



RURAL ECONOMIC CONDITIONS & SENTIMENTS SURVEY

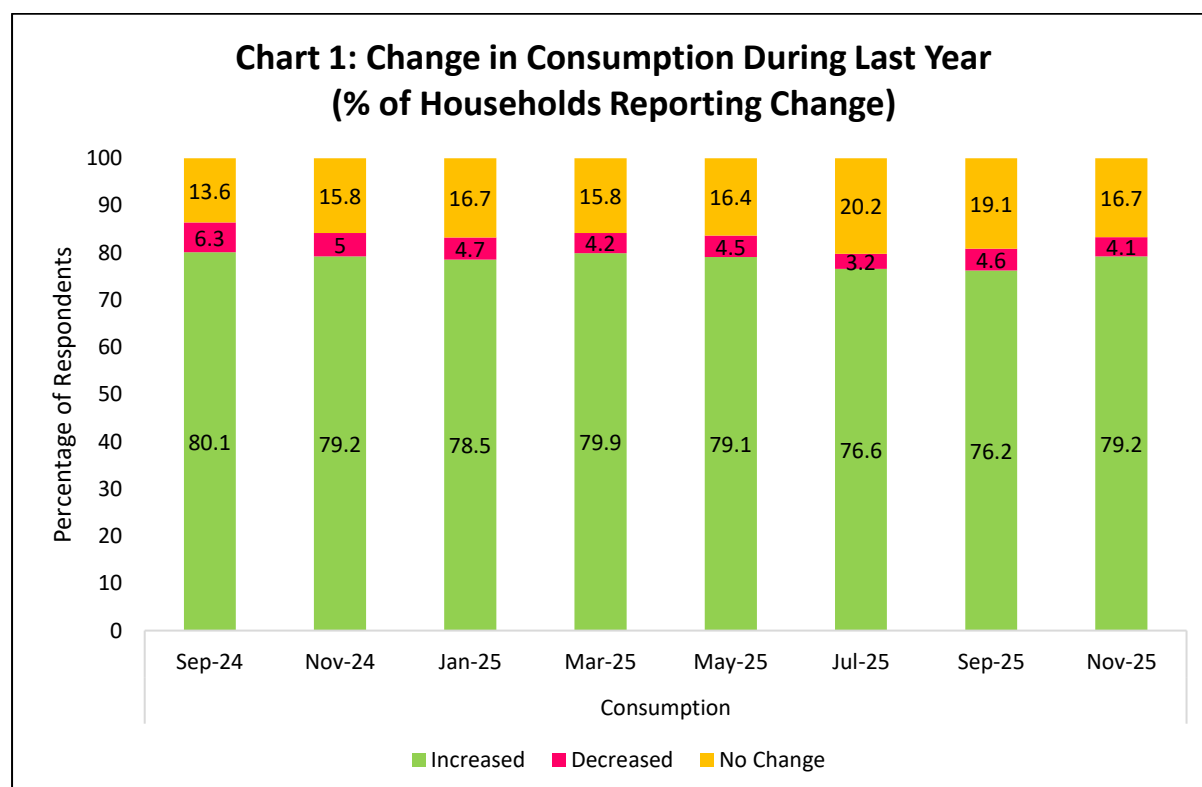
**Bi-monthly Survey Report
Round 8 (November 2025)**

Rural Economic Conditions and Sentiments Survey¹ (November 2025)

The November 2025 round of the Rural Economic Conditions and Sentiments Survey (RECSS) was conducted during the last week of October 2025 and the first week of November 2025. As in the previous rounds of the survey, it captures quantitative and qualitative data, both backward looking (economic conditions) and forward looking (household sentiments), on a limited set of key macro-financial parameters relating to the rural economy.

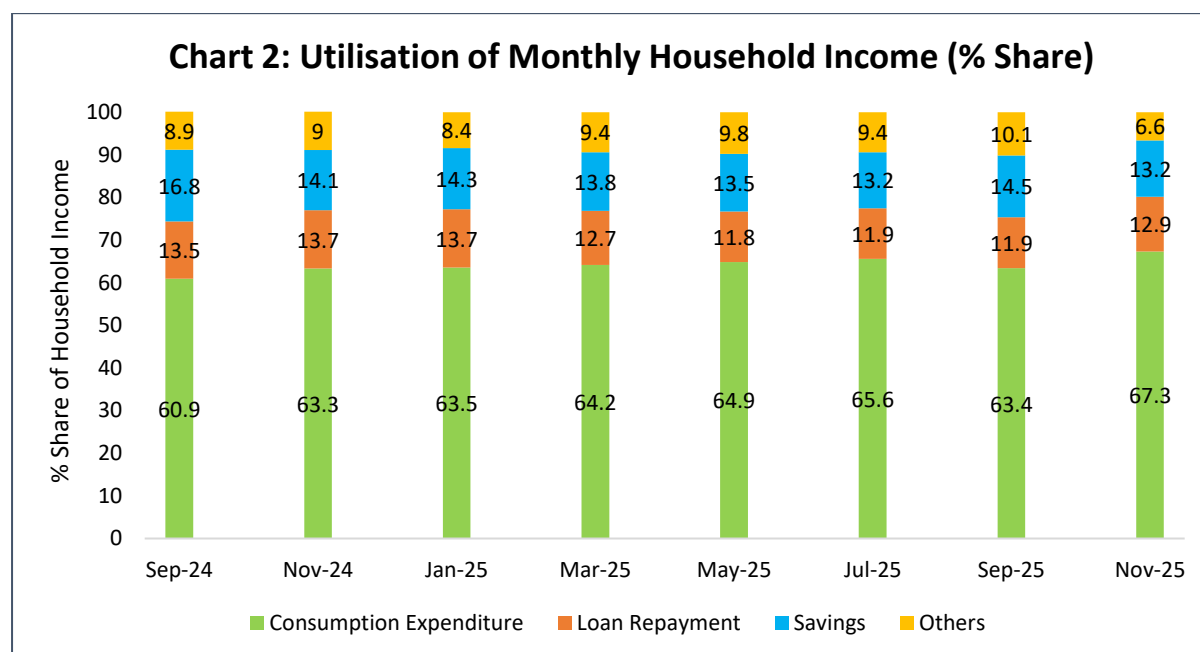
Rural Economic Conditions

The November 2025 round of the survey was conducted after the GST rate rationalisation announced on 3 September 2025, during the festival season, and against the backdrop of sharp moderation in rural inflation and food deflation. 79.2% of the rural households reported to have incurred increased consumption expenditure in the last one year, which is distinctly higher relative to the previous round of the survey (76.2%) and also the highest among all bi-monthly rounds conducted in FY 2025-26 so far (Chart 1; Table 2). The rural consumption demand buoyancy, thus, appears to have received a boost after the GST rate rationalisation, with improved real purchasing power of rural non-farm income due to softer inflation also contributing to the momentum.

