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HARYANA GOVERNMENT

INDUSTRIES & COMMERCE DEPARTMENT

Notification

The 19th August, 2026

No. 02/05/2026-1IB-II.— In pursuance of the **Government of Haryana's Budget 2025-26 announcement** following the **Haryana Clean Air Project for Sustainable Development (HCAPSD 2025-2031)**;To promote a clean environment and to help micro small and medium industries to comply the Commission for Air Quality Management (CAQM) standards, to provide financial assistance under a new scheme for converting generators installed in industries to clean, environment-friendly fuel and adopting Retrofit Emission Control Devices (RECD), the Governor of Haryana is pleased to notify the scheme of "*Diesel Generator Set Subsidy Scheme*".

1. Rationale of the Scheme:

According to the HCAPSD Report, The Ministry of Environment, Forests and Climate Change (MoEFCC) has identified that stationary diesel generators account for 18% of urban pollution, prompting the State Governments to consider policies aimed at completely phasing out diesel-only generators, rather than merely restricting their use during winter months. The Diesel Generator (DG) set, comprising a diesel engine and an electric generator, is a significant source of electrical energy but also a major contributor to air pollution. When diesel is burned, it releases harmful emissions, including nitrogen oxides, carbon monoxide, and particulate matter. Research indicates that as DG sets age, their emissions can exceed permissible standards by up to 11 times, contributing 7%-18% to ambient air pollution in non-attainment cities. A 2018 study found that 2%-5% of Particulate Matter (PM) emissions in industries are linked to DG set usage, a figure expected to rise with ongoing urbanization and industrialization. In the first phase of the project, industrial units in Gurugram and Faridabad will receive incentives to transition to clean fuels through two options: retrofitting or dual fuel conversion of existing generators or purchasing new CPCB-compliant generator sets. In the subsequent second and third phases, the scheme will extend its incentives to cover the remaining districts of the NCR and non-NCR areas of Haryana. All supported DG sets/retrofit systems shall mandatorily comply with emission norms notified by CPCB and directions issued by CAQM from time to time.

2. Objective:

The objectives of this scheme are to significantly reduce air pollution by decreasing emissions from diesel generators (that can exceed permissible standards by up to 11 times as they age) and promote the transition from diesel-only generators to cleaner, environmentally friendly alternatives to enhance compliance with CAQM standards in National Capital Region and Adjoining Areas; and support Small and Medium enterprises in adopting Retrofit Emission Control Devices (RECD) and converting to cleaner fuels for sustainable industrial practices. The aforementioned scheme shall be implemented in three phases and will explicitly be available for Micro, Small and Medium Enterprises. The phase-wise geographic applicability is as given below:

I. Phase-I (2 years): Scheme shall be applicable to those districts of Haryana that have an adjoining border with National Capital Delhi, i.e, Faridabad, Gurugram, Sonipat, Jhajjar.

II. Phase-II (2 years): Scheme shall be applicable to those districts of Haryana that fall under the National Capital Region (NCR)

III. Phase- III(2 years): Scheme shall be applicable to all districts of Haryana

The scheme aims to achieve the following objectives:

- To comply with the CAQM norms as mentioned above
- Successful transformation of Diesel Generator Set Engines to more environmental friendly alternatives
- Push towards adopting RECD in DG Sets
- Ensure compliance with CPCB emission standards
- Facilitate transition to dual-fuel/cleaner technologies

3. Quantum of assistance

The proposed initiative is divided into two components:

I. Retro fitment of existing diesel generator sets with emission control devices/ conversion of existing DG sets to operate in dual-fuel mode

- MSME's of the state (in phased manner, as outlined above) shall be eligible for a reimbursement of 50% on the cost of RECD devices subject to maximum of INR 5.00 Lakh, for the retro fitment of existing diesel generator sets (excluding taxes, freight and carriage charges).The state shall target 1,000 DG sets, across the three phases of implementation, for retro fitment/dual-fuel conversion in the state of Haryana. Eligible interventions shall include dual-fuel conversion kits, RECD devices, and associated balance-of-system components.

