

## Q4FY25E – PICK UP IN POWER DEMAND TO PROVIDE RESPITE!

Cumulative all-India electricity demand over Jan-Mar'25 stood at 416 BU as compared to 400 BU for the same period last year. For Q4FY25, electricity demand has improved with the early onset of summer and peak demand reaching up to 238 GW during Q4FY25 in Feb'25 (vs. 224 GW during Q4FY24 in Jan '24). Improvement in demand is also reflected in improved merchant prices, as IEX DAM prices in Q4FY25 stood at Rs 4.4/KWH vs 3.7/KWH during Q3FY25. **We expect a good quarter from all the companies in our coverage, including Gencos.**

### Generation Companies

**NTPC's** revenue is expected to grow QoQ (5.7%), led by better thermal power generation (90,859 MU in Q4FY25 vs. 87,077 MU in Q3FY25) and remain stable YoY. EBITDA to grow QoQ (2.8%) led by an increase in revenue and remain stable YoY. PAT (without considering regulatory deferral movement) is expected to be stable QoQ but to contract on a YoY basis due to higher other income in Q4FY24.

**NLC India's** Revenue/EBITDA is expected to grow YoY/QoQ (Revenue to grow 30% YoY and 4.3% QoQ while EBITDA to grow 216% YoY and 4.3% QoQ), led by improved thermal power generation (6,783 MU in Q4FY25 vs 5,779 MU in Q3FY25). The company commissioned 660 MW Unit 1 of the Ghatampur power plant (3\*660 MW) in Dec'24. The units 2 and 3 are expected to be commissioned in May'25 and Oct'25, respectively. Ghatampur power plant generated 810 MU in Q4FY25. PAT (without considering regulatory deferral movement) to grow YoY (227%) led by Higher EBITDA but to contract on a QoQ basis due to tax differences. (PBT to grow on a QoQ basis).

**JSW Energy's** Revenue/EBITDA is expected to grow YoY/QoQ (Revenue to grow 16.8% YoY and 31.9% QoQ while EBITDA to grow 10.1% YoY and 40.9% QoQ), led by improvement in power generation, addition of operational capacity and increase in merchant tariffs. During Q4FY25, the company commissioned 284 MW of wind projects, 350 MW of the Utkal Unit-2 plant and completed the acquisition of 1,800 MW of the KSK Mahanadi Thermal Plant. Total operational capacity stood at 10.9 GW at the end of Q4FY25 (vs 8.1 GW during Q3FY25). PAT to de-grow due to higher finance cost and depreciation as a result of the acquisition of 1,800 MW of KSK Mahanadi plant.

### Power Ancillary Companies

**Inox Wind:** Revenue/EBITDA/PAT in Q4FY25 is expected to grow YoY/QoQ led by improved execution. We expect the execution to increase to 250 MW in Q4FY25 as compared to 190 MW in Q3FY25 and 129 MW in Q4FY24. Considering 250 MW execution in Q4FY25, the full year execution would be ~720 MW against the initial guidance of 800 MW. The company's orderbook as of Dec'24 stood at 3.3 GW.

**Skipper Ltd:** Revenue/EBITDA/PAT in Q4Y25 is expected to grow YoY/QoQ on execution and large orderbook. We expect the company's FY25 revenue to be ~Rs 4,640 Cr as against the initial estimate of Rs 4,450 Cr. The company's orderbook as at Dec'24 stood at 6.4 GW.

**Genus Power** is also expected to grow its revenue/EBITDA/PAT in Q4FY25 on a YoY and QoQ basis, led by a strong orderbook and improvement in execution. We expect the company's FY25 revenue to be ~Rs 2,400 Cr as against the initial estimate of Rs 2,500 Cr. The company's orderbook as of Dec'24 stood at Rs 31,302 Cr.

All the companies are expected to report QoQ Revenue and EBITDA growth. However, in the current market scenario, we prefer Large Cap Gencos such as **NTPC Ltd and NLC India. In Mid Cap and Small Cap, we prefer Skipper Ltd over Inox Wind and Genus Power.**

**Power Outlook:** Cumulative all India electricity demand over Jan-Mar'25 stood at 416 BU as compared to 400 BU for the same period last year. For Q4FY25, electricity demand has improved with the early onset of summer and peak demand reaching up to 238 GW during Q4FY25 in Feb'25 (vs. 224 GW during Q4FY24 in Jan '24). Improvement in demand is also reflected in improved merchant prices, as IEX DAM prices in Q4FY25 stood at Rs 4.4/KWH vs 3.7/KWH during Q3FY25.

The Central Electricity Authority (CEA) forecasts a peak demand requirement of 366 GW by FY32, necessitating capacity enhancements across both thermal and renewable energy sources (RES). India aims to increase its installed capacity to 610 GW by FY27 and 900 GW by FY32. The installed capacity was 470 GW as of Feb'25 (Vs 462 GW as of Dec'24).

