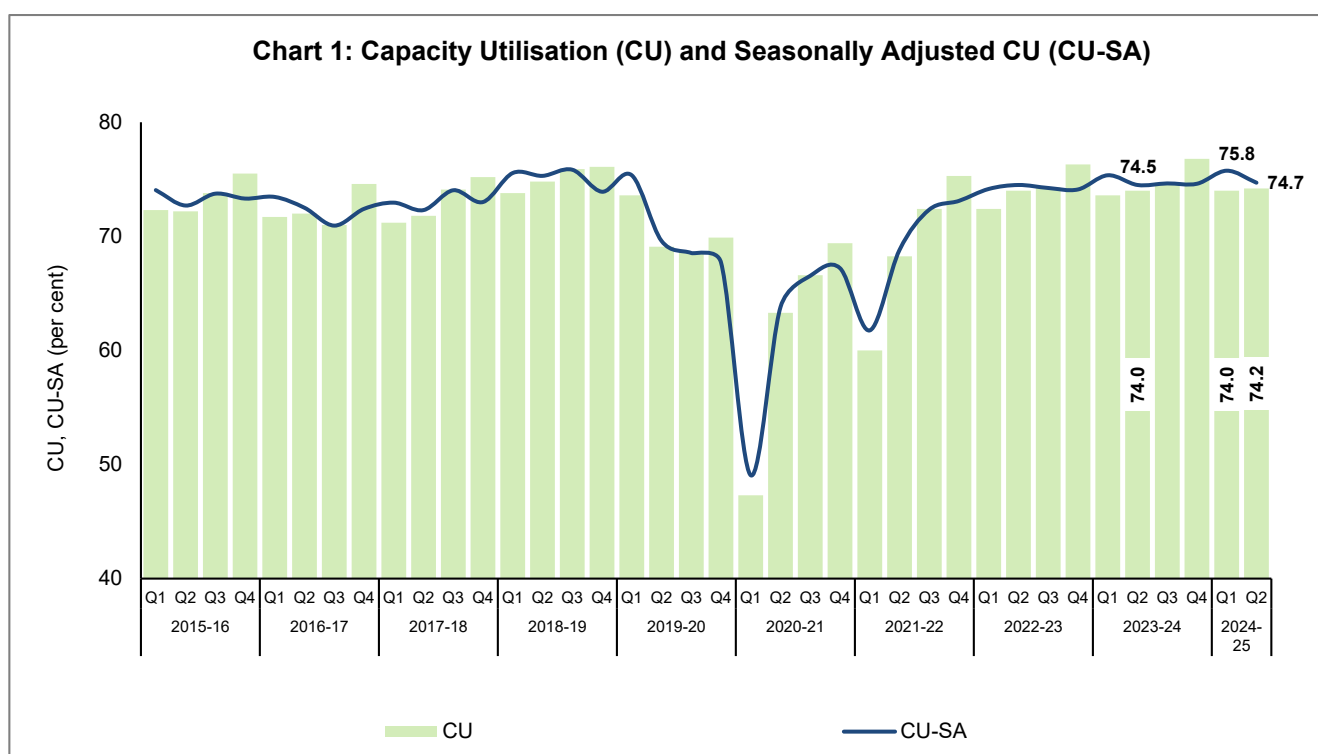


Order Books, Inventories and Capacity Utilisation Survey on the Manufacturing sector for Q2:2024-25

Today, the Reserve Bank released the results of its 67th round of the quarterly Order Books, Inventories, and Capacity Utilisation Survey (OBICUS), which was conducted during Q3:2024-25 and covered 1,008 manufacturing companies. The survey¹ provides a snapshot of the demand conditions in India's manufacturing sector during July-September 2024.

