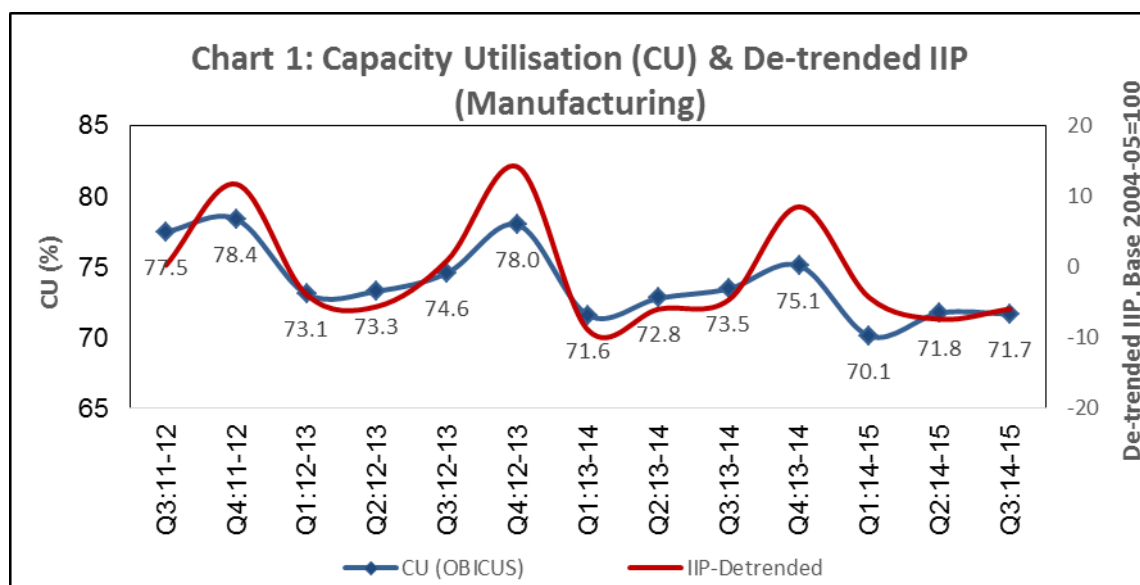


Quarterly Order Books, Inventories and Capacity Utilisation Survey (OBICUS) October-December 2014 (28th Round)¹

The Order Books, Inventories and Capacity Utilisation Survey (OBICUS) captures actual data from the companies in the manufacturing sector. The current round of OBICUS, which is the 28th round in the series, captures data for Q3:2014-15. In all, 1,297 common (for last five quarters) manufacturing companies (Government: 49, Public: 903 and Private: 345) responded in this round of survey. The analysis is based on the data on order books, inventory levels for raw materials & finished goods, and capacity utilisation, received from these common set of companies.

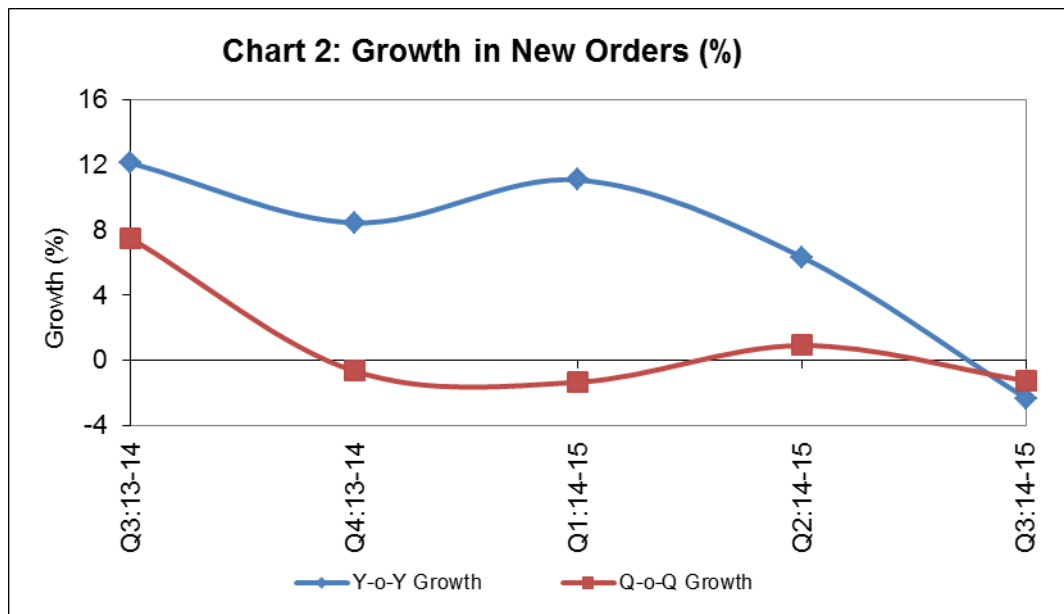
Highlights:

Capacity Utilisation (CU): There is broad co-movement between capacity utilisation and de-trended IIP manufacturing (Chart 1). CU at the aggregate level, remained at the same level in Q3:2014-15 as that of the previous quarter. However, it stood at a lower level from that in same quarter of the previous year (Table 1).

