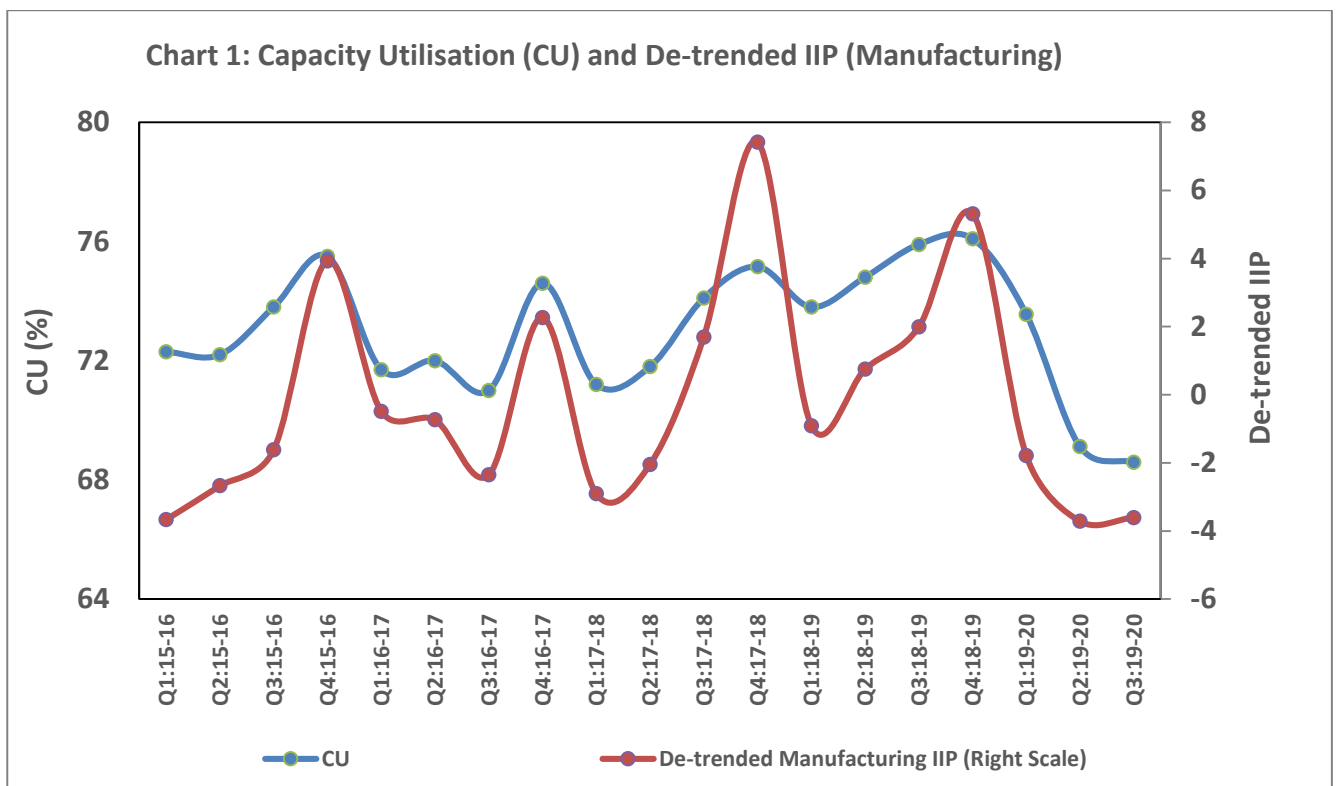


OBICUS Survey on the Manufacturing sector –Q3:2019-20

Today, the Reserve Bank released the results of the 48th round of the Order Books, Inventories and Capacity Utilisation Survey (OBICUS) for the quarter October-December 2019 covering 704 manufacturing companies. The survey provides a snapshot of demand conditions in India's manufacturing sector¹.