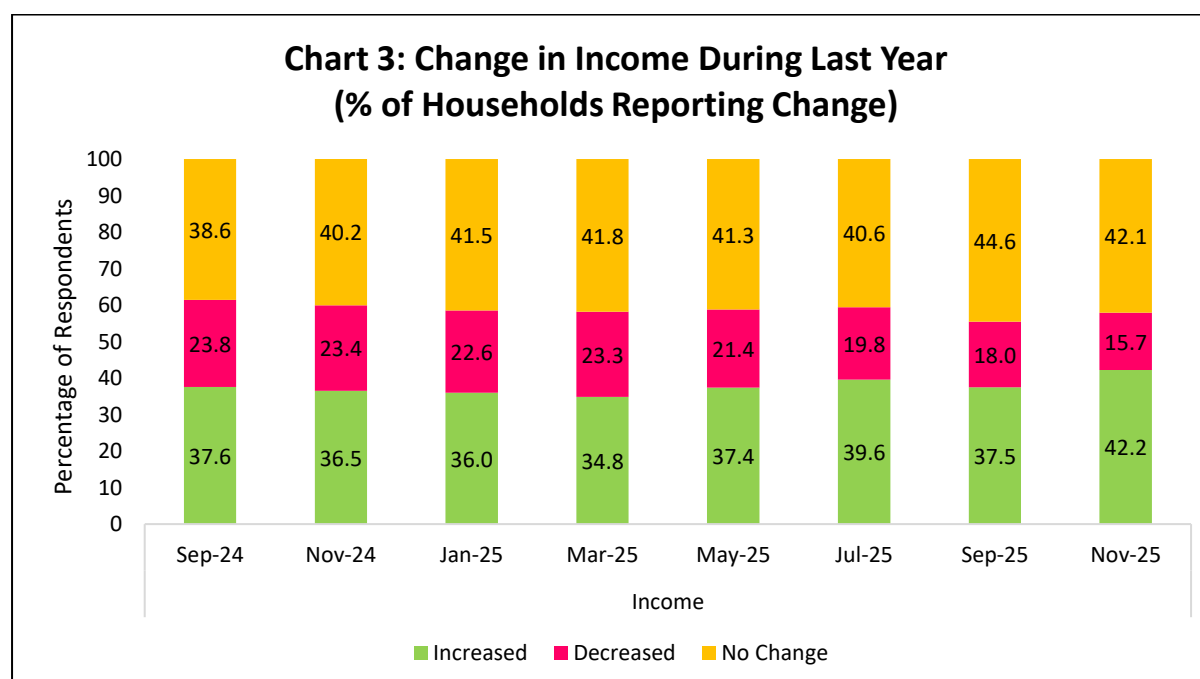


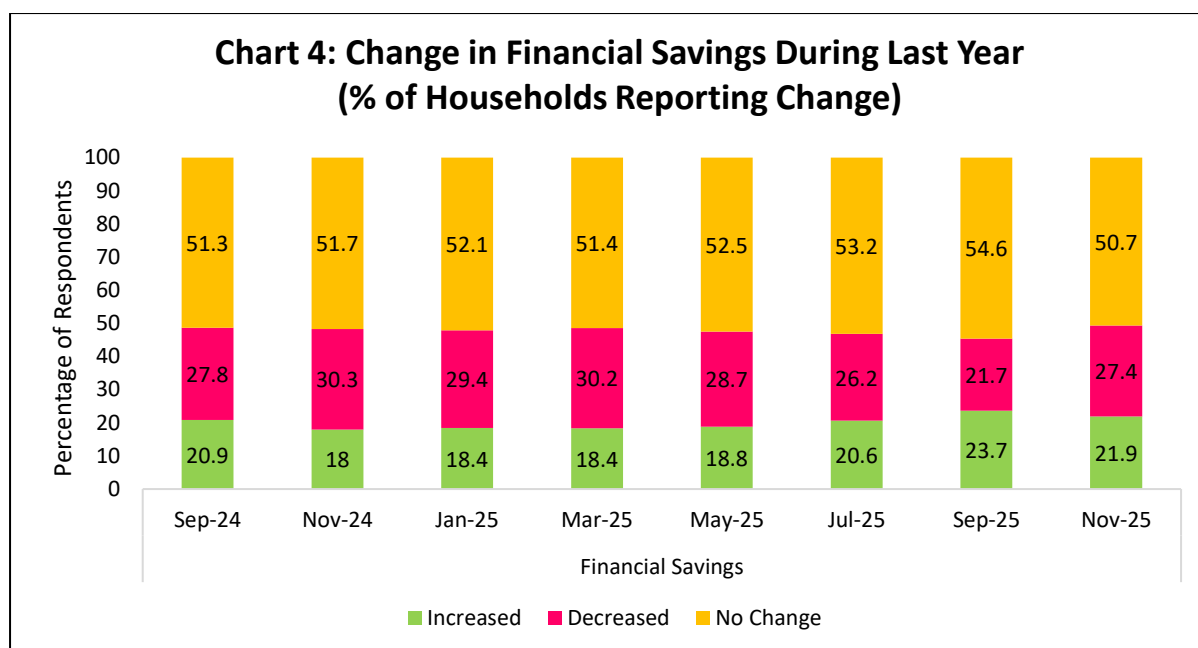
¹ The survey was commissioned by the Department of Economic Analysis and Research (DEAR), NABARD. Its findings do not reflect the views of NABARD.

Moreover, 67.3% of monthly household income was devoted to consumption expenditure, which is the highest level among all rounds of the survey conducted since September 2024 (Chart 2; Table 6B).

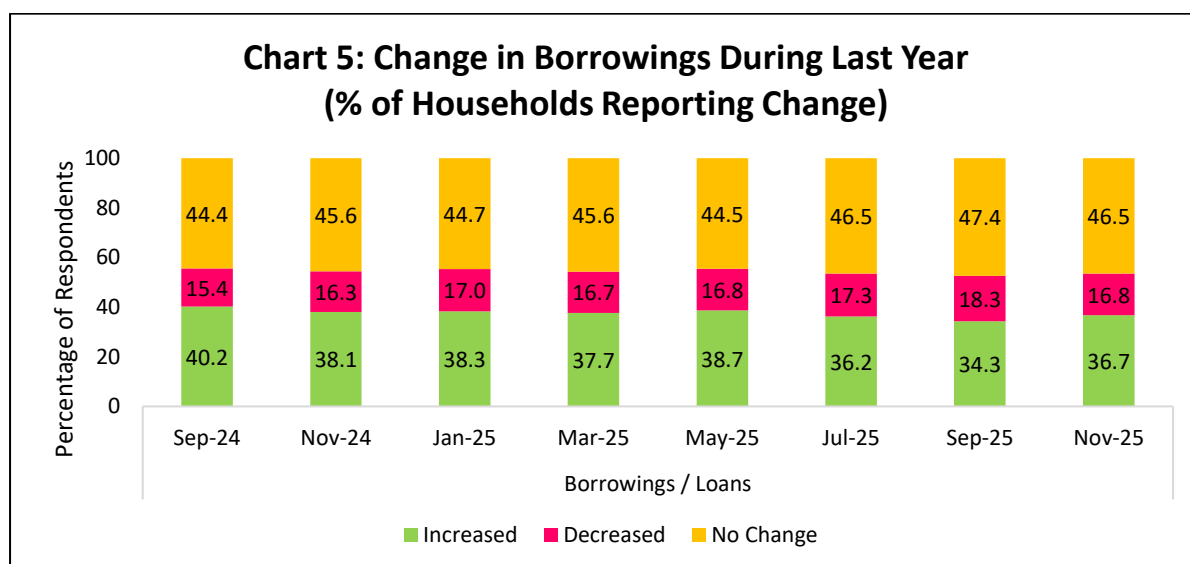


GST rate rationalisation was also expected to enhance household income by lowering costs of businesses and simplifying the tax system, on the back of upbeat consumption demand. 42.2% of rural households reported to have experienced an increase in income in the last one year, which is the highest level among all rounds of this survey so far. Importantly, the percentage of households experiencing a decline in income during the last year fell to its lowest level (15.7%) (Chart 3; Table 2).

