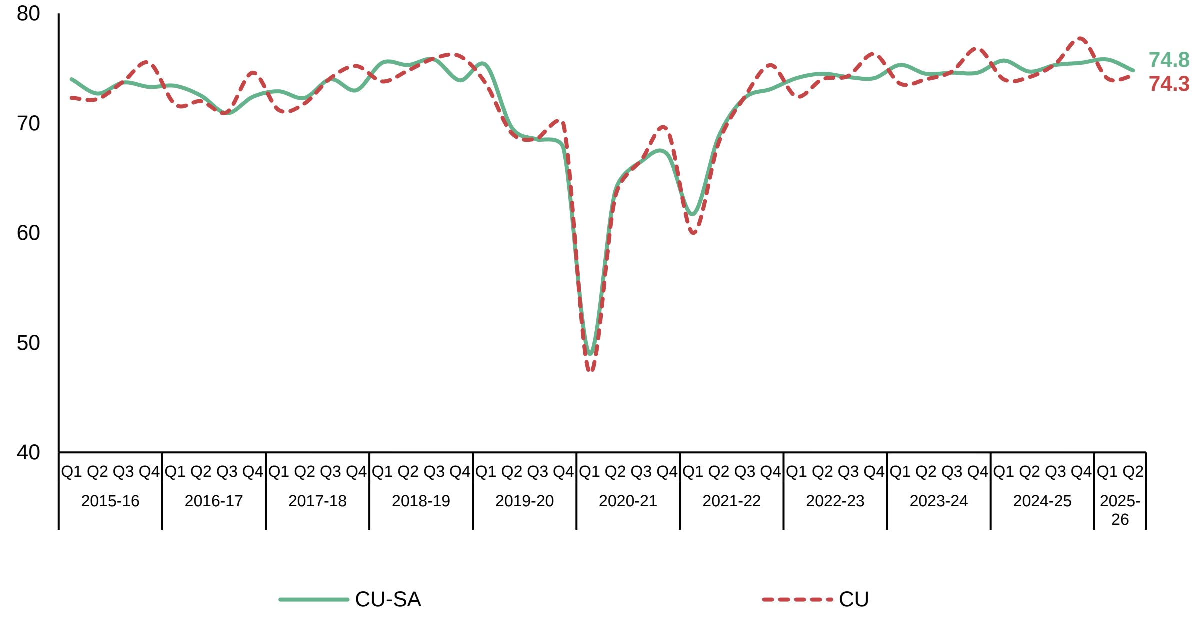
**Order Books, Inventories and Capacity Utilisation Survey on the Manufacturing sector for Q2:2025-26**

Today, the Reserve Bank released the results of its 71st round of the quarterly Order Books, Inventories, and Capacity Utilisation Survey (OBICUS), which was conducted during Q3:2025-26 and covered 1,114 manufacturing companies. The survey [1] provides a snapshot of the demand conditions in India's manufacturing sector during July-September 2025.

**Highlights:**

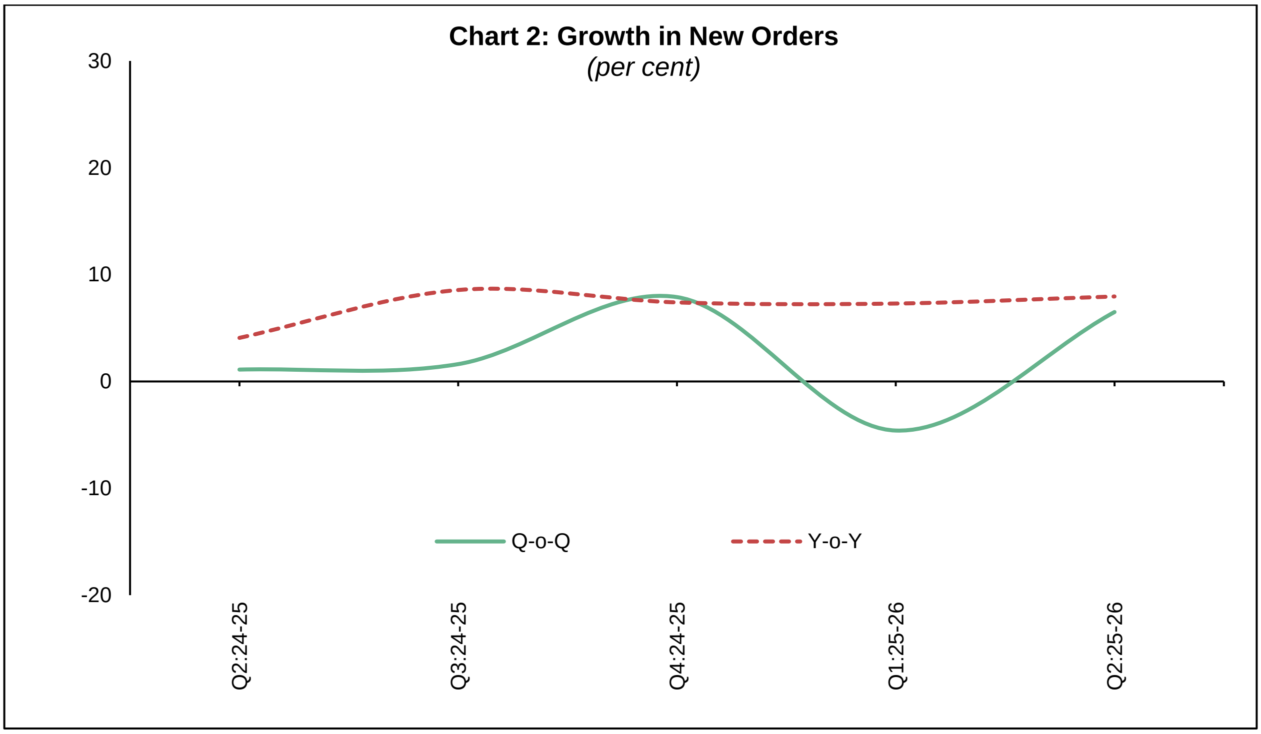
- At the aggregate level, capacity utilisation (CU) in the manufacturing sector increased marginally to 74.3 per cent in Q2:2025-26 from 74.1 per cent in the previous quarter. However, the seasonally adjusted CU (CU-SA) declined by 100 basis points from the previous quarter and stood at 74.8 per cent in Q2:2025-26. Both CU and CU-SA for Q2:2025-26 increased by 10 basis points as compared to their levels in the corresponding quarter of the previous year (Chart 1 and Table 1).

