



# Households' Pulse Survey: Q4 FY26

## Economic & Credit Perspectives

## Respondents' Demographics

- The Q4 FY26 survey comprises 3,727 responses, with only 145 repeat participants from Q3, making it largely a fresh sample. Despite this, the results show broad continuity with limited structural differences from the previous round. Please see the details of the sample and respondents' demographics in the Appendix.
- Education levels remained relatively high, with nearly 44% holding a college degree or higher. The share of respondents below 25 years age declined to ~14% (from ~18% in Q3), with a corresponding increase mainly in the 35+ years age groups.
- States representation continued to shift toward southern states following the inclusion of additional regional languages in Q3.
- In terms of income distribution, ~62% of respondents fall in the Rs. 25k–50k monthly household income bracket, down from ~66% in Q3, with a corresponding rise across income groups above Rs. 50k.
- The share of self-employed respondents (business/professionals) rose to 38% (from 35% in Q3), while salaried, daily wage/casual, and contractual/part-time categories each declined by around 1 percentage point; salaried households nevertheless remained the largest occupational group.

## Households' Economic Assessment and Outlook

- Household sentiment remained broadly optimistic in Q4 FY26, though the level of optimism continued to soften. Importantly, neutral sentiment rose more than negative sentiment across most indicators, suggesting households are adopting a cautious wait-and-watch stance rather than turning outright pessimistic. Sustained uncertainty around the Middle East conflict and pass-through of elevated energy costs remain key risks to watch.
- Around 44% of respondents viewed current economic conditions favourably, down from ~46% in Q3 and ~48% in Q2. Salaried and self-employed households continued to report relatively stronger assessments than other groups, though sentiment moderated further across both segments in Q4. The improvement seen among contractual/part-time workers in Q3 proved short-lived.
- Optimism on the future economic outlook moderated more sharply than perceptions of current conditions, with the positive share falling to 43.2% in Q4 (from 49.2% in Q3), driven more by rising neutral sentiment than outright pessimism, pointing to greater uncertainty around the future growth trajectory.
- Job/business and income outlook remained broadly positive, though optimism moderated across most occupational groups in Q4, again driven more by rising neutral responses than negative sentiment. Self-employed households remained the most optimistic on jobs/business outlook, while daily wage/casual workers and unemployed remained the least optimistic, with negative sentiment edging up further from Q3.
- Actual income outcomes also softened, with the share reporting income growth declining to ~47% in Q4 (from ~51% in Q3), driven more by a rise in "no change" responses (29.8% from 26.7%) than by outright income decline (23.2% from 22.7%), suggesting income moderation is being reflected more through stagnation than deterioration.
- Inflation expectations hardened slightly in Q4, consistent with inflation having bottomed out in Q3 and growing concerns around higher energy prices going forward.

## Households' Credit Profile and Purchase Intentions

- Over the past 12 months, ~87% of respondents sourced loans from formal channels, broadly steady from ~88% in Q3, with banks (~44%) and NBFCs/fintechs (~28%) remaining the dominant formal lenders. Informal borrowing edged up to ~30% (from ~29% in Q3), with ~17% of respondents borrowing from both formal and informal channels (similar to Q3), indicating a persistent overlap between credit sources.
- Nearly 48% of respondents held two or more loans in Q4 (up from 45% in Q3), with the increase driven almost entirely by those with four or more loans (13.8% from 11.5%), suggesting a subset of households is taking on meaningfully higher leverage. Salaried and self-employed households together accounted for over 84% of multi-loan borrowers, though the presence of daily wage/casual workers and the unemployed in this segment warrants monitoring given their weaker income stability.
- EMI management comfort declined further in Q4, with easier EMI manageability falling to 51.4% (from 53.4% in Q3) and those finding it "sometimes tough" rising to 16.4% (from 14.3%). Repayment stress remained highest among the unemployed and daily wage workers, with the latter seeing further deterioration in Q4.
- Personal loans remained the dominant borrowing category at ~40% in Q4, easing from ~45% in Q3; notably, 62% of personal loan borrowers held two or more loans (up from 56% in Q3), pointing to rising multi-loan exposure within this segment. Car loans gained share while electronics loans declined sharply, suggesting normalisation after festive-season-driven demand in prior quarters.
- Mobile phones remained the most prominent intended electronics purchase over the next six months. Higher-income respondents were relatively more brand-conscious, while lower-income households placed greater emphasis on price followed by brand and financing options, with financing options gaining further importance overall in Q4.

# Households' Perceptions – Snapshot

Households' Perceptions						
Economic Condition	Period	It is Good		Neutral	It is Bad	
Current Economic Situation	Q4 FY26	44.1%		40.1%	15.8%	
	Q3 FY26	46.4%		38.7%	14.9%	
Economic Outlook in Your Region in the next year	Q4 FY26	43.2%		36.5%	20.3%	
	Q3 FY26	49.2%		33.1%	17.7%	
Household's Income Situation in the next year	Q4 FY26	60.4%		29.1%	10.5%	
	Q3 FY26	65.5%		25.2%	9.3%	
Job/Business Outlook in next 6 months	Q4 FY26	61.1%		30.3%	8.6%	
	Q3 FY26	66.1%		25.9%	8.0%	
Inflation Outlook		Prices will fall		Neutral	Prices will rise	
Inflation Outlook in next year	Q4 FY26	13.0%		22.5%	64.5%	
	Q3 FY26	13.6%		22.8%	63.7%	
Income		Rose 10%+	Rose upto 10%	No change	Fell upto 10%	Fell 10%+
Household Income impact in last year	Q4 FY26	23.8%	23.2%	29.8%	7.9%	15.3%
	Q3 FY26	26.4%	24.2%	26.7%	7.5%	15.2%

**Household sentiment remained broadly optimistic** across economic conditions, employment/business prospects, and income expectations, though it softened further in Q4 FY26 amid uncertainty surrounding the Middle East conflict. Importantly, **neutral sentiment rose more than negative sentiment** across most indicators, suggesting **households are adopting a cautious wait-and-watch stance rather than turning outright pessimistic. Prolongation of the Middle east conflict and expected further pass-through of elevated energy costs to end users will soon test this.**

- **Current economic conditions:** The positive assessment share declined to 44.1% in Q4 FY26 from 46.4% in Q3, while negative sentiment edged up to 15.8% (from 14.9%) and neutral sentiment rose to 40.1% (from 38.7%). The relatively greater rise in neutral sentiment suggests households are reassessing conditions rather than turning significantly more pessimistic
- **Future economic outlook (12 months):** Optimism moderated more sharply, with the positive share falling to 43.2% in Q4 from 49.2% in Q3. Negative sentiment rose to 20.3% (from 17.7%), while neutral responses increased to 36.5% (from 33.1%). Compared with current conditions, the larger shift for the outlook suggests greater uncertainty about the future growth trajectory.
- **Household income expectations (12 months):** Income expectations remained predominately optimistic, though positive responses eased to 60.4% in Q4 from 65.5% in Q3. The share expecting deterioration rose modestly to 10.5% (from 9.3%), while neutral sentiment increased to 29.1% (from 25.2%). Despite moderation, nearly three in five households still expect incomes to improve.
- **Job and business outlook (6 months):** Positive sentiment moderated to 61.1% in Q4 from 66.1% in Q3, while negative expectations edged up to 8.6% (from 8.0%) and neutral sentiment rose to 30.3% (from 25.9%). With negative sentiment remaining the lowest across indicators, employment and business prospects continue to be the relatively more resilient category.
- **Household income change (last one year):** The share reporting income growth declined to 47.0% from 50.6% in Q3, while the share reporting no change in income rose to 29.8% (from 26.7%) and those reporting a decline in income increased marginally to 23.2% (from 22.7%). This suggests income moderation is being reflected more through stagnation than outright deterioration.
- **Inflation expectations:** Inflation expectations hardened further in Q4, with 64.5% expecting prices to rise, up from 63.7% in Q3, remaining a key risk to real incomes and consumption sentiment.

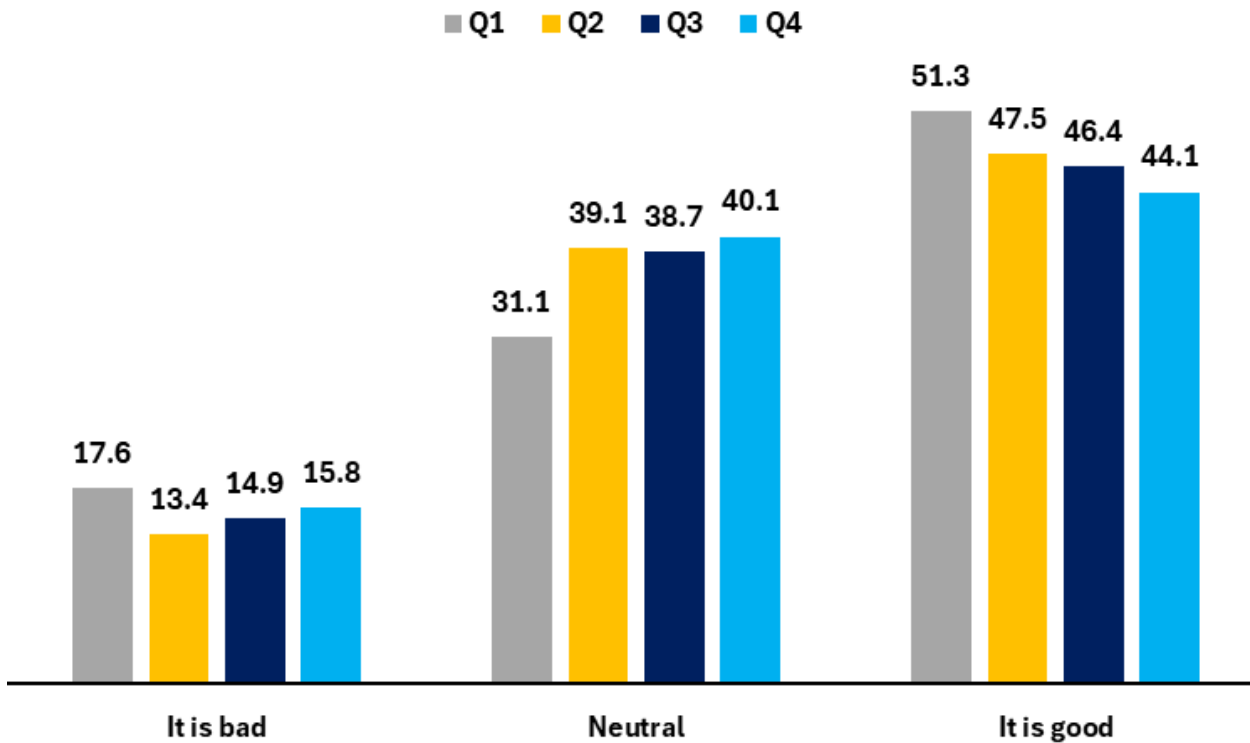


# Households' Economic Sentiment Survey






# Positive Assessment of Current Economic Conditions Moderated Further in Q4; Rise in Neutral Sentiment Outpaced Negative Views, Pointing to Increased Caution Rather Than Pessimism

