations for level of Raw Materials Inventory

(Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|---------------|---------------|---------|--------------|---------------|---------------|---------|--------------|
| | | Above average | Below average | Average | Net response | Above average | Below average | Average | Net response |
| Q2:2017-18 | 1141 | 13.1 | 6.2 | 80.8 | -6.9 | 10.7 | 6.1 | 83.2 | -4.6 |
| Q3:2017-18 | 1299 | 14.6 | 6.0 | 79.4 | -8.6 | 10.4 | 4.3 | 85.4 | -6.1 |
| Q4:2017-18 | 1250 | 14.0 | 5.9 | 80.2 | -8.1 | 11.5 | 6.0 | 82.5 | -5.5 |
| Q1:2018-19 | 1207 | 14.6 | 4.9 | 80.5 | -9.6 | 10.8 | 5.7 | 83.5 | -5.2 |
| Q2:2018-19 | 1095 | 14.3 | 6.1 | 79.6 | -8.2 | 11.0 | 5.2 | 83.7 | -5.8 |
| Q3:2018-19 | | | | | | 11.3 | 4.6 | 84.1 | -6.7 |

'Below average' Inventory of raw materials is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

Table 10: Assessment and Expectations for level of Finished Goods Inventory

(Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|---------------|---------------|---------|--------------|---------------|---------------|---------|--------------|
| | | Above average | Below average | Average | Net response | Above average | Below average | Average | Net response |
| Q2:2017-18 | 1141 | 15.9 | 7.1 | 77.0 | -8.8 | 11.6 | 6.0 | 82.4 | -5.6 |
| Q3:2017-18 | 1299 | 14.5 | 6.9 | 78.6 | -7.6 | 10.0 | 6.2 | 83.8 | -3.8 |
| Q4:2017-18 | 1250 | 13.3 | 6.5 | 80.3 | -6.8 | 10.9 | 6.5 | 82.6 | -4.5 |
| Q1:2018-19 | 1207 | 12.0 | 6.3 | 81.7 | -5.7 | 10.4 | 5.8 | 83.9 | -4.6 |
| Q2:2018-19 | 1095 | 13.3 | 6.5 | 80.2 | -6.9 | 9.9 | 5.0 | 85.1 | -4.8 |
| Q3:2018-19 | | | | | | 10.8 | 5.2 | 83.9 | -5.6 |

'Below average' Inventory of finished goods is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

Table 11: Assessment and Expectations for Employment Outlook

(Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|----------|-----------|--------------|-------------|----------|-----------|--------------|
| | | Increase | Decrease | No change | Net response | Increase | Decrease | No change | Net response |
| Q2:2017-18 | 1141 | 15.5 | 8.2 | 76.3 | 7.3 | 15.2 | 6.5 | 78.3 | 8.7 |
| Q3:2017-18 | 1299 | 15.8 | 7.4 | 76.8 | 8.4 | 15.8 | 5.3 | 78.9 | 10.4 |
| Q4:2017-18 | 1250 | 17.5 | 8.1 | 74.4 | 9.4 | 17.0 | 5.3 | 77.7 | 11.7 |
| Q1:2018-19 | 1207 | 18.1 | 7.2 | 74.6 | 10.9 | 17.7 | 6.6 | 75.7 | 11.1 |
| Q2:2018-19 | 1095 | 16.2 | 7.8 | 76.1 | 8.4 | 17.6 | 4.7 | 77.7 | 12.9 |
| Q3:2018-19 | | | | | | 17.1 | 4.2 | 78.7 | 12.9 |

'Increase' in employment is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

Table 12: Assessment and Expectations for Overall Financial Situation

(Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|--------|-----------|--------------|-------------|--------|-----------|--------------|
| | | Better | Worsen | No change | Net response | Better | Worsen | No change | Net response |
| Q2:2017-18 | 1141 | 29.0 | 13.2 | 57.7 | 15.8 | 35.6 | 7.7 | 56.6 | 27.9 |
| Q3:2017-18 | 1299 | 28.6 | 11.4 | 60.0 | 17.1 | 35.3 | 6.6 | 58.1 | 28.7 |
| Q4:2017-18 | 1250 | 31.9 | 9.5 | 58.6 | 22.4 | 35.2 | 6.6 | 58.2 | 28.6 |
| Q1:2018-19 | 1207 | 31.0 | 10.3 | 58.7 | 20.7 | 34.5 | 6.5 | 59.0 | 28.0 |
| Q2:2018-19 | 1095 | 30.0 | 11.3 | 58.7 | 18.6 | 35.1 | 7.2 | 57.6 | 27.9 |
| Q3:2018-19 | | | | | | 34.4 | 7.5 | 58.0 | 26.9 |

