

## Industrial Outlook Survey of the Manufacturing Sector for Q4:2021-22

Today, the Reserve Bank released the results of the 97<sup>th</sup> round of the Industrial Outlook Survey (IOS). The survey encapsulates qualitative assessment of the business climate by Indian manufacturing companies for Q4:2021-22 and their expectations for Q1:2022-23<sup>1</sup>. In all, 1,283 companies responded in this round of the survey conducted during January-March 2022. Owing to uncertainty driven by the COVID-19 pandemic, an additional block was included in this round of the survey for assessing the outlook on key parameters for two quarters ahead as well as three quarters ahead.

### Highlights:

#### A. Assessment for Q4: 2021-22

- Manufacturing enterprises assessed improvement in demand condition in terms of production, order books and employment situation in Q4:2021-22, *albeit* at a slower pace when compared to the previous survey round (Table A).
- Sentiments on capacity utilisation and availability of finance improved further in Q4:2021-22.
- Manufacturers perceived continued price pressures with some softening in the pace of increase in input cost and selling prices.
- Sentiments on profit margin turned negative due to lower optimism on demand conditions *vis-à-vis* the preceding quarter.
- Business sentiments remained fairly positive though it waned marginally, as reflected in the business assessment index (BAI)<sup>2</sup>, which stood at 111.5 in Q4:2021-22 as compared with 115.0 in the previous quarter (Chart 1).

#### B. Expectations for Q1: 2022-23

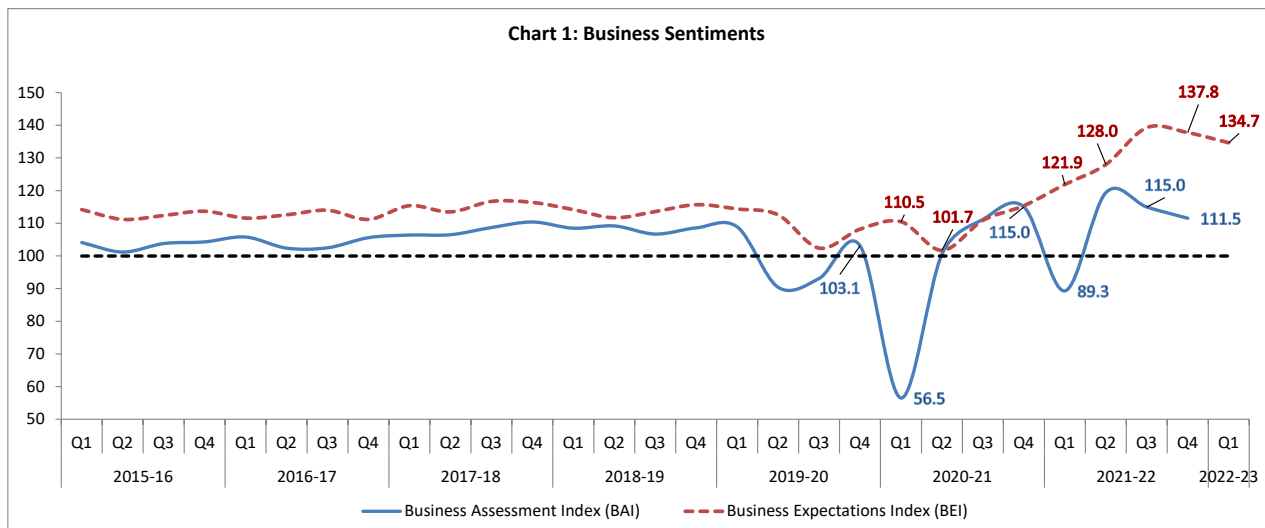
- Respondents expect expansion in the demand parameters such as production volumes, new orders and job landscape in Q1:2022-23.

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<sup>1</sup> The survey results reflect the respondents' views, which are not necessarily shared by the Reserve Bank. Results of the previous survey round were released on the Bank's website on [February 10, 2022](#). This round of the survey was launched on [January 21, 2022](#) and results were compiled with data received till March 28, 2022.

<sup>2</sup> For each survey round, two summary indices are computed – one based on assessment [*viz.*, Business Assessment Index (BAI)] and another based on expectations [*viz.*, Business Expectations Index (BEI)]. Each index is a composite indicator calculated as a simple average of nine business parameters, where each parameter is derived as a weighted net response, weights being the share of industry groups in gross value added (GVA). The nine parameters considered are: (1) overall business situation; (2) production; (3) order books; (4) inventory of raw material; (5) inventory of finished goods; (6) profit margins; (7) employment; (8) exports; and (9) capacity utilisation. BAI/BEI gives a snapshot of the business outlook in every quarter and takes values between 0 and 200, with 100 being the threshold separating expansion from contraction.

- Capacity utilisation and overall financial situation are expected to improve further in Q1:2022-23.
- Pressure from purchase of raw materials are likely to intensify in Q1:2022-23; the respondents expressed higher optimism for growth in selling prices indicating more pricing power combined with input cost pressures vis-à-vis the previous survey round.
- Overall business expectations index (BEI) remained high though it moderated to 134.7 in Q1:2022-23 from 137.8 in the previous quarter (Chart 1).