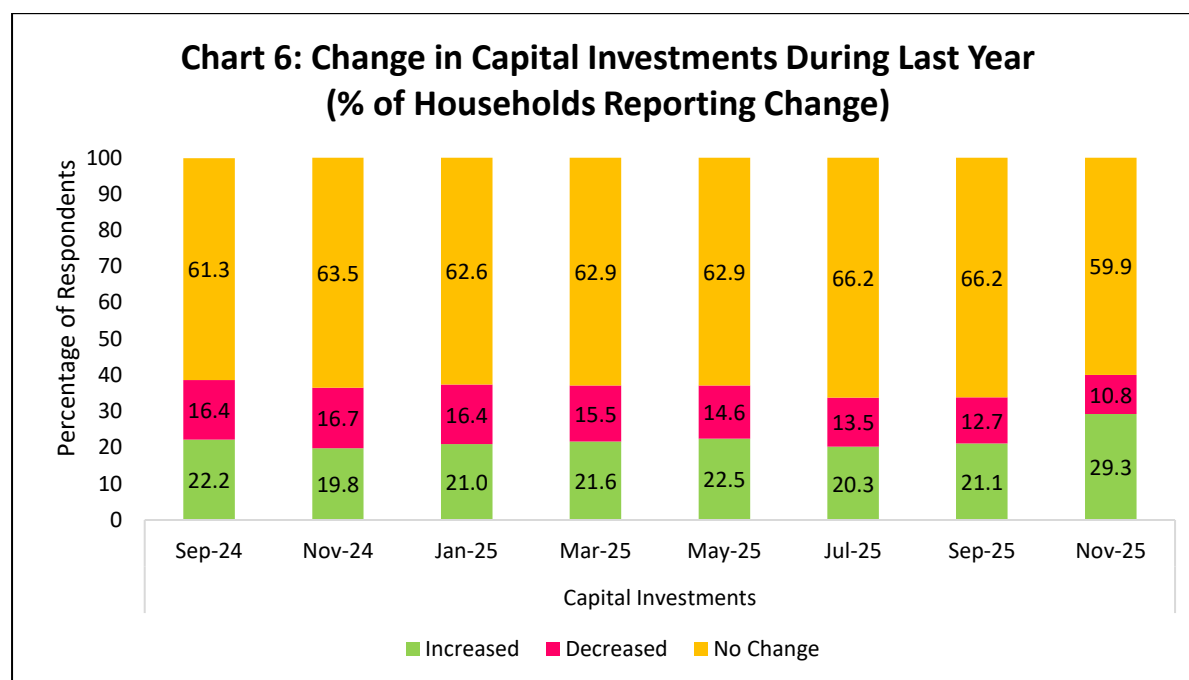




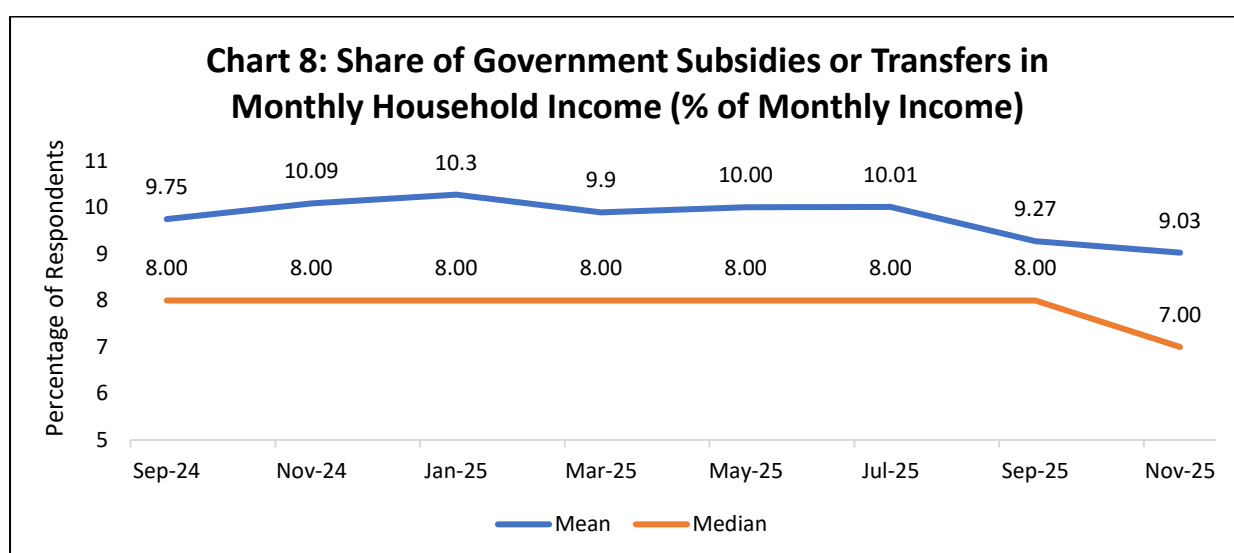
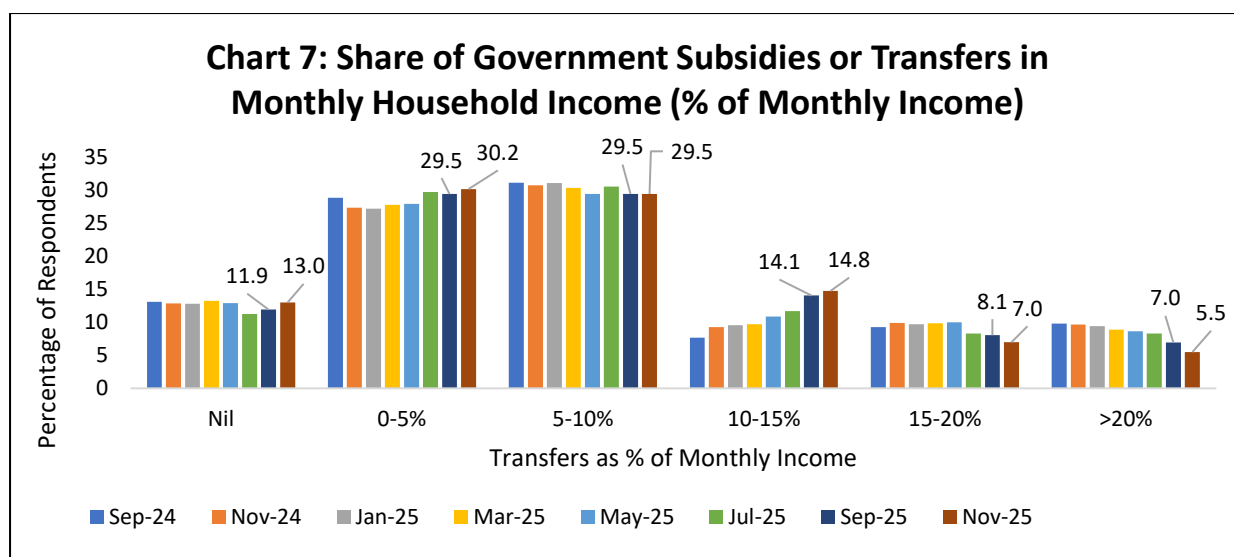
While a lower percentage of rural households (21.9%) reported their savings rising during last year, as against 23.7% in the September 2025 round of the survey, it still showed some improvement relative to all the pre-September 2025 rounds of the survey (Chart 4; Table 2). There was only a modest increase in the number of households who reported taking recourse to increased borrowings/loans during last year. Thus, it appears that the higher consumption expenditure of rural households was not funded by excessive recourse to borrowings (Chart 5; Table 2).



Moreover, 29.3% of rural households reported to have undertaken increased capital investment during the last year, which is the highest level among all rounds of the survey (Chart 6; Table 2). Compared with the modest increase in the percentage of households (2.4%) reporting increased borrowings, a substantially higher percentage of households (8.2%) reported increased capital investment, which points to the significance of buoyant consumption demand to stimulate investment activity, which may be self-financed.



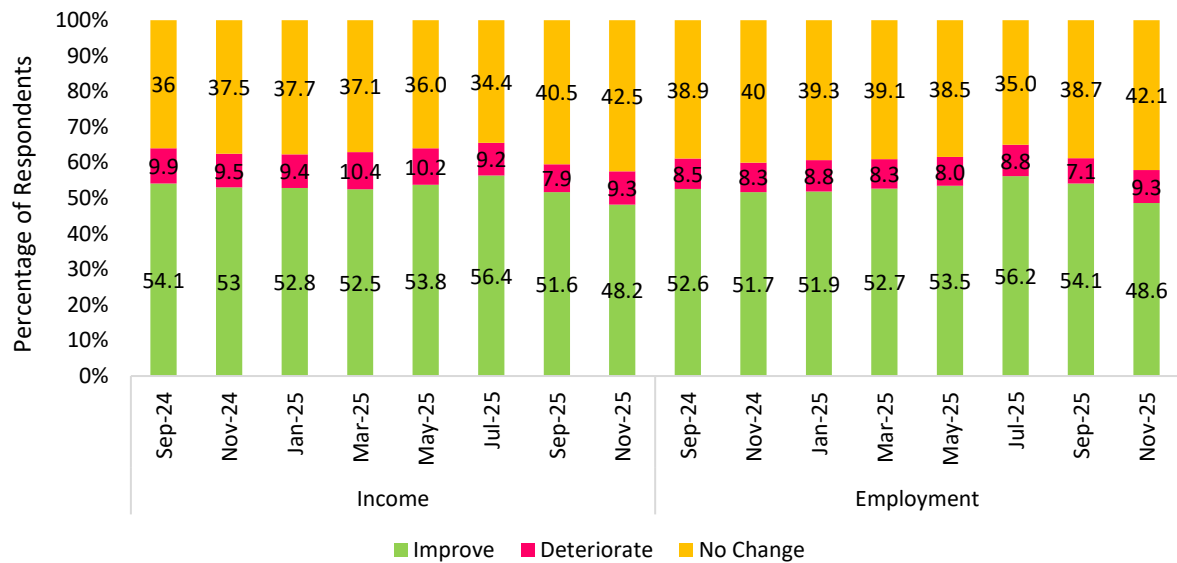
Income and consumption of the rural households are supported by several fiscal transfer schemes, in both kind and cash, by the central government and state governments, in the form of free/subsidized provision of food, water, electricity, cooking gas, fertilizer; interest subventions; school uniform, books and computers; public transportation; mid-day meal; student scholarships and pensions (for old age, widows, disabled, artisans, *etc.*). Such transfers, expressed as equivalent of monthly household income, which had declined to below double digits level in the September 2025 round of the survey (to 9.27%), moderated further to 9.03 % in the November 2025 round of the survey (Chart 7 & 8; Table 6A). In a lower inflation environment and given the expected moderation in nominal GDP growth during 2025-26, while fiscal transfers may increase at a lower pace in nominal terms than in the recent past, in real terms their welfare enhancing impact may have been higher.



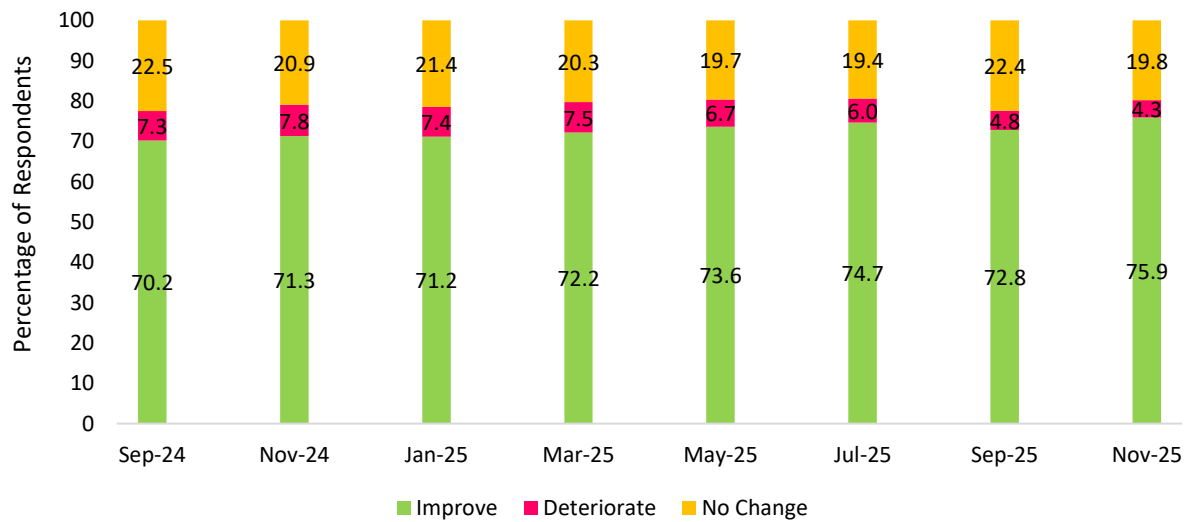
Rural Household Sentiments

The forward-looking sentiment analysis – based on individual feedback conveyed by the households while participating in the survey – could help assess how the near-term outlook for rural income and employment may evolve. In the next one quarter, the percentage of households expecting income and employment situation to improve, fell below 50%, which is the lowest level among all rounds of the survey conducted so far (Chart 9; Table 4). During the next one year, however, the income prospects are seen by them to improve, with 75.9% expecting to witness an increase in income, which is the highest level among all rounds of the survey (Chart 10; Table 4). It is possible that the Trump tariff related impact on farm and non-farm exports, and the associated impact on rural income and employment, is perceived by the households to dampen prospects only in the short-term, but over the next one year they expect the situation to improve.

