

POWER SECTOR

Demand remains weak, but is likely to rebound in FY2027 amid normalising weather patterns

APRIL 2026



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Overview



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Electricity demand remained muted in April 2026 and through FY2026 due to unseasonal weather and a high base, keeping spot power prices subdued amid comfortable supply conditions. Demand is expected to recover in FY2027 with normalisation of weather patterns, a lower base and sustained momentum in industrial and commercial activities.



- **Demand saw marginal year-over-year (YoY) growth in April 2026 as per provisional data from the Grid Controller of India Limited (GCIL).** India's electricity demand growth was weak in FY2026, impacted by early and prolonged monsoons and a high base effect. The trend continued in April 2026, with demand growing almost marginally by 0.1% YoY during the first 12 days of the month, as per data from GCIL. This was owing to a slow recovery from weather disruptions seen over the last few days. Electricity demand growth stood at 0.8% in FY2026 over 4.2% in FY2025. However, demand growth is expected to rebound to around 5% in FY2027, supported by expectations of peak summer, normalised weather conditions, a lower base and continued momentum in industrial and commercial activities. Growth will, however, remain contingent on the absence of any unforeseen weather-related events.
- **Spot power tariffs on the Indian Energy Exchange (IEX) averaged at Rs. 3.8 per unit as on April 08, 2026, lower than Rs. 4.2 per unit in March 2026.** Prices were much lower than Rs. 5.2 per unit recorded in April 2025 due to subdued demand growth in April 2026. Additionally, spot tariffs had been declining during most of the months in FY2026 owing to an improved supply position and low demand growth.
- **Coal stock stood at around 19 days as on April 08, 2026, largely unchanged from January 2026.** This trend indicates a stable inventory position. While stocks remain below the normative level of 24 days, they are materially higher than those seen in October 2023, providing comfort for meeting peak summer demand.



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