### C. Expectations for Q2:2022-23 and Q3:2022-23

- Manufacturers perceive sequential improvements in demand conditions, capacity utilisation and overall business situation till Q3:2022-23 (Table B).
- Respondents expect input cost pressures to continue and selling price to remain high in the ensuing quarters.

**Table A: Summary of Net responses<sup>3</sup> on Survey Parameters (per cent)**

| Parameters   | Assessment period |            | Expectation period |            |
|--|-------------------|------------|--------------------|------------|
|  | Q3:2021-22        | Q4:2021-22 | Q4:2021-22         | Q1:2022-23 |
| Production   | 30.9              | 23.8       | 61.2               | 65.6       |
| Order Books  | 29.5              | 21.3       | 61.5               | 66.1       |
| Pending Orders   | 3.6               | 3.9        | -0.5               | 1.8        |
| Capacity Utilisation                                   | 22.2              | 17.2       | 52.6               | 59.0       |
| Inventory of Raw Materials                             | -11.4             | -7.8       | -29.0              | -38.8      |
| Inventory of Finished Goods                            | -9.8              | -6.5       | -27.2              | -39.5      |
| Exports  | 20.0              | 12.7       | 54.7               | 58.0       |
| Imports  | 19.9              | 11.3       | 51.8               | 56.4       |
| Employment   | 19.8              | 11.4       | 47.2               | 50.2       |
| Financial Situation (Overall)                          | 28.3              | 20.7       | 59.3               | 65.4       |
| Availability of Finance (from internal accruals)       | 24.8              | 18.1       | 52.9               | 59.9       |
| Availability of Finance (from banks & other sources)   | 22.4              | 16.1       | 49.8               | 57.8       |
| Availability of Finance (from overseas, if applicable) | 19.0              | 9.1        | 50.9               | 59.2       |
| Cost of Finance  | -19.4             | -12.6      | -48.6              | -54.9      |
| Cost of Raw Material                                   | -58.8             | -49.5      | -73.6              | -77.0      |
| Salary/ Other Remuneration                             | -26.9             | -18.2      | -49.9              | -65.6      |
| Selling Price  | 28.2              | 20.3       | 50.3               | 55.7       |
| Profit Margin  | 3.8               | -1.2       | 39.8               | 43.2       |
| Overall Business Situation                             | 32.5              | 24.1       | 63.4               | 68.0       |

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

**Table B: Business Expectations of Select Parameters for extended period – Net response (per cent)**

| Parameters                 | Round 96   | Round 97   |            |            |
|----------------------------|------------|------------|------------|------------|
|                            | Q4:2021-22 | Q1:2022-23 | Q2:2022-23 | Q3:2022-23 |
| Overall Business Situation | 63.4       | 68.0       | 70.5       | 72.0       |
| Production                 | 61.2       | 65.6       | 70.4       | 71.7       |
| Order Books                | 61.5       | 66.1       | 69.3       | 69.6       |
| Capacity Utilisation       | 52.6       | 59.0       | 67.1       | 68.5       |
| Employment                 | 47.2       | 50.2       | 60.0       | 55.4       |
| Cost of Raw Materials      | -73.6      | -77.0      | -75.5      | -73.9      |
| Selling Prices             | 50.3       | 55.7       | 63.4       | 55.6       |

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<sup>3</sup> Net Response (NR) is the difference between the percentage of respondents reporting optimism and those reporting pessimism. It ranges between -100 to 100. Any value greater than zero indicates expansion/optimism and any value less than zero indicates contraction/pessimism. In other words,  $NR = (I - D)$ , where, I is the percentage response of 'Increase/optimism', and D is the percentage response of 'Decrease/pessimism' and E is the percentage response as 'no change/equal' (*i.e.*,  $I+D+E=100$ ). For example, increase in production is optimism whereas decrease in cost of raw material is pessimism.

**Table 1: Assessment and Expectations for Production**

(Percentage responses)

| Quarter    | Total response | Assessment |          |           |              | Expectations |          |           |              |
|------------|----------------|------------|----------|-----------|--------------|--------------|----------|-----------|--------------|
|            |                | Increase   | Decrease | No change | Net response | Increase     | Decrease | No change | Net response |
| Q4:2020-21 | 967            | 48.9       | 12.6     | 38.5      | <b>36.3</b>  | 43.7         | 12.2     | 44.0      | <b>31.5</b>  |
| Q1:2021-22 | 1,281          | 16.5       | 42.3     | 41.2      | <b>-25.9</b> | 53.3         | 9.7      | 37.0      | <b>43.7</b>  |
| Q2:2021-22 | 1,414          | 44.5       | 10.7     | 44.8      | <b>33.8</b>  | 58.8         | 6.8      | 34.3      | <b>52.0</b>  |
| Q3:2021-22 | 1,082          | 42.5       | 11.6     | 45.9      | <b>30.9</b>  | 75.3         | 3.8      | 20.9      | <b>71.5</b>  |
| Q4:2021-22 | 1,283          | 38.0       | 14.2     | 47.8      | <b>23.8</b>  | 66.5         | 5.3      | 28.3      | <b>61.2</b>  |
| Q1:2022-23 |                |            |          |           |              | 70.4         | 4.9      | 24.7      | <b>65.6</b>  |

'Increase' in production is optimistic.

Note: The sum of components may not add up to total due to rounding off (This is applicable for all tables).