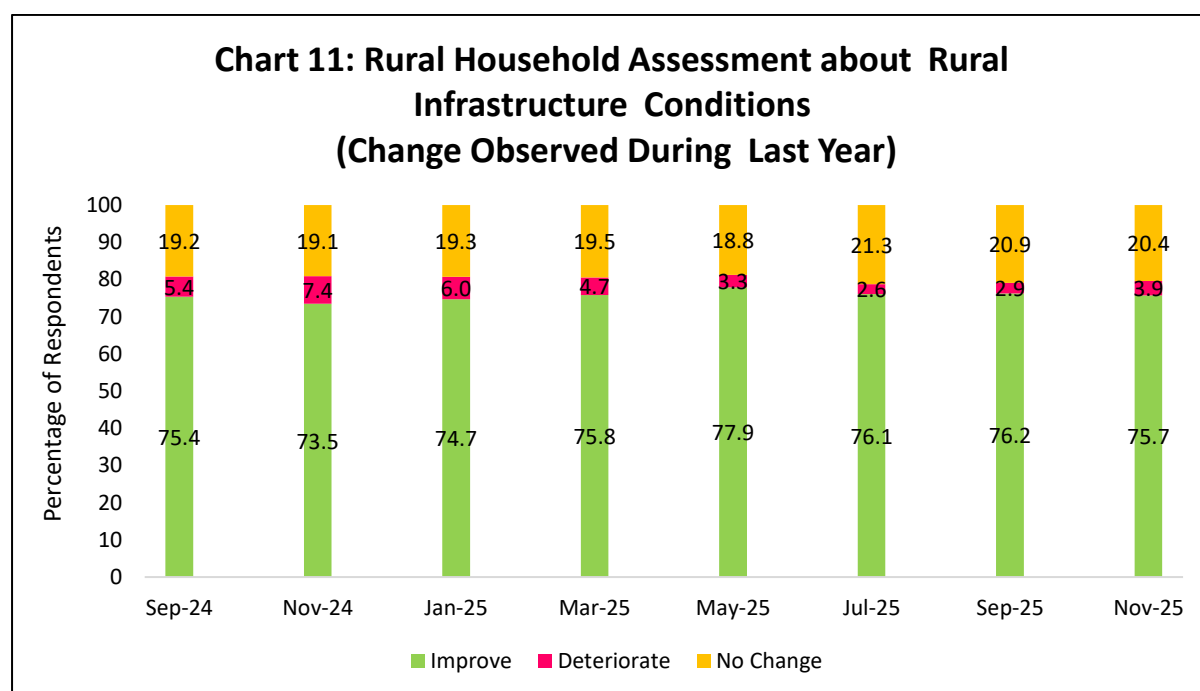
**Chart 9: Rural Household Sentiments - Income and Employment
(Expected Change During Next Quarter)**



**Chart 10: Rural Household Sentiments - Income
(Expected Change During Next Year)**

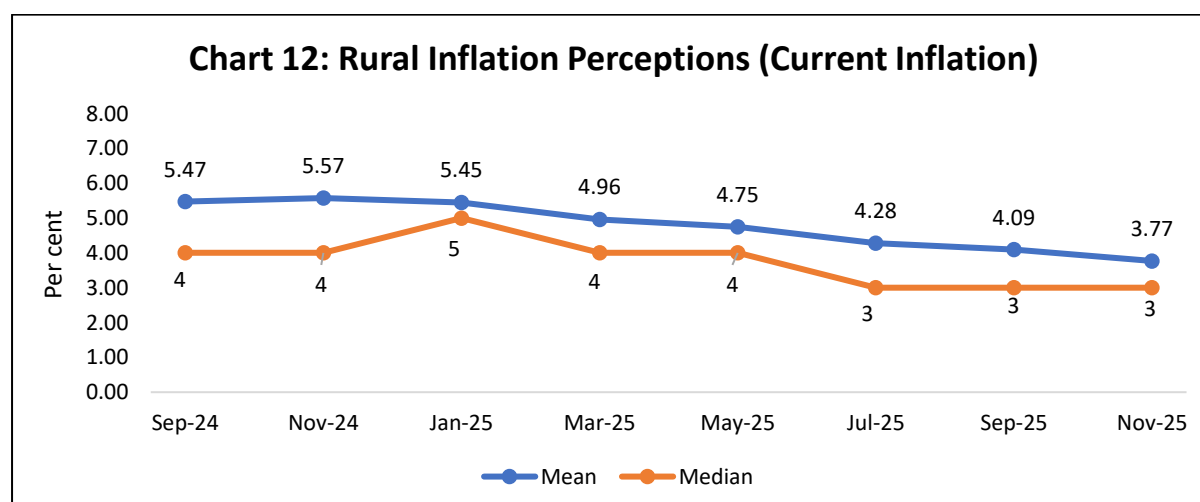


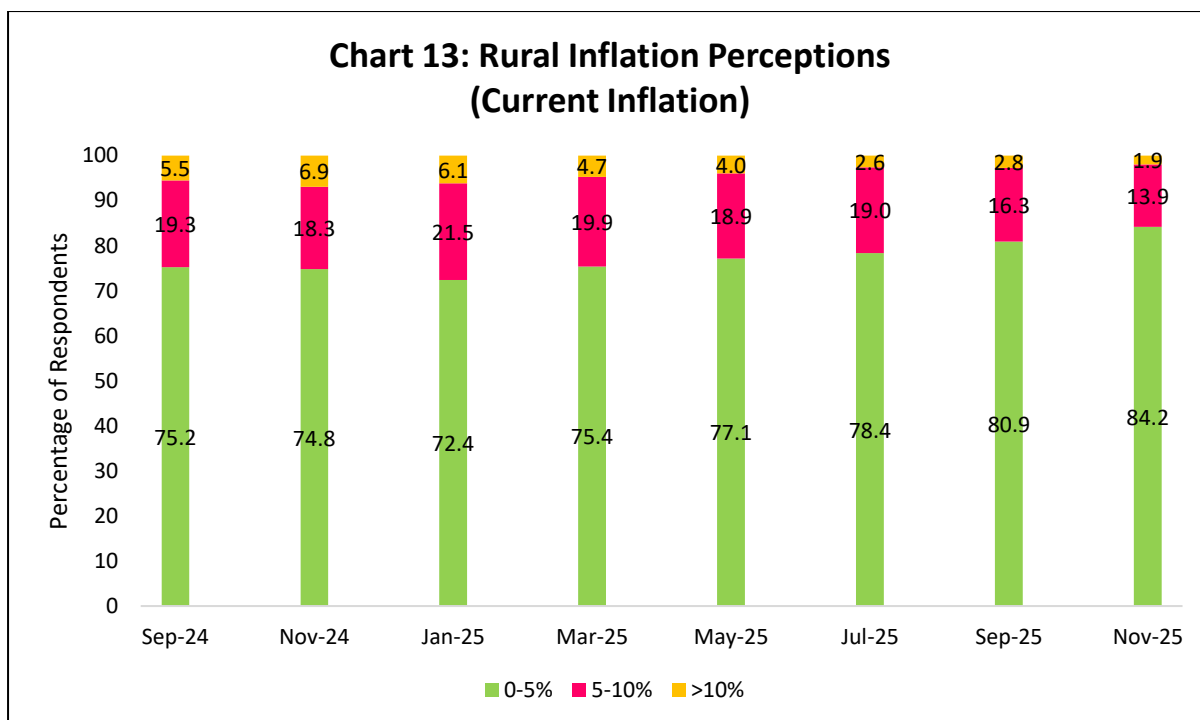
About three fourths of rural households continued to report observing improvement in rural infrastructure conditions in last one year (Chart 11; Table 2).



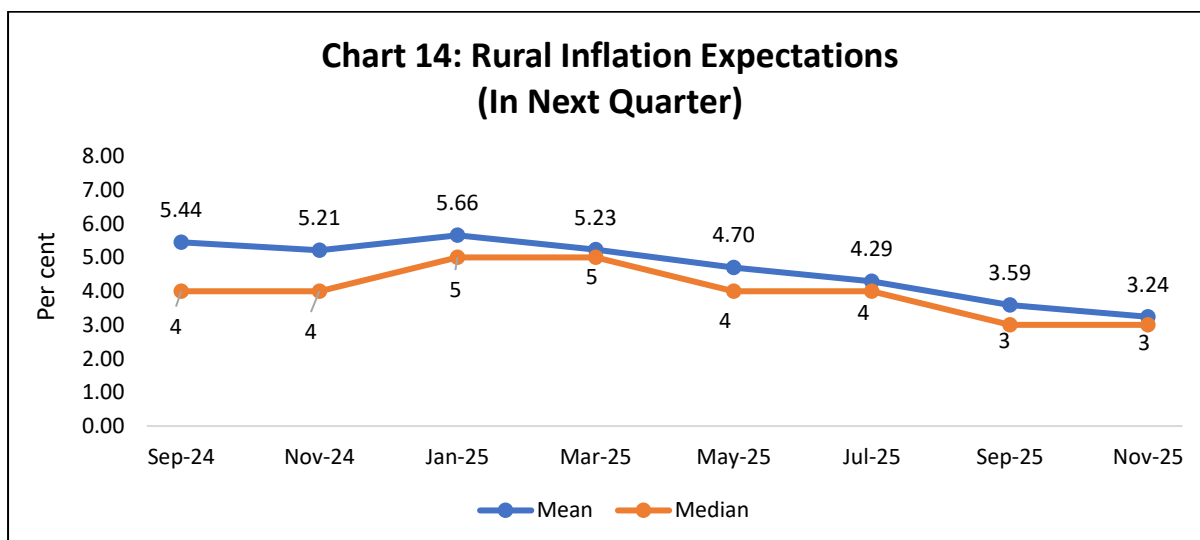
Rural Inflation Perceptions and Inflation Expectations

