

India

Overweight (no change)

Power

Monthly Update – Apr 2025

- Demand rose by 2.1% YoY to 147BU in Apr 2025, with peak demand up 5% YoY led by western (+8.2%) & northern regions (+6.1%), despite a high base.
- Thermal power generation (75% of 1,830 BU) grew by 2.8% YoY in FY25, with NTPC's 3.5% standalone growth and 76.96% PLF outpacing the industry.
- MNRE's wind power rules, extended imported coal operations, new SHAKTI policy, & CEA standards aid energy reliability & 50% non-fossil goal by 2030F.

Modest demand growth amid regional shifts

In Apr 2025, India's power sector recorded a 2.1% YoY increase in energy demand, reaching 147BU (bn units) from 144BU in Apr 2024, reflecting the resilience despite a high base and temperature-driven variations. Peak demand grew by 5% YoY to 235GW, with evening peaks rising faster, signaling evolving load patterns. The western region led with 8.2% YoY growth, driven by industrial hubs in Maharashtra and Gujarat, while the northern region followed at 6.1%, supported by strong demand in Punjab (14% YoY) and Haryana (11% YoY). However, eastern and southern regions saw a 5-6% YoY decline, highlighting regional disparities that warrant close monitoring.

Capacity grows 8% YoY in FY25 with a focus on clean energy sources

India's installed capacity reached 475.2GW in FY25, up 8% YoY from 442GW in FY24, driven by strong growth in solar (29% YoY to 105.6GW) and wind (9% YoY to 50GW) energy. Out of the 33GW addition in FY25, thermal addition at 4.5GW substantially lagged the 15GW targeted addition whereas 800MW of hydro-power addition in Mar 2025 marks a significant step in its revival. Thermal power generation, primarily coal-based, accounted for 75% of the 1,830BU generated in FY25, up 5.2% YoY, with non-fossil sources contributing 25%. Fossil generation grew by 2.8% in FY25 whereas NTPC's standalone generation grew by 3.5% YoY, underscoring its leadership while maintaining a stable above-industry plant load factor (PLF) of 76.96%. NTPC's focus on capacity expansion (32GW under construction) and regulated returns position it as a top investment choice amid rising energy needs.

Merchant market dynamics

The merchant power market exhibited volatility, with Day Ahead Market (DAM) prices averaging Rs5.2/kWh, stable YoY but up 16% MoM, reflecting seasonal demand upticks. The Real-Time Market (RTM) hit a historic low of 8 paise/kWh on 13 Apr 2025, driven by renewable oversupply, reflecting the need for better grid integration. Thermal power plants sit at a comfortable coal stock of 57mt, ensuring fuel security.

Regulatory developments favour energy security

Apr 2025 saw regulatory developments aimed at balancing energy security and growth in renewables. MNRE's draft RLMM amendments promote domestic wind turbine manufacturing, benefiting local players. The extension of full-capacity operations for 17GW of imported coal-based plants until 30 Jun 2025, addresses the projected 273GW peak demand in Jun 2025F. The revised SHAKTI policy enhances coal allocation flexibility, reducing import reliance, while the Central Electricity Authority's draft updated standards strengthen the transmission infrastructure.

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Figure 1: NTPC's 4QFY25F standalone estimates

(Rs m)	4QFY25F	4QFY24	YoY (%)	3QFY25	QoQ (%)
Net Sales	4,41,157	4,25,322	3.7%	4,13,523	6.7%
Fuel Costs	2,58,260	2,49,767	3.4%	2,44,893	5.5%
Employee Expenses	18,948	16,348	15.9%	13,923	36.1%
Other Expenses	45,160	45,614	-1.0%	38,703	16.7%
Total Expenses	3,22,368	3,11,729	3.4%	2,97,518	8.4%
EBITDA	1,18,789	1,13,593	4.6%	1,16,005	2.4%
Other Income	14,096	16,887	-16.5%	9,507	48.3%
Depreciation	35,577	37,279	-4.6%	37,220	-4.4%
EBIT	97,308	93,201	4.4%	88,292	10.2%
Interest	24,203	24,880	-2.7%	22,029	9.9%
PBT	73,105	68,321	7.0%	66,263	10.3%
Tax Expenses	21,852	21,102	3.6%	19,149	14.1%
PAT	51,253	47,219	8.5%	47,114	8.8%

