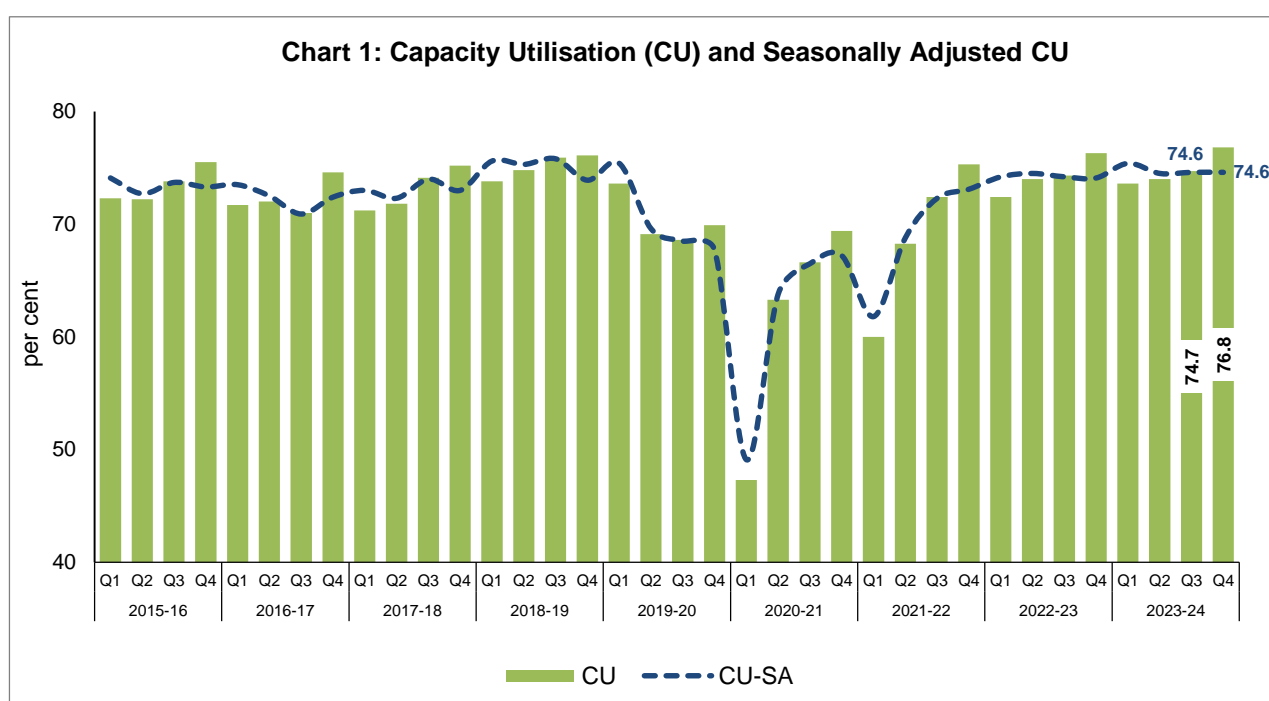


## Order Books, Inventories and Capacity Utilisation Survey on the Manufacturing sector for Q4:2023-24

Today, the Reserve Bank released the results of its 65<sup>th</sup> round of the quarterly order books, inventories and capacity utilisation survey (OBICUS), which was conducted during Q1:2024-25 and covered 900 manufacturing companies. The survey<sup>1</sup> provides a snapshot of demand conditions in India's manufacturing sector during January-March 2024.

