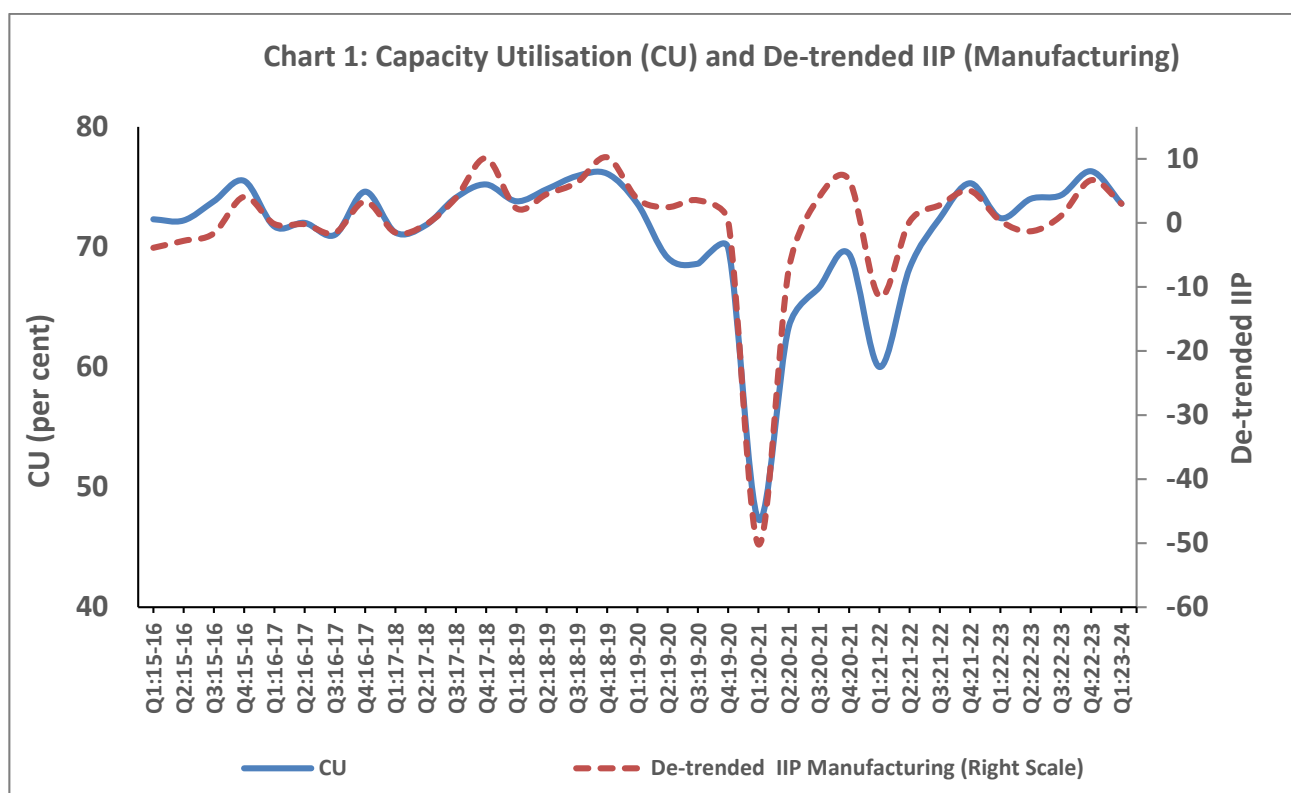


## Order Books, Inventories and Capacity Utilisation Survey on the Manufacturing sector for Q1:2023-24

Today, the Reserve Bank released the results of its 62<sup>nd</sup> round of the quarterly Order Books, Inventories and Capacity Utilisation Survey (OBICUS) conducted during Q2:2023-24 covering 707 manufacturing companies. The survey<sup>1</sup> provides a snapshot of demand conditions in India's manufacturing sector during April-June 2023.

