

SectorVector

Reading the topical trends

April 2026

Watered down

Heavier-than-usual rain in March moderates power demand growth

Power demand in March rose to ~149 billion units (BUs), surpassing the 147 BUs recorded in the same month last year. Notably, this marks the highest March consumption since at least 2010.

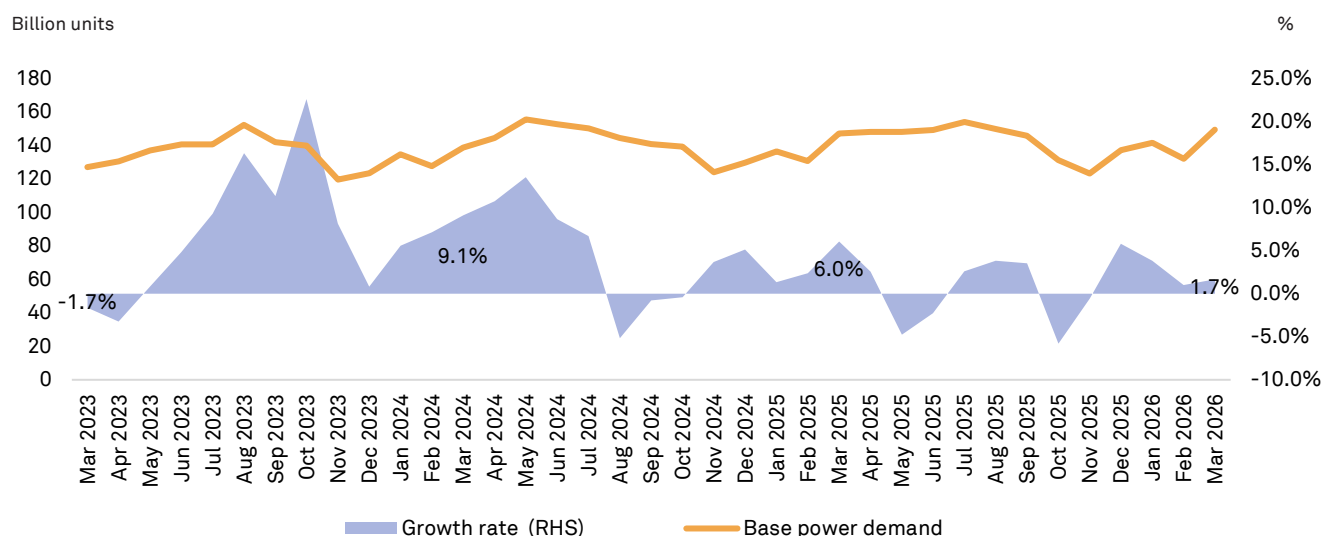
However, the growth rate was a modest 1.7% on-year owing to several factors.

Firstly, the 10% above-normal rainfall during March 1-25, which reduced cooling demand.

Secondly, the statistical high-base effect, as the year-ago period had seen a sharp 6% on-year growth.

Also, the Manufacturing Purchasing Managers' Index (PMI) during the month declined to 53.9 from 56.9 in February. Expansion of manufacturing and industrial activity is imperative for Indian power demand because industrial and commercial consumers account for ~50% of the consumption.

Moderate power demand growth in March amid above-normal rainfall



Source: Central Electricity Authority (CEA), Grid India, Crisil Intelligence

At 238 GW, the peak power demand during the month was ~3% lower than 245 GW recorded in January, which was the highest for the fiscal.

In fiscal 2026 overall, power demand increased a marginal 0.9% on-year.

March records lowest peak power demand in the fourth quarter

GW	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY23	216	206	212	192	197	200	187	188	206	213	210	209
FY24	217	221	224	208	238	243	221	204	213	223	222	221
FY25	224	250	245	226	217	231	219	207	224	237	238	235
FY26	235	231	243	221	230	229	211	216	241	245	244	238

Percentage deviation from Peak

- > 0% and <=5% (Orange)
- > 5% and <=10% (Purple)
- More than 10% (Teal)
- Peak demand for respective fiscal (Light Green)