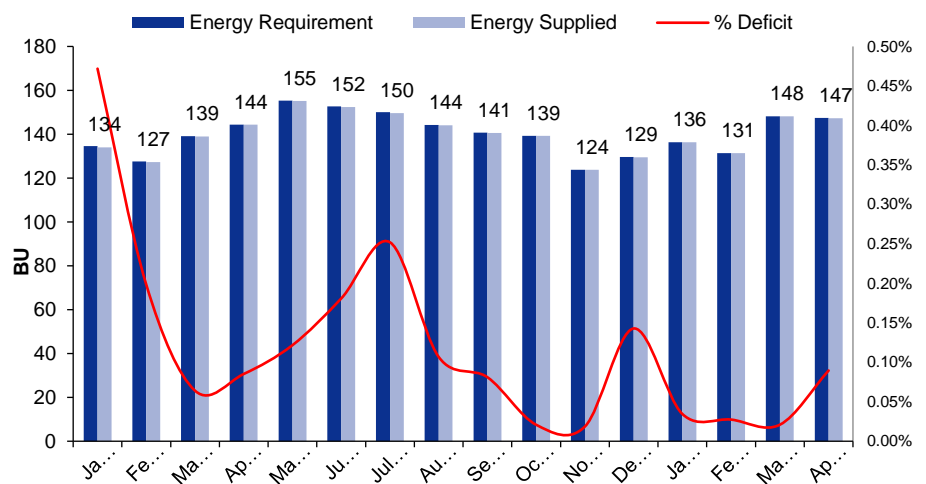
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Maintaining the uptrend

Power demand witnessed modest growth on a high base ➤

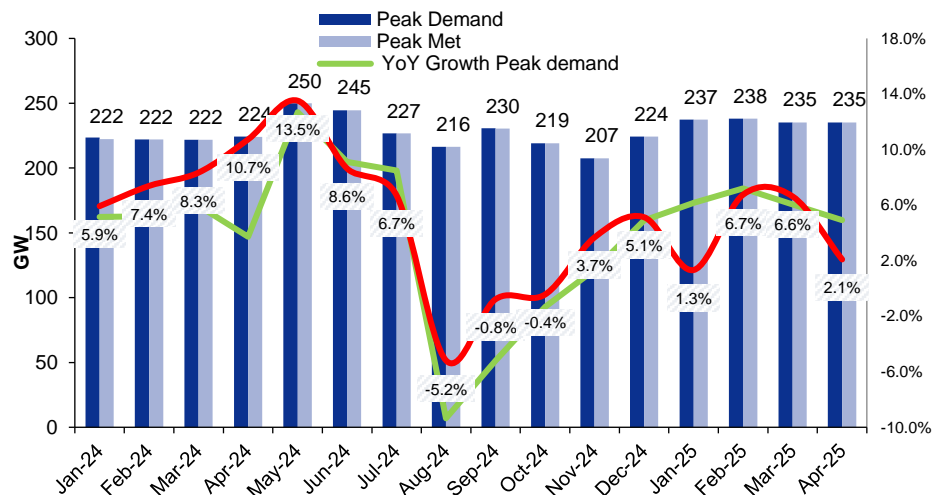
- **All-India energy demand:** Recorded at 147BU in Apr 2025, up 2.1% YoY from 144BU in Apr 2024, indicating soft growth on a high base. The month saw temperature-driven variations, with demand picking up in the second half as warmer weather emerged.
- **Peak demand:** Touched 235GW, a 5% YoY increase from 224GW in Apr 2024, although evening peaks grew faster than overall demand, highlighting a shift in the load pattern.
- **Regional variations:** The western region led with an 8.2% YoY growth, driven by industrial activity in Maharashtra and Gujarat. The northern region followed at 6.1%, driven by demand from Punjab & Haryana growing by 14%-11%. Eastern and southern regions showed a 5-6% YoY decline.