## Respondents Assessment of Current Economic Conditions

While a Majority of Households Continue to View Current Economic Conditions Positively, Positive Sentiment Moderated Further in Q4; Rise in Neutral Views Outpaced Negative Assessments



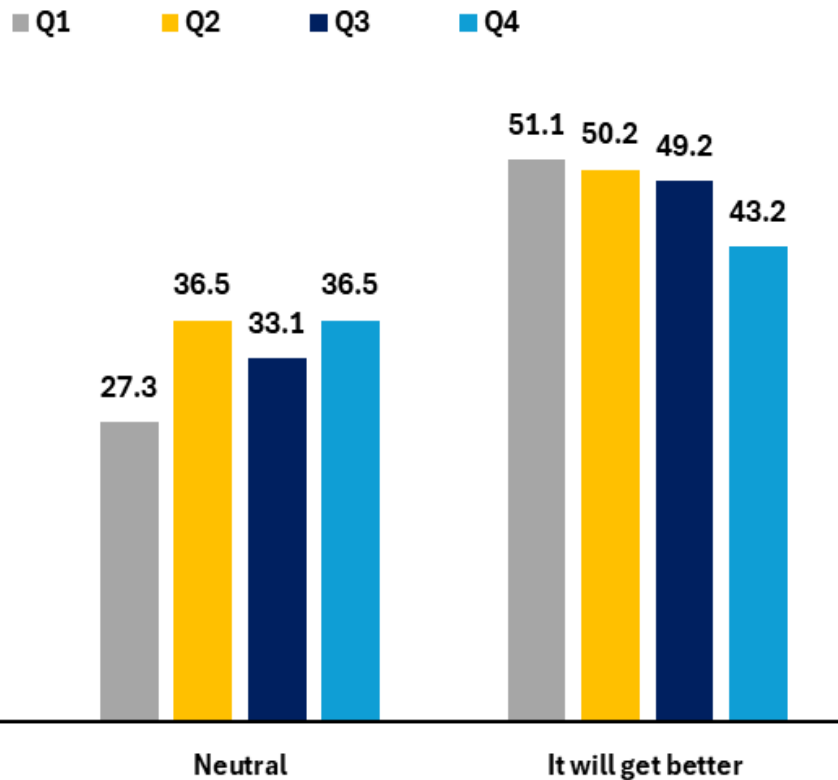
- While the share reporting a positive assessment of current economic conditions declined further in Q4, the more notable shift was toward neutrality, with neutral responses rising more than negative assessments, suggesting households are reassessing conditions rather than turning outright pessimistic.
- Positive sentiment weakened across most occupational groups, with the sharpest decline among contractual/part-time workers. Despite the moderation, salaried and self-employed respondents continued to report relatively stronger positive assessments, indicating greater resilience than other groups.
- Neutral sentiment rose broadly across most occupational categories, reinforcing a wait-and-watch stance among households. Negative assessments increased across most categories, particularly among contractual/part-time workers and the unemployed, while daily wage/casual workers were the only group to see a decline in negative assessment.

Economic Condition Assessment: Occupation-wise (%)			
	It is bad	Neutral	It is good
 Salaried (Pvt/Govt)	15.0% (14.2%)	39.2% (37.5%)	45.8% (48.3%)
 Self-employed (Business/Professionals)	11.5% (9.7%)	40.1% (38.8%)	48.4% (51.5%)
 Contractual/Part time	17.4% (13.6%)	47.1% (41.5%)	35.5% (44.9%)
 Daily wage/Casual worker	24.0% (27.0%)	45.5% (43.8%)	30.5% (29.2%)
 Unemployed	37.1% (33.7%)	32.2% (35.2%)	30.7% (31.1%)

Note for the table on RHS: Row percentages add up to 100%, as values are calculated as a share of respondents within each occupational category. Values in brackets show Q3 FY26 survey responses.

## Respondents Outlook on Economic Situation in Their Region in the Next 12 Months

Majority Still Expect Economic Conditions to Improve Over the Next 12 Months, Though Positive Sentiment Declined Sharply in Q4; Rise in Neutral Views Outpaced Negative Assessments



- While the share of households with a positive economic outlook declined sharply to 43.2% in Q4 from 49.2% in Q3, the shift was driven more by rising neutral outlook than negative outlook, pointing to greater uncertainty rather than outright pessimism.
- Among states with 100+ respondents, Haryana, Kerala, and Telangana recorded the highest share expecting economic conditions to improve in Q4, while J&K and Delhi remained at the lower end. Haryana stood out as an exception, with positive sentiment improving in Q4, whereas Andhra Pradesh saw the sharpest decline.
- Expectations of a negative economic outlook increased across most states in Q4, except J&K, while neutral sentiment rose broadly, reinforcing a wait-and-watch stance among households.

### Regional Economic Assessment- State-wise (%)

	Number of Responses	It is bad	Neutral	It is good
Uttar Pradesh	1,150 (1,110)	20.9% (18.0%)	35.7% (30.3%)	43.4% (51.7%)
Tamil Nadu	469 (354)	21.1% (14.4%)	39.7% (41.8%)	39.2% (43.8%)
Karnataka	455 (331)	22.0% (20.5%)	35.2% (29.9%)	42.9% (49.6%)
Kerala	292 (238)	19.2% (17.2%)	31.8% (32.8%)	49.0% (50.0%)
Andhra Pradesh	218 (186)	18.3% (9.7%)	40.4% (34.9%)	41.3% (55.4%)
Jammu & Kashmir	190 (160)	25.8% (28.6%)	38.9% (31.7%)	35.3% (39.8%)
Haryana	185 (187)	15.7% (14.4%)	32.4% (36.4%)	51.9% (49.2%)
Delhi	139 (148)	23.7% (20.9%)	41.0% (33.8%)	35.3% (45.3%)
Telangana	134 (120)	15.7% (12.5%)	35.8% (31.7%)	48.5% (55.8%)
Punjab	107 (98)	27.1% (19.4%)	31.8% (35.7%)	41.1% (44.9%)

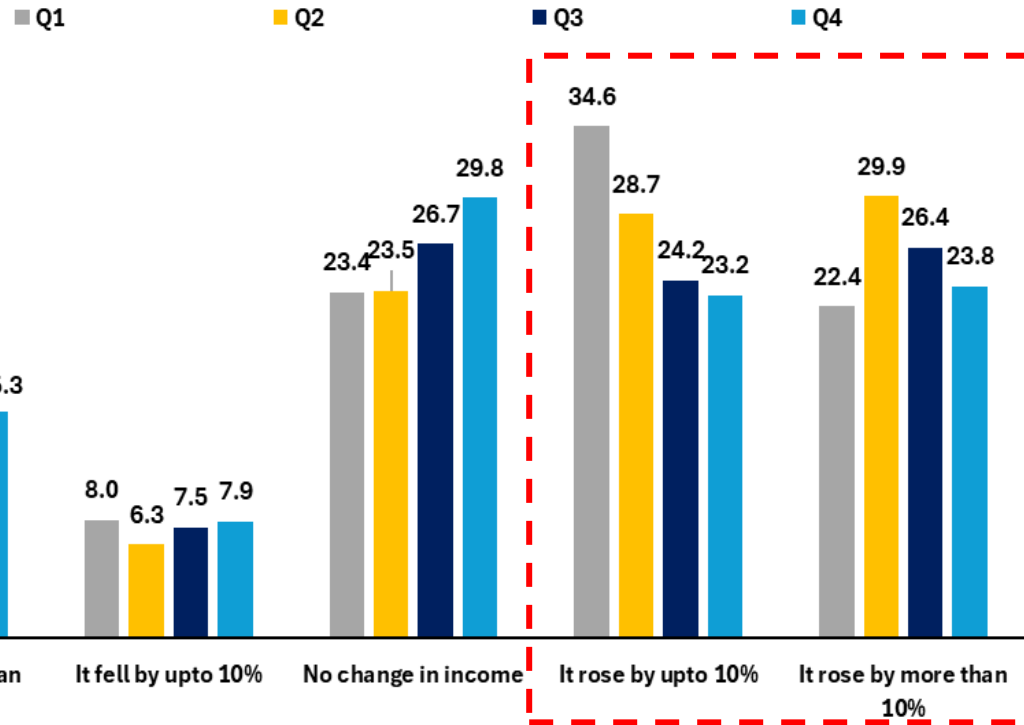
Note: These states account for approximately 90% of total responses, the rest is other/not reported. Values in brackets show Q3 FY26 survey responses.

