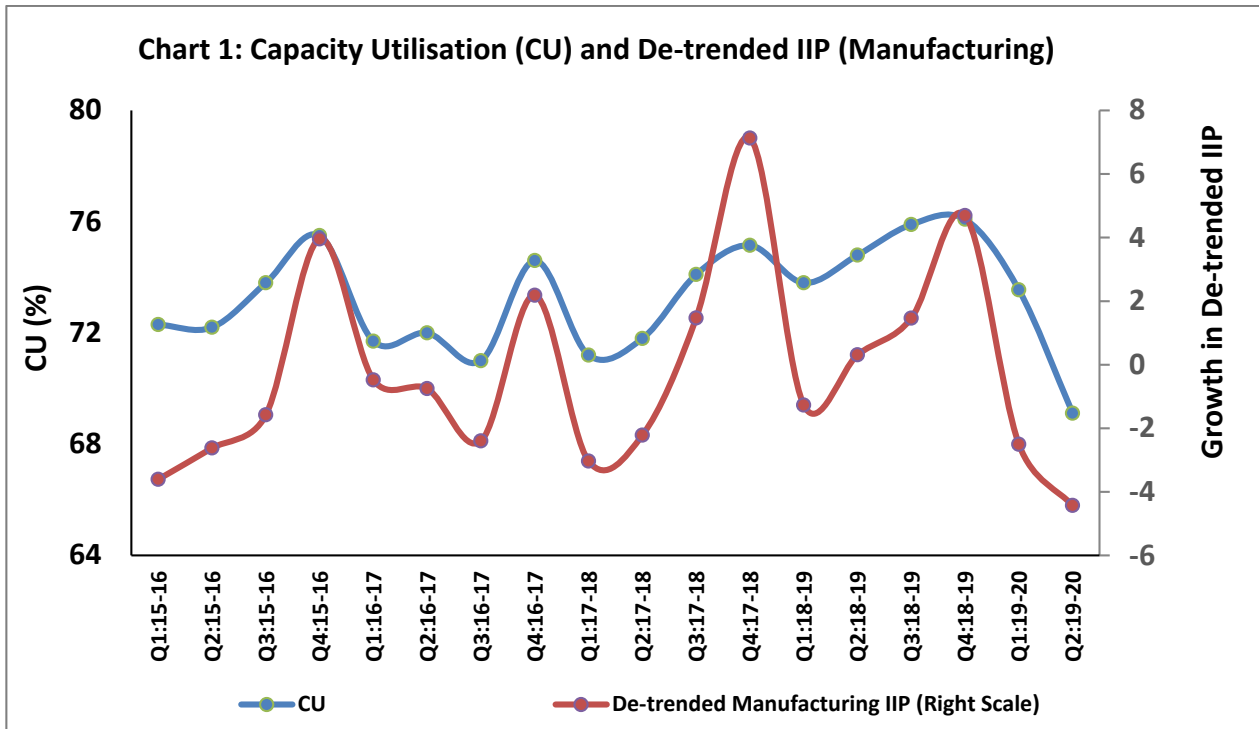


OBICUS Survey on the Manufacturing sector – Q2:2019-20

Today, the Reserve Bank released the results of the 47th round of the Order Books, Inventories and Capacity Utilisation Survey (OBICUS) for the quarter July-September 2019 covering 866 manufacturing companies. The survey provides a snapshot of demand conditions in India's manufacturing sector¹.