Figure 2: 147BU of energy demand (up 2.1%) in Apr 2025 with the deficit at 0.09% rising MoM



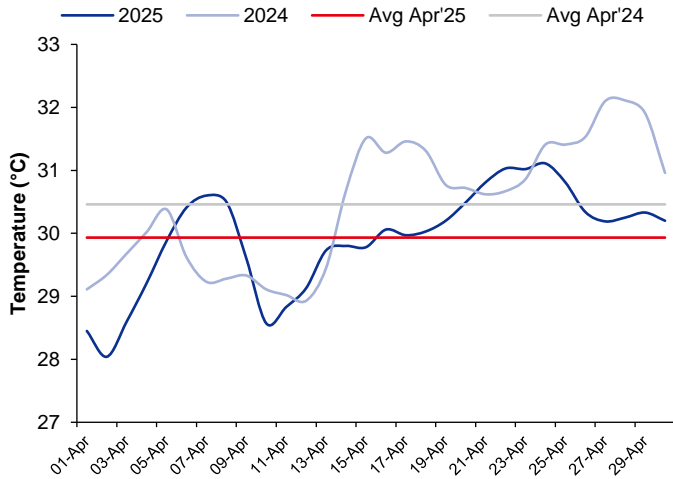
SOURCE: INCRED RESEARCH, CEA, GRID INDIA

Figure 3: Peak energy demand was up 5% YoY at 235GW in Apr 2025



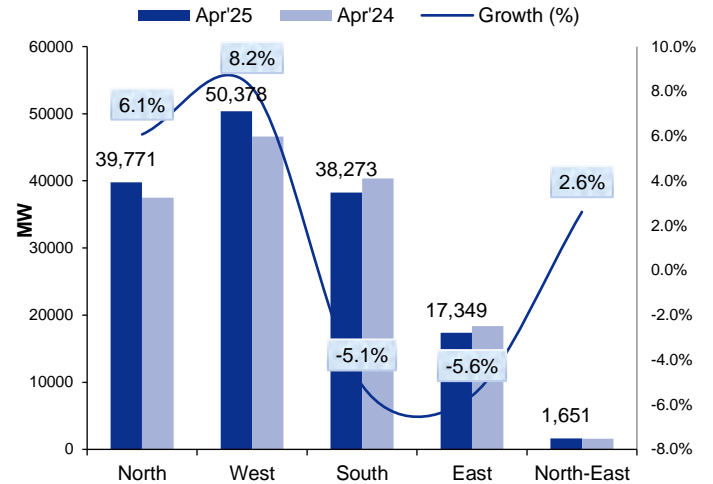
SOURCE: INCRED RESEARCH, CEA, GRID INDIA