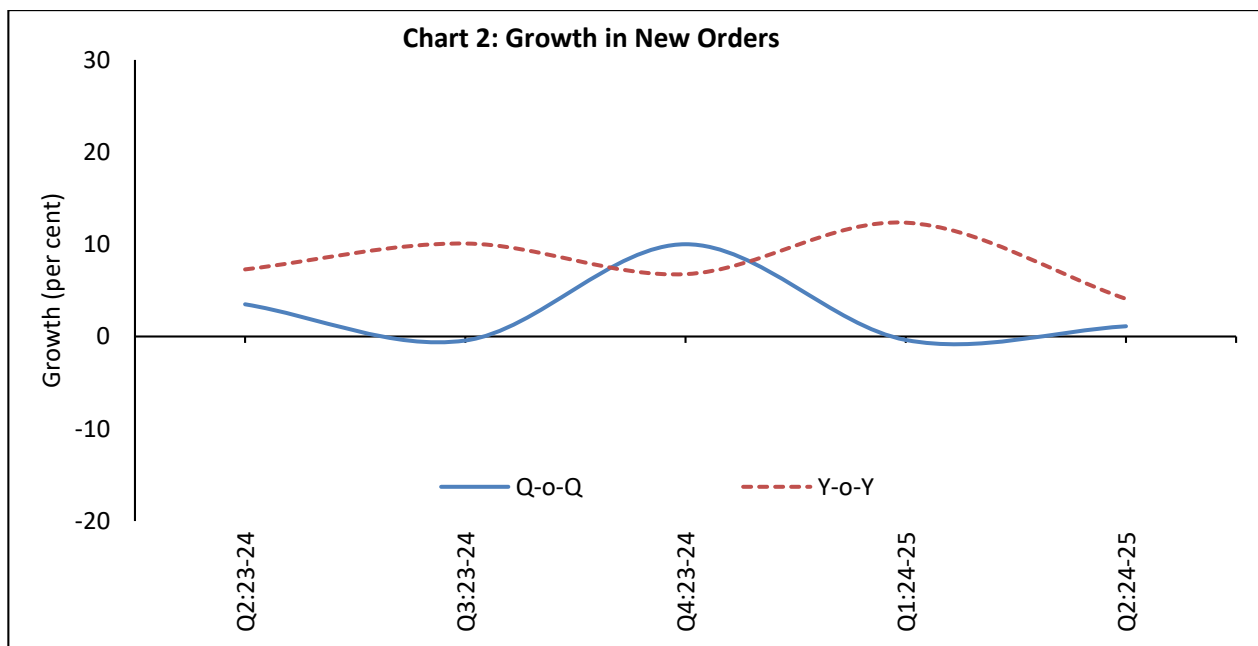
Highlights:

- At the aggregate level, capacity utilisation (CU) in the manufacturing sector increased marginally to 74.2 per cent in Q2:2024-25, from 74.0 per cent in the previous quarter. The seasonally adjusted CU (CU-SA), however, declined by 110 basis points from the previous quarter and stands at 74.7 per cent in Q2:2024-25. Both CU and CU-SA for Q2:2024-05 are higher as compared with the corresponding quarter in the previous year ([Chart 1](#) and [Table 1](#)).