# Share of Households Reporting Income Growth Moderated Further in Q4; More Shifted to the “No Change” Category Rather Than Reporting an Income Decline Over the Past Year



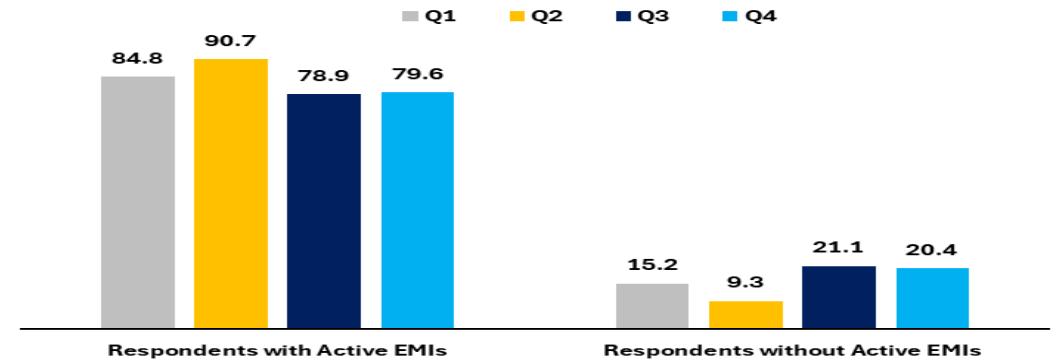
## Change in Households’ Income in the Last 1 Year

Share of Households Reporting Income Growth Fell to ~47% in Q4 (vs. ~51% in Q3 and ~59% in Q2); Rise in “No Change” Responses Outpaced Those Reporting Income Decline



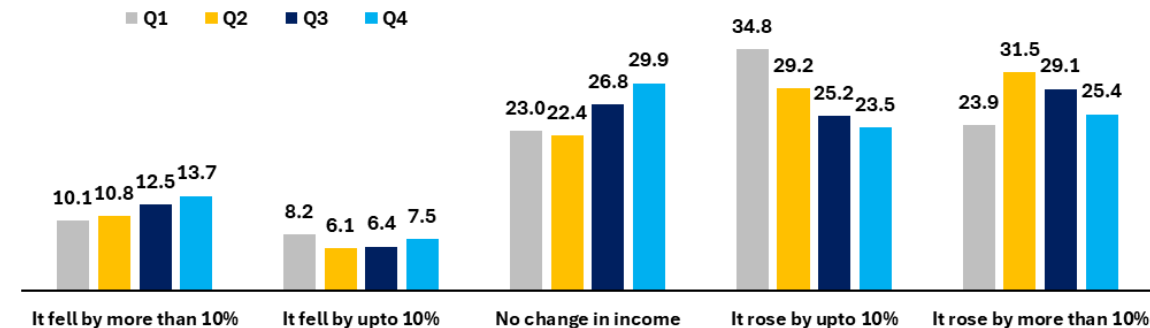
Note: Chart shows percentage of total respondents.

## Respondents with Active EMIs Vs without Active EMIs (%)



- The share of households reporting income growth over the past year declined further to ~47% in Q4 (from ~51% in Q3), while the share reporting no change in income rose to 29.8% (from 26.7%) and those reporting a decline in income edged up to 23.2% (from 22.7%). This suggests income gains are narrowing in breadth, with more households shifting into the “no change” category, followed by a smaller rise in those reporting income decline.
- Credit penetration stabilised in Q4, with the share reporting active EMIs rising marginally to 79.6% from 78.9% in Q3, after the sharp decline seen in the previous survey round.
- Among respondents with two or more loans, the share reporting no change in income rose in Q4, while those reporting income growth declined. At the same time, the share reporting fall in income rose, indicating rising debt-servicing pressures among leveraged households.

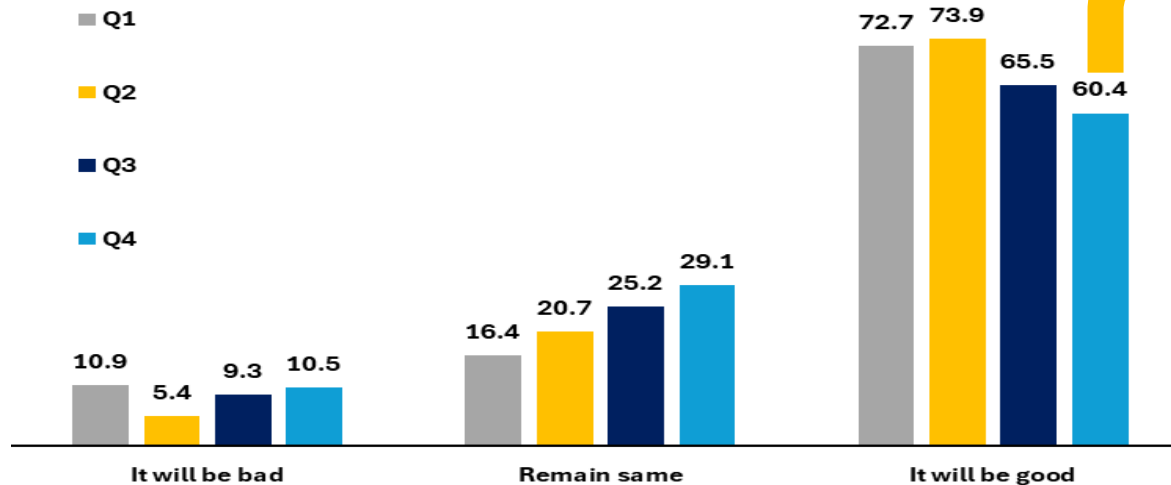
## Among respondents with 2+ loans, the share reporting change in income (%)





## Respondents' Outlook on Household Income

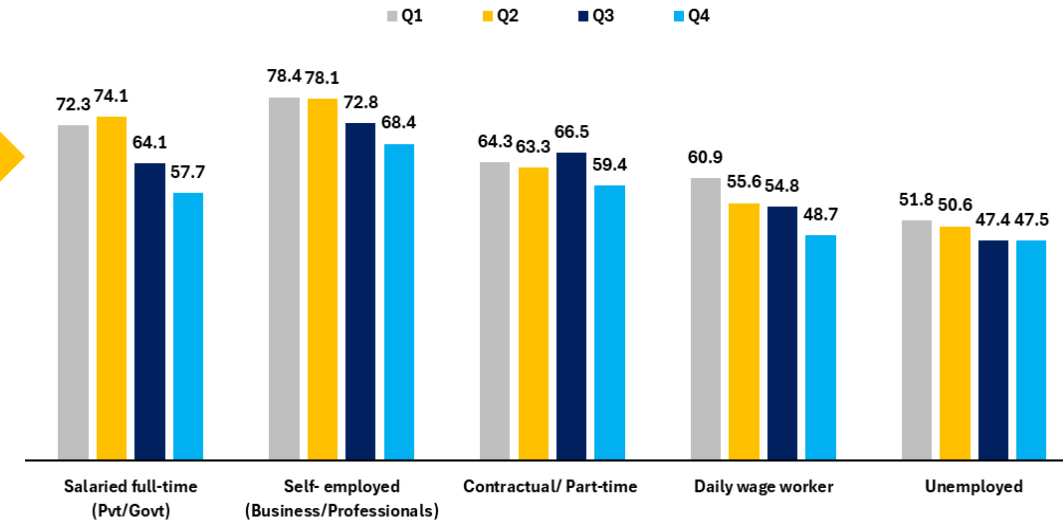
Majority Expected Household Incomes to Improve Over the Next Year, Though the Share Declined to 60.4% in Q4 (vs. 65.5% in Q3); Rise in “Remain Same” Expectations Outpaced Those Expecting Income Deterioration



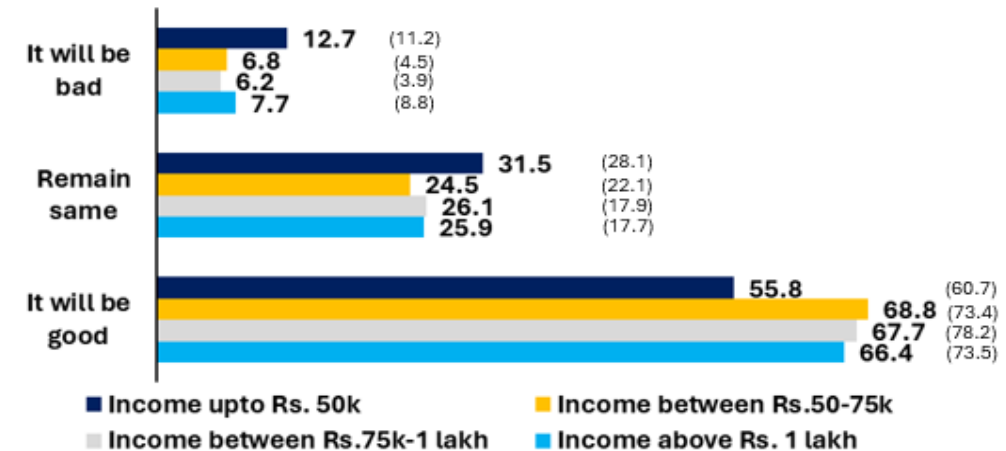
Note: Chart shows percentage of total respondents.

- The share of respondents expecting incomes to remain unchanged rose to 29.1% in Q4 (from 25.2% in Q3), while those expecting deterioration in income edged up to 10.5% (from 9.3%), reinforcing the broader shift toward caution rather than outright pessimism.
- Positive income outlook moderated across all occupational groups in Q4, with salaried, contractual/part-time, and daily wage/casual workers seeing sharper declines than self-employed groups. The unemployed remained relatively steady, though at the lowest level, reflecting continued caution among vulnerable segments.
- Despite the moderation, self-employed households retained the strongest positive income outlook, while the unemployed and daily wage workers remained the least optimistic.
- A clear income gradient persisted between the lowest and higher income groups, though optimism was broadly similar across the Rs. 50k+ income categories, ranging between ~66% and ~69%, reflecting stronger confidence among higher-income households with relatively stable income sources.

## Respondents with Positive Outlook- Occupation Group Wise (%)



## All Respondents Future Income Outlook- Income Category-Wise (%)



Note: Numbers in parenthesis are percentage responses in Q3FY26.