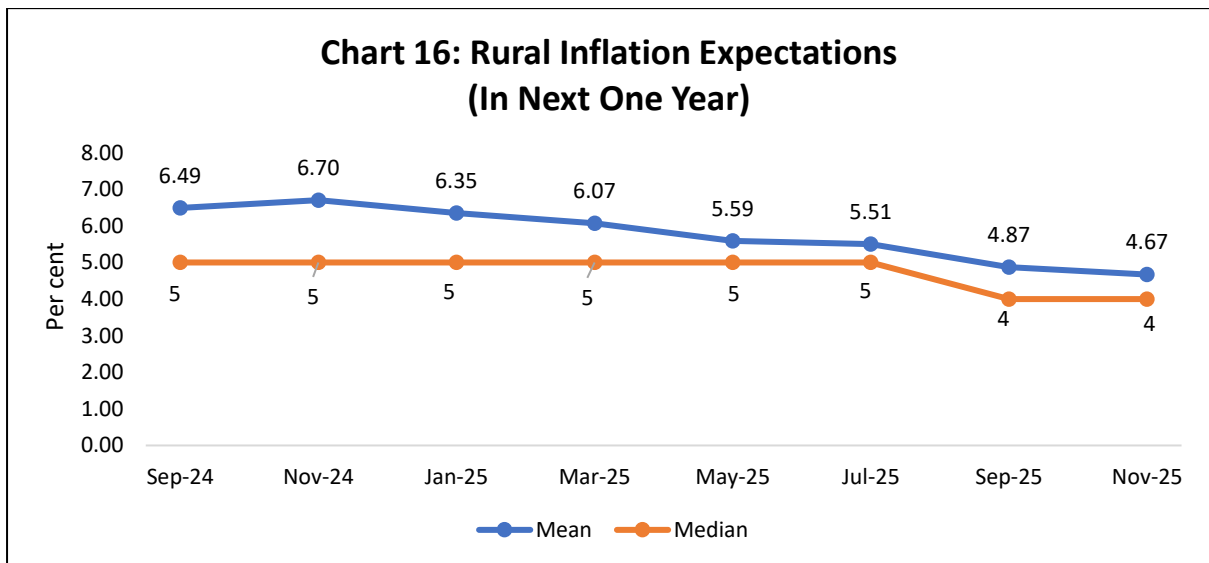
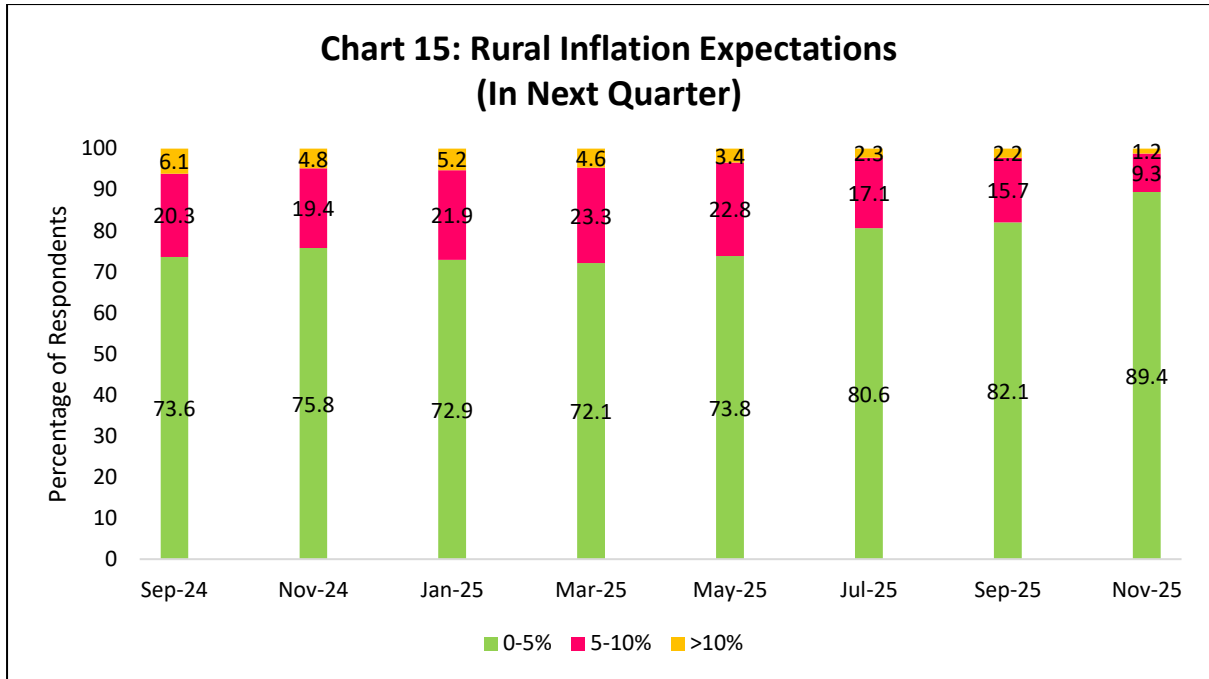
When the survey was conducted during the last few days of October 2025 and the first few days of November 2025, inflation data on CPI-rural inflation was available for the month of September 2025, which had declined to 1.07% from 1.69% in August 2025 and 1.18% in July 2025. In the November 2025 round of the survey, the average (mean) value of inflation perceptions of rural households moderated to below 4% for the first time since this survey started to 3.77%, even as the median value remained unchanged at 3% (Chart 12; Table 5). Moreover, since the survey started, the highest percentage of households (84.2%) reported in the November 2025 round that current inflation as experienced by them to have been at or below 5% (Chart 13).

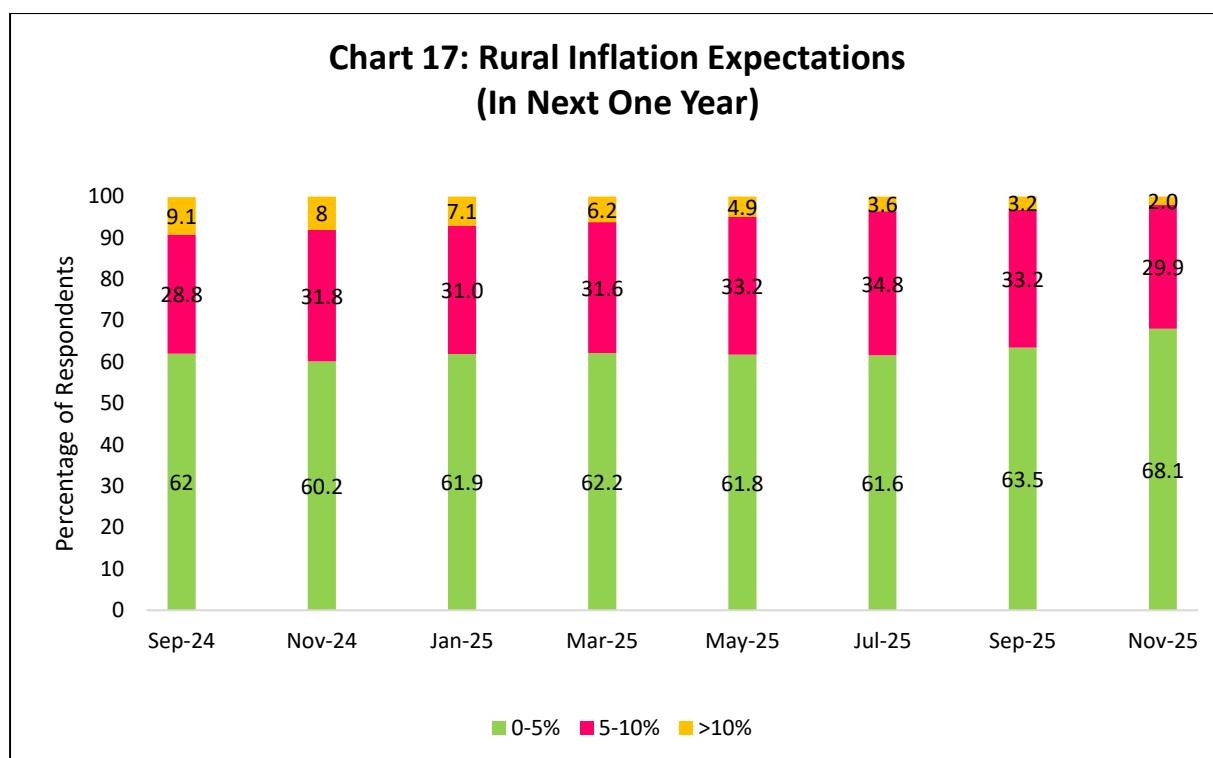




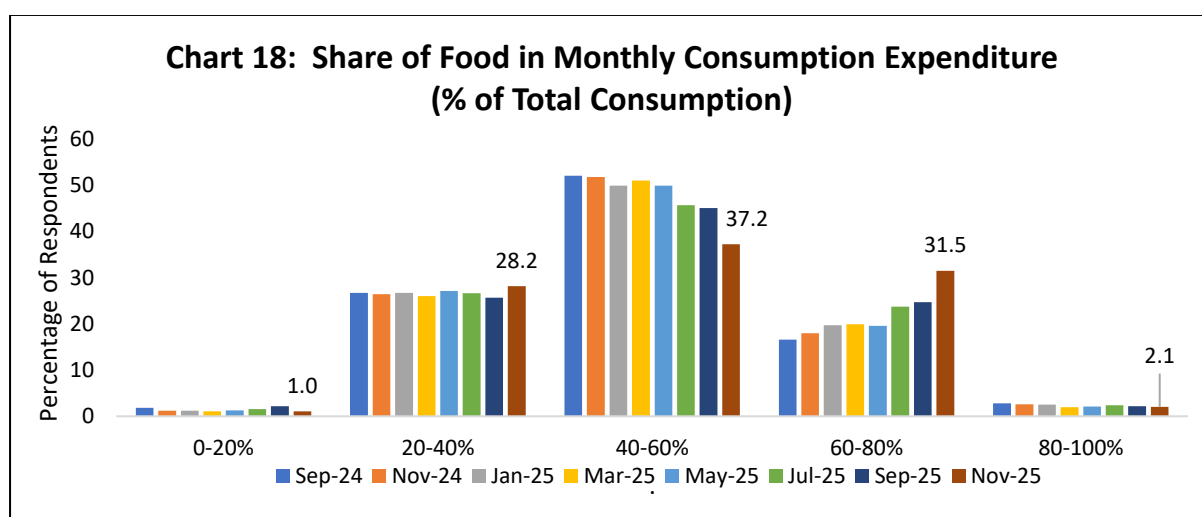
Sustained decline in inflation expectations of rural households continued, over the time horizon of both next one quarter and next one year (Chart 14 to 17; Table 5). While near-term inflation expectations are moving gradually closer to 3%, one year ahead inflation expectations are sliding closer to 4.5%. Moreover, close to 90 % of rural households expect near-term inflation to stay below 5%, and two thirds of households expect inflation to stay below 5% even in the next one year. The inflation outlook, as per the assessment of rural households, thus, is benign.