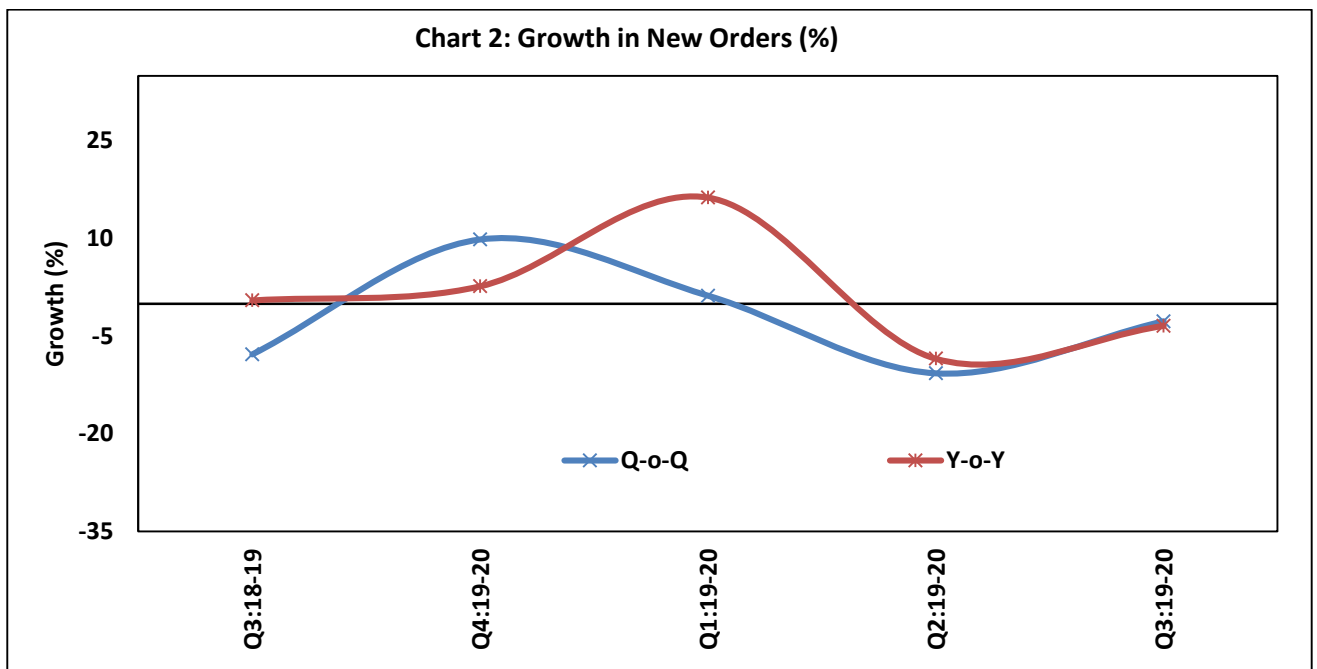
Highlights:

- 1) Capacity Utilisation (CU):** At the aggregate level, CU declined to 68.6 per cent in Q3:2019-20 from 69.1 percent in the previous quarter. The CU broadly tracks the de-trended index of industrial production (IIP) (Chart 1). Seasonally adjusted CU also declined by 1.8 percentage points to 68.2 per cent in Q3:2019-20.