'Better' overall financial situation is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

Table 13: Assessment and Expectations for Working Capital Finance Requirement

(Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|----------|-----------|--------------|-------------|----------|-----------|--------------|
| | | Increase | Decrease | No change | Net response | Increase | Decrease | No change | Net response |
| Q2:2017-18 | 1141 | 29.7 | 6.3 | 64.1 | 23.4 | 29.4 | 5.7 | 65.0 | 23.7 |
| Q3:2017-18 | 1299 | 34.4 | 5.0 | 60.6 | 29.4 | 30.5 | 4.1 | 65.4 | 26.4 |
| Q4:2017-18 | 1250 | 35.5 | 5.3 | 59.2 | 30.1 | 32.4 | 3.6 | 64.0 | 28.8 |
| Q1:2018-19 | 1207 | 32.4 | 4.8 | 62.8 | 27.7 | 30.8 | 5.3 | 63.9 | 25.4 |
| Q2:2018-19 | 1095 | 30.4 | 5.5 | 64.2 | 24.9 | 30.8 | 4.5 | 64.7 | 26.3 |
| Q3:2018-19 | | | | | | 30.6 | 4.0 | 65.4 | 26.6 |

'Increase' in working capital finance is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

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

(Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|--------|-----------|--------------|-------------|--------|-----------|--------------|
| | | Improve | Worsen | No change | Net response | Improve | Worsen | No change | Net response |
| Q2:2017-18 | 1141 | 23.2 | 9.5 | 67.3 | 13.7 | 26.8 | 6.4 | 66.9 | 20.4 |
| Q3:2017-18 | 1299 | 22.2 | 8.4 | 69.3 | 13.8 | 25.8 | 5.6 | 68.6 | 20.2 |
| Q4:2017-18 | 1250 | 23.7 | 8.9 | 67.4 | 14.7 | 26.6 | 5.2 | 68.2 | 21.4 |
| Q1:2018-19 | 1207 | 24.2 | 8.2 | 67.5 | 16.0 | 25.1 | 6.9 | 67.9 | 18.2 |
| Q2:2018-19 | 1095 | 24.3 | 10.2 | 65.5 | 14.1 | 25.1 | 6.5 | 68.3 | 18.6 |
| Q3:2018-19 | | | | | | 24.9 | 6.7 | 68.3 | 18.2 |

'Improvement' in availability of finance is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

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

(Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|--------|-----------|--------------|-------------|--------|-----------|--------------|
| | | Improve | Worsen | No change | Net response | Improve | Worsen | No change | Net response |
| Q2:2017-18 | 1141 | 19.8 | 6.1 | 74.1 | 13.8 | 21.5 | 4.6 | 73.9 | 17.0 |
| Q3:2017-18 | 1299 | 19.8 | 5.8 | 74.4 | 14.0 | 18.6 | 4.5 | 77.0 | 14.1 |
| Q4:2017-18 | 1250 | 18.8 | 7.0 | 74.2 | 11.9 | 20.9 | 4.4 | 74.7 | 16.5 |
| Q1:2018-19 | 1207 | 19.0 | 7.3 | 73.7 | 11.7 | 20.9 | 6.4 | 72.7 | 14.6 |
| Q2:2018-19 | 1095 | 18.7 | 6.4 | 74.9 | 12.2 | 19.9 | 5.6 | 74.4 | 14.3 |
| Q3:2018-19 | | | | | | 19.0 | 5.9 | 75.1 | 13.1 |

'Improvement' in availability of finance is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