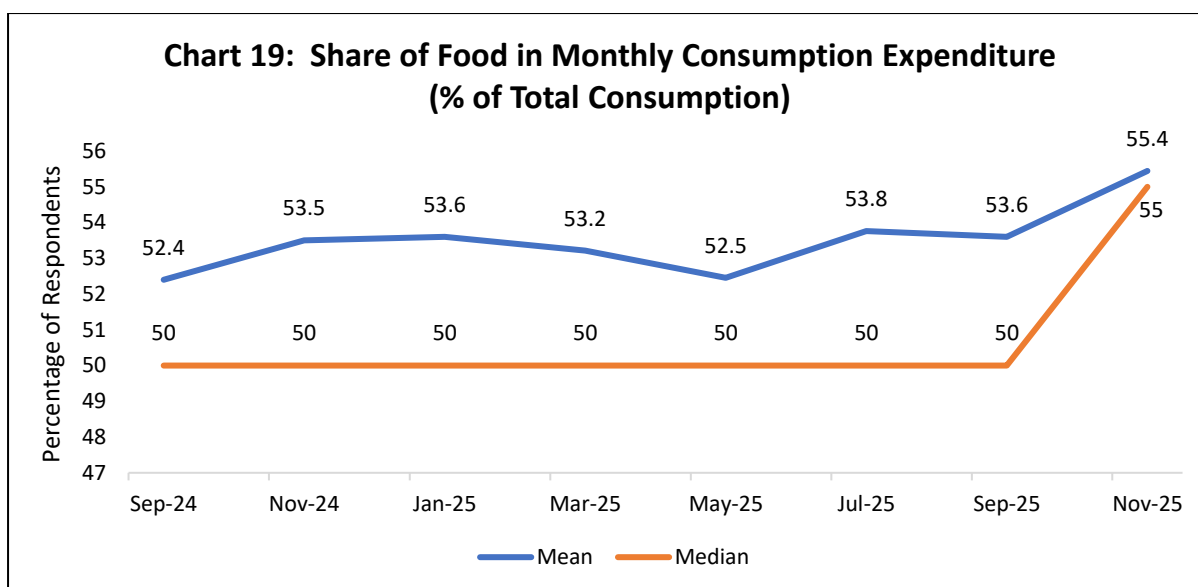






With the decline in rural food prices over four consecutive months (June – September 2025), a section of the rural households seems to have increased the share of total monthly consumption devoted to food, and as a result, the overall share of food in monthly consumption expenditure rose to 55.4%, which is the highest among all rounds of this survey (Chart 18 & 19; Table 6B). As per the findings of the Household Consumption Expenditure Survey (HCES), the share of food in total monthly consumption expenditure rose from 46.38% in 2022-23 to 47.04% in 2023-24 (47.7% and 48.43% respectively, with imputation).





Rural Credit Conditions

The trend of taking increasing recourse to formal sources of credit continued, with 58.3% of rural households reporting to have accessed only formal sources, which is the highest so far among all rounds of this survey (Chart 20; Table 6B). Moreover, even when they borrow from informal sources, more than half of such informal borrowings are from friends and relatives (Chart 21). While the average interest rate on informal credit has been sticky at around 17-18 % (Chart 22), more than one fourth of the households that borrow from informal sources pay no interest (Chart 23), which could be because they take such loans from friends and relatives.

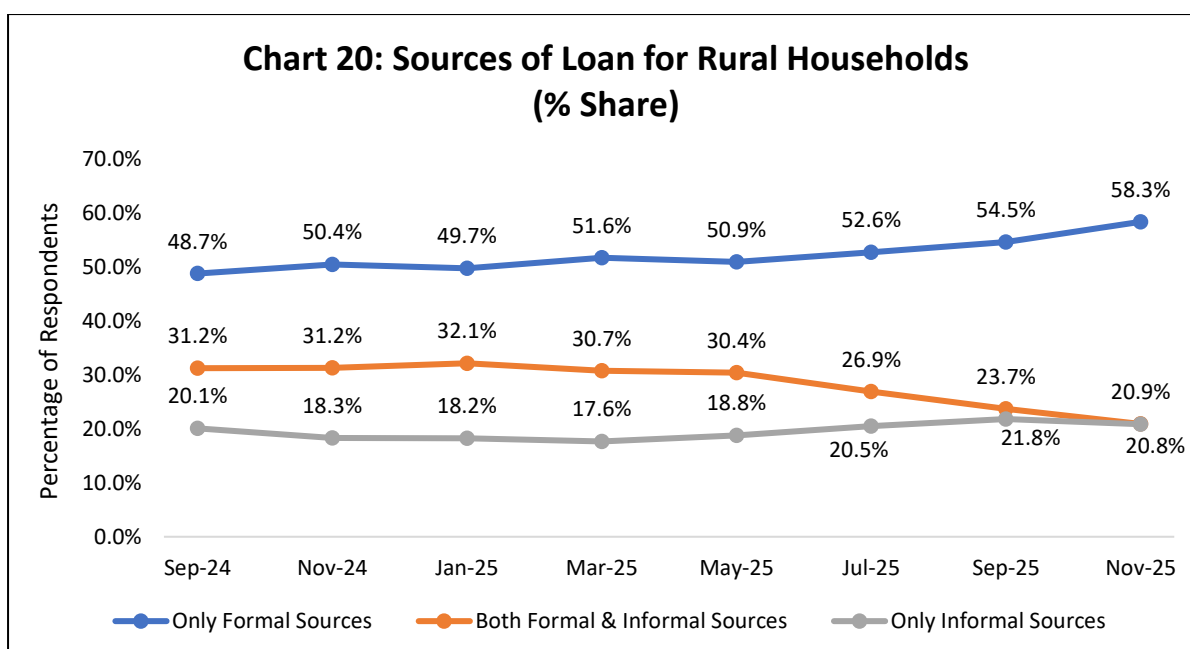
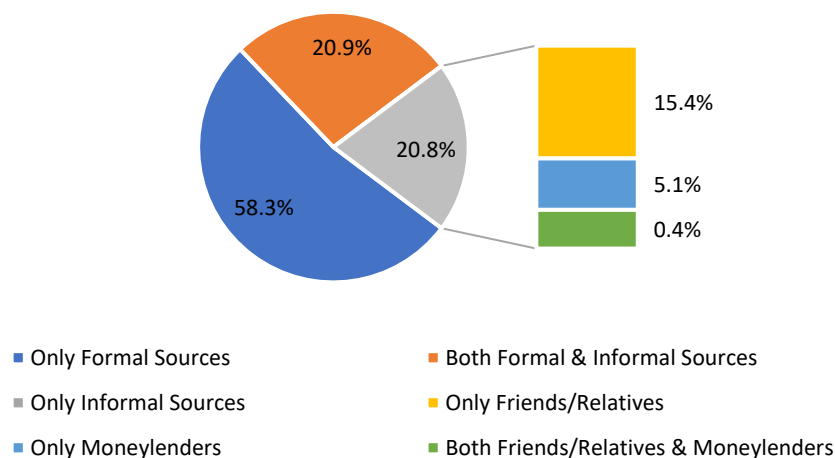
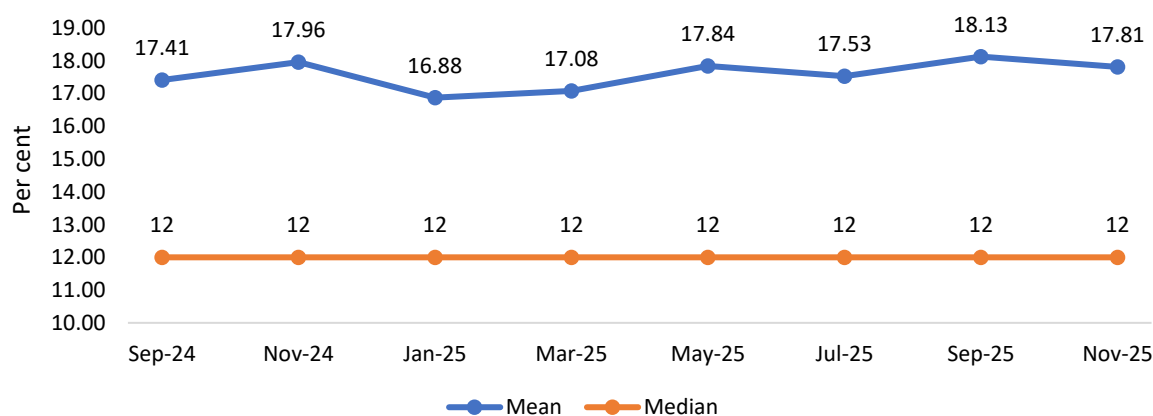


