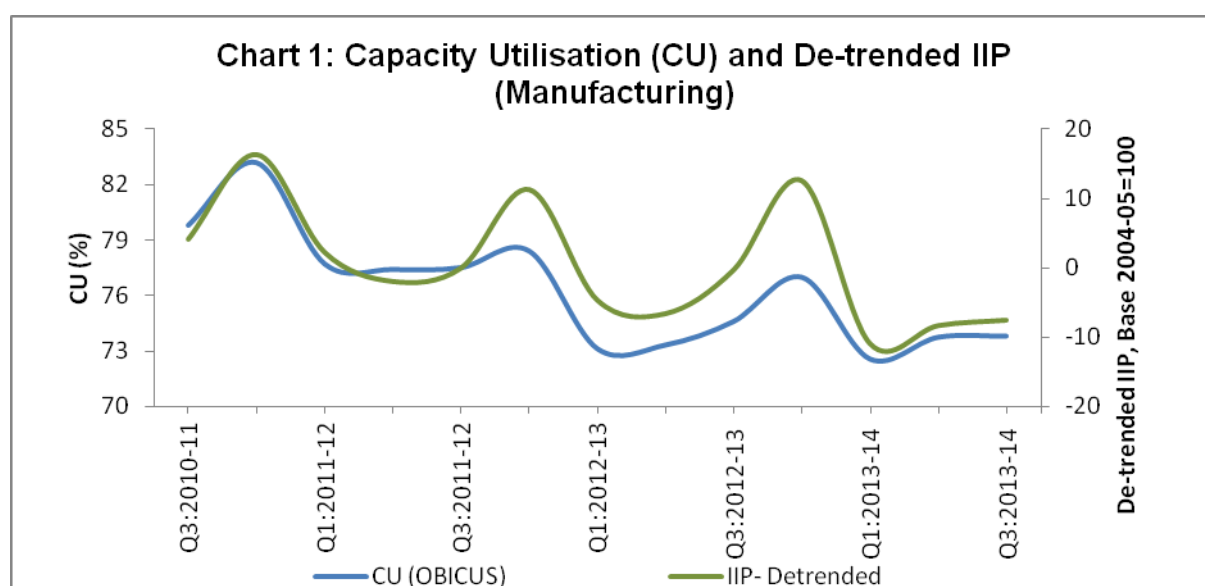


Quarterly Order Books, Inventories and Capacity Utilisation Survey (OBICUS): October-December 2013 (24th Round)¹

The Order Books, Inventories and Capacity Utilisation Survey (OBICUS), 24th round in the series, was conducted for Q3:2013-14. In all, 1,191 common manufacturing companies (44 Government companies, 847 public limited companies and 300 private limited companies) responded to the survey. The analysis is based on the data on order books, inventory levels for raw materials and finished goods, and capacity utilisation, received from these companies for past five quarters, *i.e.*, Q3:2012-13 to Q3:2013-14.

Highlights:

- i. The new orders witnessed substantial growth both on q-o-q as well as y-o-y basis (Table 1).
- ii. Capacity utilisation (CU), at the aggregate level remained more or less at the previous quarter's level; it was however, lower when compared with the corresponding period of previous years (Table 2).
- iii. There is co-movement between capacity utilisation and de-trended Index of Industrial Production (IIP) - Manufacturing (Chart 1).
- iv. Finished goods inventory to sales ratio declined in Q3 of 2013-14 over the previous quarter but was higher than that in Q3 of the previous year (Table 3).



¹ The 23rd round (Q2:2013-14) survey results were released on January 28, 2014 with the publication "Macroeconomic and Monetary Developments: Third Quarter Review 2013-14" on the RBI Website. The survey results are those of the respondents and are not necessarily shared by the Reserve Bank of India.

Table 1: Order Books (Q3: 2012-13 to Q3: 2013-14)

Quarter ended	Amount in ₹ billion			Q-o-Q growth (%)			Y-o-Y growth (%)		
	Avg Backlog order (490)	Avg New Order book (490)	Avg Pending order (490)	Avg Backlog order	Avg New Order book	Avg Pending order	Avg Backlog order	Avg New Order book	Avg Pending order
Q3:2012-13	1.763	1.196	1.742	-0.5	1.6	-1.2	11.7	-4.9	3.1
Q4:2012-13	1.715	1.176	1.589	-2.7	-1.7	-8.8	1.4	-9.1	-5.9
Q1:2013-14	1.587	1.153	1.613	-7.5	-2.0	1.5	-5.8	-6.2	-8.9
Q2:2013-14	1.614	1.247	1.659	1.7	8.2	2.8	-9.0	5.9	-5.9
Q3:2013-14	1.660	1.331	1.713	2.9	6.8	3.2	-5.8	11.3	-1.7

Figures in parentheses are number of companies reporting order books.

Table 2: IIP-Manufacturing and Capacity Utilisation (CU)

Quarter	IIP – Mfg (Qtly avg Base 2004-05)	De-trended Qtly IIP-Mfg	CU (in latest survey round)	CU (Range from previous four survey rounds)
Q3:2012-13	183.3	-0.3	74.6	74.2 - 75.2
Q4:2012-13	197.2	12.5	77.0	75.7 - 76.9
Q1:2013-14	174.8	-10.9	72.5	71.1 - 73.4
Q2:2013-14	178.4	-8.3	73.7	NA
Q3:2013-14	180.2	-7.5	73.8	NA

NA: Not applicable.

Table 3: Average Sales and Inventories and their ratios (Q3: 2012-13 to Q3: 2013-14)

Quarter ended	Amount in ₹ Billion					Ratio in per cent		
	Avg Sales (986)	Avg Total Inv (986)	Avg FG Inv (986)	Avg WiP Inv (986)	Avg RM Inv	Total Inv/Sales	FG Inv/Sales	RM Inv/Sales
Q3:2012-13	4.455	2.403	0.691	0.374	1.338	54.0	15.5	30.0
Q4:2012-13	4.502	2.355	0.809	0.352	1.194	52.3	18.0	26.5
Q1:2013-14	4.203	2.401	0.825	0.391	1.185	57.1	19.6	28.2
Q2:2013-14	4.626	2.517	0.871	0.423	1.224	54.4	18.8	26.5
Q3:2013-14	4.725	2.450	0.833	0.423	1.194	51.9	17.6	25.3

Figures in parentheses are number of companies reporting inventories.

RM: Raw Material; WiP: Work in progress; FG: Finished Goods