Source: CEA, Crisil Intelligence

Moderate demand brings down prices in the short-term market

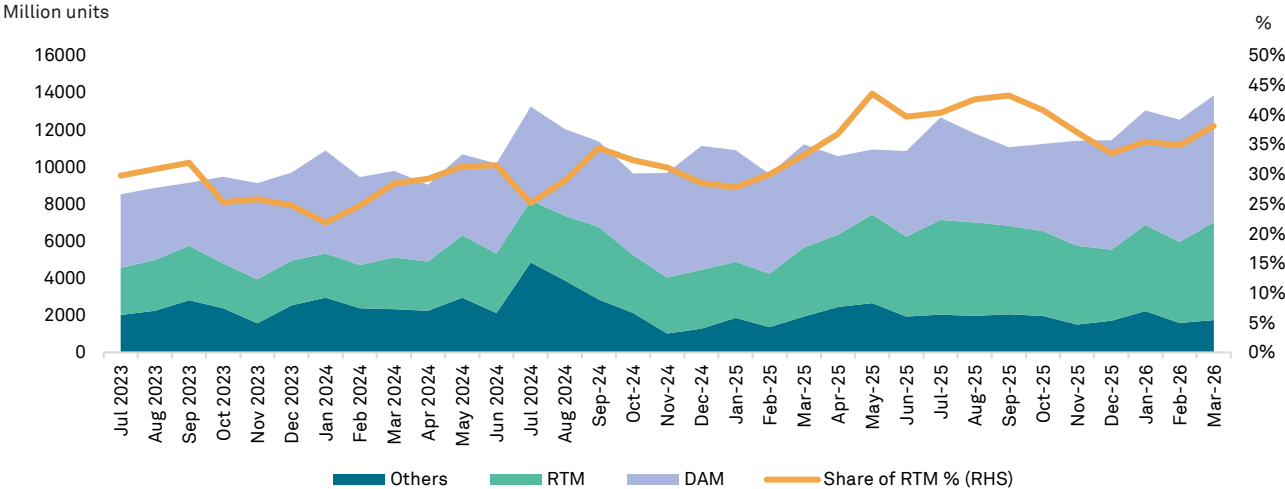
Activity in the short-term market during the month reflected the broader power demand trend. The real-time electricity market (RTM) volume in March increased 41.7% on-year to 5,283 million units (MUs) from 3,727 MUs a year ago.

However, the average market clearing price (MCP) in the RTM declined 10% on-year to Rs 3.71/unit during the month, indicating ample availability.

Time block-wise, too, the average MCP saw a decline. During solar hours (11:00-16:00 hours), the price was Rs 1.7/unit vs Rs 2.5/unit in March 2025 and during non-solar hours (00:00-11:00 hours and 16:00-24:00 hours), Rs 4.2/unit vs Rs 4.6/unit.

The MCP in the day ahead market (DAM) also was down ~6% on-year at Rs 4.1/unit.

Power exchange trading volume rises 24% on-year during the month



Source: Indian Energy Exchange, Crisil Intelligence

The decline in prices gave an opportunity for distribution companies and commercial and industrial consumers to meet their demand at competitive prices and replace costlier power with that purchased from the exchange.

Generation rises ~1.8% on-year

Given the change in power demand, generation is estimated to have increased a moderate ~1.8% on-year to 163 BUs in March.

Apart from gas, all major fuels saw an on-year increase in power generation.

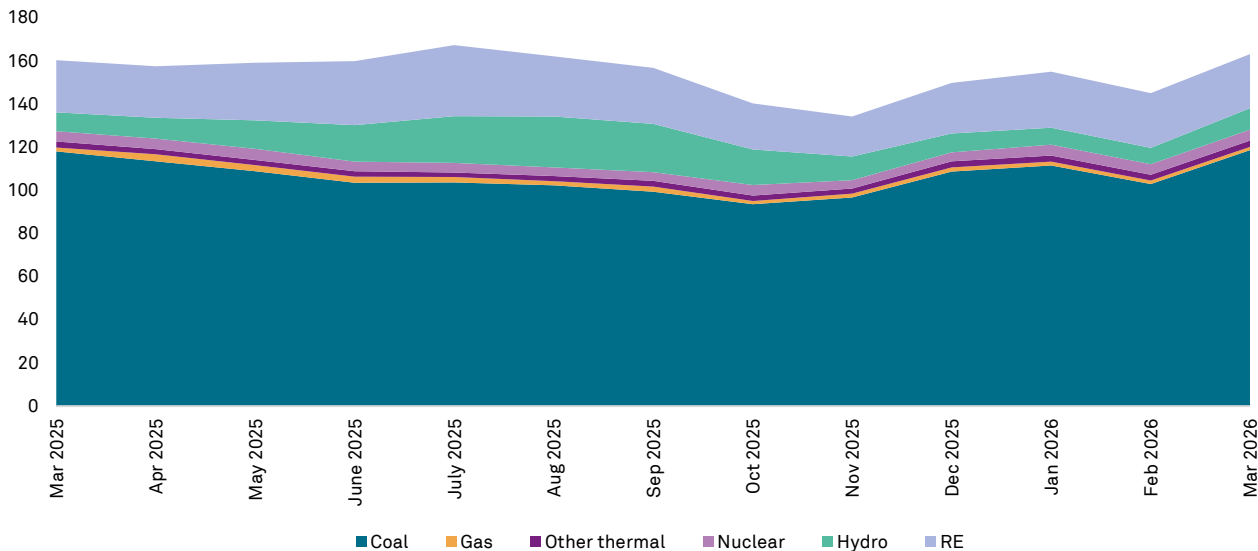
Generation of renewable energy (RE) rose on year, a trend visible since April 2025 which can be attributed to the increase in capacity addition. The country has added 50.9 GW of RE capacity (including small hydro) in fiscal 2026.