**Table 2: Assessment and Expectations for Order Books**

(Percentage responses)

| Quarter    | Total response | Assessment |          |           |              | Expectations |          |           |              |
|------------|----------------|------------|----------|-----------|--------------|--------------|----------|-----------|--------------|
|            |                | Increase   | Decrease | No change | Net response | Increase     | Decrease | No change | Net response |
| Q4:2020-21 | 967            | 46.4       | 13.3     | 40.3      | <b>33.1</b>  | 41.1         | 13.7     | 45.2      | <b>27.3</b>  |
| Q1:2021-22 | 1,281          | 20.0       | 36.5     | 43.5      | <b>-16.4</b> | 51.0         | 7.8      | 41.1      | <b>43.2</b>  |
| Q2:2021-22 | 1,414          | 44.9       | 10.1     | 45.0      | <b>34.7</b>  | 56.9         | 6.5      | 36.7      | <b>50.4</b>  |
| Q3:2021-22 | 1,082          | 39.0       | 9.5      | 51.5      | <b>29.5</b>  | 73.9         | 3.6      | 22.4      | <b>70.3</b>  |
| Q4:2021-22 | 1,283          | 34.7       | 13.4     | 51.9      | <b>21.3</b>  | 66.2         | 4.7      | 29.1      | <b>61.5</b>  |
| Q1:2022-23 |                |            |          |           |              | 70.4         | 4.2      | 25.4      | <b>66.1</b>  |

'Increase' in order books is optimistic.

**Table 3: Assessment and Expectations for Pending Orders**

(Percentage responses)

| Quarter    | Total response | Assessment   |              |        |              | Expectations |              |        |              |
|------------|----------------|--------------|--------------|--------|--------------|--------------|--------------|--------|--------------|
|            |                | Above Normal | Below Normal | Normal | Net response | Above Normal | Below Normal | Normal | Net response |
| Q4:2020-21 | 967            | 13.2         | 10.2         | 76.6   | <b>-3.0</b>  | 5.6          | 14.8         | 79.7   | <b>9.2</b>   |
| Q1:2021-22 | 1,281          | 7.4          | 17.5         | 75.1   | <b>10.0</b>  | 11.6         | 9.2          | 79.3   | <b>-2.4</b>  |
| Q2:2021-22 | 1,414          | 9.6          | 8.1          | 82.3   | <b>-1.6</b>  | 10.8         | 7.2          | 82.0   | <b>-3.7</b>  |
| Q3:2021-22 | 1,082          | 7.2          | 10.9         | 81.9   | <b>3.6</b>   | 8.8          | 4.8          | 86.4   | <b>-4.1</b>  |
| Q4:2021-22 | 1,283          | 9.8          | 13.7         | 76.5   | <b>3.9</b>   | 8.5          | 7.9          | 83.6   | <b>-0.5</b>  |
| Q1:2022-23 |                |              |              |        |              | 8.8          | 10.6         | 80.6   | <b>1.8</b>   |

Pending orders 'Below Normal' is optimistic.

**Table 4: Assessment and Expectations for Capacity Utilisation (Main Product)** (Percentage responses)

| Quarter    | Total response | Assessment |          |           |              | Expectations |          |           |              |
|------------|----------------|------------|----------|-----------|--------------|--------------|----------|-----------|--------------|
|            |                | Increase   | Decrease | No change | Net response | Increase     | Decrease | No change | Net response |
| Q4:2020-21 | 967            | 40.6       | 11.5     | 47.9      | <b>29.1</b>  | 34.7         | 10.6     | 54.7      | <b>24.1</b>  |
| Q1:2021-22 | 1,281          | 13.4       | 39.5     | 47.1      | <b>-26.1</b> | 45.2         | 7.3      | 47.5      | <b>38.0</b>  |
| Q2:2021-22 | 1,414          | 39.2       | 10.4     | 50.4      | <b>28.8</b>  | 51.6         | 6.2      | 42.2      | <b>45.4</b>  |
| Q3:2021-22 | 1,082          | 31.2       | 9.0      | 59.8      | <b>22.2</b>  | 68.3         | 3.1      | 28.5      | <b>65.2</b>  |
| Q4:2021-22 | 1,283          | 30.2       | 13.0     | 56.9      | <b>17.2</b>  | 57.0         | 4.5      | 38.5      | <b>52.6</b>  |
| Q1:2022-23 |                |            |          |           |              | 63.5         | 4.5      | 32.0      | <b>59.0</b>  |

'Increase' in capacity utilisation is optimistic.