**Wind Energy Outlook:** The CEA forecasts India's total Wind Energy Capacity to increase to 73 GW by FY27 and 122 GW by FY32. As of Feb'25, India's wind capacity stood at 48.6 GW (Vs 48.2 GW as at Dec '24). The CEA targets require an annual wind capacity addition of 10 GW per annum, which is aligned with the MNRE targets of 10 GW of wind capacity tenders up to FY28.

During the 9 months ended Dec'25, India added a total Wind capacity of 2.3 GW, an upside of ~9.5% from the same period last year. For the 9-month period ended Dec'25, 15.5 GW of wind-related capacity was awarded, which includes 1.8 GW of plain vanilla wind and 13.6 GW of Hybrid/RTC/FDRE projects.

In Jan'25, SJVN auctioned a 600 MW wind tender, of which 170 MW was awarded. During Mar'25, a total of 5,587 MW of RE power was awarded, of which 50% was for Hybrid and 5.6% for plain vanilla wind.

**Transmission:** As per NEP (Transmission Vol II), transmission line capacity is expected to increase to 580,293 CKM by FY27 from 485,544 CKM in FY24 and further increase to 6,85,293 CKM by FY32 from FY27. To aid this growth, substation capacity is expected to increase by to 1,827,390 MVA by FY27 and to 2,422,390 MVA by FY32. (9.15 Tr capex over 2023-2032 as per National Electricity)

From the period Apr'24 to Feb'25, India added transmission lines of 6880 CKM (2,618 ISTS and 4,262 InSTS) against a target of 12,776 CKM and substation capacity of 57,483 MVA against the target of 94,645 MVA. Transmission lines capacity stood at 4,92,424 CKM (2,13,608 ISTS and 2,78,816 InSTS) and substation capacity stood at 13,08,563 MVA.

The total of 2,618 CKM ISTS transmission lines capacity added from Apr'24 to Feb'25 makes it the lowest ISTS capacity addition in a financial year with the recent lowest being 4,671 CKM in FY24. (It is unlikely that with the additions in Mar25, the additions for this year will surpass 4,671 CKM)

**Smart Meters:** The Revamped Distribution Sector Scheme (RDSS) has a target of installing 25 Cr smart meters across India by 2025. Out of the 25 Cr smart meters, only 13.8 Cr are awarded while ~2.5 Cr are installed (as on 1 Apr'25).

#### Our preferred picks in the sector:

- **Generation companies:** NTPC Ltd and NLC India Ltd
- **Power Ancillaries:** Skipper Ltd

### Installed Capacity Additions Projections

Installed Capacity (GW)	FY22	FY23	FY24	Feb'25	FY27E	FY32E	CAGR FY23-27	CAGR FY23-32	Capacity Required
Coal + Lignite + Diesel	211	212	218	222	235	260	2.6%	2.3%	37
Gas	25	25	25	25	25	25	0.0%	0.0%	0
Nuclear	7	7	8	8	13	20	17.9%	12.6%	12
Hydro	42	42	42	42	52	62	5.6%	4.4%	20
PSP	5	5	5	5	7	27			22
Small Hydro	5	5	5	5	5	5	1.3%	1.1%	0
Solar PV	54	67	82	103	186	365	29.1%	20.8%	262
Wind	40	43	46	49	73	122	14.4%	12.4%	73
Biomass	11	11	11	11	13	16	4.7%	4.1%	4
<b>Total</b>	<b>399</b>	<b>416</b>	<b>442</b>	<b>470</b>	<b>610</b>	<b>900</b>	<b>10.0%</b>	<b>9.0%</b>	<b>430</b>
BESS (GW)					9	47			
BESS (GWh)					35	236			
<b>RES as % of total Capacity</b>	<b>39%</b>	<b>41%</b>	<b>43%</b>	<b>46%</b>	<b>55%</b>	<b>66%</b>			

Source: CEA.

### Transmission Capacity Additions Projections

Transmission Capacity (220 Kv & Above)	FY24	Feb'25	FY27E	FY32E	Transmission Capacity (220 Kv & Above)	FY24	Feb'25	FY27E	FY32E
800 kv HVDC	9,655	9,655	23,675		800 kv HVDC	18,000	18,000		
500 kv HVDC	9,432	9,432	25		500 kv HVDC	13,500	13,500	45,500	
320 kv HVDC	288	288	13		320 kv HVDC	2,000	2,000		
765 kv	54,797	56,333	86,028		765 kv	2,94,700	3,08,200	5,76,700	
400 kv	2,03,838	2,06,203	2,32,223		400 kv	4,57,933	4,83,713	6,61,248	
230/220 kv	2,07,534	2,10,513	2,38,367		230/220 kv	4,64,947	4,83,150	5,43,942	
<b>Total Transmission Line (ckm)</b>	<b>4,85,544</b>	<b>4,92,424</b>	<b>5,80,293</b>	<b>6,85,293</b>	<b>Substations (MVA)</b>	<b>12,51,080</b>	<b>13,08,563</b>	<b>18,27,390</b>	<b>24,22,390</b>
Growth (ckm)	14,203	6,880	94,749	1,05,000	Growth (MVA))	70,728	57,483	5,18,827	5,95,000
ISTS	2,10,990	2,13,608	2,59,165						
InSTS	2,74,554	2,78,816	3,21,128						

Source: CEA.