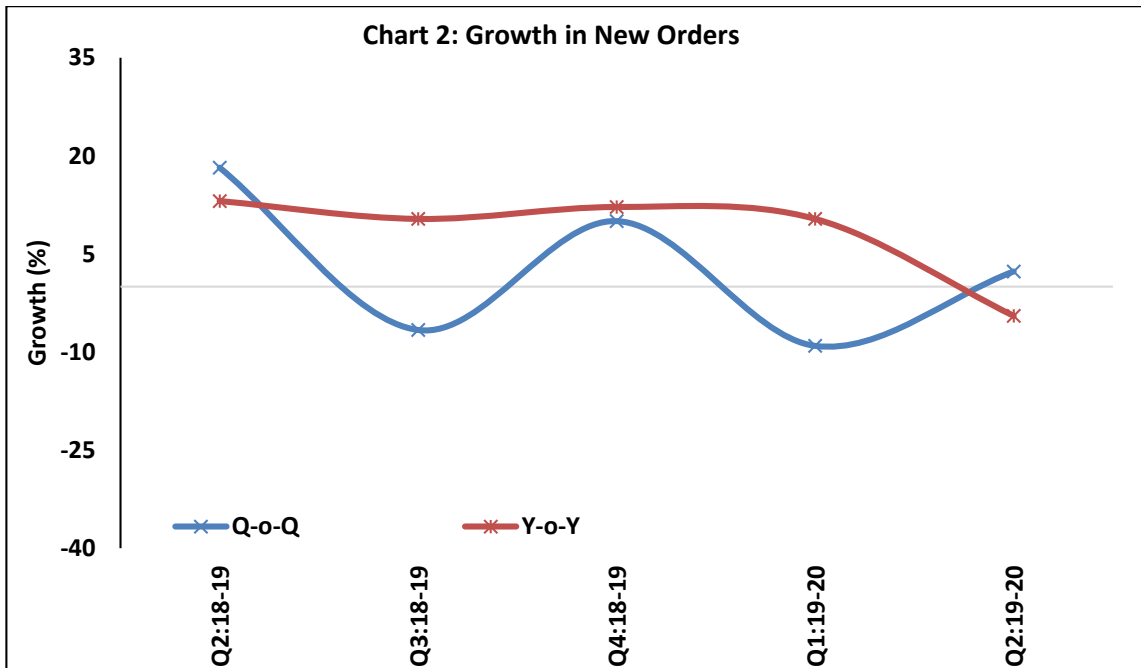
Highlights:

- 1) Capacity Utilisation (CU):** At the aggregate level, CU declined to 69.1 per cent in Q2:2019-20 from 73.6 per cent in the previous quarter, broadly tracking the de-trended index of industrial production (IIP) (Chart 1). Seasonally adjusted CU also declined by 4.5 percentage points to 70.0 per cent in Q2:2019-20.



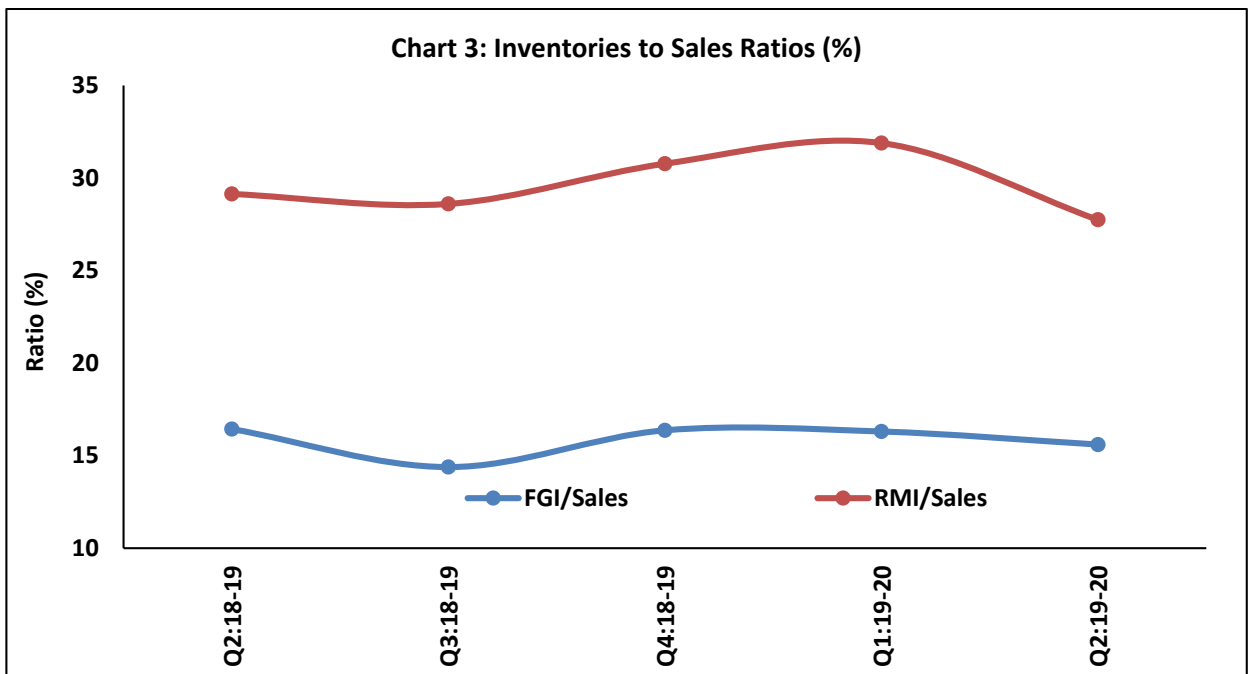
- 2) Order Books:** Orders received in Q2:2019-20 were lower compared with level a year ago, though they were higher as compared with the new orders in the previous quarter (Chart 2).