Figure 4: Temperature variation during the month



SOURCE: INCRED RESEARCH, BLOOMBERG

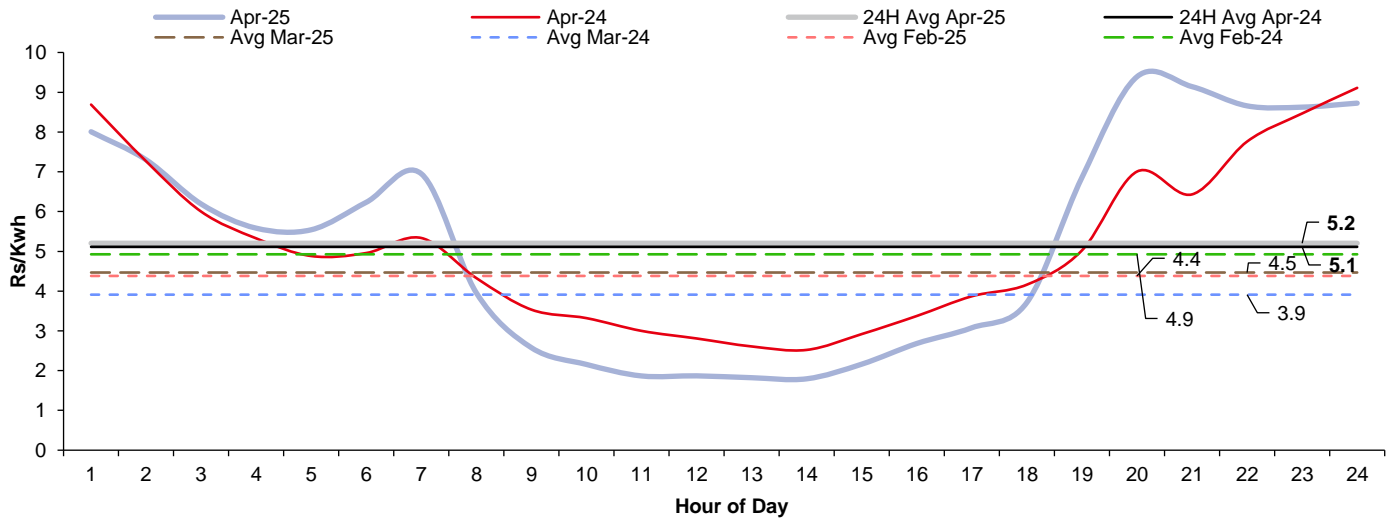
Figure 5: Region-wise demand profile



SOURCE: INCRED RESEARCH, CEA, GRID INDIA

Merchant market making historic lows and evening highs➤

Figure 6: Day Ahead Market (DAM) prices averaged Rs5.2/kWh, stable YoY but up 16% MoM



SOURCE: INCRED RESEARCH, IEX

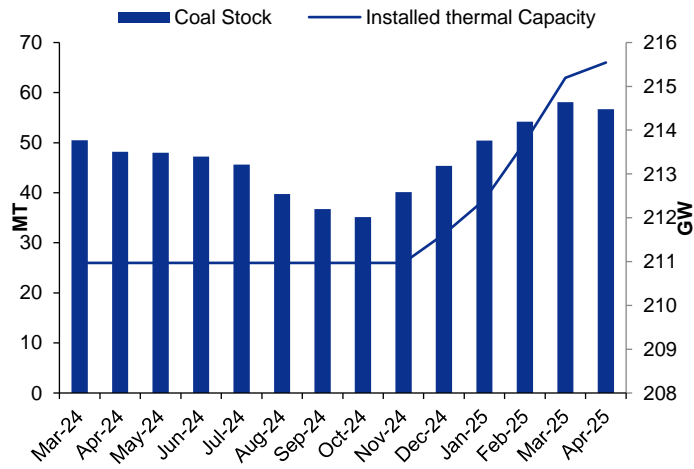
Figure 7: Real-Time Market (RTM) prices hit a historic low of 8 paise/kWh on 13th Apr 2025