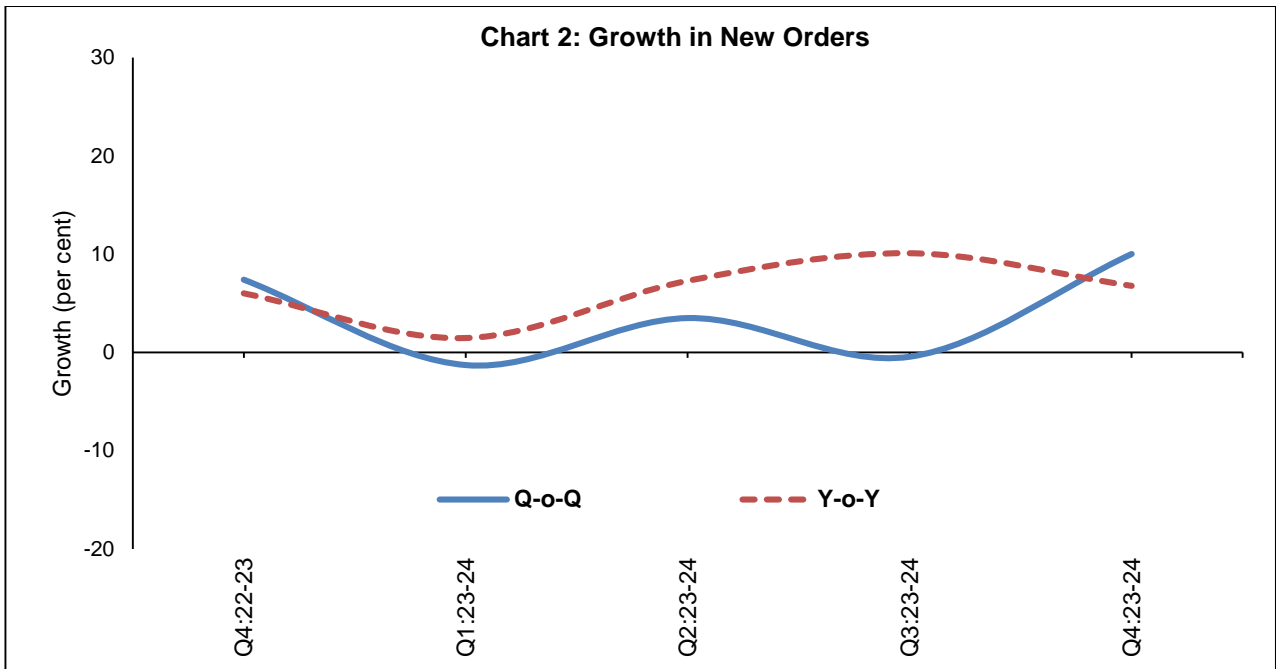
### Highlights:

- At the aggregate level, capacity utilisation (CU) in the manufacturing sector increased to 76.8 per cent in Q4:2023-24 from 74.7 per cent in the previous quarter. Seasonally Adjusted CU (CU-SA), however, remained stable at 74.6 per cent in Q4:2023-24 ([Chart 1](#) and [Table 1](#)).