**Table 5: Assessment and Expectations for Level of CU (compared to the average in last 4 quarters)** (Percentage responses)

| Quarter    | Total response | Assessment   |              |        |              | Expectations |              |        |              |
|------------|----------------|--------------|--------------|--------|--------------|--------------|--------------|--------|--------------|
|            |                | Above Normal | Below Normal | Normal | Net response | Above Normal | Below Normal | Normal | Net response |
| Q4:2020-21 | 967            | 21.3         | 12.2         | 66.5   | <b>9.1</b>   | 11.7         | 15.3         | 73.0   | <b>-3.6</b>  |
| Q1:2021-22 | 1,281          | 5.2          | 18.4         | 76.3   | <b>-13.2</b> | 25.3         | 8.4          | 66.2   | <b>16.9</b>  |
| Q2:2021-22 | 1,414          | 15.4         | 7.7          | 76.9   | <b>7.8</b>   | 15.6         | 7.9          | 76.5   | <b>7.7</b>   |
| Q3:2021-22 | 1,082          | 12.6         | 8.4          | 78.9   | <b>4.2</b>   | 30.4         | 3.7          | 65.9   | <b>26.7</b>  |
| Q4:2021-22 | 1,283          | 12.6         | 10.8         | 76.6   | <b>1.9</b>   | 30.1         | 5.8          | 64.2   | <b>24.3</b>  |
| Q1:2022-23 |                |              |              |        |              | 39.3         | 5.4          | 55.4   | <b>33.9</b>  |

'Above Normal' in Level of capacity utilisation is optimistic.

**Table 6: Assessment and Expectations for Assessment of Production Capacity (with regard to expected demand in next 6 months)** (Percentage responses)

| Quarter    | Total response | Assessment         |                    |          |              | Expectations       |                    |          |              |
|------------|----------------|--------------------|--------------------|----------|--------------|--------------------|--------------------|----------|--------------|
|            |                | More than adequate | Less than adequate | Adequate | Net response | More than adequate | Less than adequate | Adequate | Net response |
| Q4:2020-21 | 967            | 15.5               | 10.0               | 74.5     | <b>5.5</b>   | 14.2               | 9.3                | 76.5     | <b>5.0</b>   |
| Q1:2021-22 | 1,281          | 10.8               | 13.0               | 76.2     | <b>-2.2</b>  | 20.2               | 7.3                | 72.5     | <b>12.9</b>  |
| Q2:2021-22 | 1,414          | 17.3               | 7.6                | 75.1     | <b>9.7</b>   | 28.4               | 5.8                | 65.8     | <b>22.6</b>  |
| Q3:2021-22 | 1,082          | 13.2               | 6.1                | 80.6     | <b>7.1</b>   | 31.0               | 4.0                | 65.1     | <b>27.0</b>  |
| Q4:2021-22 | 1,283          | 14.1               | 7.1                | 78.8     | <b>7.1</b>   | 30.7               | 4.0                | 65.3     | <b>26.7</b>  |
| Q1:2022-23 |                |                    |                    |          |              | 42.7               | 3.9                | 53.5     | <b>38.8</b>  |

'More than adequate' in Assessment of Production Capacity is optimistic.

**Table 7: Assessment and Expectations for Exports** (Percentage responses)

| Quarter    | Total response | Assessment |          |           |              | Expectations |          |           |              |
|------------|----------------|------------|----------|-----------|--------------|--------------|----------|-----------|--------------|
|            |                | Increase   | Decrease | No change | Net response | Increase     | Decrease | No change | Net response |
| Q4:2020-21 | 967            | 31.6       | 16.0     | 52.4      | <b>15.5</b>  | 25.1         | 12.1     | 62.7      | <b>13.0</b>  |
| Q1:2021-22 | 1,281          | 18.3       | 26.1     | 55.6      | <b>-7.8</b>  | 38.7         | 9.0      | 52.3      | <b>29.6</b>  |
| Q2:2021-22 | 1,414          | 39.2       | 7.7      | 53.0      | <b>31.5</b>  | 49.8         | 6.2      | 44.0      | <b>43.6</b>  |
| Q3:2021-22 | 1,082          | 29.8       | 9.7      | 60.5      | <b>20.0</b>  | 67.3         | 3.1      | 29.6      | <b>64.3</b>  |
| Q4:2021-22 | 1,283          | 25.3       | 12.6     | 62.1      | <b>12.7</b>  | 59.2         | 4.5      | 36.4      | <b>54.7</b>  |
| Q1:2022-23 |                |            |          |           |              | 62.4         | 4.4      | 33.2      | <b>58.0</b>  |

'Increase' in exports is optimistic.

**Table 8: Assessment and Expectations for Imports**

(Percentage responses)

| Quarter    | Total response | Assessment |          |           |              | Expectations |          |           |              |
|------------|----------------|------------|----------|-----------|--------------|--------------|----------|-----------|--------------|
|            |                | Increase   | Decrease | No change | Net response | Increase     | Decrease | No change | Net response |
| Q4:2020-21 | 967            | 25.8       | 9.3      | 64.9      | <b>16.4</b>  | 17.7         | 9.1      | 73.2      | <b>8.5</b>   |
| Q1:2021-22 | 1,281          | 18.9       | 17.1     | 64.0      | <b>1.7</b>   | 32.6         | 6.6      | 60.8      | <b>26.1</b>  |
| Q2:2021-22 | 1,414          | 36.0       | 5.8      | 58.2      | <b>30.2</b>  | 47.3         | 4.5      | 48.3      | <b>42.8</b>  |
| Q3:2021-22 | 1,082          | 26.8       | 6.9      | 66.3      | <b>19.9</b>  | 63.4         | 2.9      | 33.7      | <b>60.4</b>  |
| Q4:2021-22 | 1,283          | 22.9       | 11.6     | 65.4      | <b>11.3</b>  | 55.6         | 3.8      | 40.6      | <b>51.8</b>  |
| Q1:2022-23 |                |            |          |           |              | 59.7         | 3.4      | 36.9      | <b>56.4</b>  |

'Increase' in imports is optimistic.