SOURCE: INCRED RESEARCH, IEX

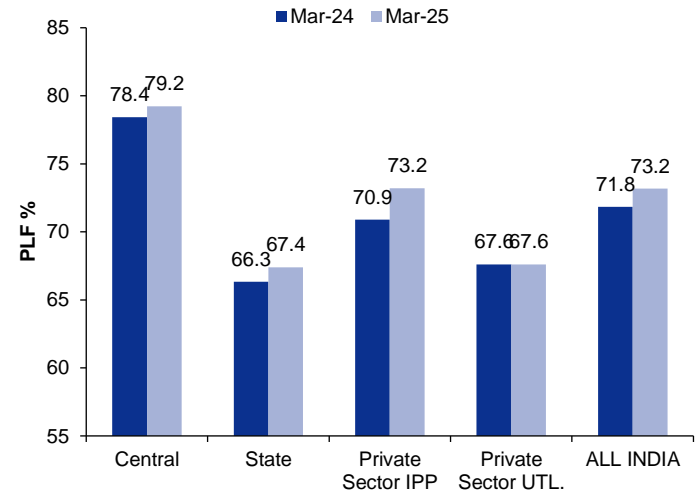
Key monitorable➤

Figure 8: Power plants have a comfortable 57mt coal stock



SOURCE: INCRED RESEARCH, NPP

Figure 9: Tentative Apr 2025 thermal power PLF sluggish at 72.46%



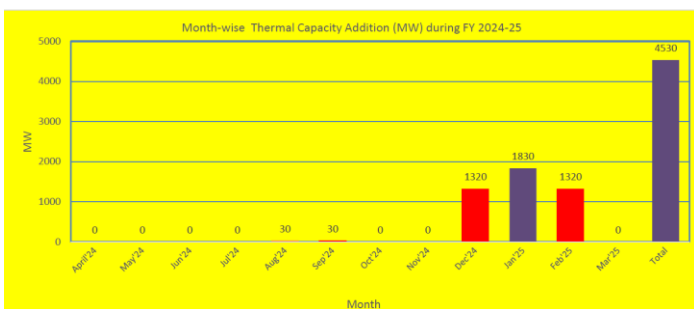
SOURCE: INCRED RESEARCH, NPP

Figure 10: In FY25, fossil fuel generation grew by 2.8% and non-fossil grew by 13%

BU	Mar-25	Mar-24	YoY %	FY25	FY24	YoY%
Thermal	123	119	3.2%	1364	1327	2.8%
Nuclear	5	4	17.4%	57	48	18.2%
Hydro (Large)	9	7	24.8%	149	134	10.9%
RES incl. SHP	24	19	25.2%	255	226	12.9%
Bhutan Import	0.12	0.02		5.48	4.72	16.1%
All-India Generation	160	149	7.5%	1830	1739	5.2%
Total Demand	148	139	6.6%	1695	1626	4.2%
Fuel type split						
Fossil	76%	80%		75%	76%	
Non-Fossil	24%	20%		25%	24%	
RES break-up						
Wind	5.1	4.6	12.0%	83.4	83.4	0.0%
Solar	16.8	12.2	37.4%	144.2	116.0	24.3%
Biomass	0.35	0.31	12.9%	3.74	3.42	9.4%
Bagasse	0.99	1.46	-32.2%	9.34	10.83	-13.8%
Small Hydro	0.62	0.47	31.9%	11.57	9.49	21.9%
Others	0.25	0.25	0.0%	2.87	2.75	4.4%
Total RES	24.1	19.3	25.2%	255.0	225.8	12.9%