# Income Optimism and EMI Comfort Moderated Across Most Groups in Q4; Self-Employed Households Retained the Strongest Income Outlook and EMI Comfort



### Income Expectation in Next 1 year- Occupation-wise (%)

	Will be Bad		Remain Same		Will be Good	
	Q3	Q4	Q3	Q4	Q3	Q4
Salaried Job (Pvt Sector)	8.4	8.9	26.4	31.9	65.3	59.2
Salaried Job (Govt Sector)	19.5	19.2	21.5	28.6	58.9	52.2
Self-employed (Own/Help in Family business)	4.6	6.7	22.2	25.0	73.3	68.3
Self-employed (Skilled professionals)	8.4	6.7	23.5	24.4	68.1	68.9
Contract/Freelance/Gig Workers	4.5	11.0	29.0	29.7	66.5	59.4
Daily Wage/ Casual Workers	13.8	16.4	31.4	34.9	54.8	48.7
Not Working Right Now	24.5	21.3	28.1	31.2	47.4	47.5

- Self-employed groups remained the most optimistic about their income prospects, indicating greater resilience among these households. Households (skilled professionals) category led with 68.9% reporting a positive income outlook in Q4 (vs. 68.1% in Q3), overtaking households (business), which saw a sharp decline to 68.3% (from 73.3%).
- Contract/freelance/gig workers recorded the sharpest decline in positive income outlook (59.4% in Q4 from 66.5% in Q3), alongside the largest rise in negative assessment (11.0% from 4.5%), pointing to rising income uncertainty in this segment.
- Salaried in private-sector jobs and government jobs also saw moderation in positive income outlook, with the “remain same” category rising notably, reflecting a cautious rather than pessimistic shift.

### EMI Management by the Respondents- Occupation-wise (%)

	Easily Manage		Sometimes Gets Tough		Struggle to Pay		Can't Pay at All	
	Q3	Q4	Q3	Q4	Q3	Q4	Q3	Q4
Salaried Job (Pvt Sector)	54.4	52.8	14.3	15.8	5.1	5.8	4.7	5.3
Salaried Job (Govt Sector)	53.0	50.4	13.6	16.3	7.3	4.7	4.3	6.4
Self-employed (Own/Help in Family business)	61.4	57.7	12.4	15.6	4.0	4.7	5.1	4.5
Self-employed (Skilled professionals)	63.9	57.8	8.4	18.5	5.0	3.7	4.2	2.2
Contract/Freelance/Gig Workers	50.0	48.4	18.2	20.6	8.0	7.1	3.4	3.9
Daily Wage/ Casual Workers	39.9	37.5	20.1	17.3	9.9	8.5	5.0	8.8
Not Working Right Now	20.4	26.7	17.3	20.3	12.8	13.9	14.3	13.9

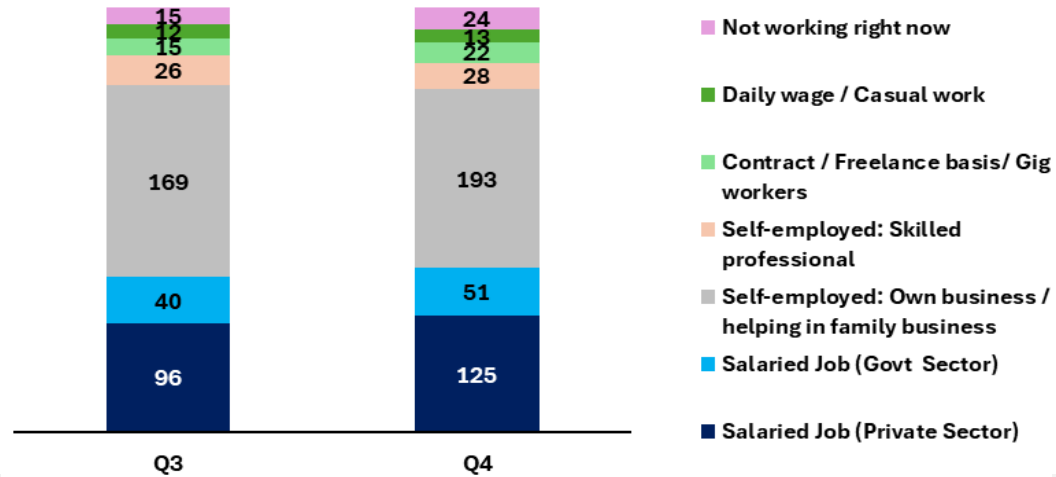
Note: Category total will equate to 100% after adding the ones who do not have debt

- Self-employed groups continued to report the highest EMI comfort, though both skilled professionals and own/family businesses categories saw declines in the share reporting EMIs as “easily manageable”, to 57.8% in Q4 (from 63.9% in Q3) and 57.7% (from 61.4%) respectively, alongside a rise in those reporting it “sometimes gets tough” to pay.
- Salaried (government sector) saw a more notable rise in 'can't pay at all' (to 6.4% from 4.3%) compared with private sector (to 5.3% from 4.7%), indicating somewhat higher repayment stress in the government salaried segment.
- Daily wage/casual workers saw the sharpest rise in the share reporting “can't pay at all” (8.8% in Q4 from 5% in Q3). The unemployed continued to report the highest repayment stress, despite a slight improvement in the share reporting EMIs as easily manageable.

# Among High-Income Households, Salaried Respondents Showed Rising Leverage While Self-Employed Skilled Professionals Reported the Higher EMI Comfort



### Occupation-wise Break-up of Respondents Having Income Above INR 1 Lakh



- High-income households (above Rs 1 lakh/month) were predominantly from the self-employed (own/family business) category, followed by salaried (private-sector jobs), while other occupational groups accounted for relatively smaller shares.
- Among salaried groups, both those in private-sector and government-sector jobs, saw a sharp rise in the share of respondents with two or more loans, to 64% in Q4 (from 56% in Q3) and 59% (from 50%) respectively, pointing to rising leverage in these segments.
- In contrast, self-employed households, including own/family businesses (62% in Q4 from 67% in Q3) and skilled professionals (steady at 46%), saw stable or lower multi-loan exposure, suggesting relatively more conservative borrowing behaviour in Q4 despite high incomes.
- Salaried (government-sector) showed increased pressure, with the share reporting EMIs as “easily manageable” declining to 55% in Q4 (from 63% in Q3), while those reporting “sometimes gets tough” rose to 18% (from 8%) and “can’t pay at all” increased to 8% (from 5%), indicating rising repayment stress despite high incomes. In contrast, salaried private-sector employees remained relatively resilient, with slightly better EMI manageability and lower “can’t pay at all” responses.
- Self-employed (skilled professionals) saw the strongest improvement in EMI comfort, with the share reporting EMIs as “easily manageable” rising to 71% in Q4 from 65% in Q3, though the share reporting 'sometimes gets tough' also rose notably to 11% (from 4%), suggesting a mixed picture within this segment
- Self-employed households running own/family businesses saw some moderation in EMI comfort, with the share reporting EMIs as “easily manageable” falling to 64% in Q4 (from 69%) and “sometimes gets tough” rising to 15% (from 10%).

### Respondents Earning Income Above INR 1 Lakh Categorised Based on No. of Loans (%)

	None		One		Two or More	
	Q3	Q4	Q3	Q4	Q3	Q4
Salaried Job (Pvt Sector)	21	11	23	25	56	64
Salaried Job (Govt Sector)	23	20	28	22	50	59
Self-employed (Own/Help in Family business)	16	17	17	21	67	62
Self-employed (Skilled professionals)	19	22	35	32	46	46

### EMI Management By the Respondents with Income Above INR 1 Lakh

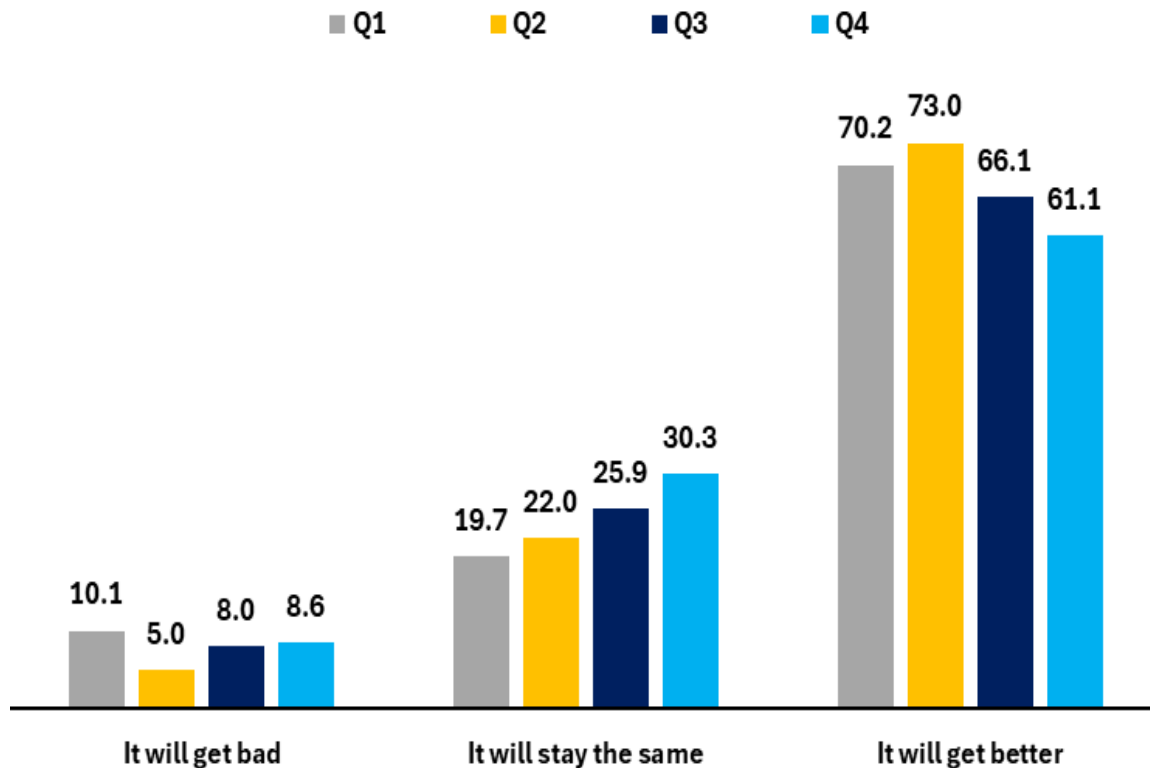
	Easily Manage		Sometimes Gets Tough		Struggle to Pay		Can't Pay at All	
	Q3	Q4	Q3	Q4	Q3	Q4	Q3	Q4
Salaried Job (Pvt Sector)	60	62	16	17	4	7	4	2
Salaried Job (Govt Sector)	63	55	8	18	5	8	5	8
Self-employed (Own/Help in Family business)	69	64	10	15	3	3	5	3
Self-employed (Skilled professionals)	65	71	4	11	0	4	4	7

Note: Category total will equate to 100% after adding the ones who do not have debt



## Respondents' Employment/Business Outlook

Majority (~61%) Remained Positive on Job/Business Prospects Over the Next Six Months, Though Optimism Moderated from Q2 and Q3; Share Expecting Stable Conditions Increased



Note: Chart shows percentage of total respondents.