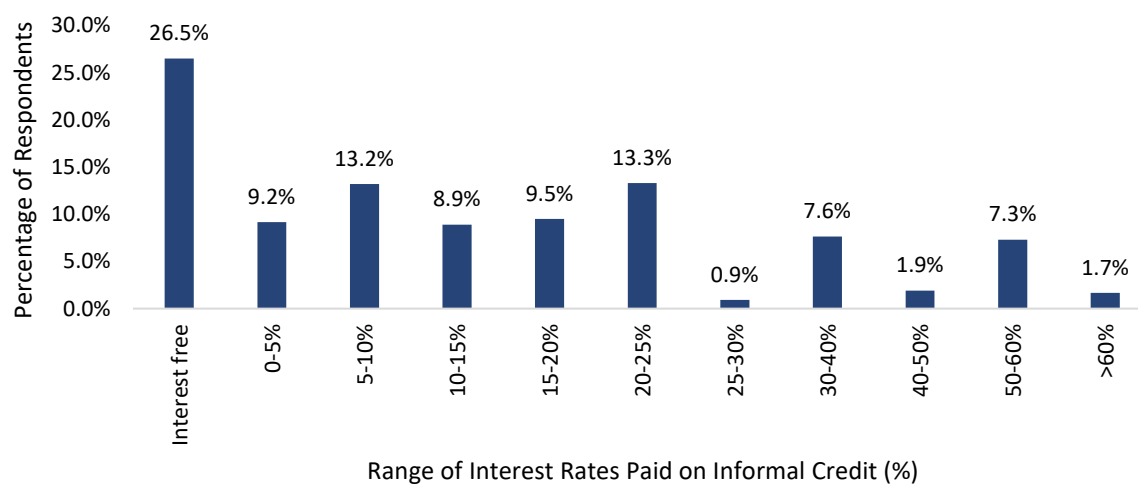
Chart 21: Sources of Loan for Rural Households (% Share)



**Chart 22: Average Interest Rate
(Paid on Loans Taken from Informal Sources)**

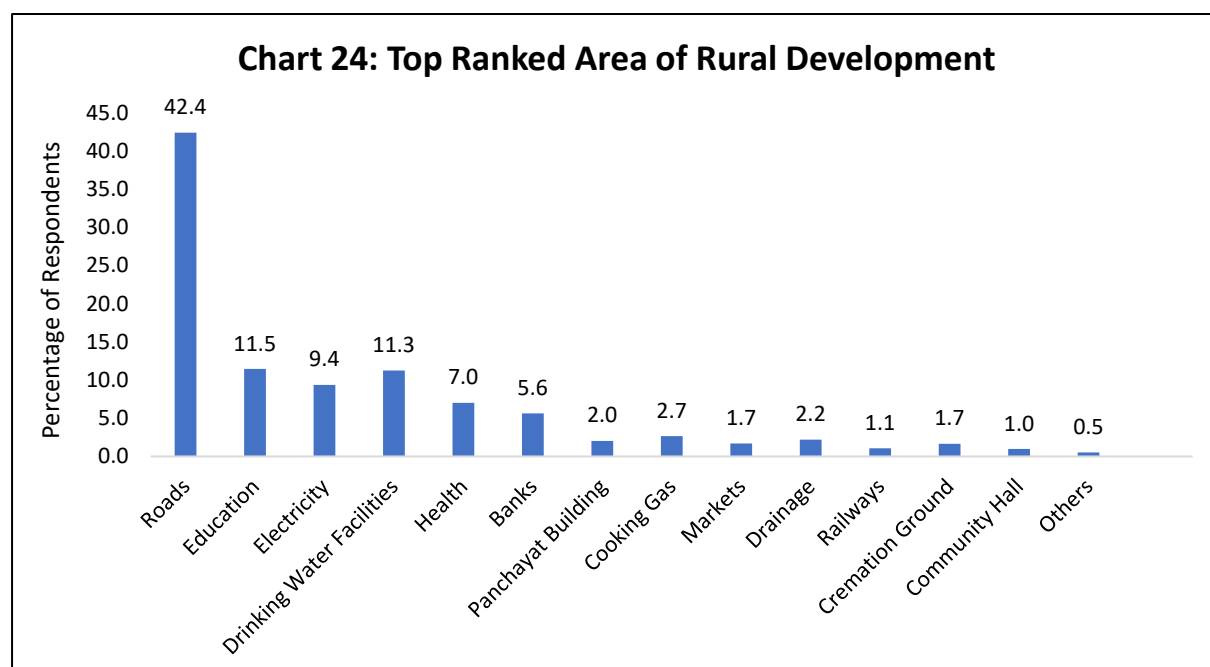


**Chart 23: Average Interest Rate
(Paid on Loans Taken from Informal Sources)**



Rural Economic Development Performance Ranking

As in the previous rounds of the survey, rural roads emerged as the top ranked area of rural development, with a majority (42.4%) of rural households expressing satisfaction about improving conditions of rural roads, followed by education (11.5%) and drinking water facilities (11.3%) (Chart 24; Table 7).



For information on the sampling design, survey approach and specific questions asked to the rural households, please refer the first six rounds of this survey.

Table 1 presents a summary assessment of the changes in the perceptions and sentiments of the rural households over the two consecutive rounds of the survey. In terms of net responses, the November 2025 round of the survey suggests positive economic conditions and sentiments continuing (depicted through green arrows).

Table 1: Key Highlights Based on Net Responses on Various Economic Parameters					
	Main Variables	Reference Period	Sep-25	Nov-25	Change
Qualitative – Economic Conditions	Income	Last 12 Months	19.5	26.6	↑
	Consumption	Last 12 Months	71.6	75.1	↑
	Financial Savings	Last 12 Months	1.9	-5.5	↓
	Borrowings	Last 12 Months	15.9	20.0	↑
	Capital Investments	Last 12 Months	8.4	18.5	↑
	Infrastructure Situation	Last 12 Months	73.3	71.8	↓
Qualitative – Household Sentiments	Employment Situation	Next One Quarter	47.0	39.3	↓
	Income Outlook	Next One Quarter	43.8	38.8	↓
	Income Outlook	Next One Year	68.0	71.6	↑
↑ Positive Sentiments with sign of improvement compared to last round		↑ Negative Sentiments with sign of improvement compared to last round			
↓ Positive Sentiments with sign of deterioration compared to last round		↓ Negative Sentiments with sign of deterioration compared to last round			
↔ Positive Sentiments with no change compared to last round		↔ Negative Sentiments with no change compared to last round			

The Survey questionnaire was designed in the Department of Economic Analysis and Research (DEAR), NABARD, keeping in view the requirement of regular flow of information for monitoring developments in the rural economy, and the Academy of Management Studies (AMS) conducted the survey, after finalising the sampling design in consultation with DEAR.

Table 2: Economic Conditions - Change in Last One Year (% of all households)				
	Increased	Decreased	No Change	Net Response (Increase – Decrease)
INCOME				
Sept 2024	37.6	23.8	38.6	13.8
Nov 2024	36.5	23.4	40.2	13.1
Jan 2025	36.0	22.6	41.5	13.4
Mar 2025	34.8	23.3	41.8	11.5
May 2025	37.4	21.4	41.3	16.0
July 2025	39.6	19.8	40.6	19.8
Sept 2025	37.5	18.0	44.6	19.5
Nov 2025	42.2	15.7	42.1	26.6
CONSUMPTION				
Sept 2024	80.1	6.3	13.6	73.7
Nov 2024	79.2	5.0	15.8	74.2
Jan 2025	78.5	4.7	16.7	73.8
Mar 2025	79.9	4.2	15.8	75.7
May 2025	79.1	4.5	16.4	74.6
July 2025	76.6	3.2	20.2	73.3
Sept 2025	76.2	4.6	19.2	71.6
Nov 2025	79.2	4.1	16.7	75.1
FINANCIAL SAVINGS				
Sept 2024	20.9	27.8	51.3	-6.9
Nov 2024	18.0	30.3	51.7	-12.3
Jan 2025	18.4	29.4	52.1	-11.0
Mar 2025	18.4	30.2	51.4	-11.9
May 2025	18.8	28.7	52.5	-9.9

July 2025	20.6	26.2	53.2	-5.5
Sept 2025	23.7	21.7	54.6	1.9
Nov 2025	21.9	27.4	50.7	-5.5
BORROWINGS				
Sept 2024	40.2	15.4	44.4	24.8
Nov 2024	38.1	16.3	45.6	21.8
Jan 2025	38.3	17.0	44.7	21.4
Mar 2025	37.7	16.7	45.6	21.0
May 2025	38.7	16.8	44.5	21.8
July 2025	36.2	17.3	46.5	18.8
Sept 2025	34.3	18.3	47.4	15.9
Nov 2025	36.7	16.8	46.5	20.0
CAPITAL INVESTMENT				
Sept 2024	22.2	16.4	61.3	5.8
Nov 2024	19.8	16.7	63.5	3.0
Jan 2025	21.0	16.4	62.6	4.6
Mar 2025	21.6	15.5	62.9	6.1
May 2025	22.5	14.6	62.9	7.9
July 2025	20.3	13.5	66.2	6.7
Sept 2025	21.1	12.7	66.2	8.4
Nov 2025	29.3	10.8	59.9	18.5
INFRASTRUCTURE SITUATION				
	Improved	Deteriorated	No Change	Net Response (Improved – Deteriorated)
Sept 2024	75.4	5.4	19.2	70.0
Nov 2024	73.5	7.4	19.1	66.0

