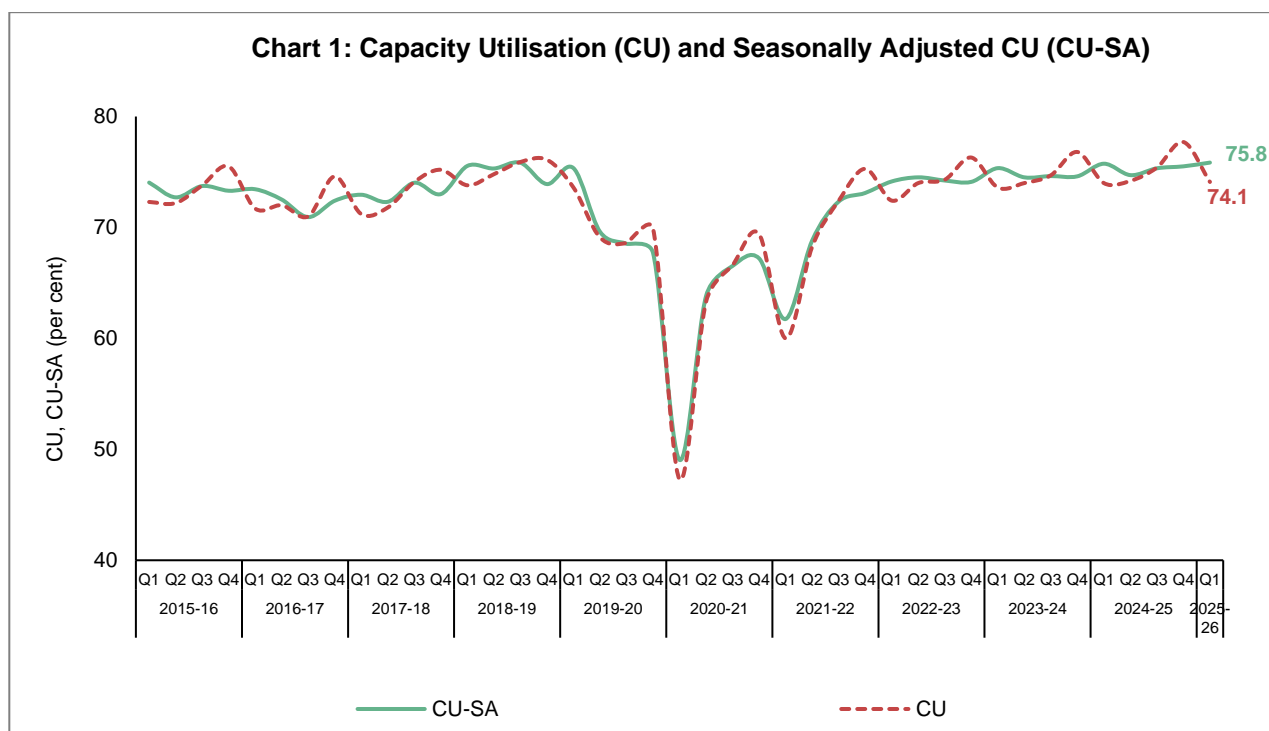


Order Books, Inventories and Capacity Utilisation Survey on the Manufacturing sector for Q1:2025-26

Today, the Reserve Bank released the results of its 70th round of the quarterly Order Books, Inventories, and Capacity Utilisation Survey (OBICUS), which was conducted during Q2:2025-26 and covered 980 manufacturing companies. The survey¹ provides a snapshot of the demand conditions in India's manufacturing sector during April-June 2025.