- Job/business optimism moderated across all occupational groups in Q4, with the shift driven more by rising “remain same” responses (30.3% in Q4 from 25.9% in Q3) than by negative outlook, reinforcing the broader trend of caution over pessimism.
- Self-employed households (business/professionals) continued to report the strongest positive outlook, followed by contractual/part-time workers and salaried households, indicating relative resilience despite softer sentiment.
- The share of respondents expecting deterioration in job/business prospects edged up modestly across most groups in Q4, though contractual/part-time workers were a notable exception where pessimism eased (4.5% in Q4 from 6.2% in Q3).
- Daily wage/casual workers and the unemployed remained the most pessimistic groups, with negative sentiment rising further from Q3 levels.

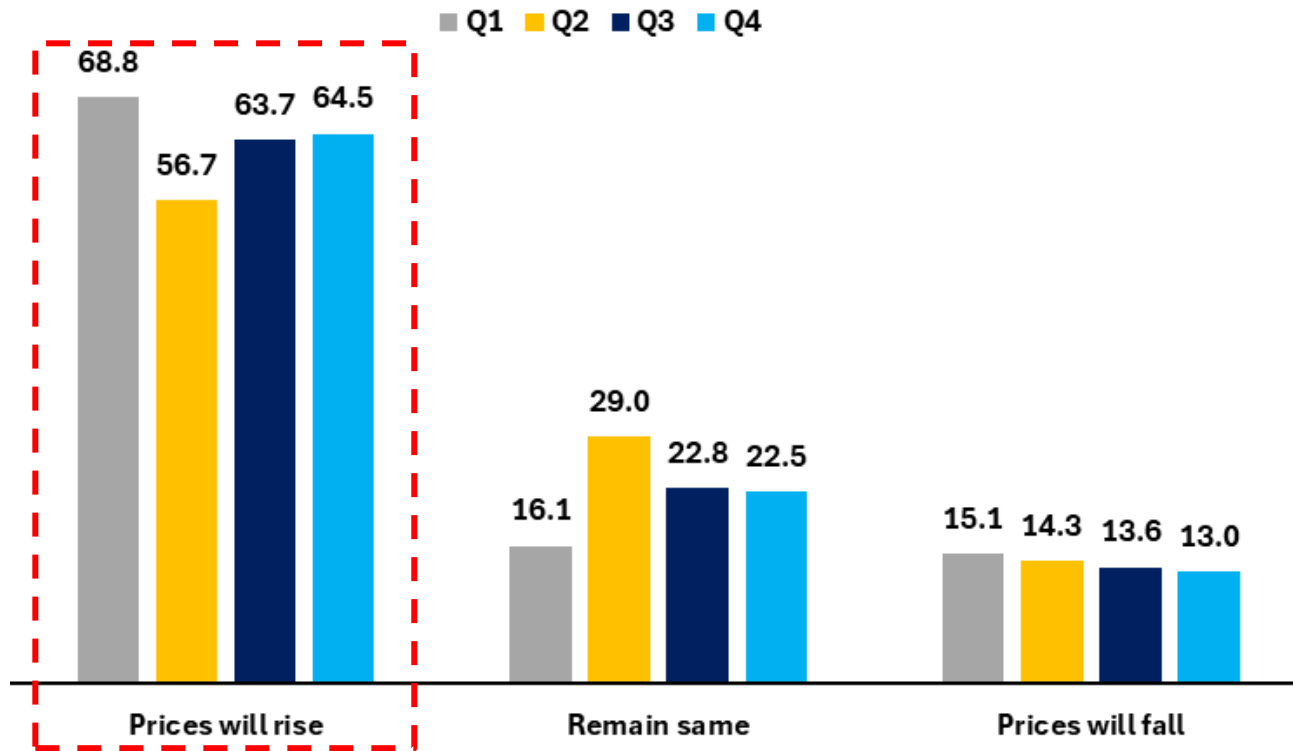
Economic/Business Outlook- Employment-wise (%)			
	It will get bad	Remain same	It will get better
Salaried (Pvt/Govt)	9.1% (8.6%)	33.5% (27.2%)	57.3% (64.2%)
Self-employed (Business/Professionals)	4.9% (4.5%)	23.8% (21.1%)	71.2% (74.4%)
Contractual/ Part time	4.5% (6.2%)	31.6% (25.6%)	63.9% (68.2%)
Daily wage/Casual worker	15.2% (11.6%)	38.1% (35.0%)	46.6% (53.4%)
Unemployed	21.3% (20.9%)	34.7% (30.6%)	44.1% (48.5%)

RHS Table-Note: Row percentages add up to 100%, as values are calculated as a share of respondents within each occupational category. Values in brackets show Q3 FY26 survey responses.



## Respondents' Outlook on Inflation in Next 12 Months (%)

**Inflation Expectations Hardened in Q4, Likely Reflecting Concerns Around Higher Energy Prices; Nearly Two-Thirds Expected Prices to Rise**



- Inflation expectations remained broadly consistent across occupational groups, with a majority expecting prices to rise in Q4, indicating inflation concerns were widespread rather than segment specific.
- The unemployed saw the sharpest rise in price-rise expectations in Q4, suggesting inflation pressures are being felt most acutely among those without stable income sources.
- Contractual/part-time workers continued to report the highest share expecting prices to rise, despite a marginal easing from Q3, while inflation expectations among self-employed households remained broadly steady.

### Inflation Outlook- Employment-wise (%)

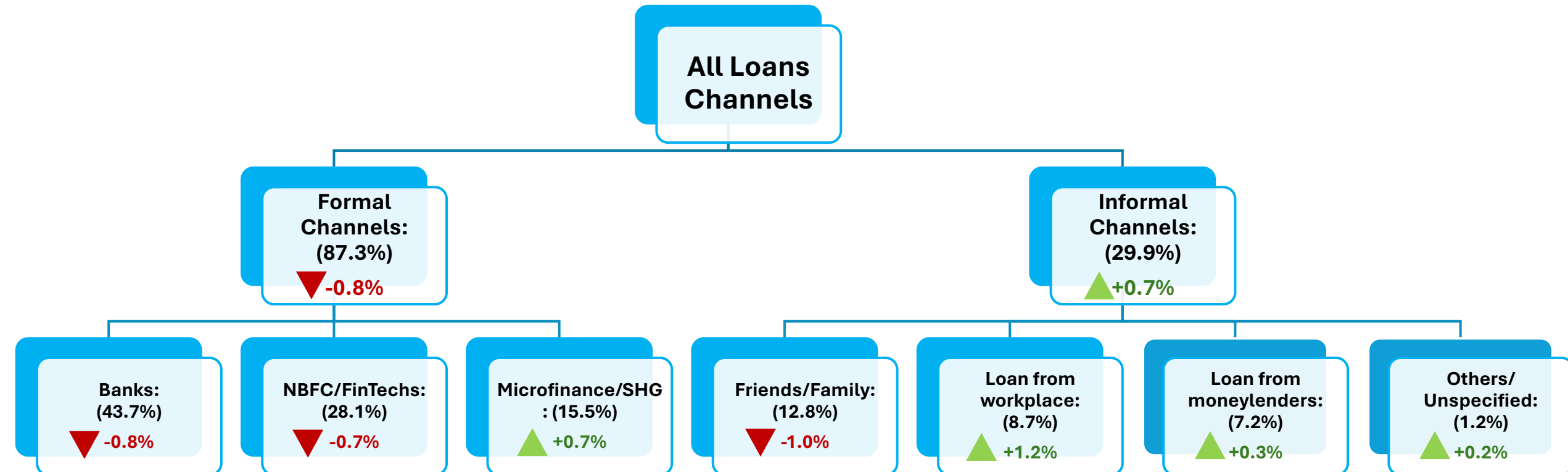
	Prices will rise	Remain same	Prices will fall
Salaried (Pvt/Govt)	63.7% (62.6%)	21.8% (21.2%)	14.5% (16.2%)
Self-employed (Business/Professionals)	64.9% (65.0%)	24.7% (26.0%)	10.4% (9.0%)
Contractual/ Part time	69.0% (70.5%)	19.4% (21.5%)	11.6% (8.0%)
Daily wage/Casual worker	62.8% (65.3%)	22.9% (20.4%)	14.4% (14.3%)
Unemployed	68.3% (54.6%)	13.9% (19.9%)	17.8% (25.5%)

RHS Table-Note: Row percentages add up to 100%, as values are calculated as a share of respondents within each occupational category. Values in brackets show Q3 FY26 survey responses.

# Households' Credit Situation and Purchase Intentions

## Respondents Source of Borrowings

- In Q4, ~87% of respondents reported sourcing loans from formal channels over the past year (slightly lower than ~88% in Q3), while reliance on informal channels rose marginally to ~30% from ~29%, with friends/family and workplace loans accounting for a notable share of informal borrowing.
- Around 17.2% of respondents borrowed from both formal and informal sources (similar to Q3), explaining why the combined shares exceed 100%.
- Within formal channels, banks remained the dominant source of credit, followed by NBFCs/fintechs, with shares in Q4 broadly steady versus Q3. Friends and family continued to be the primary source of informal borrowing.