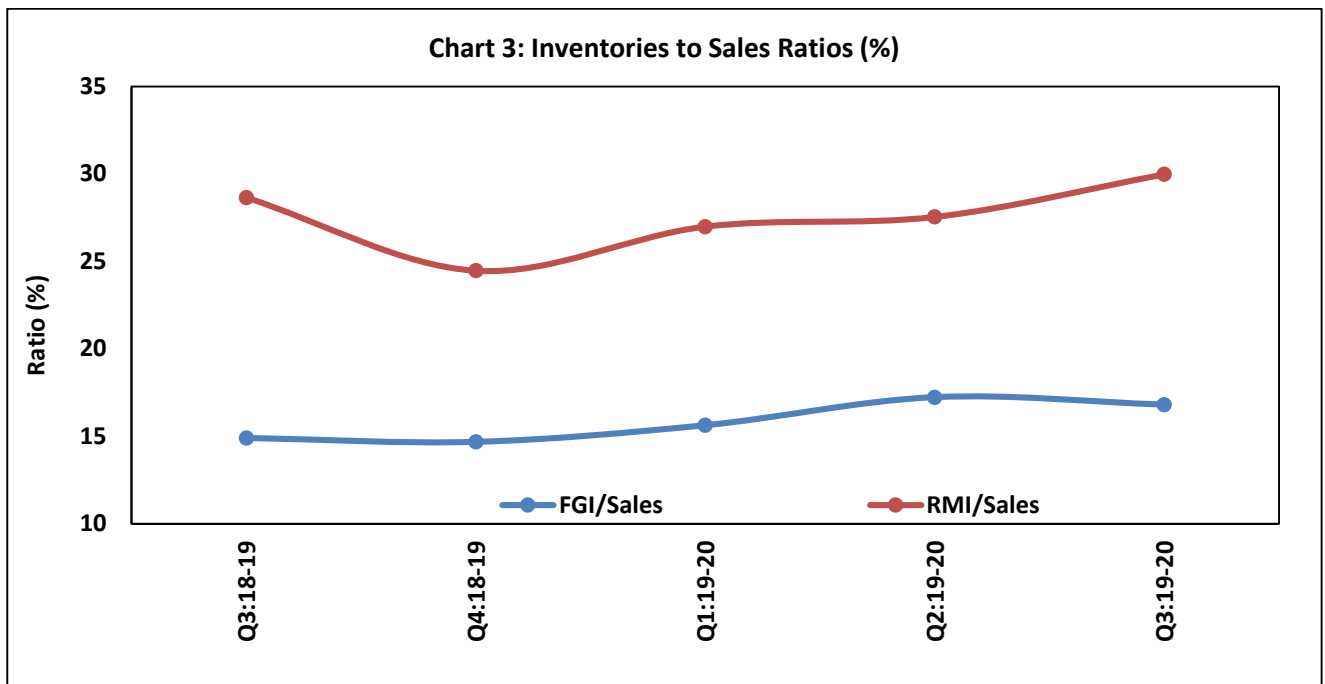
¹The survey responses are voluntary. The 47th round of the OBICUS covering 866 manufacturing companies with reference period as July-September 2019 was released on the RBI website on [February 06, 2020](#).

2) **Order Books:** Orders received in Q3:2019-20 were lower compared with previous quarter as well as with the level a year ago (Chart 2).



3) **Finished Goods Inventory (FGI) to Sales Ratio:** The FGI to sales ratio declined marginally in Q3:2019-20, while sales fell at faster pace than FGI (Chart 3).

4) **Raw Material Inventory (RMI) to Sales Ratio:** The rise in RMI to sales ratio was on account of increase in inventories and moderation in sales (Chart 3).



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

ANNEX 1: Data Tables

Quarter	Number of responding companies	Capacity Utilisation	IIP-Manufacturing (Quarterly Average)	De-trended Quarterly IIP-Manufacturing
Q3: 2018-19	860	75.9	132.2	1.99
Q4: 2018-19	802	76.1	136.5	5.31
Q1:2019-20	781	73.6	130.3	-1.79
Q2:2019-20	819	69.1	129.4	-3.71
Q3:2019-20	700	68.6	130.4	-3.60

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

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
Q3: 2018-19	115.1	150.0	113.9	8.8	-7.8	-1.0	13.2	0.5	3.8
Q4: 2018-19	113.7	164.7	118.3	-1.2	9.9	3.9	3.4	2.7	9.3
Q1:2019-20	118.1	166.7	134.5	3.8	1.2	13.7	8.6	16.3	27.2
Q2:2019-20	134.3	148.9	137.8	13.7	-10.7	2.5	27.0	-8.4	19.8
Q3:2019-20	138.1	144.9	143.5	2.8	-2.7	4.1	20.0	-3.4	26.0

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

***: Not seasonally adjusted

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
Q3:2018-19	783.3	421.0	116.8	79.8	224.4	53.8	14.9	28.7
Q4: 2018-19	753.9	348.6	110.8	53.4	184.5	46.2	14.7	24.5
Q1:2019-20	709.8	359.9	111.0	57.3	191.6	50.7	15.6	27.0
Q2: 2019-20	614.9	326.3	106.0	51.0	169.4	53.1	17.2	27.5
Q3: 2019-20	598.8	332.2	100.7	52.0	179.5	55.5	16.8	30.0

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