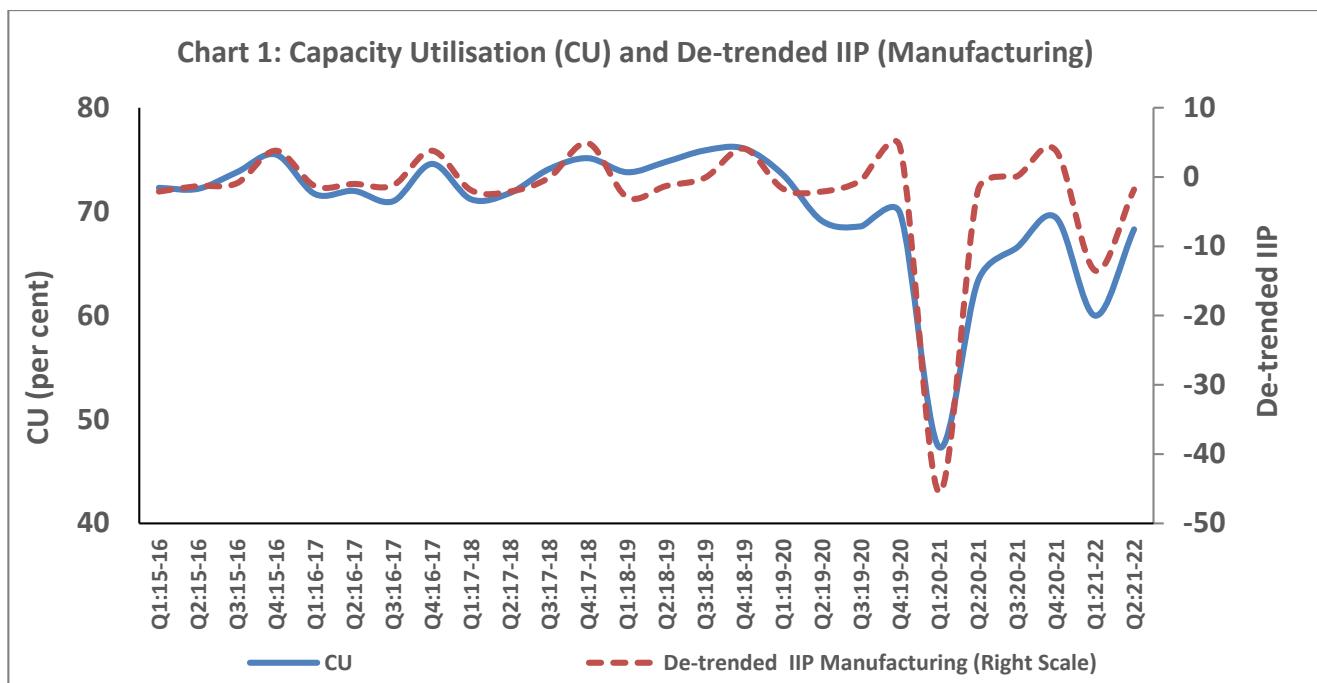


OBICUS Survey on the Manufacturing sector for Q2:2021-22

Today, the Reserve Bank released the results of the 55th round of the quarterly Order Books, Inventories and Capacity Utilisation Survey (OBICUS), which provides a snapshot of demand conditions in India's manufacturing sector¹ during July-September 2021. The survey covered 761 manufacturing companies.