**Chart 1: Capacity Utilisation (CU) and Seasonally Adjusted CU (CU-SA)**
*(per cent)*

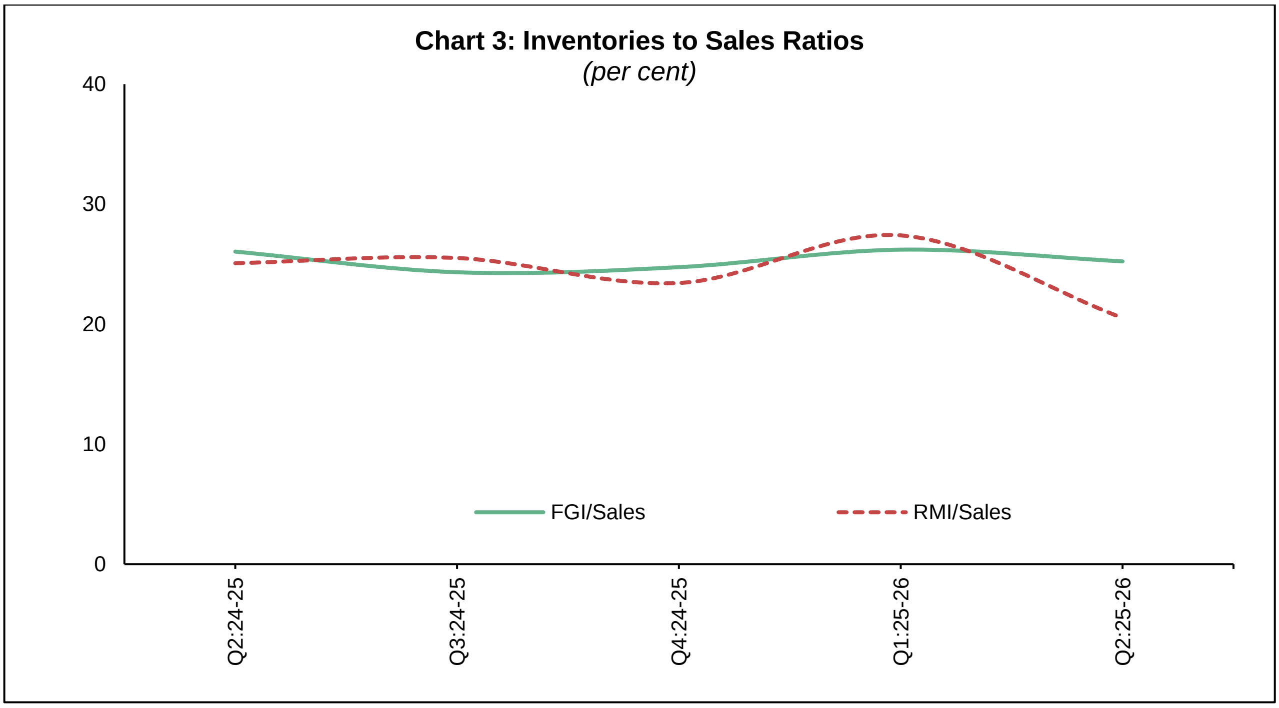



- Manufacturers reported higher growth in new orders during Q2:2025-26 on a sequential (q-o-q) basis. On an annual (y-o-y) basis, the growth continued to remain stable (Chart 2 and Table 2A).

