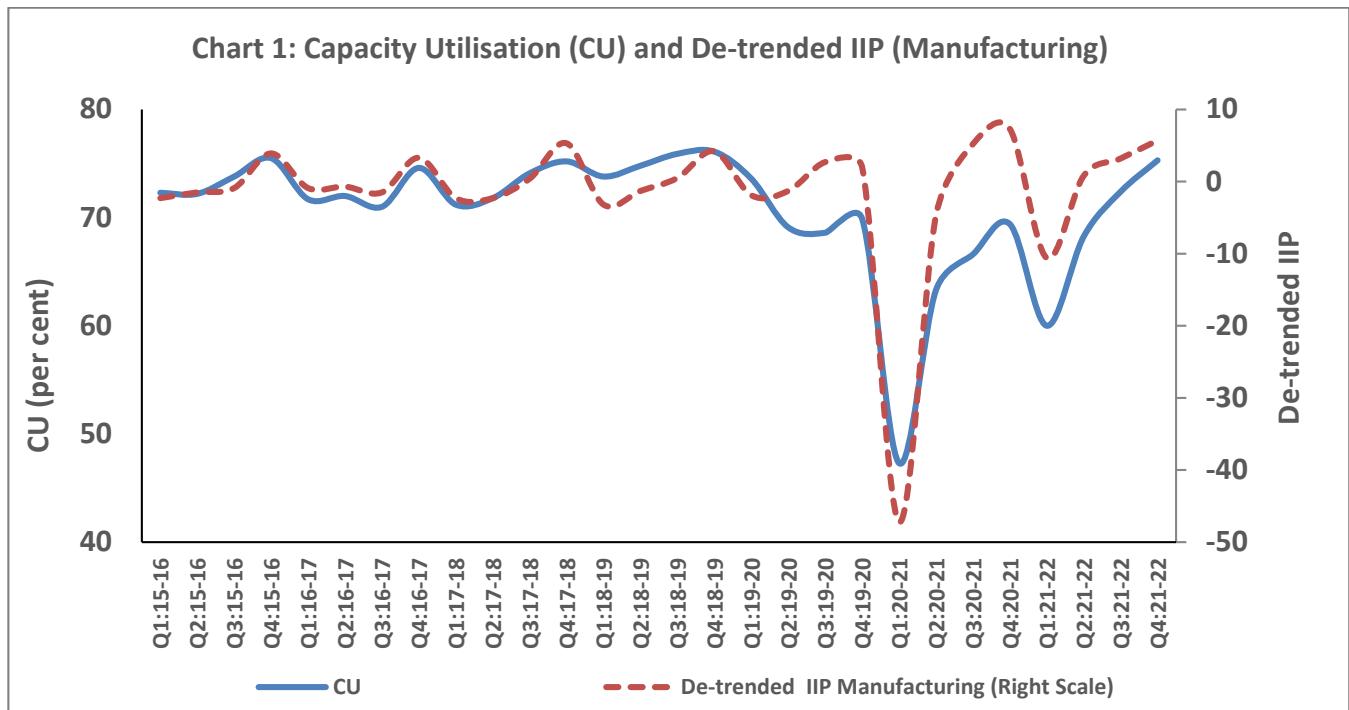


Order Books, Inventories and Capacity Utilisation Survey on the Manufacturing sector for Q4:2021-22

Today, the Reserve Bank released the results of the 57th 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 January-March 2022. The survey covered 765 manufacturing companies.