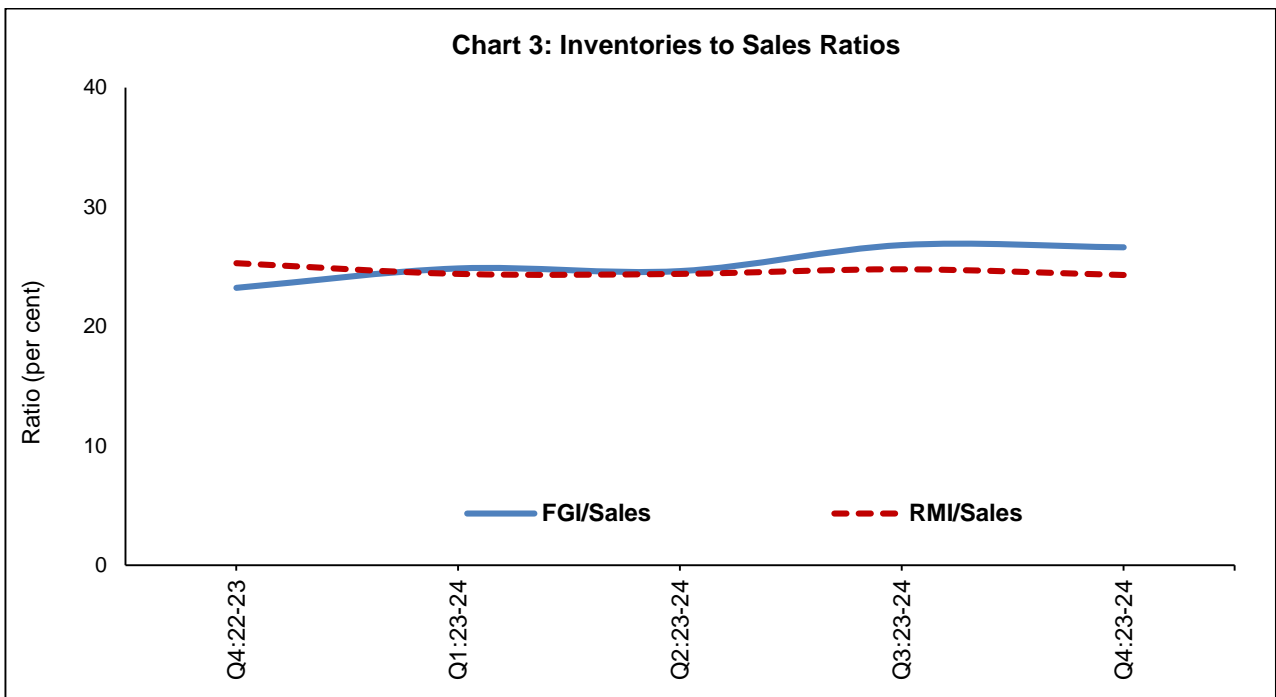


- New orders received by the responding companies during Q4:2023-24 increased on both sequential (q-o-q) and annual (y-o-y) basis though the annual growth was a shade lower than that recorded in the previous quarter ([Chart 2](#) and [Table 2A](#)).

<sup>1</sup> 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 [April 05, 2024](#).



- Both the finished goods inventory (FGI) to sales ratio and the raw material inventory<sup>2</sup> (RMI) to sales ratio remained close to their levels in the previous quarter ([Chart 3](#) and [Table 3A](#)).



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

<sup>2</sup> The 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

Quarter	Number of responding companies	Capacity Utilisation	Seasonally Adjusted Capacity Utilisation
Q4:2022-23	705	76.3	74.1
Q1:2023-24	665	73.6	75.4
Q2:2023-24	752	74.0	74.5
Q3:2023-24	761	74.7	74.6
Q4:2023-24	832	76.8	74.6

**Note:** The Seasonally Adjusted Capacity Utilisation is calculated using X13-ARIMA-SEATS (Signal Extraction in ARIMA Time Series) taking the Covid-19 lockdown quarter Q1:2020-21 as an additive outlier.

Quarter	Number of companies	Q-o-Q Growth # (per cent)			Y-o-Y Growth # (per cent)		
		Backlog	New Order	Pending	Backlog	New Order	Pending
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
Q4:2023-24	224	3.4	10.0	0.2	18.9	6.8	10.4

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

Quarter	Number of companies	Average Amount ( ` crore)		
		Backlog Orders	New Order Book	Pending Orders
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
Q4:2023-24	224	221.6	267.2	222.2

Quarter	Number of	Ratio (per cent) ##		
		Total Inventory /	Finished Goods	Raw Material
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
Q4:2023-24	803	65.4	26.6	24.3

##: Weighted average of industry level ratios using Gross Value Added as weights.

Quarter	Number of Companies	Average Amount ( ` crore)				
		Sales	Total Inventory	Finished Goods Inventory	Work in progress Inventory	Raw Material Inventory
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
Q4:2023-24	803	1185.6	585.0	228.8	104.9	197.8

**Note:** The methodology for computations of order book growth and inventory to sales ratios is given in the [RBI press release dated October 8, 2021](https://www.rbi.org.in/en/web/rbi/-/publications/obicus-survey-on-the-manufacturing-sector-for-q1-2021-22-20650) (link: <https://www.rbi.org.in/en/web/rbi/-/publications/obicus-survey-on-the-manufacturing-sector-for-q1-2021-22-20650>). Please also see footnote 2 on direct estimation of RMI since 53<sup>rd</sup> round of the survey.