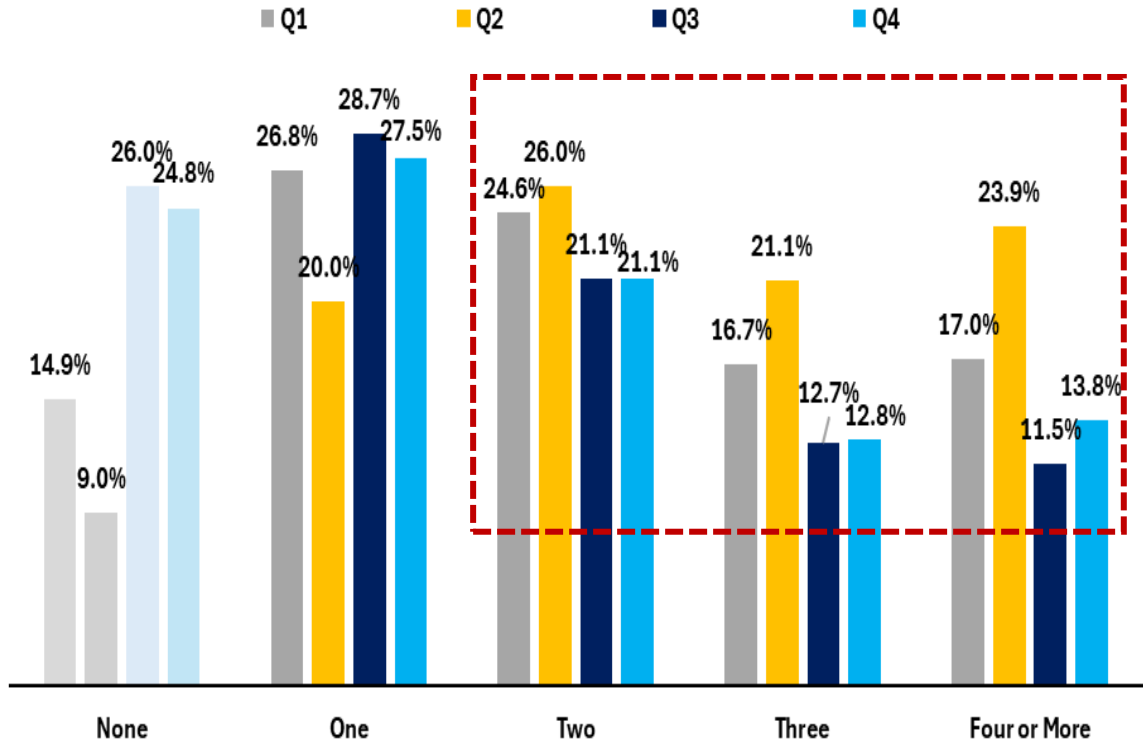


Note: Percentages do not add up to 100%, as households reported multiple sources of borrowing. Almost 5.1% of households reported no loans taken in the last 12 months. Percentage points is based on change between Q3 and Q4 of FY26.



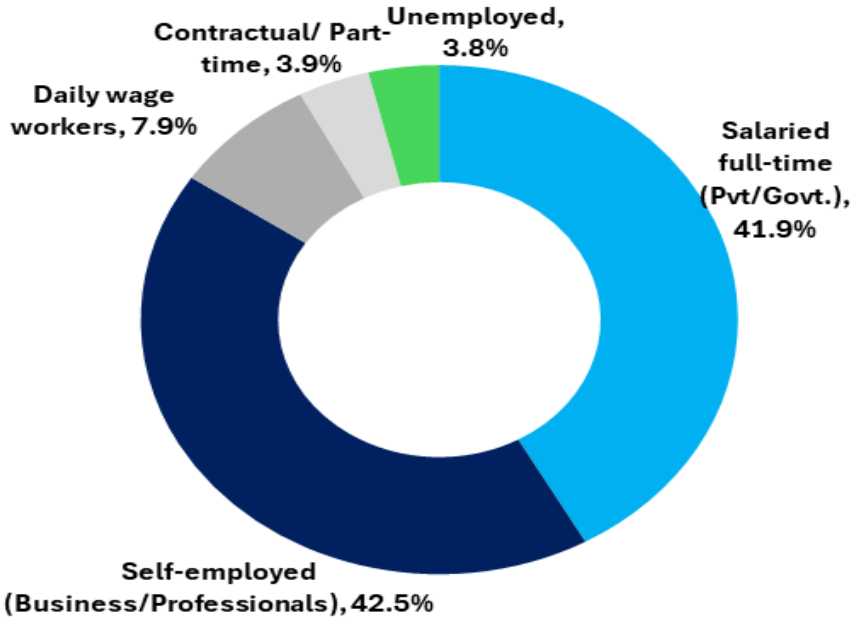
Respondents Leverage

Nearly 48% of Respondents Had Two or More Loans in Q4, Up Slightly from 45% in Q3, Driven Almost Entirely by Those Reporting 4+ Loans



- The share of respondents reporting four or more loans rose notably to 13.8% in Q4 (from 11.5% in Q3), suggesting a subset of households is taking on meaningfully higher leverage, even as the broader two-loan and three-loan categories remained broadly stable.
- Among respondents with two or more loans, salaried households (41.9% in Q4 vs. 42.3% in Q3) and self-employed (42.5% vs. 41.0%) together accounted for over 84% of multi-loan borrowers, with self-employed respondents marginally overtaking salaried households in Q4.
- Daily wage/casual workers (7.9% reporting 2+ loans) and the unemployed (3.8%) accounted for a relatively small but non-negligible share of multi-loan borrowers, warranting monitoring given their weaker income stability.

Occupational break-up of those who have two or more loans

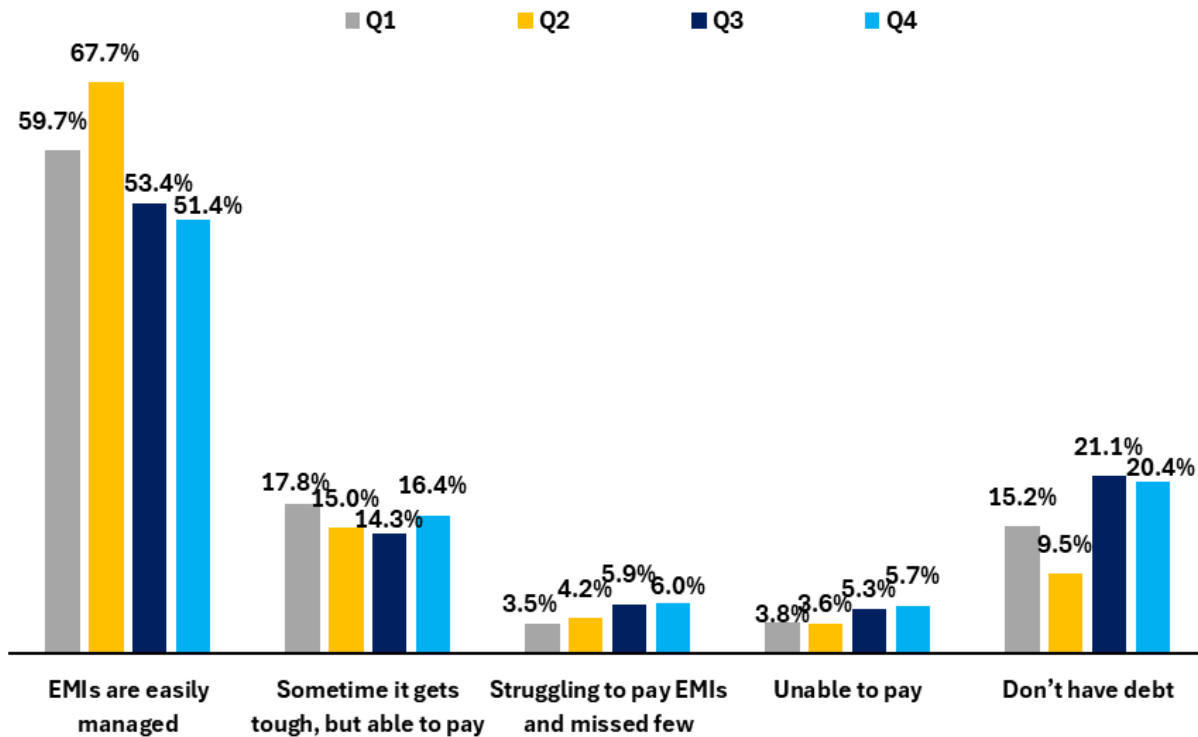


- Among respondents with three or more loans, self-employed households increased their share to 44% in Q4 (from 42% in Q3), while the salaried share declined to 40% (from 42%). The unemployed share also edged up to ~5% (from ~4%), pointing to a modest but notable rise in leverage among more vulnerable borrowers.



## Household’s Situation to Manage Loan EMIs

**Share of Respondents Easily Managing EMIs Declined Further to 51.4% in Q4 (from 53.4% in Q3), While Those Reporting It “Sometimes Gets Tough” Rose to 16.4% (from 14.3%)**



- Salaried and self-employed households continued to report the highest EMI comfort in Q4, though both saw some moderation from Q3, indicating softening even among relatively stable income groups.
- Contractual/part-time workers saw the share reporting EMIs as “easily manageable” decline in Q4, while the share finding it “sometimes tough” to pay EMIs increased, pointing to a gradual build-up in repayment pressure.
- Repayment stress remained highest among the unemployed (13.9% unable to pay) and daily wage/casual workers (8.8%) in Q4. While stress eased marginally for the unemployed, it worsened for daily wage workers, indicating rising pressure in this segment.
- The share reporting no debt edged down to 20.4% in Q4 from 21.1% in Q3, suggesting the pool of active borrowers remained broadly stable, with limited deleveraging.