**Table 9: Assessment and Expectations for level of Raw Materials Inventory**

(Percentage responses)

| Quarter    | Total response | Assessment    |               |         |              | Expectations  |               |         |              |
|------------|----------------|---------------|---------------|---------|--------------|---------------|---------------|---------|--------------|
|            |                | Above average | Below average | Average | Net response | Above average | Below average | Average | Net response |
| Q4:2020-21 | 967            | 17.5          | 6.5           | 76.0    | <b>-11.1</b> | 12.0          | 5.3           | 82.8    | <b>-6.7</b>  |
| Q1:2021-22 | 1,281          | 11.5          | 11.2          | 77.3    | <b>-0.3</b>  | 17.2          | 5.4           | 77.4    | <b>-11.8</b> |
| Q2:2021-22 | 1,414          | 20.2          | 5.5           | 74.4    | <b>-14.7</b> | 23.7          | 6.2           | 70.0    | <b>-17.5</b> |
| Q3:2021-22 | 1,082          | 16.5          | 5.1           | 78.4    | <b>-11.4</b> | 33.7          | 4.4           | 61.9    | <b>-29.4</b> |
| Q4:2021-22 | 1,283          | 14.7          | 6.9           | 78.4    | <b>-7.8</b>  | 32.7          | 3.7           | 63.5    | <b>-29.0</b> |
| Q1:2022-23 |                |               |               |         |              | 42.4          | 3.6           | 54.0    | <b>-38.8</b> |

'Below average' Inventory of raw materials is optimistic.

**Table 10: Assessment and Expectations for level of Finished Goods Inventory**

(Percentage responses)

| Quarter    | Total response | Assessment    |               |         |              | Expectations  |               |         |              |
|------------|----------------|---------------|---------------|---------|--------------|---------------|---------------|---------|--------------|
|            |                | Above average | Below average | Average | Net response | Above average | Below average | Average | Net response |
| Q4:2020-21 | 967            | 15.2          | 7.5           | 77.3    | <b>-7.6</b>  | 11.5          | 5.1           | 83.4    | <b>-6.3</b>  |
| Q1:2021-22 | 1,281          | 14.4          | 10.2          | 75.4    | <b>-4.2</b>  | 16.4          | 5.5           | 78.1    | <b>-10.9</b> |
| Q2:2021-22 | 1,414          | 20.0          | 5.2           | 74.8    | <b>-14.9</b> | 25.0          | 5.6           | 69.4    | <b>-19.4</b> |
| Q3:2021-22 | 1,082          | 15.3          | 5.5           | 79.2    | <b>-9.8</b>  | 34.4          | 3.8           | 61.8    | <b>-30.7</b> |
| Q4:2021-22 | 1,283          | 13.7          | 7.2           | 79.0    | <b>-6.5</b>  | 31.1          | 3.9           | 64.9    | <b>-27.2</b> |
| Q1:2022-23 |                |               |               |         |              | 42.4          | 3.0           | 54.6    | <b>-39.5</b> |

'Below average' Inventory of finished goods is optimistic.

**Table 11: Assessment and Expectations for Employment**

(Percentage responses)

| Quarter    | Total response | Assessment |          |           |              | Expectations |          |           |              |
|------------|----------------|------------|----------|-----------|--------------|--------------|----------|-----------|--------------|
|            |                | Increase   | Decrease | No change | Net response | Increase     | Decrease | No change | Net response |
| Q4:2020-21 | 967            | 19.4       | 8.5      | 72.1      | <b>10.9</b>  | 14.6         | 7.3      | 78.1      | <b>7.2</b>   |
| Q1:2021-22 | 1,281          | 9.1        | 12.7     | 78.2      | <b>-3.5</b>  | 23.5         | 5.5      | 71.0      | <b>17.9</b>  |
| Q2:2021-22 | 1,414          | 29.5       | 4.6      | 65.9      | <b>24.9</b>  | 28.6         | 2.5      | 69.0      | <b>26.1</b>  |
| Q3:2021-22 | 1,082          | 25.3       | 5.4      | 69.3      | <b>19.8</b>  | 52.2         | 1.3      | 46.5      | <b>50.9</b>  |
| Q4:2021-22 | 1,283          | 20.3       | 8.9      | 70.8      | <b>11.4</b>  | 49.2         | 2.0      | 48.8      | <b>47.2</b>  |
| Q1:2022-23 |                |            |          |           |              | 52.7         | 2.5      | 44.7      | <b>50.2</b>  |

'Increase' in employment is optimistic.