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

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|--------|-----------|--------------|-------------|--------|-----------|--------------|
| | | Improve | Worsen | No change | Net response | Improve | Worsen | No change | Net response |
| Q2:2017-18 | 1141 | 8.0 | 3.0 | 89.0 | 5.0 | 10.9 | 3.9 | 85.2 | 7.0 |
| Q3:2017-18 | 1299 | 7.9 | 3.9 | 88.1 | 4.0 | 7.2 | 3.0 | 89.8 | 4.1 |
| Q4:2017-18 | 1250 | 8.0 | 4.6 | 87.4 | 3.4 | 9.2 | 2.6 | 88.2 | 6.6 |
| Q1:2018-19 | 1207 | 7.1 | 5.7 | 87.1 | 1.4 | 8.6 | 4.3 | 87.1 | 4.3 |
| Q2:2018-19 | 1095 | 9.0 | 4.0 | 87.0 | 4.9 | 9.0 | 4.6 | 86.4 | 4.4 |
| Q3:2018-19 | | | | | | 9.5 | 4.3 | 86.2 | 5.2 |

'Improvement' in availability of finance is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

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

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|----------|-----------|--------------|-------------|----------|-----------|--------------|
| | | Increase | Decrease | No change | Net response | Increase | Decrease | No change | Net response |
| Q2:2017-18 | 1141 | 14.5 | 14.0 | 71.6 | -0.5 | 14.7 | 10.9 | 74.5 | -3.8 |
| Q3:2017-18 | 1299 | 14.5 | 11.6 | 73.9 | -3.0 | 14.1 | 11.9 | 74.0 | -2.2 |
| Q4:2017-18 | 1250 | 18.1 | 7.9 | 74.0 | -10.3 | 13.9 | 9.8 | 76.3 | -4.1 |
| Q1:2018-19 | 1207 | 25.3 | 5.4 | 69.2 | -19.9 | 18.7 | 6.4 | 74.9 | -12.2 |
| Q2:2018-19 | 1095 | 25.7 | 6.4 | 67.9 | -19.3 | 24.1 | 4.8 | 71.1 | -19.3 |
| Q3:2018-19 | | | | | | 24.7 | 4.9 | 70.4 | -19.8 |

'Decrease' in cost of finance is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

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

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|----------|-----------|--------------|-------------|----------|-----------|--------------|
| | | Increase | Decrease | No change | Net response | Increase | Decrease | No change | Net response |
| Q2:2017-18 | 1141 | 46.8 | 5.0 | 48.2 | -41.8 | 40.4 | 4.0 | 55.6 | -36.5 |
| Q3:2017-18 | 1299 | 47.9 | 5.2 | 46.8 | -42.7 | 37.6 | 5.7 | 56.7 | -31.9 |
| Q4:2017-18 | 1250 | 52.8 | 3.3 | 43.9 | -49.5 | 38.3 | 4.3 | 57.4 | -34.0 |
| Q1:2018-19 | 1207 | 55.9 | 2.8 | 41.3 | -53.0 | 42.7 | 3.7 | 53.6 | -39.0 |
| Q2:2018-19 | 1095 | 55.5 | 2.6 | 41.8 | -52.9 | 46.2 | 2.8 | 50.9 | -43.4 |
| Q3:2018-19 | | | | | | 46.5 | 1.9 | 51.6 | -44.5 |

'Decrease' in cost of raw materials is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

Table 19: Assessment and Expectations for Selling Price (Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|----------|-----------|--------------|-------------|----------|-----------|--------------|
| | | Increase | Decrease | No change | Net response | Increase | Decrease | No change | Net response |
| Q2:2017-18 | 1141 | 16.1 | 16.2 | 67.6 | -0.1 | 18.9 | 11.0 | 70.2 | 7.9 |
| Q3:2017-18 | 1299 | 17.7 | 13.2 | 69.0 | 4.5 | 17.5 | 10.6 | 71.9 | 7.0 |
| Q4:2017-18 | 1250 | 19.3 | 12.6 | 68.1 | 6.7 | 17.4 | 9.5 | 73.2 | 7.9 |
| Q1:2018-19 | 1207 | 23.0 | 11.4 | 65.6 | 11.5 | 19.2 | 8.9 | 71.9 | 10.4 |
| Q2:2018-19 | 1095 | 22.1 | 10.7 | 67.2 | 11.3 | 18.5 | 9.6 | 71.9 | 8.8 |
| Q3:2018-19 | | | | | | 21.0 | 6.7 | 72.3 | 14.3 |

'Increase' in selling price is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