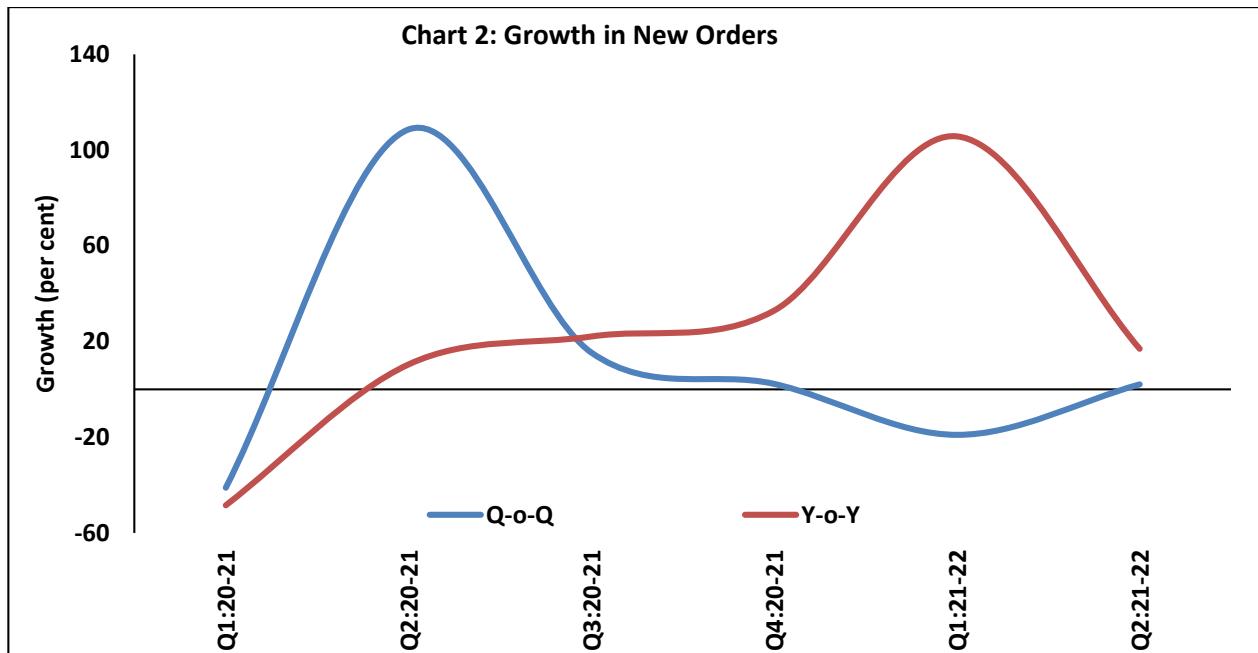
Highlights:

- At the aggregate level, capacity utilisation (CU) for the manufacturing sector recovered to 68.3 per cent in Q2:2021-22 after waning of the second wave of COVID-19 pandemic in the country, which had caused plummeting of CU to 60.0 per cent in the previous quarter (Chart 1).