**Table 12: Assessment and Expectations for Overall Financial Situation**

(Percentage responses)

| Quarter    | Total response | Assessment |        |           |              | Expectations |        |           |              |
|------------|----------------|------------|--------|-----------|--------------|--------------|--------|-----------|--------------|
|            |                | Better     | Worsen | No change | Net response | Better       | Worsen | No change | Net response |
| Q4:2020-21 | 967            | 43.0       | 13.6   | 43.4      | <b>29.4</b>  | 39.2         | 6.2    | 54.6      | <b>33.0</b>  |
| Q1:2021-22 | 1,281          | 17.8       | 30.6   | 51.6      | <b>-12.7</b> | 53.4         | 6.1    | 40.5      | <b>47.3</b>  |
| Q2:2021-22 | 1,414          | 41.7       | 8.9    | 49.4      | <b>32.8</b>  | 54.0         | 5.8    | 40.2      | <b>48.2</b>  |
| Q3:2021-22 | 1,082          | 38.1       | 9.8    | 52.0      | <b>28.3</b>  | 71.5         | 2.9    | 25.7      | <b>68.6</b>  |
| Q4:2021-22 | 1,283          | 33.9       | 13.2   | 53.0      | <b>20.7</b>  | 64.0         | 4.7    | 31.3      | <b>59.3</b>  |
| Q1:2022-23 |                |            |        |           |              | 69.3         | 3.9    | 26.7      | <b>65.4</b>  |

'Better' overall financial situation is optimistic.

**Table 13: Assessment and Expectations for Working Capital Finance Requirement**

(Percentage responses)

| Quarter    | Total response | Assessment |          |           |              | Expectations |          |           |              |
|------------|----------------|------------|----------|-----------|--------------|--------------|----------|-----------|--------------|
|            |                | Increase   | Decrease | No change | Net response | Increase     | Decrease | No change | Net response |
| Q4:2020-21 | 967            | 30.8       | 7.7      | 61.4      | <b>23.1</b>  | 28.5         | 3.7      | 67.8      | <b>24.8</b>  |
| Q1:2021-22 | 1,281          | 24.4       | 14.0     | 61.7      | <b>10.4</b>  | 37.6         | 5.2      | 57.3      | <b>32.4</b>  |
| Q2:2021-22 | 1,414          | 39.6       | 4.7      | 55.7      | <b>34.9</b>  | 44.7         | 3.0      | 52.2      | <b>41.7</b>  |
| Q3:2021-22 | 1,082          | 31.6       | 4.5      | 63.9      | <b>27.1</b>  | 63.3         | 2.2      | 34.4      | <b>61.1</b>  |
| Q4:2021-22 | 1,283          | 31.4       | 8.1      | 60.5      | <b>23.3</b>  | 54.7         | 2.9      | 42.4      | <b>51.7</b>  |
| Q1:2022-23 |                |            |          |           |              | 62.8         | 1.4      | 35.7      | <b>61.4</b>  |

'Increase' in working capital finance is optimistic.

**Table 14: Assessment and Expectations for Availability of Finance (from Internal Accruals)**

(Percentage responses)

| Quarter    | Total response | Assessment |        |           |              | Expectations |        |           |              |
|------------|----------------|------------|--------|-----------|--------------|--------------|--------|-----------|--------------|
|            |                | Improve    | Worsen | No change | Net response | Improve      | Worsen | No change | Net response |
| Q4:2020-21 | 967            | 33.3       | 9.6    | 57.1      | <b>23.7</b>  | 28.3         | 5.6    | 66.1      | <b>22.8</b>  |
| Q1:2021-22 | 1,281          | 13.3       | 17.6   | 69.1      | <b>-4.3</b>  | 39.7         | 5.1    | 55.2      | <b>34.7</b>  |
| Q2:2021-22 | 1,414          | 35.3       | 6.8    | 57.9      | <b>28.5</b>  | 42.4         | 3.8    | 53.7      | <b>38.6</b>  |
| Q3:2021-22 | 1,082          | 30.6       | 5.8    | 63.6      | <b>24.8</b>  | 64.1         | 2.1    | 33.8      | <b>61.9</b>  |
| Q4:2021-22 | 1,283          | 27.7       | 9.6    | 62.7      | <b>18.1</b>  | 55.7         | 2.8    | 41.5      | <b>52.9</b>  |
| Q1:2022-23 |                |            |        |           |              | 62.4         | 2.5    | 35.2      | <b>59.9</b>  |

'Improvement' in availability of finance is optimistic.

**Table 15: Assessment and Expectations for Availability of Finance (from banks and other sources)**

(Percentage responses)

| Quarter    | Total response | Assessment |        |           |              | Expectations |        |           |              |
|------------|----------------|------------|--------|-----------|--------------|--------------|--------|-----------|--------------|
|            |                | Improve    | Worsen | No change | Net response | Improve      | Worsen | No change | Net response |
| Q4:2020-21 | 967            | 23.1       | 6.6    | 70.3      | <b>16.5</b>  | 19.6         | 4.3    | 76.1      | <b>15.3</b>  |
| Q1:2021-22 | 1,281          | 10.7       | 13.1   | 76.1      | <b>-2.4</b>  | 30.0         | 4.4    | 65.6      | <b>25.6</b>  |
| Q2:2021-22 | 1,414          | 33.2       | 4.9    | 61.8      | <b>28.3</b>  | 38.4         | 2.9    | 58.8      | <b>35.5</b>  |
| Q3:2021-22 | 1,082          | 26.2       | 3.9    | 69.9      | <b>22.4</b>  | 60.6         | 1.9    | 37.5      | <b>58.7</b>  |
| Q4:2021-22 | 1,283          | 24.1       | 8.0    | 68.0      | <b>16.1</b>  | 52.0         | 2.1    | 45.9      | <b>49.8</b>  |
| Q1:2022-23 |                |            |        |           |              | 59.3         | 1.5    | 39.2      | <b>57.8</b>  |

'Improvement' in availability of finance is optimistic.