Table 20: Assessment and Expectations for Profit Margin

(Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|----------|-----------|--------------|-------------|----------|-----------|--------------|
| | | Increase | Decrease | No change | Net response | Increase | Decrease | No change | Net response |
| Q2:2017-18 | 1141 | 14.5 | 28.5 | 57.1 | -14.0 | 20.3 | 20.0 | 59.7 | 0.3 |
| Q3:2017-18 | 1299 | 15.4 | 25.4 | 59.1 | -10.0 | 19.6 | 17.8 | 62.5 | 1.8 |
| Q4:2017-18 | 1250 | 16.2 | 26.1 | 57.7 | -9.9 | 18.8 | 18.7 | 62.5 | 0.1 |
| Q1:2018-19 | 1207 | 15.5 | 25.8 | 58.7 | -10.3 | 18.0 | 18.7 | 63.3 | -0.7 |
| Q2:2018-19 | 1095 | 14.3 | 26.5 | 59.2 | -12.2 | 18.0 | 18.0 | 64.0 | 0.0 |
| Q3:2018-19 | | | | | | 17.1 | 17.0 | 65.9 | 0.1 |

'Increase' in profit margin is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

Table 21: Assessment and Expectations for Overall Business Situation

(Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|--------|-----------|--------------|-------------|--------|-----------|--------------|
| | | Better | Worsen | No change | Net response | Better | Worsen | No change | Net response |
| Q2:2017-18 | 1141 | 31.7 | 14.4 | 53.9 | 17.3 | 42.7 | 9.0 | 48.4 | 33.7 |
| Q3:2017-18 | 1299 | 35.1 | 11.2 | 53.7 | 23.9 | 42.9 | 6.0 | 51.1 | 36.9 |
| Q4:2017-18 | 1250 | 39.2 | 9.0 | 51.8 | 30.2 | 42.5 | 6.4 | 51.2 | 36.1 |
| Q1:2018-19 | 1207 | 38.7 | 9.0 | 52.3 | 29.6 | 42.7 | 5.8 | 51.5 | 36.9 |
| Q2:2018-19 | 1095 | 38.1 | 10.3 | 51.6 | 27.9 | 40.5 | 5.9 | 53.6 | 34.6 |
| Q3:2018-19 | | | | | | 43.3 | 7.0 | 49.8 | 36.3 |

'Better' Overall Business Situation is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

Table 22: Assessment and Expectations for Salary/Other Remuneration

(Percentage responses)

| Quarter | Total response | Assessment | | | | Expectation | | | |
|------------|----------------|------------|----------|-----------|--------------|-------------|----------|-----------|--------------|
| | | Increase | Decrease | No change | Net response | Increase | Decrease | No change | Net response |
| Q2:2017-18 | 1141 | 36.7 | 2.2 | 61.2 | 34.5 | 34.5 | 2.5 | 63.0 | 32.0 |
| Q3:2017-18 | 1299 | 29.4 | 2.2 | 68.4 | 27.2 | 25.9 | 2.0 | 72.1 | 23.9 |
| Q4:2017-18 | 1250 | 28.8 | 2.2 | 69.0 | 26.6 | 25.2 | 2.3 | 72.5 | 22.9 |
| Q1:2018-19 | 1207 | 42.0 | 2.1 | 55.9 | 40.0 | 36.8 | 1.8 | 61.3 | 35.0 |
| Q2:2018-19 | 1095 | 35.5 | 2.0 | 62.5 | 33.5 | 32.8 | 1.2 | 65.9 | 31.6 |
| Q3:2018-19 | | | | | | 25.6 | 1.2 | 73.2 | 24.4 |

'Increase in Salary / other remuneration' is optimistic. Footnotes '@' and '#' given in Table 1 are applicable here.

Table 23: Business Expectations Index (BEI)

| Quarter | BEI-Assessment Quarter | BEI-Expectation Quarter |
|------------|------------------------|-------------------------|
| Q2:2017-18 | 103.7 | 113.3 |
| Q3:2017-18 | 109.8 | 115.0 |
| Q4:2017-18 | 112.4 | 115.8 |
| Q1:2018-19 | 108.4 | 114.6 |
| Q2:2018-19 | 110.0 | 114.1 |
| Q3:2018-19 | | 115.0 |