Jan 2025	74.7	6.0	19.3	68.7
Mar 2025	75.8	4.7	19.5	71.1
May 2025	77.9	3.3	18.8	74.6
July 2025	76.1	2.6	21.3	73.5
Sept 2025	76.2	2.9	20.9	73.3
Nov 2025	75.7	3.9	20.4	71.8

Table 3: Average Increase in HH income in the last 1 year (of those who reported an increase in income) (In per cent)							
	0-5%	5-10%	10-15%	15-20%	>20%	Mean	Median
Sep-24	23.4	40.5	13	9.9	13.2	13.9	10
Nov-24	21.9	38.3	15	11.2	13.6	13.1	10
Jan-25	22.4	38.9	14.5	11.4	12.8	13.2	10
Mar-25	23.1	38.7	14.8	11.5	11.9	12.8	10
May-25	21.9	40.5	15.6	12.0	10.0	12.9	10
July-25	24.7	42.5	14.9	8.9	9.1	11.9	10
Sept-25	26.4	39.6	16.7	10.2	7.1	12.8	10
Nov-25	25.7	36.0	20.5	10.9	6.9	12.1	10

Table 4: Household Sentiments (% of all households)				
	Improve	Deteriorate	No Change	Net Response (Improve - Deteriorate)
EMPLOYMENT OUTLOOK (Next One Quarter)				
Sept 2024	52.6	8.5	38.9	44.1
Nov 2024	51.7	8.3	40.0	43.3
Jan 2025	51.9	8.8	39.3	43.1
Mar 2025	52.7	8.3	39.1	44.4
May 2025	53.5	8.0	38.5	45.4
July 2025	56.2	8.8	35.0	47.3
Sept 2025	54.1	7.1	38.7	47.0

Nov 2025	48.6	9.3	42.1	39.3
INCOME OUTLOOK (Next One Quarter)				
Sept 2024	54.1	9.9	36.0	44.1
Nov 2024	53.0	9.5	37.5	43.5
Jan 2025	52.8	9.4	37.7	43.4
Mar 2025	52.5	10.4	37.1	42.1
May 2025	53.8	10.2	36.0	43.6
July 2025	56.4	9.2	34.4	47.2
Sept 2025	51.6	7.9	40.5	43.8
Nov 2025	48.2	9.3	42.5	38.8
INCOME OUTLOOK (Next One Year)				
Sept 2024	70.2	7.3	22.5	63.0
Nov 2024	71.3	7.8	20.9	63.5
Jan 2025	71.2	7.4	21.4	63.8
Mar 2025	72.2	7.5	20.3	64.6
May 2025	73.6	6.7	19.7	66.9
July 2025	74.7	6.0	19.4	68.7
Sept 2025	72.8	4.8	22.4	68.0
Nov 2025	75.9	4.3	19.8	71.6

Table 5: Inflation Perceptions and Expectations												
	Current Perceptions				One Quarter Ahead Expectations				One Year Ahead Expectations			
	Mean		Median		Mean		Median		Mean		Median	
	Esti mate	SE	Esti mate	SE*	Esti mate	SE	Esti mate	SE*	Esti mate	SE	Esti mate	SE*
Sept 2024	5.47	0.0002	4.0	0.0003	5.44	0.0002	4.0	0.0003	6.49	0.0002	5.0	0.0003
Nov 2024	5.57	0.0004	4.0	0.0005	5.21	0.0004	4.0	0.0004	6.70	0.0004	5.0	0.0005

Jan 2025	5.45	0.0003	5.0	0.0003	5.66	0.0003	5.0	0.0004	6.35	0.0003	5.0	0.0004
Mar 2025	4.96	0.0002	4.0	0.0002	5.23	0.0002	5.0	0.0002	6.07	0.0002	5.0	0.0003
May 2025	4.75	0.0002	4.0	0.0003	4.70	0.0002	4.0	0.0002	5.59	0.0002	5.0	0.0002
July 2025	4.28	0.0002	3.0	0.0002	4.29	0.0002	4.0	0.0002	5.51	0.0002	5.0	0.0003
Sept 2025	4.09	0.0003	3.0	0.0003	3.59	0.0002	3.0	0.0003	4.87	0.0002	4.0	0.0003
Nov 2025	3.77	0.0002	3.0	0.0003	3.24	0.0002	3.0	0.0002	4.67	0.0002	4.0	0.0003

SE: Standard error of mean

SE: Standard error of median = SE * 1.2533*

Table 6A: Quantitative Indicators												
	Increase in Income During Last One Year (% per annum)				Average Interest Rate Paid on Informal Sources of Borrowings (% per annum)				Income Supplemented by Transfers from the Government (% of income)			
	Mean		Median		Mean		Median		Mean		Median	
	Est.	SE	Est.	SE*	Est.	SE	Est.	SE*	Est.	SE	Est.	SE*
Sept 2024	13.90	0.0014	10.0	0.0017	17.41	0.0024	12.0	0.0030	9.75	0.0006	8.0	0.0008
Nov 2024	13.07	0.0012	10.0	0.0015	17.96	0.0029	12.0	0.0036	10.09	0.0007	8.0	0.0008
Jan 2025	13.17	0.0011	10.0	0.0013	16.88	0.0027	12.0	0.0034	10.28	0.0007	8.0	0.0009
Mar 2025	12.84	0.0013	10.0	0.0017	17.08	0.0026	12.0	0.0033	9.89	0.0007	8.0	0.0008
May 2025	12.92	0.0014	10.0	0.0018	17.84	0.0027	12.0	0.0034	10.00	0.0007	8.0	0.0009
July 2025	11.93	0.0010	10.0	0.0013	17.53	0.0025	12.0	0.0032	10.01	0.0008	8.0	0.0009
Sept 2025	12.81	0.0023	10.0	0.0028	18.13	0.0030	12.0	0.0038	9.27	0.0006	8.0	0.0007
Nov 2025	12.07	0.0013	10.0	0.0016	17.81	0.0034	12.0	0.0043	9.03	0.0006	7.0	0.0007

Est. – Estimate of mean and median

SE: Standard error of mean

SE: Standard error of median = SE * 1.2533*

Table 6B: Quantitative Indicators				
Spending Pattern of Monthly Income (% of monthly income)				
	Consumption	Savings	Loan Repayment	Others
September 2024	60.87	16.77	13.49	8.87
November 2024	63.26	14.09	13.70	8.95
January 2025	63.54	14.34	13.67	8.44
March 2025	64.15	13.78	12.68	9.38
May 2025	64.85	13.51	11.82	9.82
July 2025	65.57	13.18	11.85	9.40
September 2025	63.39	14.53	11.95	10.13
November 2025	67.30	13.21	12.87	6.62
Monthly Consumption Pattern (% share of monthly expenditure)				
	Food	Fuel (Cooking plus Transportation)	Education and Health	Others
September 2024	52.36	16.28	24.50	6.86
November 2024	53.55	16.57	24.07	5.81
January 2025	53.60	17.17	23.54	5.69
March 2025	53.21	18.40	22.29	6.09
May 2025	52.46	18.42	22.49	6.64
July 2025	53.77	16.89	22.33	7.01
September 2025	53.63	17.29	24.21	4.87
November 2025	55.45	17.32	24.18	3.06
Sources of Borrowings (% of total outstanding borrowings)				
	Only Formal /Institutional	Only Informal (Relatives/Friends/ Business Partners /Money Lenders	Both Formal & Informal	

September 2024	48.72	20.09	31.19
November 2024	50.43	18.34	31.23
January 2025	49.69	18.19	32.11
March 2025	51.65	17.65	30.71
May 2025	50.86	18.77	30.37
July 2025	52.64	20.48	26.87
September 2025	54.54	21.79	23.66
November 2025	58.30	20.82	20.88

Table 7: Development Indicators (% of Households) (Ranking of Satisfaction Level Expressed by Households, based on their experience of last few years)									
Area	Round-6			Round-7			Round-8		
	Rank 1	Rank 2	Rank 3	Rank 1	Rank 2	Rank 3	Rank 1	Rank 2	Rank 3
Banks	3.1	1.3	1.9	4.0	1.7	1.9	5.6	1.7	1.7
Roads	46.3	12.8	8.3	45.3	12.0	7.8	42.4	12.6	9.3
Railways	2.4	2.4	2.0	1.2	1.7	1.6	1.7	2.5	2.4
Education	11.2	18.2	13.5	12.0	17.6	14.2	11.5	14.8	12.1
Health	7.5	12.8	11.0	6.7	13.6	11.3	7.0	14.7	11.3
Electricity	8.6	17.3	15.3	8.7	16.6	14.6	9.4	18.4	15.3
Cooking Gas	2.2	3.7	7.2	3.2	3.7	6.2	2.7	4.3	6.2
Markets	1.6	3.1	3.6	2.7	3.2	3.4	1.7	4.4	4.1
Panchayat Building	2.5	5.5	5.8	3.2	5.1	4.8	2.0	3.7	7.4
Community Hall	1.1	1.5	1.3	0.9	2.4	2.1	1.0	1.4	2.5
Drinking Water Facilities	10.0	14.5	17.7	8.6	16.3	18.8	11.3	14.4	17.4
Drainage	1.7	4.6	6.3	1.9	4.5	8.4	2.2	4.6	5.9
Cremation Ground	1.5	1.7	3.2	1.0	1.4	2.7	1.1	1.9	2.1
Others	0.4	0.6	2.7	0.4	0.3	2.1	0.5	0.5	2.3
Total	100	100	100	100	100	100	100	100	100

**Each household was asked to report the top three as per own experience.*

For information on the sampling design, survey approach and specific questions asked to the rural households, please refer the first six rounds of this survey.