

POWER SECTOR

All-India electricity demand growth
at 2.3% in April 2025

APRIL 2025



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Overview



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Electricity demand growth stood at 2.3% during the first 29 days of April 2025 declining from 6.6% in March 2025 due to an unfavourable base.



- **All India electricity demand growth stood at 2.3% YoY in April 2025 as per provisional data from the Power System Operation Corporation (POSOCO), moderating from 6.6% in March 2025:** The all-India electricity demand grew by 2.3% on a YoY basis in the first 29 days of April 2025, as per data from POSOCO. Demand growth slowed down from 6.6% in March 2025, owing to an unfavourable base. Nonetheless, the demand growth is expected to pick up in the next few months with easing to the base effect. The full year demand growth in FY2025 was modest at 4.2% owing to impact of heavy rainfall, an unfavourable base and slowdown in economic activity. Nonetheless, demand growth is expected to recover to 5.5-6.0% in FY2026, trailing ICRA's GDP growth expectation of 6.5%.



- **Spot power tariffs increased to Rs. 5.2 per unit in April from Rs. 4.1 per unit in March:** The average tariffs in the day-ahead market (DAM) of the Indian Energy Exchange (IEX) increased to Rs. 5.2 per unit in April 2025 after remaining in the range of Rs. 4.0-4.5 per unit in Q4 FY2025. The spot power tariffs are likely to increase over the next few months amid the expected growth in electricity demand.



- **Coal stock at power plants remains healthy at 20 days in April 2025:** The coal stock level at power plants remains at 20 days as on April 28, 2025. The coal stocks have significantly improved from the low of September 2024, reaching a five-year high of 20.2 days as on March 31, 2025. It augurs well for the sector amid the expected demand growth in coming months. However, there is a shortfall in coal stocks for a few state utilities.



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