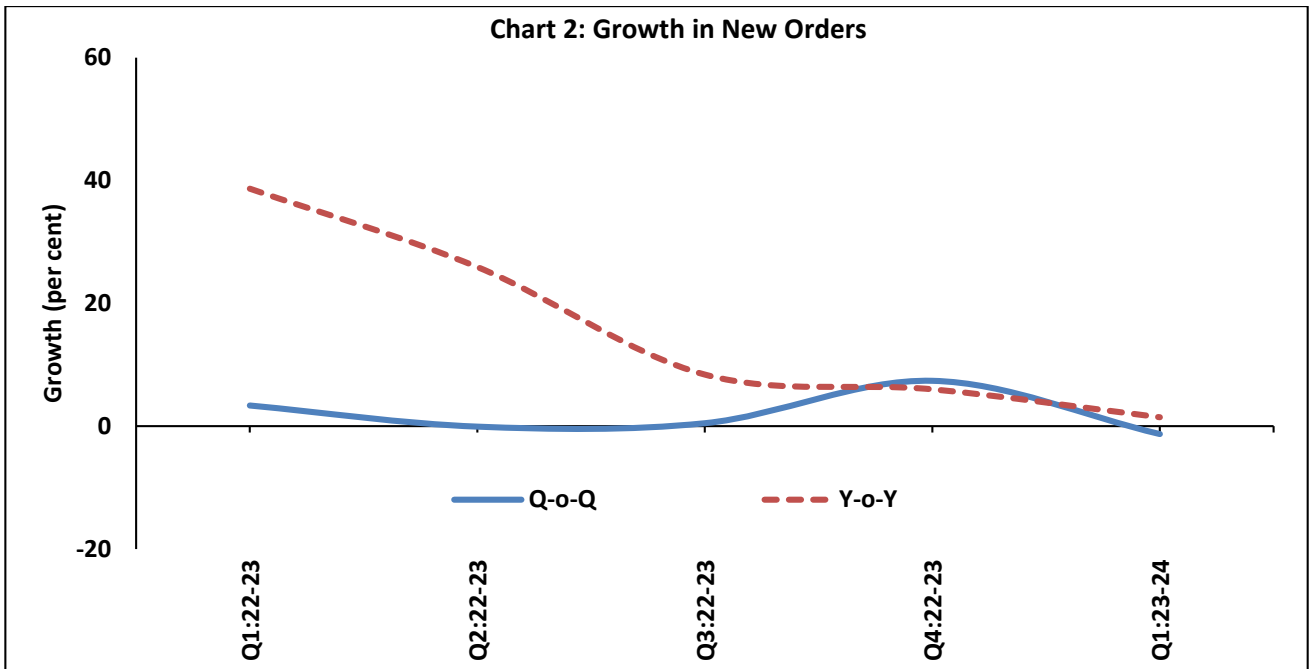
### Highlights:

- At the aggregate level, capacity utilisation (CU) in the manufacturing sector recorded a seasonal decline to 73.6 per cent in Q1:2023-24 from 76.3 per cent in the previous quarter (Chart 1 and Table 1). The seasonally adjusted CU for Q1:2023-24 improved by 130 basis points (bps) from its level in the previous quarter and stood at 75.4 per cent.

