

POWER SECTOR

**All-India electricity demand saw
healthy recovery in August 2025**

August 2025



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Overview



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Electricity demand recovered in the first 25 days of August 2025, rising by 4.8% on a year-on-year basis. This rebound follows a subdued demand growth in Q1 FY2026, which was impacted by the early onset of the Southwest Monsoon.



- **India's electricity demand recorded a year-on-year (YoY) growth of 4.8% in August 2025, based on provisional data from the Power System Operation Corporation (POSOCO).** This follows a contraction in demand during Q1 FY2026 and modest growth in July 2025, largely attributed to an unfavourable base effect and the early onset of the Southwest Monsoon across much of the country. However, demand rebounded in August, with a 4.8% YoY increase during the first 25 days of the month. The electricity demand growth is expected to remain moderate in the near term due to above-average monsoon conditions. Consequently, full-year demand growth for FY2026 is now projected at 4.0–4.5%, down from the earlier estimate of 5.0–5.5%, and trailing ICRA's GDP growth forecast of 6.0%.



- **Spot power tariffs moderated at Rs. 4.1 per unit in August 2025 over July 2025:** Spot power tariffs on the Indian Energy Exchange (IEX) averaged Rs. 4.1/unit as on August 25, 2025, marginally lower than in July 2025 (Rs. 4.2 per unit). Also, prices were lower than those recorded in August 2024 due to improved supply and moderate demand growth.



- **Coal stock at power plants remained healthy at 17.1 days in August 2025:** As on August 24, 2025, coal stock at power plants stood at 17.1 days, moderating from 18.1 days on July 31, 2025, owing to slowdown in supply amid the impact of monsoons on mining operations. Nonetheless, coal stock remains better than the lows seen in September 2024. Over the past three months, coal inventories have consistently remained healthy. While this is a positive indicator for the power sector, a few state utilities continue to face a shortfall in coal availability.



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Analytical Contact Details

Name	Designation	Email	Contact Number
Girishkumar Kadam	Senior Vice-President and Group Head	girishkumar@icraindia.com	022 - 6114 3441
Vikram V	Vice-President and Co-Group Head	vikram.v@icraindia.com	040 – 6939 6410
Asmita Pant	Assistant Vice-President and Sector Head	asmita.pant@icraindia.com	0124 – 4545 856
Soumya Satapathy	Analyst	soumya.satapathy@icraindia.com	033 – 6521 6809





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Sai Krishna	Head – Research Sales and Investor Connect	sai.krishna1@icraindia.com	9840774883
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – East	vinita.baid@icraindia.com	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	sanket.kulkarni@icraindia.com	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





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