### EMI Management by the Households- Occupation-wise (%)

Employment Category	EMIs are easily managed	Sometimes it gets tough, but able to pay	Struggling to pay EMI & missed	Unable to pay
Salaried (Pvt/Govt)	52.3% (54.2%)	15.9% (14.1%)	5.6% (5.5%)	5.5% (4.6%)
Self-employed (Business/Professionals)	57.7% (61.6%)	15.9% (12.0%)	4.6% (4.1%)	4.3% (5.0%)
Contractual/Part time	48.4% (50.0%)	20.6% (18.2%)	7.1% (8.0%)	3.9% (3.4%)
Daily wage/Casual worker	37.5% (39.9%)	17.3% (20.1%)	8.5% (9.9%)	8.8% (5.0%)
Unemployed	26.7% (20.4%)	20.3% (17.3%)	13.9% (12.8%)	13.9% (14.3%)

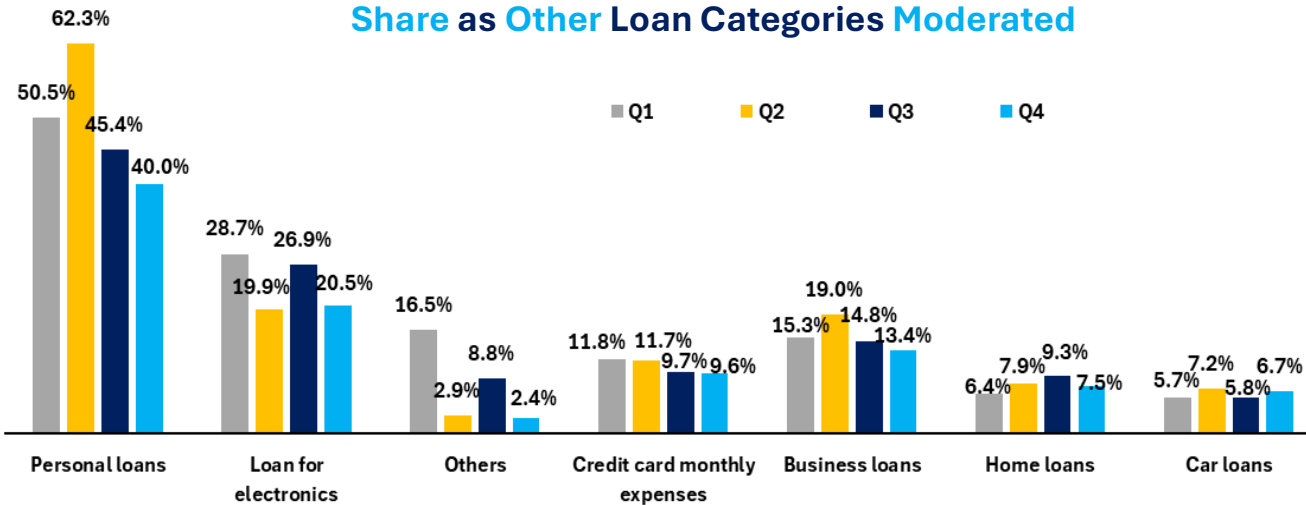
Note: Rows add up to 100% once “I don’t have debt” is included. Values in brackets show Q3 FY26 survey responses

# Personal Loans Remained the Dominant Borrowing Category, While Car Loans Gained Share in Q4



## Respondents' Borrowing by Purpose in the Last 12 Months

**Personal Loans Continued to Dominate Borrowing, Though Their Share Fell to ~40% in Q4 from ~45% in Q3, While Car Loans Gained Share as Other Loan Categories Moderated**



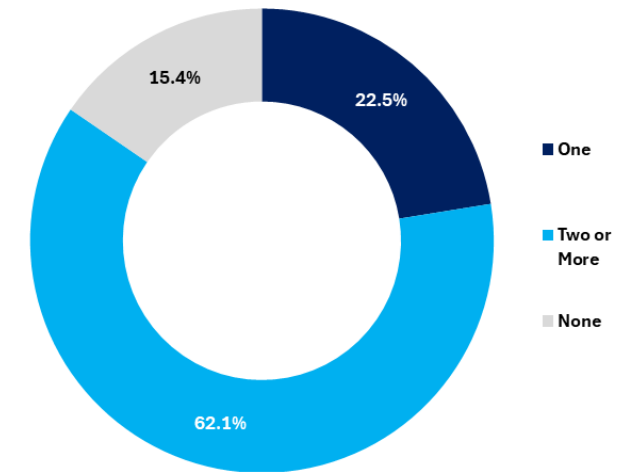
Note: Percentage will not add up to 100 since people have given more than one option. Others consist of small percentage of gold loans, two-wheeler, Agri-loans, furniture, application, tractor, etc. and no loan taken in last 12 months. Chart shows percentage of total respondents.

Age bucket	Personal loan	Loan for buying electronics	Credit card	Business loans	Home loans	Car loans
Less than equal to 25	35%	23%	10%	11%	10%	8%
25 - 30	40%	21%	10%	10%	9%	7%
30 - 35	39%	18%	11%	15%	9%	7%
35 - 40	36%	22%	11%	12%	10%	7%
Above 40	39%	22%	9%	12%	8%	8%

- Personal loans remained the dominant borrowing category at ~40% in Q4, though down from 45.4% in Q3. Car loans gained share, rising to 6.7% in Q4 from 5.8% in Q3, likely supported by post-GST 2.0 demand and festive-season activity, while credit card borrowing remained broadly stable.
- The share of electronics loans declined sharply to 20.5% in Q4 from 26.9% in Q3, suggesting normalisation after festive-season-led demand in prior quarters.
- Among personal loan borrowers, 62.1% were servicing two or more loans in Q4 (up from 55.8% in Q3), indicating rising multi-loan exposure.

## Leverage Status of those who took Personal Loan

Percent Share of Respondents by Number of Loans



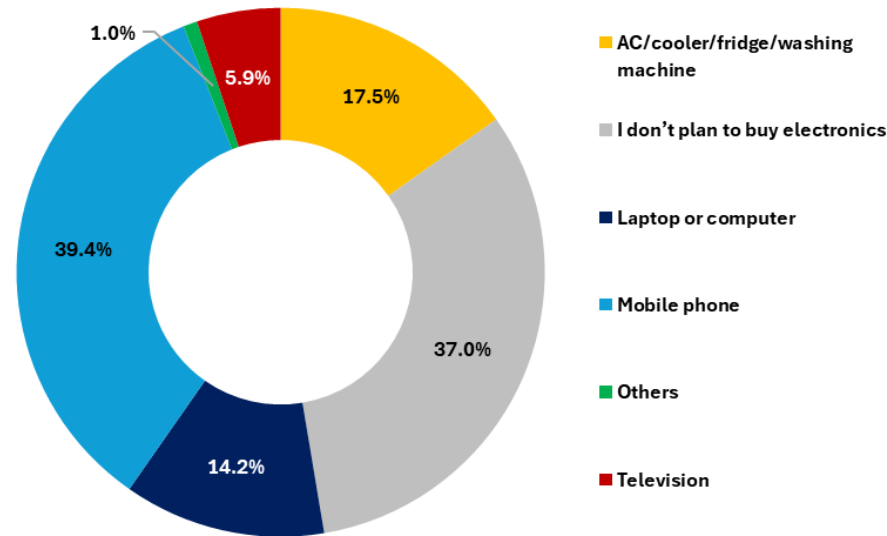
- Personal loans were most prevalent among the 25–35 years and 40+ years age group, while business loan borrowing was relatively higher among respondents aged 30+ years, consistent with lifecycle-stage credit demand patterns.
- Compared with Q3, borrowing for credit cards, business loans, and car loans increased across most age groups, while home loan demand remained mixed.

Note: Based on first recorded response. Rows add up to 100% once we add "Others", which is not used in this table. The share of Others is ~2.1% in first response.



## Respondents' Intention to Buy Electronics/Appliance in the Next 6 months

In Q4, Around 77% Reported Plans to Purchase Electronics/Appliances Over the Next Six Months, Moderating from 84% in Q3; Mobile Phones Led Demand, Followed by Home Appliances



Note: Percentage will exceed 100 to account for multiple unique responses by respondents.

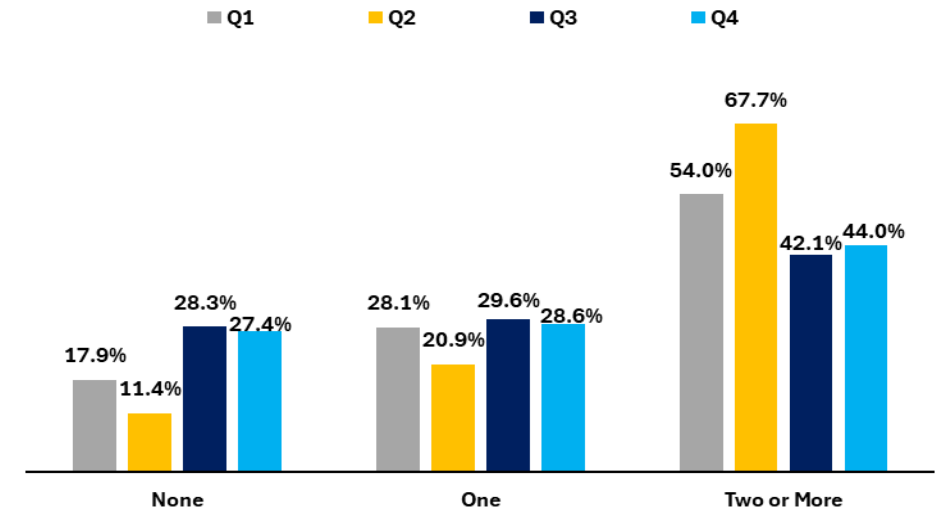
Age bucket	Mobile phone	Laptop or computer	Ac/Cooler/Fridge /Washing machine	Television	I don't plan to buy electronics
Less than equal to 25	54.7%	8.3%	10.5%	1.6%	24.4%
25 - 30	42.1%	8.0%	10.5%	3.9%	34.5%
30 - 35	37.0%	9.2%	11.9%	2.8%	38.5%
35 - 40	36.9%	9.6%	11.1%	2.6%	38.8%
Above 40	33.5%	10.3%	10.8%	2.0%	42.5%

Note: Based on first recorded response.

- Among respondents planning to purchase electronics/appliance, ~44% were already servicing two or more loans in Q4, indicating slightly higher leverage than in Q3, though significantly lower than the ~68% reported in Q2 FY26.