¹ The survey responses are voluntary. The 46th round of the OBICUS covering 818 manufacturing companies with reference period as April-June 2019 was released on the RBI website on [October 04, 2019](#).



3) **Finished Goods Inventory (FGI) to Sales Ratio:** The FGI to sales ratio declined marginally in Q2:2019-20 as FGI fell at a faster pace than sales (Chart 3).

4) **Raw Material Inventory (RMI) to Sales Ratio:** The RMI to sales ratio fell sharply in Q2:2019-20, mainly reflecting moderation in RMI (Chart 3).



[Historical time series have been made available in excel format.](#)

ANNEX 1: Data Tables

Table 1.1: IIP*-Manufacturing and Capacity Utilisation (CU)

Quarter	Number of responding companies	Capacity Utilisation	IIP-Manufacturing (Quarterly Average)	De-trended Quarterly IIP-Manufacturing
Q2:2018-19	818	74.8	129.9	0.3
Q3: 2018-19	860	75.9	132.2	1.5
Q4: 2018-19	802	76.1	136.5	4.7
Q1:2019-20	781	73.6	130.3	-2.5
Q2:2019-20	819	69.1	129.5	-4.4

*: Index of Industrial Production (Base: 2011-12)

Table 1.2: Order Books (Q2:2018-19 to Q2:2019-20)

*(Based on common set of 93 companies in 9 quarters)***

Quarter	Amount (₹ Crores)			Q-o-Q Growth (%)***			Y-o-Y Growth (%)		
	Average Backlog Orders	Average New Order Book	Average Pending Orders	Average Backlog Orders	Average New Order Book	Average Pending Orders	Average Backlog Orders	Average New Order Book	Average Pending Orders
Q2:2018-19	107.9	149.8	119.0	-3.5	18.2	10.4	34.8	13.1	13.6
Q3: 2018-19	119.1	139.8	116.8	10.4	-6.7	-1.9	13.6	10.3	2.2
Q4: 2018-19	116.6	153.8	121.3	-2.1	10.0	3.9	1.8	12.2	8.5
Q1:2019-20	121.3	139.8	122.1	4.0	-9.1	0.7	8.5	10.3	13.3
Q2:2019-20	121.9	143.0	132.5	0.6	2.3	8.5	13.0	-4.5	11.3

** : As required for calculating growth rates in recent 5 quarters.

***: Not seasonally adjusted

Table 1.3: Average Sales and Inventories (Q2:2018-19 to Q2:2019-20)

(Based on common set of 347 companies in 5 quarters)

Quarter	Amount (₹ Crores)					Ratio (per cent)		
	Average Sales	Average Total Inv	Average FG Inv	Average WiP Inv	Average RM Inv	Total Inv /Sales	FG Inv /Sales	RM Inv /Sales
Q2:2018-19	727.5	382.4	119.5	50.9	212.0	52.6	16.4	29.1
Q3:2018-19	742.0	357.8	106.7	38.8	212.2	48.2	14.4	28.6
Q4: 2018-19	692.8	368.5	113.4	41.9	213.2	53.2	16.4	30.8
Q1:2019-20	695.3	378.3	113.3	43.2	221.7	54.4	16.3	31.9
Q2: 2019-20	689.1	340.4	107.5	41.7	191.2	49.4	15.6	27.7

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