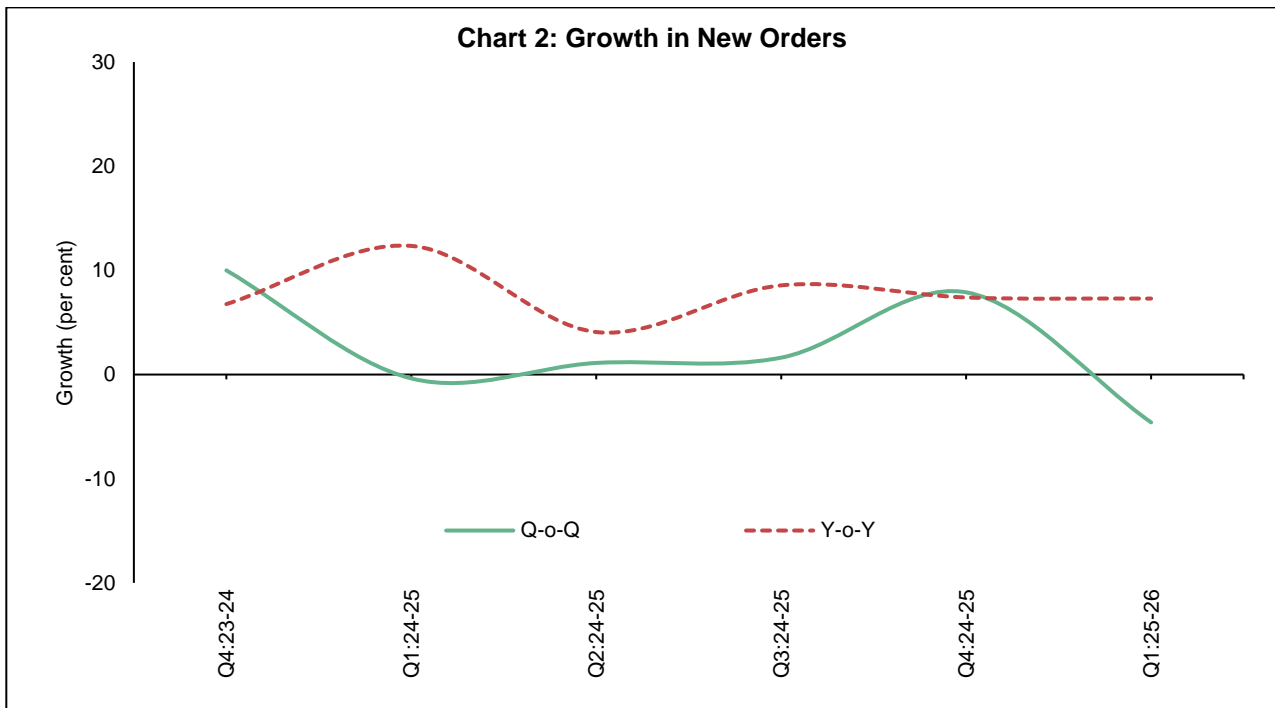
Highlights:

- At the aggregate level, capacity utilisation (CU) in the manufacturing sector recorded a seasonal decline to 74.1 per cent in Q1:2025-26 from 77.7 per cent in the previous quarter. The seasonally adjusted CU (CU-SA) increased by 30 basis points from the previous quarter and stands at 75.8 per cent in Q1:2025-26. Both CU and CU-SA for Q1:2025-26 are higher compared to their levels in the corresponding quarter of the previous year ([Chart 1](#) and [Table 1](#)).