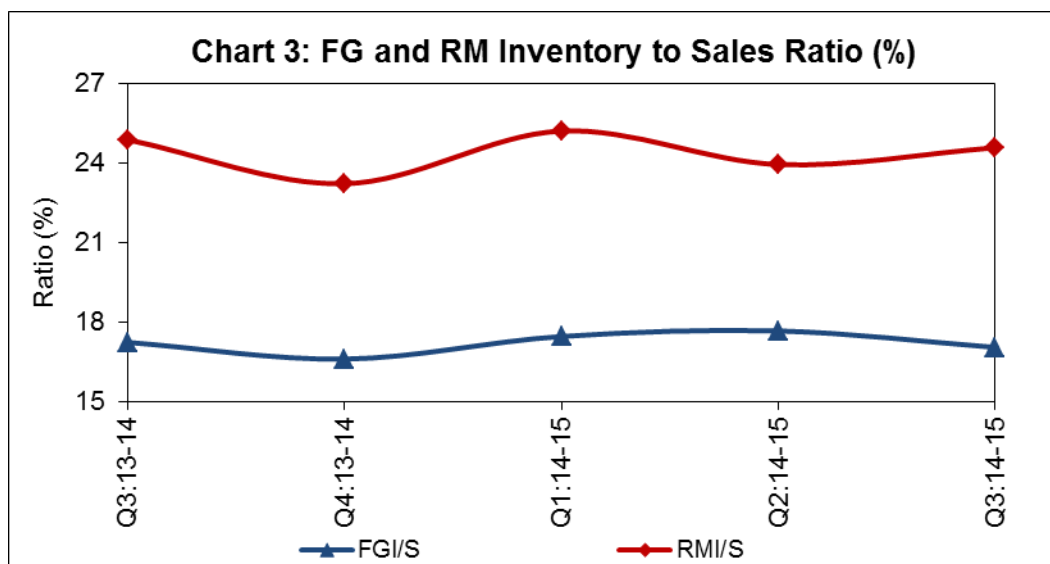


Order Books: The new orders growth showed a decline and became negative in Q3:2014-15 both on a year-on-year and quarter-on-quarter basis (Chart 2).

¹ The 27th round (Q2:2014-15) survey results were released on [January 2, 2015](http://www.rbi.org.in/pressreleases/2015/01/20150102.htm) on the RBI website. The survey results are those of the respondents and are not necessarily shared by the Reserve Bank of India.



Inventory to Sales Ratio: The finished goods inventory to sales ratio declined to 17 per cent in Q3:2014-15. The raw material inventory to sales ratio increased in Q3:2014-15 as compared to the previous quarter. Both, raw material inventory to sales ratio (RMI/S) and finished goods inventory to sales ratio (FGI/S), remained more or less at the same level as that of same quarter of previous year (Chart 3).



ANNEX

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

Quarter	IIP – Mfg (Qtly avg Base 2004-05)	De-trended Qtly IIP-Mfg	CU (in latest survey round)	CU * (Range from previous four survey rounds)
Q3:2013-14	180.3	-4.6	73.5	73.4 – 74.6
Q4:2013-14	194.0	8.6	75.1	74.2 – 75.5
Q1:2014-15	181.7	-4.3	70.1	69.4 – 70.2
Q2:2014-15	179.2	-7.4	71.8	71.0 – 71.8
Q3:2014-15	181.1	-5.9	71.7	NA #

*: Since CU is being computed based on 5 quarter common set of companies, the CU for each round gets revised for subsequent four rounds.

#: CU is calculated first time for Q3:2014-15

Table 2: Order Books (Q3:2013-14 to Q3:2014-15)

Quarter	Amount in ₹ Billion			Q-o-Q growth (%) – Seasonally not adjusted			Y-o-Y Growth (%)		
	Avg Backlog order (530)	Avg New Order book (530)	Avg Pending order (530)	Avg Backlog order	Avg New Order book	Avg Pending order	Avg Backlog order	Avg New Order book	Avg Pending order
Q3:2013-14	1.744	1.502	1.789	1.5	7.5	2.6	-4.4	12.1	-2.5
Q4:2013-14	1.793	1.493	1.782	2.8	-0.7	-0.4	-2.2	8.4	3.9
Q1:2014-15	1.740	1.473	1.810	-2.9	-1.3	1.6	2.8	11.1	5.3
Q2:2014-15	1.809	1.486	1.799	3.9	0.9	-0.6	5.3	6.3	3.2
Q3:2014-15	1.800	1.468	1.719	-0.5	-1.2	-4.4	3.2	-2.3	-3.9

Figures in parentheses are number of companies reporting order books.

Table 3: Average Sales and Inventories and their ratios (Q3:2013-14 to Q3:2014-15)

Quarter	Amount in ₹ Billion					Ratio in per cent		
	Avg Sales (1090)	Avg Total Inv (1090)	Avg FG Inv (1090)	Avg WiP Inv (1090)	Avg RM Inv (1090)	Total Inv/Sales	FG Inv/Sales	RM Inv/Sales
Q3:2013-14	4.771	2.420	0.822	0.411	1.187	50.7	17.2	24.9
Q4:2013-14	5.010	2.400	0.831	0.406	1.163	47.9	16.6	23.2
Q1:2014-15	4.839	2.501	0.844	0.437	1.220	51.7	17.4	25.2
Q2:2014-15	5.043	2.534	0.891	0.436	1.208	50.3	17.7	23.9
Q3:2014-15	4.697	2.396	0.800	0.441	1.155	51.0	17.0	24.6

Figures in parentheses are number of companies reporting inventories.

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