[1] The survey responses are voluntary, and the results reflect the views of the respondents, which are not necessarily shared by the Reserve Bank. Results of the previous survey round were released on the Bank's website on October 01, 2025.




- As a ratio to sales, the finished goods inventory (FGI) remained stable while the raw material inventory (RMI) declined during Q2:2025-26 (Chart 3 and Table 3A).




Note-Please see the excel file for time series data.

## ANNEX 1: Data Tables

| Table 1: Capacity Utilisation | | | |
|---|---|---|---|
| Quarter | Number of responding companies | Capacity Utilisation | Seasonally Adjusted Capacity Utilisation |
| Q2:2024-25 | 932 | 74.2 | 74.7 |
| Q3:2024-25 | 959 | 75.4 | 75.3 |
| Q4:2024-25 | 960 | 77.7 | 75.5 |
| Q1:2025-26 | 887 | 74.1 | 75.8 |
| Q2:2025-26 | 1007 | 74.3 | 74.8 |

**Note:** The Seasonally Adjusted Capacity Utilisation is calculated using X13-ARIMA-SEATS (Signal Extraction in ARIMA Time Series) taking the Covid-19 lockdown quarter Q1:2020-21 as an additive outlier.

| Table 2A: Order Books Growth | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarter | Number of responding 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 |
| Q2:2024-25 | 315 | 7.2 | 1.1 | 2.8 | 9.8 | 4.1 | 9.9 |
| Q3:2024-25 | 315 | 2.6 | 1.6 | 2.1 | 12.7 | 8.6 | 13.2 |
| Q4:2024-25 | 353 | 0.7 | 7.9 | -0.2 | 6.7 | 7.4 | 7.8 |
| Q1:2025-26 | 385 | -0.3 | -4.6 | 3.3 | 9.0 | 7.3 | 7.2 |
| Q2:2025-26 | 419 | 2.5 | 6.5 | -0.7 | 10.7 | 8.0 | 3.3 |

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

| Table 2B: Average Size of Order Books | | | | |
|---|---|---|---|---|
| Quarter | Number of responding companies | Average Amount (₹ crore) | | |
| | | Backlog Orders | New Order Book | Pending Orders |
| Q2:2024-25 | 315 | 257.8 | 309.0 | 291.9 |
| Q3:2024-25 | 315 | 232.9 | 225.8 | 238.5 |
| Q4:2024-25 | 353 | 302.4 | 317.0 | 303.9 |
| Q1:2025-26 | 385 | 331.1 | 324.2 | 342.1 |
| Q2:2025-26 | 419 | 376.1 | 325.9 | 373.9 |

| Table 3A: Inventory to Sales Ratios | | | | |
|---|---|---|---|---|
| Quarter | Number of responding companies | Ratio (per cent) ## | | |
| | | Total Inventory / Sales | Finished Goods Inventory / Sales | Raw Material Inventory / Sales |
| Q2:2024-25 | 927 | 69.3 | 26.0 | 25.1 |
| Q3:2024-25 | 907 | 69.4 | 24.3 | 25.5 |
| Q4:2024-25 | 932 | 66.5 | 24.7 | 23.4 |
| Q1:2025-26 | 894 | 72.1 | 26.2 | 27.4 |
| Q2:2025-26 | 1014 | 61.7 | 25.2 | 20.5 |

##: Weighted average of industry level ratios using Gross Value Added as weights.

| Table 3B: Average Sales and Inventories | | | | | | |
|---|---|---|---|---|---|---|
| Quarter | Number of responding companies | Average Amount (₹ crore) | | | | |
| | | Sales | Total Inventory | Finished Goods Inventory | Work in progress Inventory | Raw Material Inventory |
| Q2:2024-25 | 927 | 987.7 | 558.1 | 198.3 | 111.2 | 195.0 |
| Q3:2024-25 | 907 | 1182.4 | 496.4 | 175.8 | 94.8 | 171.5 |
| Q4:2024-25 | 932 | 1309.4 | 508.8 | 187.4 | 111.0 | 156.1 |
| Q1:2025-26 | 894 | 886.5 | 505.1 | 188.2 | 100.2 | 170.9 |
| Q2:2025-26 | 1014 | 1120.1 | 568.2 | 229.4 | 116.4 | 174.1 |

**Note:** The methodology for computations of order book growth and inventory to sales ratios is given in the RBI press release dated October 8, 2021 (link: https://rbi.org.in/en/web/rbi/-/publications/obicus-survey-on-the-manufacturing-sector-for-q1-2021-22-20650). Please also see footnote 2 on direct estimation of RMI since 53rd round of the survey.