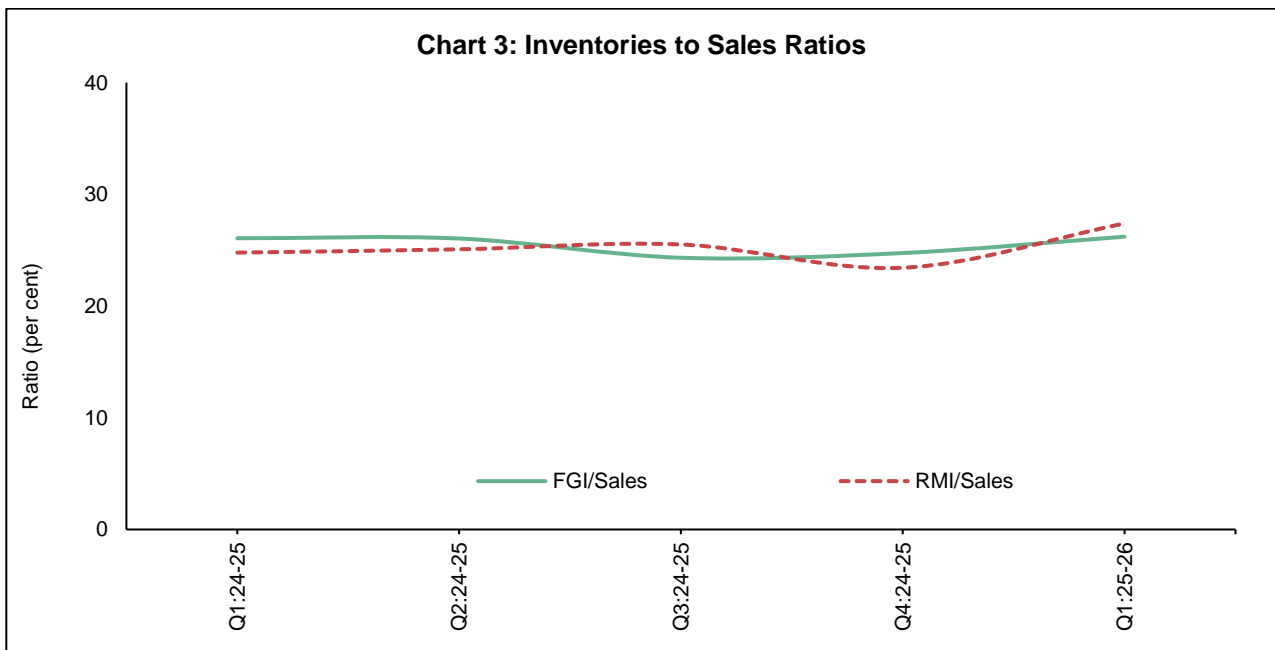


- Manufacturers reported seasonal decline in the growth of new orders during Q1:2025-26 on sequential (q-o-q) basis. On an annual (y-o-y) basis the growth remained stable ([Chart 2](#) and [Table 2A](#)).

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 [August 06, 2025](#).



- As a ratio to sales, the finished goods inventory (FGI) remained stable while the raw material inventory² (RMI) increased during Q1:2025-26 ([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
Q1:2024-25	839	74.0	75.7
Q2:2024-25	932	74.2	74.7
Q3:2024-25	959	75.4	75.3
Q4:2024-25	960	77.7	75.5
Q1:2025-26	887	74.1	75.8

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 responding 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
Q1:2024-25	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
Q3:2024-25	315	2.6	1.6	2.1	12.7	8.6	13.2
Q4:2024-25	353	0.7	7.9	-0.2	6.7	7.4	7.8
Q1:2025-26	385	-0.3	-4.6	3.3	9.0	7.3	7.2

#: 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 responding companies	Average Amount (₹ crore)		
		Backlog Orders	New Order Book	Pending Orders
Q1:2024-25	238	266.4	292.5	285.8
Q2:2024-25	315	257.8	309.0	291.9
Q3:2024-25	315	232.9	225.8	238.5
Q4:2024-25	353	302.4	317.0	303.9
Q1:2025-26	385	331.1	324.2	342.1

Table 3A: Inventory to Sales Ratios				
Quarter	Number of responding companies	Ratio (per cent) ##		
		Total Inventory / Sales	Finished Goods Inventory / Sales	Raw Material Inventory / Sales
Q1:2024-25	800	67.4	26.1	24.8
Q2:2024-25	927	69.3	26.0	25.1
Q3:2024-25	907	69.4	24.3	25.5
Q4:2024-25	932	66.5	24.7	23.4
Q1:2025-26	894	72.1	26.2	27.4

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

Table 3B: Average Sales and Inventories						
Quarter	Number of responding companies	Average Amount (₹ crore)				
		Sales	Total Inventory	Finished Goods Inventory	Work in progress Inventory	Raw Material Inventory
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
Q3:2024-25	907	1182.4	496.4	175.8	94.8	171.5
Q4:2024-25	932	1309.4	508.8	187.4	111.0	156.1
Q1:2025-26	894	886.5	505.1	188.2	100.2	170.9

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