## Generation Companies

Year-end March (Rs Cr)	Q4FY25E	Q3FY25	QoQ (%)	Q4FY24	YoY (%)	Result expectations
<b>NTPC</b>						
Revenues	47,607	45,053	5.7%	47,622	0.0%	➔ Revenue to grow on a QoQ basis led by better thermal power generation (90,859 MU in Q4FY25 vs. 87,077 MU in Q3FY25) and remain stable YoY
EBITDA	14,044	13,667	2.8%	14,195	-1.1%	➔ EBITDA to grow QoQ and remain stable YoY
EBITDA margin (%)	30%	30%		30%		➔ EBITDA margins to remain stable
PAT without considering regulatory deferral accounts	5,548	5,513	0.6%	6,701	-17.2%	➔ PAT (without considering regulatory deferral movement) to be stable QoQ but to contract on a YoY basis due to higher other income in Q4FY24
<b>NLC India Ltd</b>						
Revenues	47,607	45,053	5.7%	47,622	0.0%	➔ Revenue to grow QoQ led by better thermal power generation (90,859 MU in Q4FY25 vs. 87,077 MU in Q3FY25) and remain stable YoY
EBITDA	14,044	13,667	2.8%	14,195	-1.1%	➔ EBITDA to grow QoQ and remain stable YoY
EBITDA margin (%)	30%	30%		30%		➔ EBITDA margins to remain stable
PAT without considering regulatory deferral accounts	5,548	5,513	0.6%	6,701	-17.2%	➔ PAT (without considering regulatory deferral movement) to be stable QoQ but to contract on a YoY basis due to higher other income in Q4FY24
<b>JSW Energy Ltd</b>						
Revenues	3,218	2,439	31.9%	2,756	16.8%	➔ Revenue to grow on account of higher power generation led by additional commissioning during the quarter and improvement in merchant tariffs.
EBITDA	1,287	914	40.9%	1,169	10.1%	➔ EBITDA to grow YoY/QoQ due to a decrease in revenue
EBITDA margin (%)	40%	37%		42%		➔ EBITDA margins to remain stable YoY and QoQ
PAT	153	157	-3.1%	351	-56.6%	➔ PAT to de-grow due to higher finance cost and depreciation as a result of the acquisition of 1800 MW of KSK Mahanadi plant.
EPS (Rs)	0.9	0.9	-3.1%	2.1	-58.5%	

## Power Ancillaries

Year-end March (Rs Cr)	Q4FY25E	Q3FY25	QoQ (%)	Q4FY24	YoY (%)	Result expectations
<b>Skipper Ltd</b>						
Revenues	1,300	1,135	14.5%	1,154	12.7%	➔ Revenue to grow YoY and QoQ on better execution and a large orderbook.
EBITDA	130	111	17.4%	109	19.9%	➔ EBITDA to grow YoY/QoQ led by higher revenue
EBITDA margin (%)	10.0	9.8		9.4		➔ EBITDA margins to remain stable QoQ, on a YoY basis, margins to improve led by higher operating leverage
PAT	45	36	25.8%	25	80.4%	➔ PAT to grow YoY/QoQ led by higher EBITDA
EPS (Rs)	4.0	3.4	20.0%	2.2	81.9%	
<b>Inox Wind Ltd</b>						
Revenues	1,325	911	45.4%	528	151.1%	➔ Revenue is expected to grow due to improved execution. In Q4FY25, we expect execution of 250 MW vs. 190 MW in Q3FY25 and 129 MW in Q4FY24
EBITDA	239	207	15.2%	102	133.4%	➔ EBITDA to grow YoY/QoQ on account of higher execution
EBITDA margin (%)	18.0	22.7		19.4		➔ EBITDA margins to contract on a QoQ basis, in line with the initial guidance of 17-18% by the company
PAT	186	112	66.7%	37	406.7%	➔ PAT to be higher on account of higher EBITDA
EPS (Rs)	1.4	0.9	60.3%	1.1	NM	
<b>Genus Power Infrastructures Ltd</b>						
Revenues	906	604	50.0%	420	115.7%	➔ Revenue to grow YoY/QoQ on account of a pickup in smart meter installations
EBITDA	159	117	35.8%	55	186.5%	➔ EBITDA to grow YoY/QoQ in line with the revenue growth
EBITDA margin (%)	17.5	19.3		13.2		➔ Margins to improve on a YoY basis due to better operating leverage and to marginally contract on a QoQ basis
PAT	109	68	59.8%	31	247.5%	➔ PAT to grow YoY/QoQ led by higher EBITDA
EPS (Rs)	3.6	2.2	60.2%	1.1	238.6%	➔ Revenue to grow YoY/QoQ on account of a pick-up in smart meter installations

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