**Table 16: Assessment and Expectations for Availability of Finance (from overseas, if applicable)**  
(Percentage responses)

| Quarter    | Total response | Assessment |        |           |              | Expectations |        |           |              |
|------------|----------------|------------|--------|-----------|--------------|--------------|--------|-----------|--------------|
|            |                | Improve    | Worsen | No change | Net response | Improve      | Worsen | No change | Net response |
| Q4:2020-21 | 967            | 7.5        | 4.8    | 87.7      | 2.7          | 7.2          | 3.4    | 89.3      | 3.8          |
| Q1:2021-22 | 1,281          | 13.6       | 12.0   | 74.5      | 1.6          | 16.5         | 3.1    | 80.3      | 13.4         |
| Q2:2021-22 | 1,414          | 33.8       | 2.3    | 63.9      | 31.5         | 44.0         | 1.3    | 54.7      | 42.7         |
| Q3:2021-22 | 1,082          | 22.4       | 3.4    | 74.1      | 19.0         | 66.5         | 0.6    | 32.8      | 65.9         |
| Q4:2021-22 | 1,283          | 17.9       | 8.7    | 73.4      | 9.1          | 52.5         | 1.5    | 46.0      | 50.9         |
| Q1:2022-23 |                |            |        |           |              | 60.2         | 0.9    | 38.9      | 59.2         |

'Improvement' in availability of finance is optimistic.

**Table 17: Assessment and Expectations for Cost of Finance**  
(Percentage responses)

| Quarter    | Total response | Assessment |          |           |              | Expectations |          |           |              |
|------------|----------------|------------|----------|-----------|--------------|--------------|----------|-----------|--------------|
|            |                | Increase   | Decrease | No change | Net response | Increase     | Decrease | No change | Net response |
| Q4:2020-21 | 967            | 16.7       | 13.3     | 70.0      | -3.4         | 13.3         | 8.3      | 78.4      | -5.0         |
| Q1:2021-22 | 1,281          | 15.7       | 11.3     | 73.0      | -4.5         | 22.2         | 8.2      | 69.6      | -13.9        |
| Q2:2021-22 | 1,414          | 32.5       | 4.0      | 63.5      | -28.6        | 34.9         | 3.3      | 61.8      | -31.5        |
| Q3:2021-22 | 1,082          | 24.9       | 5.5      | 69.5      | -19.4        | 58.3         | 2.5      | 39.3      | -55.8        |
| Q4:2021-22 | 1,283          | 22.1       | 9.6      | 68.3      | -12.6        | 50.7         | 2.1      | 47.2      | -48.6        |
| Q1:2022-23 |                |            |          |           |              | 57.0         | 2.1      | 40.9      | -54.9        |

'Decrease' in cost of finance is optimistic.

**Table 18: Assessment and Expectations for Cost of Raw Materials**  
(Percentage responses)

| Quarter    | Total response | Assessment |          |           |              | Expectations |          |           |              |
|------------|----------------|------------|----------|-----------|--------------|--------------|----------|-----------|--------------|
|            |                | Increase   | Decrease | No change | Net response | Increase     | Decrease | No change | Net response |
| Q4:2020-21 | 967            | 71.0       | 2.0      | 26.9      | -69.0        | 45.2         | 2.6      | 52.2      | -42.7        |
| Q1:2021-22 | 1,281          | 58.1       | 5.8      | 36.1      | -52.3        | 64.9         | 2.5      | 32.6      | -62.4        |
| Q2:2021-22 | 1,414          | 62.5       | 1.4      | 36.1      | -61.0        | 56.8         | 2.0      | 41.2      | -54.9        |
| Q3:2021-22 | 1,082          | 62.0       | 3.2      | 34.8      | -58.8        | 76.6         | 1.4      | 22.1      | -75.2        |
| Q4:2021-22 | 1,283          | 55.0       | 5.5      | 39.4      | -49.5        | 75.1         | 1.5      | 23.3      | -73.6        |
| Q1:2022-23 |                |            |          |           |              | 78.2         | 1.2      | 20.6      | -77.0        |

'Decrease' in cost of raw materials is optimistic.

**Table 19: Assessment and Expectations for Salary/Other Remuneration**  
(Percentage responses)

| Quarter    | Total response | Assessment |          |           |              | Expectations |          |           |              |
|------------|----------------|------------|----------|-----------|--------------|--------------|----------|-----------|--------------|
|            |                | Increase   | Decrease | No change | Net response | Increase     | Decrease | No change | Net response |
| Q4:2020-21 | 967            | 21.8       | 3.1      | 75.1      | -18.7        | 19.9         | 3.9      | 76.2      | -16.0        |
| Q1:2021-22 | 1,281          | 26.4       | 6.5      | 67.1      | -19.9        | 42.7         | 1.2      | 56.1      | -41.6        |
| Q2:2021-22 | 1,414          | 33.1       | 1.8      | 65.2      | -31.3        | 32.5         | 0.9      | 66.6      | -31.6        |
| Q3:2021-22 | 1,082          | 29.3       | 2.4      | 68.3      | -26.9        | 51.2         | 0.9      | 47.9      | -50.4        |
| Q4:2021-22 | 1,283          | 24.6       | 6.4      | 69.0      | -18.2        | 50.9         | 1.0      | 48.2      | -49.9        |
| Q1:2022-23 |                |            |          |           |              | 66.3         | 0.7      | 33.0      | -65.6        |

'Decrease' in Salary / other remuneration is optimistic.