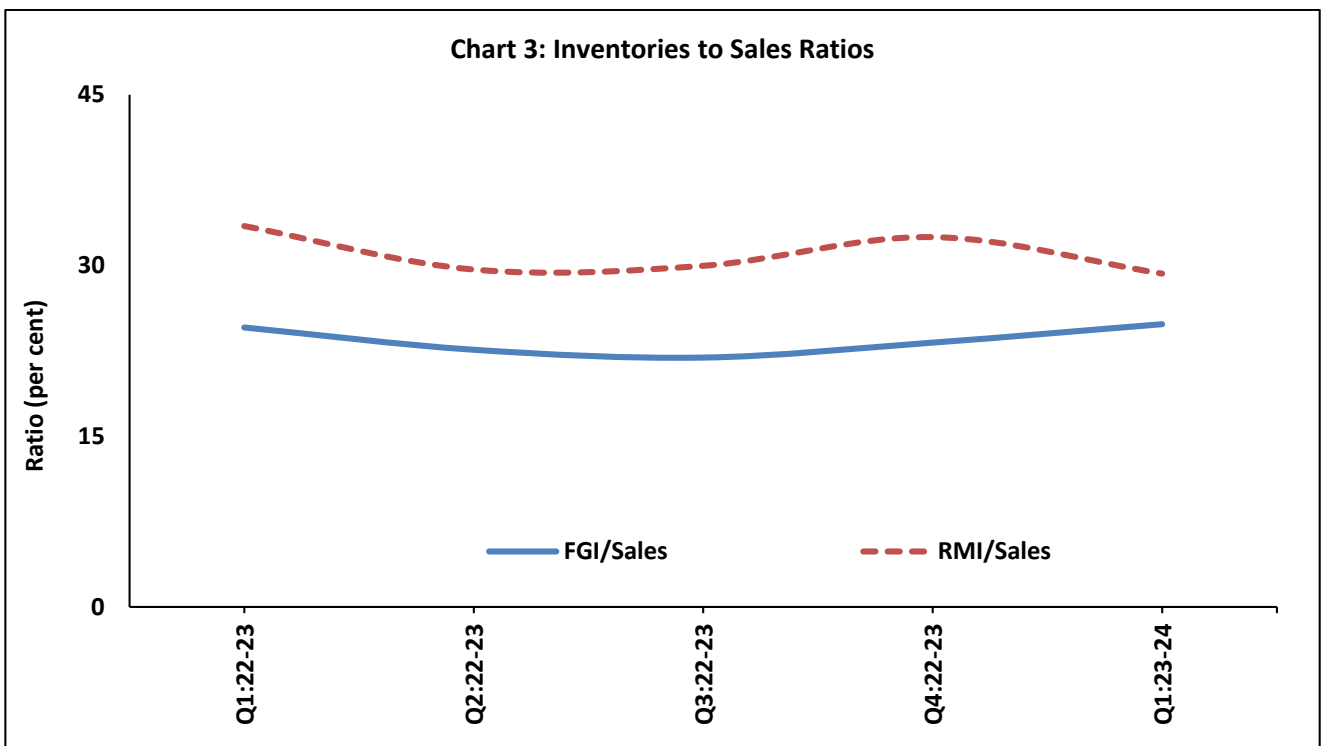


- Manufacturers reported sequential (q-o-q) decline in new orders which is a seasonal phenomenon. On an annual (y-o-y) basis, however, order books growth has been moderating but remained positive (Chart 2 and Table 2A).

<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 [August 10, 2023](#).



- The finished goods inventory (FGI) to sales ratio increased marginally in Q1:2023-24 due to some moderation in sales while the raw material inventory (RMI) to sales ratio declined marginally from its level in the previous quarter on the back of drawdown in raw materials (Chart 3 and Table 3A).



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

## ANNEX 1: Data Tables

Quarter	Number of responding companies	Capacity Utilisation	IIP-Manufacturing (Quarterly Average)	De-trended Quarterly IIP-Manufacturing
Q1:2022-23	692	72.4	134.3	0.3
Q2:2022-23	745	74.0	133.6	-1.3
Q3:2022-23	727	74.3	137.0	1.1
Q4:2022-23	705	76.3	143.5	6.7
Q1:2023-24	665	73.6	140.8	3.0

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

Quarter	Number of companies	Q-o-Q Growth # (per cent) **			Y-o-Y Growth # (per cent)		
		Backlog Orders	New Order Book	Pending Orders	Backlog Orders	New Order Book	Pending Orders
Q1:2022-23	233	0.3	3.4	4.2	15.2	38.7	10.3
Q2:2022-23	265	4.6	-0.1	10.8	11.4	25.9	20.1
Q3:2022-23	277	1.8	0.5	3.9	14.7	8.4	18.4
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

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

\*\* : Not seasonally adjusted.

Quarter	Number of companies	Average Amount (₹ Crores)		
		Backlog Orders	New Order Book	Pending Orders
Q1:2022-23	233	221.7	244.8	231.5
Q2:2022-23	265	208.8	307.9	232.4
Q3:2022-23	277	205.0	212.2	213.1
Q4:2022-23	261	215.6	225.4	221.9
Q1:2023-24	244	212.0	236.2	201.2

Quarter	Number of Companies	Ratio (per cent) ##		
		Total Inventory / Sales	Finished Goods Inventory / Sales	Raw Material Inventory / Sales
Q1:2022-23	630	69.6	24.6	33.5
Q2:2022-23	721	61.8	22.6	29.6
Q3:2022-23	675	60.6	21.9	30.0
Q4:2022-23	658	64.1	23.2	32.5
Q1:2023-24	622	63.0	24.8	29.3

##: Weighted average of industry level ratios using GVA as weights

<b>Table 3B: Average Sales and Inventories</b>						
<b>Quarter</b>	<b>Number of Companies</b>	<b>Average Amount (₹ Crores)</b>				
		<b>Sales</b>	<b>Total Inventory</b>	<b>Finished Goods Inventory</b>	<b>Work in progress Inventory</b>	<b>Raw Material Inventory</b>
Q1:2022-23	630	1238.3	591.8	238.3	87.3	266.2
Q2:2022-23	721	1285.8	508.2	217.6	73.2	217.4
Q3:2022-23	675	1106.7	519.9	195.5	67.1	257.4
Q4:2022-23	658	1172.2	546.6	225.4	62.7	258.5
Q1:2023-24	622	1163.1	534.3	226.9	62.8	244.5

**Note: 1.** The computations of order book growths and inventory to sales ratios are based on methodology given in the [RBI press release dated October 8, 2021](https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=20650) (link: <https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=20650>) and not on the basis of averages given in the above tables.

**2.** The estimates of inventory of raw materials (including stores and spares, loose tools and stock-in-trade) are arrived at by netting out finished goods inventory and work-in-progress inventory from total inventory. The survey has also started collecting direct data on raw material inventory, which will be included in the regular survey results once the reporting coverage of the new item is satisfactory.