## Leverage Status of those who Plan to buy Electronics

Percent Share of Respondents by Number of Loans



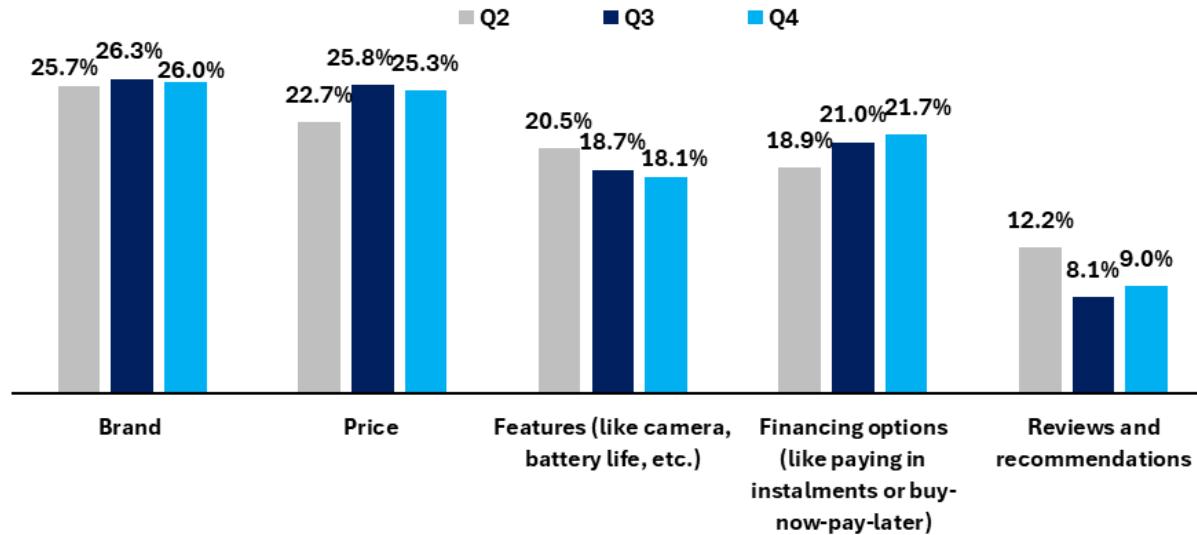
- Mobile phones remained the most preferred purchase category, especially among respondents under the age of 25 years, with demand tapering steadily with age, reflecting stronger device demand among younger cohorts.
- The share not planning to buy electronics increased across most age groups in Q4, indicating a broad-based moderation in near-term purchase intent. Respondents above 40 years of age accounted for the highest share not intending to purchase.

Note: Rows add up to 100% once we add "Others which include Electric vehicle, Kitchen electronics, camera, tablet. etc.", which is not used in this table. The share of same is only 0.8% in first response.

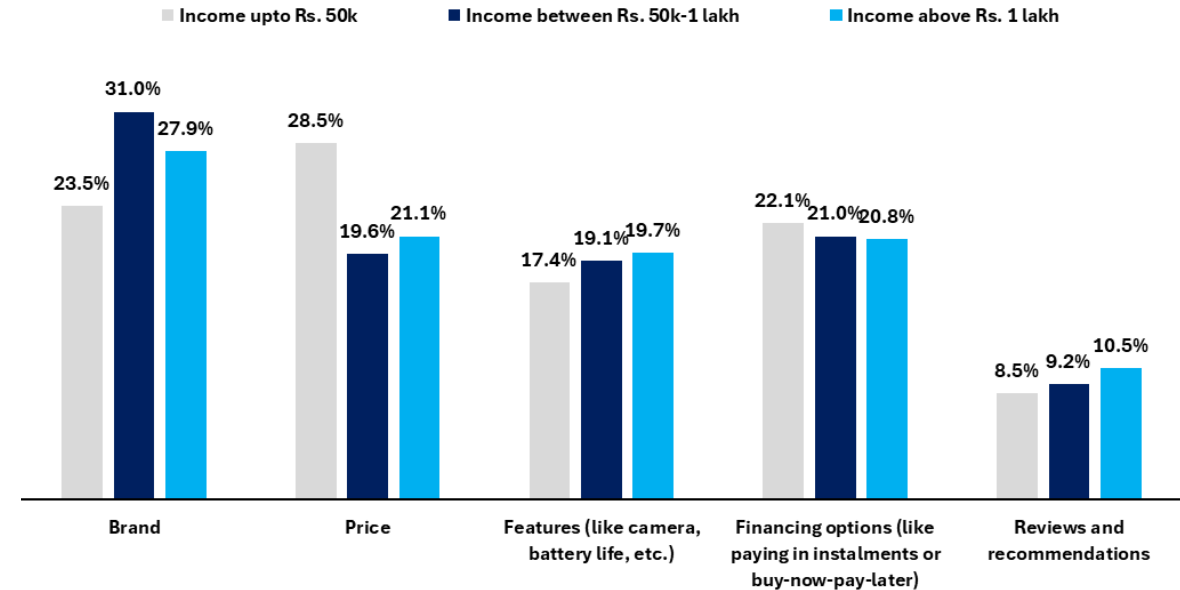


## Respondents' Preference in Buying a New Mobile Phone

Mobile Phone Purchase: Preference of Respondents



Mobile Phone Preference: Income Group-wise (%)



- Brand and price remained the top drivers of mobile phone purchases in Q4, broadly steady from Q3, while the importance of financing options increased further to 21.7% (from 21.0% in Q3), highlighting their growing role as a purchase enabler.
- Product features such as camera quality and battery life continued to lose relative importance, while reliance on reviews and recommendations edged up slightly in Q4 (9.0% from 8.1% in Q3), though remaining well below Q2 levels (12.2%).
- Respondents in the Rs 50k–1 lakh income group were the most brand-conscious (31.0%), followed by those above Rs 1 lakh (27.9%), while lower-income groups (up to Rs 50k) prioritised price (28.5%) followed by brand and financing options.
- Financing options were broadly similar in importance across income groups, though slightly more prominent among the lowest income segment (income upto Rs 50k at 22.1%); reviews and recommendations carried relatively more weight among higher-income respondents (10.5%), reflecting differing purchase preferences across income segments

# Appendix



Insights from the survey can help enhance risk management, inform product strategies, and enable more effective customer segmentation aligned with households' financial conditions.

## Survey Sample Size

4,285  
Total Responses

4,017  
Without Duplicates

3,727  
Sample

### Economic Perception

Understand households' perceptions of current and expected economic and inflation conditions.



### Purchase intentions

Gauge customers' purchase intentions.



### Employment & Income Prospects

Assess Households' employment/business and income current conditions, along with the outlook.



### Households Financial Health

Gain insights into households' credit health, including indebtedness and debt serviceability.



# Demographics of the Survey Respondents



- Nearly 70% of respondents studied till 12<sup>th</sup> Standard or higher.
- Age-wise, sample is relatively diversified. Representation of 35+ years age groups rose and that of <25 years age group fell in Q4.
- Increase in the representation of southern states continued, with rise in share of Tamil Nadu, Karnataka and Kerala compared to H1-FY26. Top 8 states share rose from 74% in Q3 to 83% in Q4.

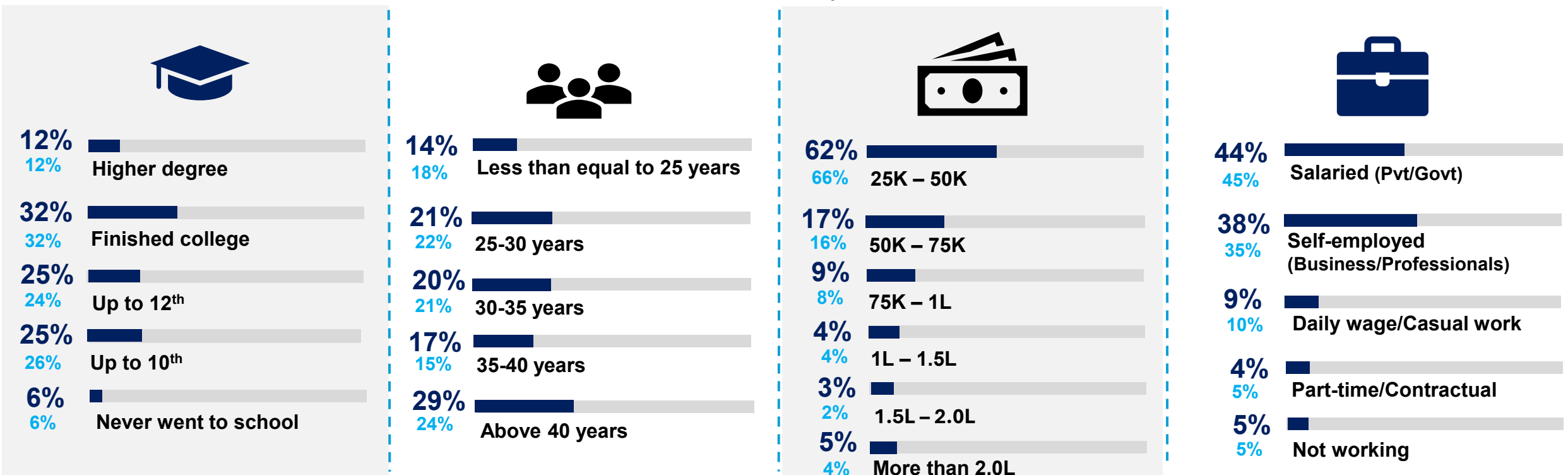


- Share of respondents with the reported monthly household income between Rs 25K–50K fell while that of Rs 50K+ rose in Q4.



- Occupation-wise, 44% are salaried (in private or government job) down from 45% in Q3. Self-employed (Business/Professionals) is the 2<sup>nd</sup> largest category with its share rising by 3pp to 38% in Q4. 5% are currently not working.

Q3 FY26 Q4 FY26



UP (31%) Tamil Nadu (13%) Karnataka (12%) Kerala (8%) AP (6%) J&K (5%) HR (5%) Delhi (4%) Others (16%)

**Pramod Chowdhary***Chief Economist*


pramod.chowdhary1@dmifinance.in

**Shantanu Sharma***Economist*

shantanu.sharma@dmifinance.in

**Nihal Kumar***Economist*

nihal.kumar@dmifinance.in

**DMI Finance Pvt Ltd.**Express Building, Third Floor,  
9-10, Bahadur Shah Zafar Marg,  
New Delhi - 110002, India +91 11 4120 4444**W:** [www.dmifinance.in](http://www.dmifinance.in)

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