**Table 20: Assessment and Expectations for Selling Price**

(Percentage responses)

| Quarter    | Total response | Assessment |          |           |              | Expectations |          |           |              |
|------------|----------------|------------|----------|-----------|--------------|--------------|----------|-----------|--------------|
|            |                | Increase   | Decrease | No change | Net response | Increase     | Decrease | No change | Net response |
| Q4:2020-21 | 967            | 31.3       | 8.6      | 60.1      | <b>22.7</b>  | 19.6         | 8.9      | 71.5      | <b>10.7</b>  |
| Q1:2021-22 | 1,281          | 26.9       | 7.3      | 65.8      | <b>19.6</b>  | 35.0         | 5.8      | 59.1      | <b>29.2</b>  |
| Q2:2021-22 | 1,414          | 42.0       | 3.9      | 54.1      | <b>38.2</b>  | 31.1         | 2.9      | 66.0      | <b>28.2</b>  |
| Q3:2021-22 | 1,082          | 34.5       | 6.3      | 59.2      | <b>28.2</b>  | 59.7         | 2.3      | 38.0      | <b>57.4</b>  |
| Q4:2021-22 | 1,283          | 30.0       | 9.7      | 60.2      | <b>20.3</b>  | 54.0         | 3.7      | 42.3      | <b>50.3</b>  |
| Q1:2022-23 |                |            |          |           |              | 59.5         | 3.8      | 36.7      | <b>55.7</b>  |

'Increase' in selling price is optimistic.

**Table 21: Assessment and Expectations for Profit Margin**

(Percentage responses)

| Quarter    | Total response | Assessment |          |           |              | Expectations |          |           |              |
|------------|----------------|------------|----------|-----------|--------------|--------------|----------|-----------|--------------|
|            |                | Increase   | Decrease | No change | Net response | Increase     | Decrease | No change | Net response |
| Q4:2020-21 | 967            | 24.9       | 22.9     | 52.1      | <b>2.0</b>   | 17.8         | 20.1     | 62.1      | <b>-2.4</b>  |
| Q1:2021-22 | 1,281          | 11.8       | 44.0     | 44.2      | <b>-32.2</b> | 28.8         | 17.8     | 53.4      | <b>11.0</b>  |
| Q2:2021-22 | 1,414          | 30.0       | 20.6     | 49.5      | <b>9.4</b>   | 43.7         | 11.0     | 45.3      | <b>32.7</b>  |
| Q3:2021-22 | 1,082          | 22.8       | 19.0     | 58.2      | <b>3.8</b>   | 59.9         | 8.2      | 31.9      | <b>51.7</b>  |
| Q4:2021-22 | 1,283          | 20.6       | 21.8     | 57.6      | <b>-1.2</b>  | 49.5         | 9.7      | 40.8      | <b>39.8</b>  |
| Q1:2022-23 |                |            |          |           |              | 53.6         | 10.4     | 35.9      | <b>43.2</b>  |

'Increase' in profit margin is optimistic.

**Table 22: Assessment and Expectations for Overall Business Situation**

(Percentage responses)

| Quarter    | Total response | Assessment |        |           |              | Expectations |        |           |              |
|------------|----------------|------------|--------|-----------|--------------|--------------|--------|-----------|--------------|
|            |                | Better     | Worsen | No change | Net response | Better       | Worsen | No change | Net response |
| Q4:2020-21 | 967            | 49.0       | 12.4   | 38.6      | <b>36.5</b>  | 48.2         | 7.6    | 44.2      | <b>40.7</b>  |
| Q1:2021-22 | 1,281          | 18.6       | 39.2   | 42.3      | <b>-20.6</b> | 57.7         | 5.1    | 37.2      | <b>52.5</b>  |
| Q2:2021-22 | 1,414          | 43.5       | 9.5    | 47.0      | <b>34.0</b>  | 59.9         | 7.5    | 32.5      | <b>52.4</b>  |
| Q3:2021-22 | 1,082          | 42.3       | 9.8    | 47.9      | <b>32.5</b>  | 73.1         | 2.8    | 24.1      | <b>70.3</b>  |
| Q4:2021-22 | 1,283          | 37.7       | 13.6   | 48.8      | <b>24.1</b>  | 67.6         | 4.2    | 28.2      | <b>63.4</b>  |
| Q1:2022-23 |                |            |        |           |              | 71.8         | 3.8    | 24.4      | <b>68.0</b>  |

'Better' Overall Business Situation is optimistic.

**Table 23: Business Sentiments**

| Quarter    | Business Assessment Index (BAI) | Business Expectations Index (BEI) |
|------------|---------------------------------|-----------------------------------|
| Q4:2020-21 | 115.0                           | 115.4                             |
| Q1:2021-22 | 89.3                            | 121.9                             |
| Q2:2021-22 | 119.4                           | 128.0                             |
| Q3:2021-22 | 115.0                           | 139.3                             |
| Q4:2021-22 | 111.5                           | 137.8                             |
| Q1:2022-23 |                                 | 134.7                             |