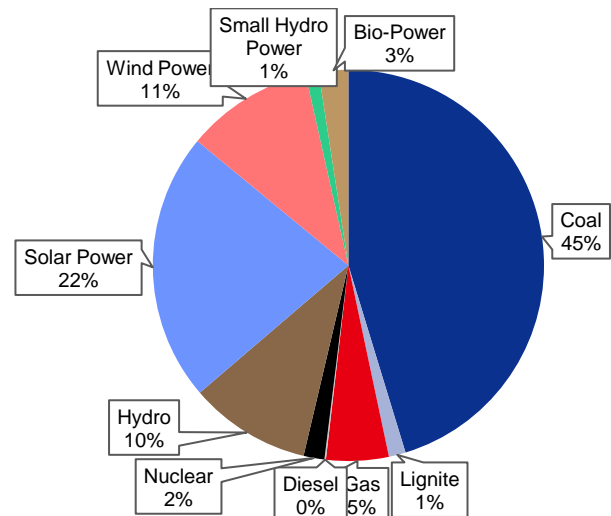
SOURCE: INCRED RESEARCH, CEA

Figure 11: 4,530MW of thermal capacity was added in FY25



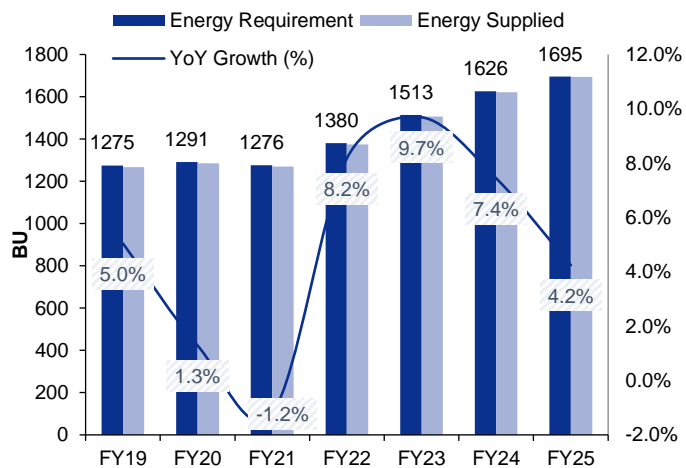
SOURCE: COMPANY REPORTS, BROAD STATUS REPORT CEA