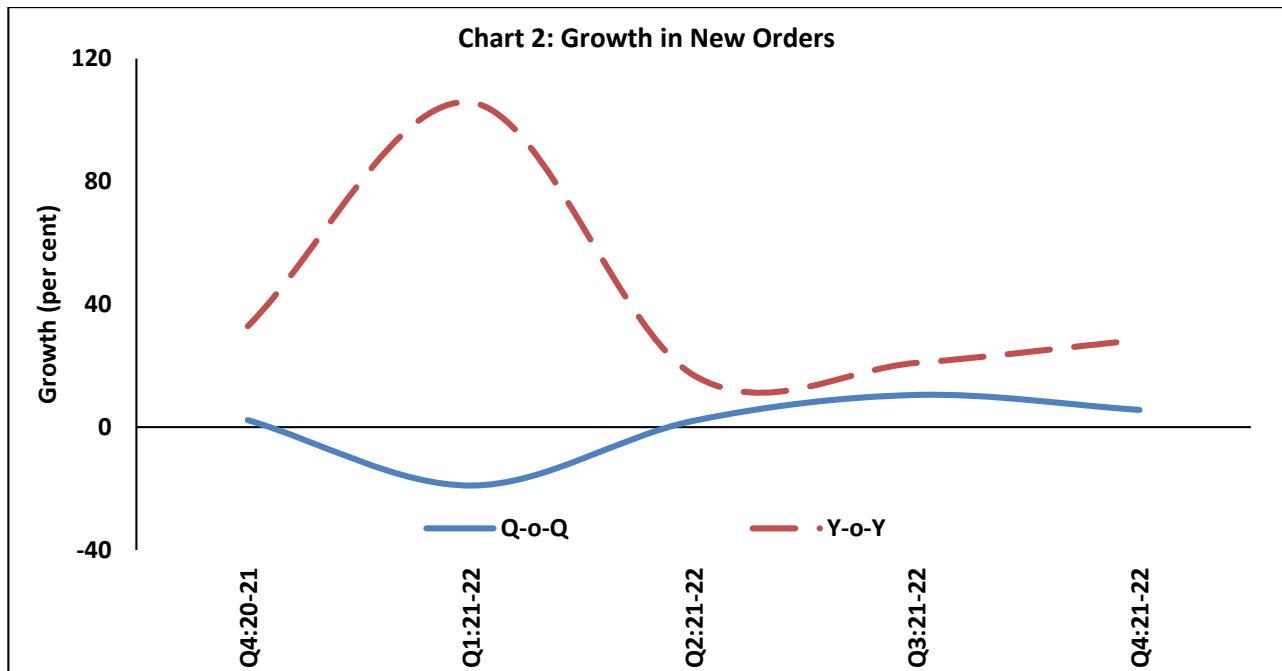
Highlights:

- At the aggregate level, the capacity utilisation (CU) in the manufacturing sector rose to 75.3 per cent in Q4:2021-22 from 72.4 per cent recorded in the previous quarter, showing improvement for the third successive quarter. (Chart 1 and Table 1).