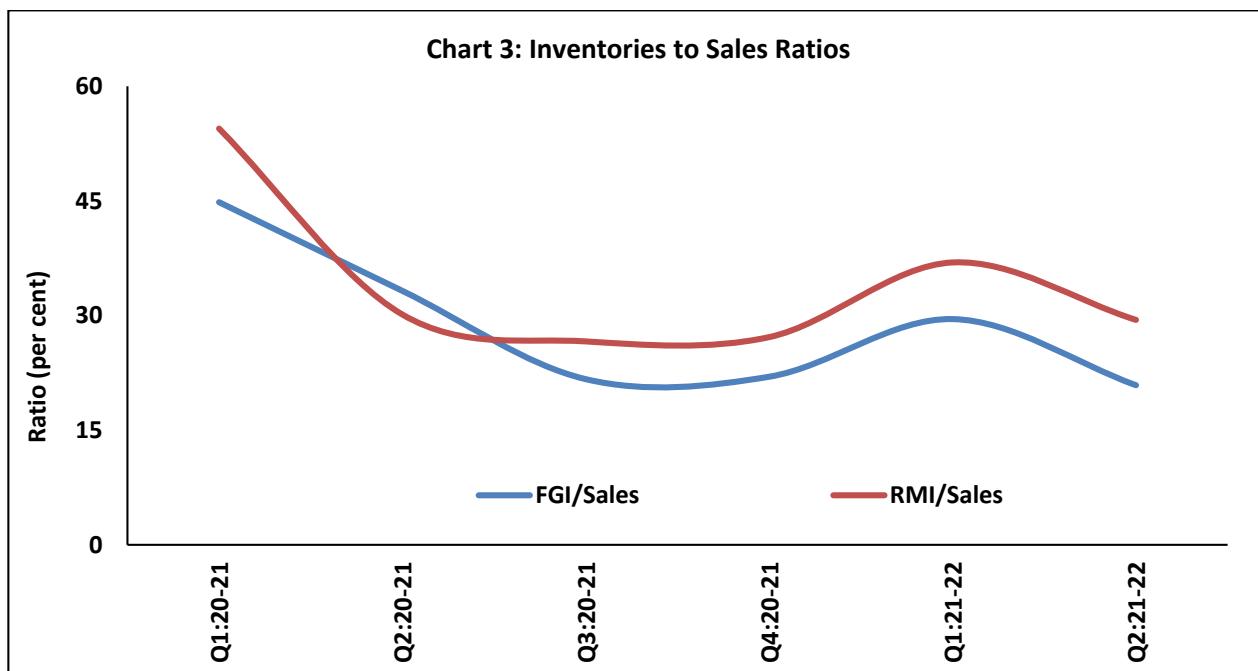


- Reflecting improved demand conditions, manufacturing companies recorded sequential (Q-o-Q) growth in new orders during Q2:2021-22 (Chart 2). On an annual (Y-o-Y) basis, however, new order growth moderated from the abnormally high growth in the previous quarter, which had large base effect.

¹ The survey responses are voluntary. Results of the previous survey round were released on the Bank's website on [October 8, 2021](#).



- As manufacturing companies maintained broadly similar level of inventories in Q1 and Q2 of 2021-22, improvement in sales during Q2:2021-22 led to sequential decline in the ratios of (a) finished goods inventory (FGI) to sales as well as (b) raw material inventory (RMI) to sales (Chart 3).



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

ANNEX 1: Data Tables

Table 1: IIP*-Manufacturing and Capacity Utilisation (CU)

Quarter	Number of responding companies	Capacity Utilisation	IIP-Manufacturing (Quarterly Average)	De-trended Quarterly IIP-Manufacturing
Q2:2020-21	563	63.3	121.2	-1.9
Q3:2020-21	610	66.6	133.2	0.1
Q4:2020-21	557	69.4	136.5	3.8
Q1:2021-22	640	60.0	119.1	-13.5
Q2:2021-22	728	68.3	131.1	-1.8

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

Table 2: Order Books (Q2:2020-21 to Q2:2021-22)

Quarter	Number of companies	Amount (₹ Crores)			Q-o-Q Growth # (per cent) **			Y-o-Y Growth # (per cent)		
		Average Backlog Orders	Average New Order Book	Average Pending Orders	Backlog Orders	New Order Book	Pending Orders	Backlog Orders	New Order Book	Pending Orders
Q2:2020-21	137	146.3	184.8	154.1	0.5	108.6	5.2	6.0	10.4	8.6
Q3:2020-21	155	181.2	242.7	194.2	0.3	15.4	7.2	-13.8	22.1	-7.7
Q4:2020-21	85	199.8	243.4	196.3	7.6	2.3	-1.8	7.2	32.9	2.3
Q1:2021-22	120	188.1	171.0	197.8	-0.5	-19.0	5.3	11.8	105.7	17.3
Q2:2021-22	184	197.9	195.7	207.4	10.8	2.1	3.9	10.2	16.9	15.1

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

**: Not seasonally adjusted.

Table 3: Sales and Inventories (Q2:2020-21 to Q2:2021-22)

Quarter	Number of Companies	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
Q2:2020-21	416	686.0	409.5	159.6	69.7	180.3	76.4	33.2	30.1
Q3:2020-21	471	719.6	372.3	143.5	60.0	168.8	56.8	21.7	26.6
Q4:2020-21	418	959.2	461.2	183.3	66.2	211.6	57.5	22.0	27.2
Q1:2021-22	478	869.2	489.7	208.8	79.7	201.2	78.6	29.5	36.9
Q2:2021-22	537	1012.6	494.4	200.0	78.6	215.8	60.5	20.9	29.4

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

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

Note: The computations of order book growths and inventory to sales ratios are based on methodology given in the OBICUS data release dated October 8, 2021 on RBI website

(link: <https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=20650>).