Figure 12: India has 475GW installed capacity, 52% fossil-based



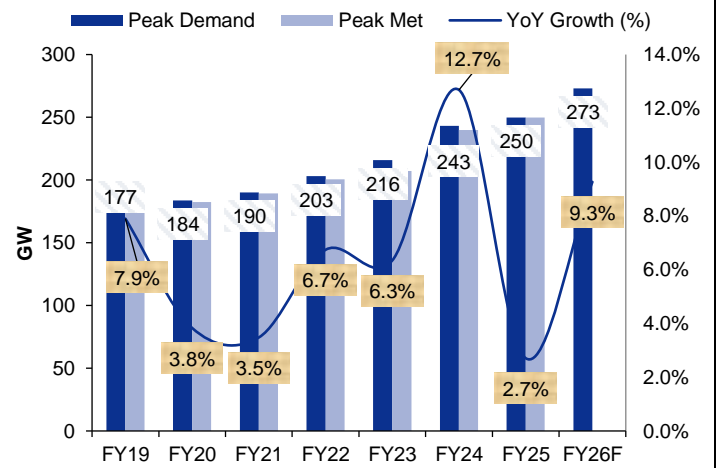
SOURCE: COMPANY REPORTS, CEA

Figure 13: FY25 energy demand growth at 4.2%



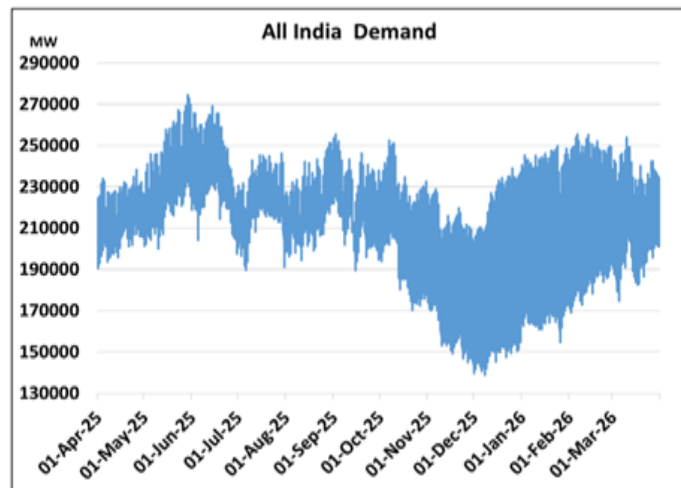
SOURCE: INCRED RESEARCH, CEA

Figure 14: FY26F peak demand projected to grow by 9.3%



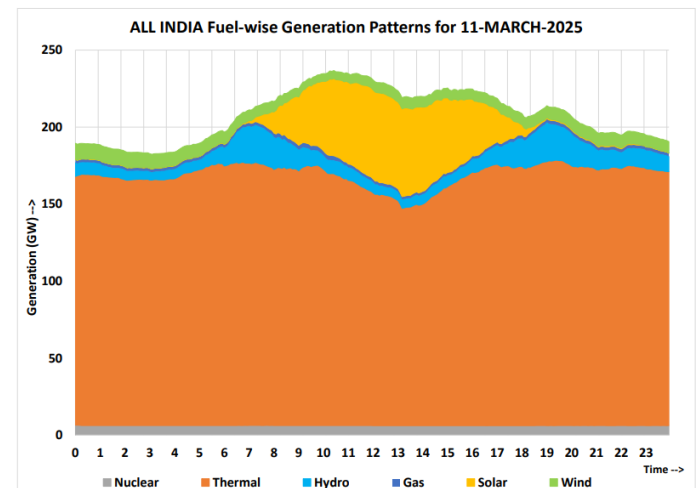
SOURCE: INCRED RESEARCH, CEA

Figure 15: Base profile for all-India demand in FY26F



SOURCE: INCRED RESEARCH, GRID INDIA

Figure 16: Generation pattern during 11 Mar 2025 peak demand day



SOURCE: INCRED RESEARCH, GRID INDIA

Figure 17: Tentative year-wise target for 32GW of thermal power capacity under construction as of FY25-end

(as on 31.03.2025)

FY	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total (MW)
Central	6220	800	2120	3200	5600	800	18740
State	6640	1320	0	0	800	0	8760
Private	0	800	3200	800	0	0	4800
Total	12860	2920	5320	4000	6400	800	32300*

*Uppur SCTPP (2x800 MW) and Ennore Exp TPP (1x660 MW) have not been included in this capacity.

SOURCE: INCRED RESEARCH, BROAD STATUS REPORT CEA

Key regulatory updates➤

- MNRE's draft RLMM amendments for wind turbines (MNRE draft)**
 - The MNRE (Ministry of New and Renewable Energy) proposed amendments to the Revised List of Models and Manufacturers of Wind Turbines (RLMM), mandating domestic manufacturing of key components like blades, towers, gearboxes, and generators. A temporary exemption allows importing up to 50 turbines or 200MW for one year.
 - Manufacturers must establish R&D centres in India within six months and store operational data domestically, with real-time cross-border data transfers prohibited.

- These changes aim to reduce the reliance on imported components, particularly from Chinese OEMs, benefiting domestic players like Suzlon, which already manufactures locally.
- **Extension of full capacity operation for imported coal-based plants**
 - The government extended the directive for 15 imported coal-based power plants, contributing 17 GW, to operate at full capacity until June 30, 2025, under Section 11 of the Electricity Act.
 - This measure addresses anticipated peak demand of 273 GW in June, driven by predicted heat waves, ensuring supply reliability during summer months.
- **Revised SHAKTI policy for coal allocation (Press Information Bureau release)**
 - The Union Cabinet has approved the revised SHAKTI policy, introducing two coal linkage windows:
 - **Window-I:** Coal at notified prices for central and state power plants, continuing the existing mechanisms.
 - **Window-II:** Coal at a premium for all generating companies or gencos, allowing sales flexibility without Power Purchase Agreement or PPA requirements, with auctions for 12 months to 25 years.
 - The policy reduces import dependency for imported coal-based plants and enhances planning flexibility for power producers.
- **Draft CEA technical standards for electrical plants and lines**
 - The CEA notified draft standards updating Right of Way (RoW) requirements for voltage levels from 66kV to 1,200kV and HVDC systems up to ±800kV.
 - The standards cover lattice and pole tower structures, high-performance conductors, and safety parameters like ground clearance and electromagnetic field exposure, ensuring compliance with 2023 safety regulations.