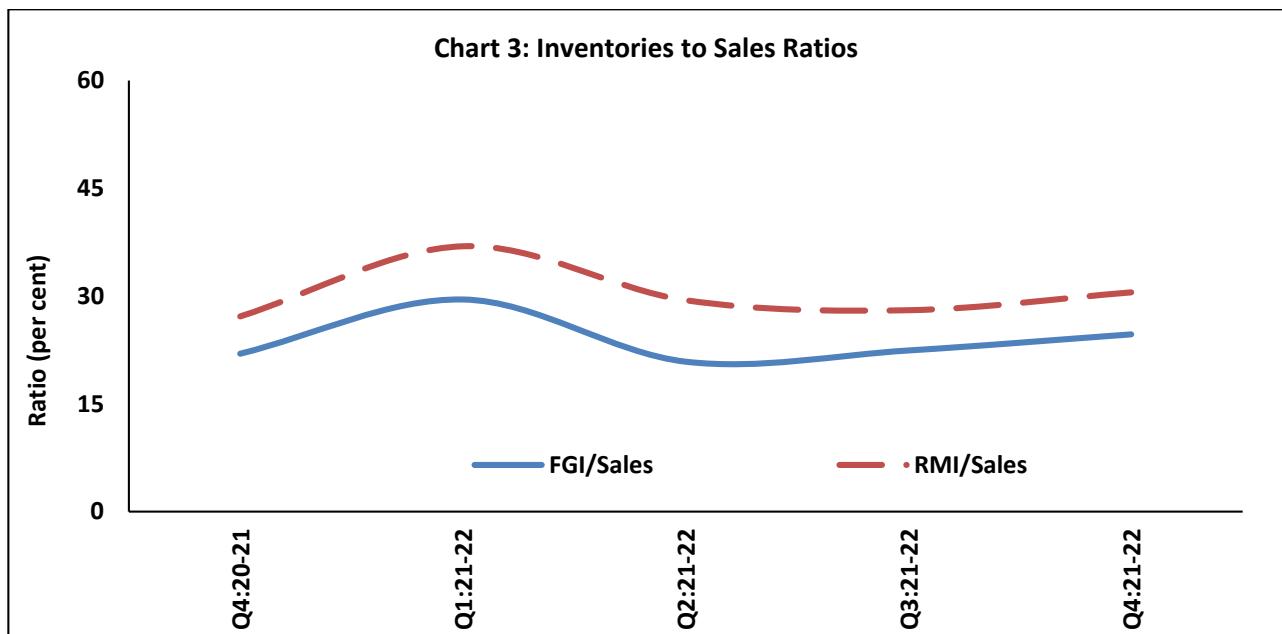


- Manufacturing companies received more new orders during Q4:2021-22 as compared with the level in the previous quarter as well as in the corresponding quarter a year ago (Chart 2 and Table 2A).

¹ The survey responses are voluntary. Results of the previous survey round were released on the Bank's website on [April 08, 2022](#).



- With significant improvement in demand condition, companies augmented their inventories to meet new orders: as a ratio to sales, the finished goods inventory (FGI) and raw material inventory (RMI) increased during Q4:2021-22 (Chart 3 and Table 3A).



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
Q4:2020-21	557	69.4	136.5	7.3
Q1:2021-22	640	60.0	119.1	-10.6
Q2:2021-22	728	68.3	131.6	0.8
Q3:2021-22	757	72.4	135.0	3.2
Q4:2021-22	727	75.3	138.1	5.7

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

Table 2A: Order Books Growth (Q4:2020-21 to Q4:2021-22)

Quarter	Number of 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
Q4:2020-21	85	7.6	2.3	-1.8	7.2	32.9	2.3
Q1:2021-22	120	-0.5	-19.0	5.3	11.8	105.7	17.3
Q2:2021-22	184	10.8	2.1	3.9	10.2	16.9	15.1
Q3:2021-22	205	3.5	10.5	7.8	19.5	20.9	20.5
Q4:2021-22	207	4.7	5.6	4.6	14.2	28.4	25.1

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

**: Not seasonally adjusted.

Table 2B: Average Size of Order Books (Q4:2020-21 to Q4:2021-22)

Quarter	Number of companies	Average Amount (₹ Crores)		
		Backlog Orders	New Order Book	Pending Orders
Q4:2020-21	85	199.8	243.4	196.3
Q1:2021-22	120	188.1	171.0	197.8
Q2:2021-22	184	197.9	195.7	207.4
Q3:2021-22	205	182.3	224.4	196.6
Q4:2021-22	207	176.3	222.4	184.2

Table 3A: Inventory to Sales Ratios (Q4:2020-21 to Q4:2021-22)

Quarter	Number of Companies	Ratio (per cent) #		
		Total Inventory / Sales	Finished Goods Inventory / Sales	Raw Material Inventory / Sales
Q4:2020-21	418	57.5	22.0	27.2
Q1:2021-22	478	78.6	29.5	36.9
Q2:2021-22	537	60.5	20.9	29.4
Q3:2021-22	681	58.1	22.4	28.0
Q4:2021-22	651	65.2	24.7	30.5

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

Table 3B: Average Sales and Inventories (Q4:2020-21 to Q4:2021-22)

Quarter	Number of Companies	Average Amount (₹ Crores)				
		Sales	Total Inventory	Finished Goods Inventory	Work in progress Inventory	Raw Material Inventory
Q4:2020-21	418	959.2	461.2	183.3	66.2	211.6
Q1:2021-22	478	869.2	489.7	208.8	79.7	201.2
Q2:2021-22	537	1012.6	494.4	200.0	78.6	215.8
Q3:2021-22	681	1027.9	465.0	193.5	62.0	209.5
Q4:2021-22	651	1123.2	530.2	219.2	79.8	231.2

Note: The computations of order book growths and inventory to sales ratios are based on methodology given in the RBI press release dated October 8, 2021 (link: <https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=20650>) and not on the basis of averages given in the above tables.