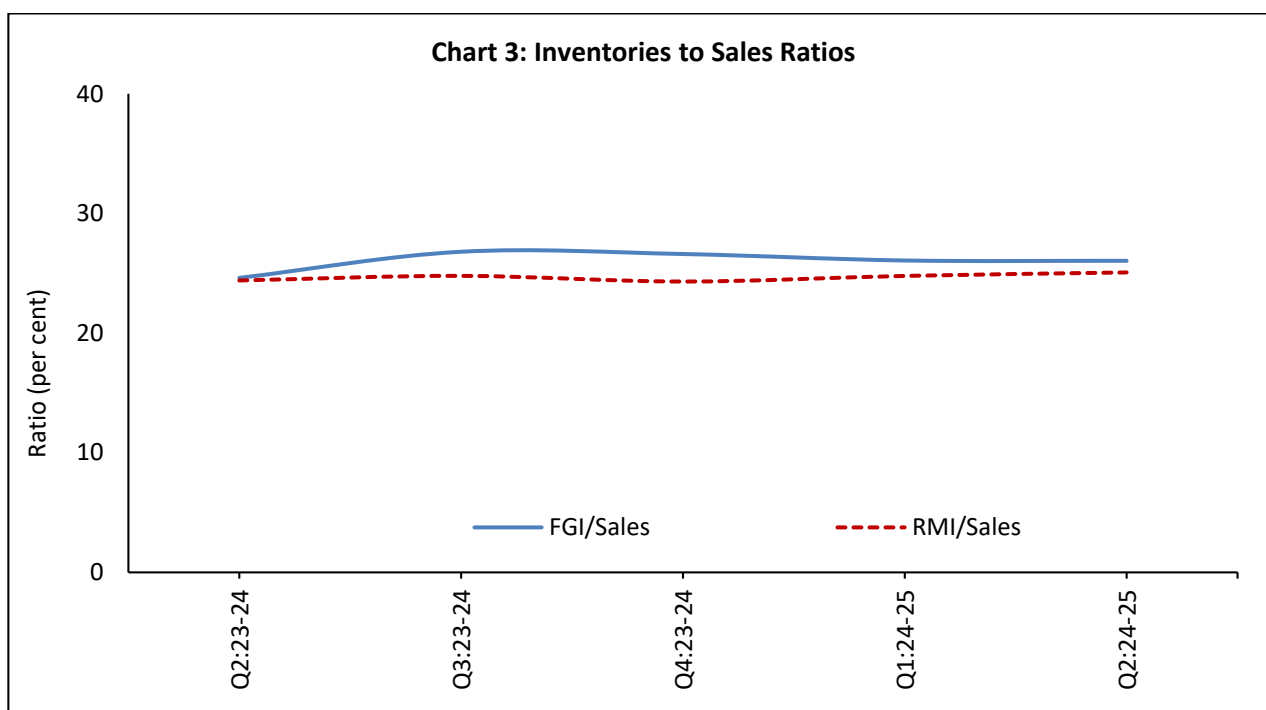


- Manufacturers reported higher sequential (q-o-q) growth in new orders during Q2:2024-25. On an annual (y-o-y) basis, however, new order growth moderated. ([Chart 2](#) and [Table 2A](#)).

¹ 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 [October 09, 2024](#).



- As a ratio to sales, both the finished goods inventory (FGI) and the raw material inventory² (RMI) remained stable during Q2:2024-25 ([Chart 3](#) and [Table 3A](#)).



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

² 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

Table 1: Capacity Utilisation

Quarter	Number of responding companies	Capacity Utilisation	Seasonally Adjusted Capacity Utilisation
Q2:2023-24	752	74.0	74.5
Q3:2023-24	761	74.7	74.6
Q4:2023-24	832	76.8	74.6
Q1:2024-25	839	74.0	75.8
Q2:2024-25	932	74.2	74.7

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.

Table 2A: Order Books Growth

Quarter	Number of companies	Q-o-Q Growth # (per cent)			Y-o-Y Growth # (per cent)		
			New	Pending	Backlo	New Order	Pending
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
Q1:2024-25	238	2.0	-0.4	7.2	11.2	12.3	16.2
Q2:2024-25	315	7.2	1.1	2.8	9.8	4.1	9.9

#: 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.

Table 2B: Average Size of Order Books

Quarter	Number of companies	Average Amount (₹ crore)		
		Backlog Orders	New Order Book	Pending Orders
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
Q1:2024-25	238	266.4	292.5	285.8
Q2:2024-25	315	257.8	309.0	291.9

Table 3A: Inventory to Sales Ratios

Quarter	Number of Companies	Ratio (per cent) ##		
		Total Inventory /	Finished Goods	Raw Material
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
Q1:2024-25	800	67.4	26.1	24.8
Q2:2024-25	927	69.3	26.0	25.1

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

Table 3B: Average Sales and Inventories

Quarter	Number of Companies	Average Amount (₹ crore)				
		Sales	Total Inventory	Finished Goods Inventory	Work in progress Inventory	Raw Material Inventory
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
Q1:2024-25	800	1016.8	551.0	192.7	106.5	195.5
Q2:2024-25	927	987.7	558.1	198.3	111.2	195.0

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://rbi.org.in/en/web/rbi/-/publications/obicus-survey-on-the-manufacturing-sector-for-q1-2021-22-20650) (link: <https://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 53rd round of the survey.