Figure 18: NTPC's standalone power generation was up 3.5% in FY25 with stable PLF at 76.96%

THERMAL NTPC	Monitored Capacity (MW)	GENERATION (GWH)						PLANT LOAD FACTOR (%)			
		Mar-25	Mar-24	YoY growth	FY25	FY24	YoY growth	Mar-25	Mar-24	FY25	FY24
BARAUNI TPS	710	168	280	-40%	3,632	3,152	15%	31.79	53.02	58.40	50.53
BARH STPS	2,640	1,698	1,459	16%	16,667	14,392	16%	86.45	74.31	72.07	66.18
BONGAIGAON TPP	750	306	439	-30%	4,787	5,058	-5%	54.78	78.66	72.86	76.78
DADRI (NCTPP)	1,820	904	594	52%	9,902	9,983	-1%	66.79	43.86	62.11	62.44
DARLIPALI STPS	1,600	1,148	1,173	-2%	12,096	12,055	0%	96.43	98.52	86.30	85.77
FARAKKA STPS	2,100	1,234	1,266	-2%	14,024	13,784	2%	79.00	81.02	76.23	74.73
GADARWARA TPP	1,600	883	946	-7%	9,028	9,996	-10%	74.15	79.44	64.41	71.12
KAHALGAON TPS	2,340	1,624	1,617	0%	16,525	16,555	0%	93.30	92.89	80.62	80.54
KHARGONE STPP	1,320	665	672	-1%	7,421	7,687	-3%	67.75	68.45	64.18	66.30
KORBA STPS	2,600	1,895	1,837	3%	20,671	20,517	1%	97.98	94.97	90.76	89.84
KUDGI STPP	2,400	1,099	1,128	-3%	12,090	12,092	0%	61.52	63.15	57.51	57.36
LARA TPP	1,600	1,169	1,153	1%	12,648	11,752	8%	98.20	96.83	90.24	83.61
MAUDA TPS	2,320	1,370	1,357	1%	14,264	14,906	-4%	79.39	78.64	70.19	73.15
NORTH KARANPURA	1,320	480	673	-29%	9,709	5,335	82%	48.83	68.48	83.96	84.84
RAMAGUNDEM STPS	2,600	1,462	1,566	-7%	15,038	16,949	-11%	75.59	80.96	66.02	74.21
RIHAND STPS	3,000	1,942	2,066	-6%	23,427	23,400	0%	86.99	92.55	89.14	88.80
SIMHADRI	2,000	1,245	1,064	17%	12,233	11,641	5%	83.68	71.50	69.82	66.26
SINGRAULI STPS	2,000	1,394	1,408	-1%	15,657	15,756	-1%	93.67	94.59	89.37	89.69
SIPAT STPS	2,980	1,920	1,847	4%	22,987	22,359	3%	86.61	83.31	88.06	85.42
SOLAPUR STPS	1,320	621	574	8%	6,830	7,181	-5%	63.19	58.41	59.07	61.94
TALCHER STPS	3,000	1,939	2,096	-7%	21,382	22,625	-5%	86.86	93.89	81.36	85.86
TANDA TPS	1,760	1,040	853	22%	10,728	10,397	3%	79.42	65.15	69.58	67.25
TELANGANA STPP PH-1	1,600	1,012	881	15%	10,404	2,831	268%	85.05	73.99	74.23	54.00
UNCHAHR TPS	1,550	937	701	34%	9,816	8,464	16%	81.22	60.82	72.29	62.17
VINDHYACHAL STPS	4,760	3,183	3,312	-4%	36,506	37,387	-2%	89.87	93.52	87.55	89.42
ANTA CCPP	419	1	0		423	355					
AURAIYA CCPP	663	1	0		558	698					
DADRI CCPP	830	2	0		689	921					
FARIDABAD CCPP	432	0	0		215	137					
GANDHAR CCPP	657	37	4		677	683	-1%				
KAWAS CCPP	656	28	4		613	630	-3%				
R. GANDHI CCPP (Liq.)	360	0	0		0	0					
Total NTPC Ltd.	55,707	31407	30,968	1.4%	3,51,649	3,39,679	3.5%	81.49	80.50	76.96	76.69

SOURCE: INCRED RESEARCH, NPP

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- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.