Coal-based generation increased a marginal ~0.4% on-year. Its share in total generation was ~73% in March vis a vis the fiscal 2026 average of ~68%, underscoring the easy ability of the fuel to ramp up or down in line with power demand. Coal remains the primary fuel for power generation in the country.

Hydro and nuclear power generation also increased ~13.8% and 8.3% on-year during the month.

RE registered an increase as capacity addition aids generation

Billion units



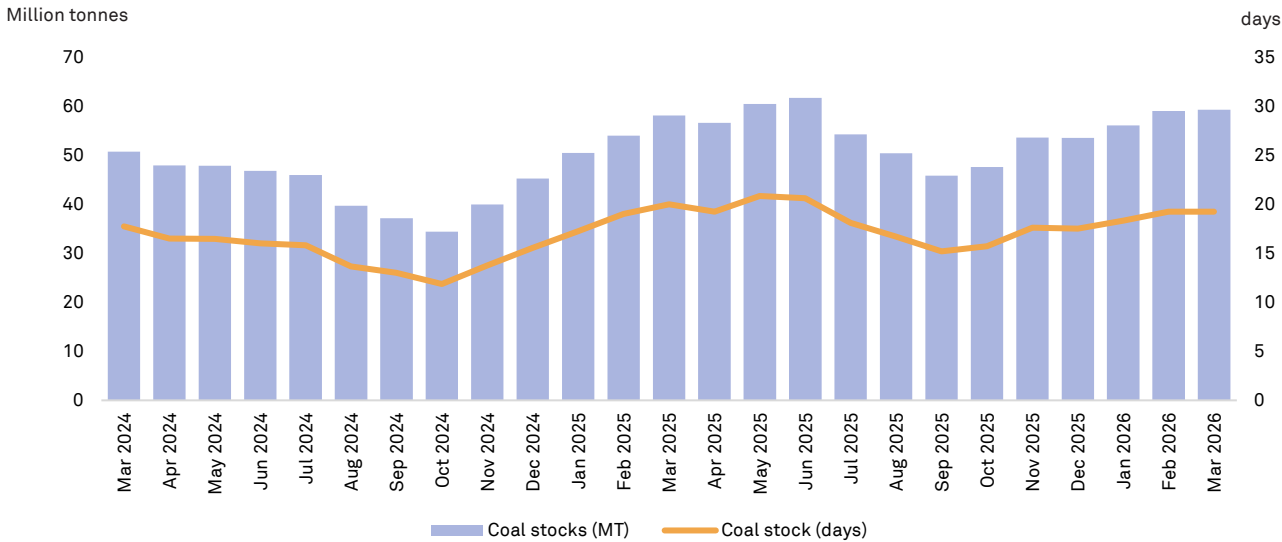
Note: March 2026 data is provisional from Grid India
Source: Grid India, CEA, Crisil Intelligence

Coal inventory stable

As on March 31, thermal power plants had 59 million tonne (MT) coal in stock, slightly higher than 58 MT a year ago.

The inventory was sufficient for 19 days, stable at February levels.

Coal stocks stable



Source: National Power Portal, Crisil Intelligence

Power demand to remain weather-sensitive in fiscal 2027

Power demand is estimated to rise 5.5-6.5% on-year in fiscal 2027 to 1,815-1,825 BUs, because of the expected emergence of El Nino in July, which will

increase temperatures and reduce rainfall, in turn pushing up cooling demand.

Steady economic growth and low base are also estimated to boost power demand growth rate in fiscal 2027.

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