II. Purchase of new diesel generator sets complying with the CPCB emission standards

- MSME's of the state (in phased manner, as outlined above) are eligible for reimbursement of 50% the purchase of new generator sets in compliance with CPCB Emission Standards, of the cost of generator (excluding taxes, freight, installation and carriage charges) up to INR 20.00 Lakh. The State will target uptake of total of 1,400 new generators in the Districts of Gurugram & Faridabad.

4. Benchmark Pricing

The eligible project cost for subsidy calculation shall be capped based on benchmark rates derived from prevailing market prices, which are as follows:

DG Sets (₹/KVA)

Capacity Range	**Benchmark Cost Upper Limit (₹/KVA)**
Up to 100 KVA	₹10,000
100–500 KVA	₹9,000
Above 500 KVA	₹8,000

RECD/Retrofit Devices

Component	**Benchmark Cost**
RECD unit/ Dual-fuel conversion kit	₹2,500 per KVA

Note: Subsidy shall be calculated on actual cost or upper limit of benchmark cost, whichever is lower and shall exclude GST and installation cost

5. Definition

(i) **Small Enterprise:** Investment in Plant and Machinery or Equipment does not exceed INR 25 crore and turnover does not exceed INR 100 crore or as amended by Government of India under MSMED the Act, 2006 time to time.

(ii) **Micro Enterprise:** Investment in Plant and Machinery or Equipment does not exceed INR 2.5 crore and turnover does not exceed INR 10 crores or as amended by Government of India under MSMED the Act, 2006 time to time.

(iii) **Retrofit Emission Control Devices (RECDs):** Are add-on devices that can be retrofitted to existing DG sets to reduce their emissions. They are designed to control emissions of NOx, Particulate Matter, and Carbon by converting these pollutants into less harmful substances before they are released into the atmosphere. RECDs typically consist of a catalytic converter, which uses chemical reactions to break down pollutants, and a diesel oxidation catalyst (DOC), which oxidizes unburned hydrocarbons and carbon monoxide.

(iv) **Diesel Generator Set:** The Diesel Generator set is a compact and robust machine in which mechanical energy produced through Diesel Engine is converted into electrical energy. It functions only on diesel fuel.

(v) **Dual Fuel Diesel Generating Set:**
A dual fuel diesel generating set is a type of generator that can operate on a combination of diesel and a nother fuel, typically natural gas or liquefied petroleum gas (LPG). This system allows diesel engines to run on a gas mixture, which can include up to 70% gas, providing like performance in efficiency to reduce carbon emissions and improve environmental in impact of diesel generator. It is cost effective solution that can significantly lower fuel consumption and operational cost

(vi) **CPCB Diesel Generating Set:**

The CPCB Diesel Generating Set refers to diesel generator sets that comply with the Central Pollution Control Board (CPCB) emission norms. These sets are designed to reduce environmental impact by adhering to specific emission standards. The CPCB IV+ norms focus on overall reducing the environmental impact of diesel generators and achieving long-term sustainable solutions.

6. Commencement and Applicability

The scheme shall commence with from the date of notification and shall remain in operation for a period of 6 years.

7. Eligibility Criteria

All Micro and Small Enterprises in Haryana (in phased manner) districts shall be eligible under the scheme. The Industrial Units must comply with the following conditions at the time of application:

i The unit should have filed Udyam Registration Certificate (URC) and Haryana Udhyam Memorandum (HUM) on the portal for statistical purpose, at any stage.

ii The unit should not have been placed in the restrictive list as notified by the State government from time to time.

iii The unit should be in commercial production.

iv The unit should be in regular production at the time of disbursement and the subsidy shall not be released to the closed unit.

v The unit should not have availed subsidy for purchase/conversion of DG sets under any other State/Central scheme.

vi The RECD equipment/ CPCB complied Diesel Genset should be intact and should have been certified from the Haryana State Pollution Control Board (HSPCB).

8. Procedure

8.1 Application on prescribed Form (Annexure-I), along with listed documents would be submitted to the Director/ Director General, Micro, Small and Medium Enterprises, on the web portal of the department within 03 months from purchase of RECD equipment/ CPCB complied Genset or from the date of notification of the scheme, whichever is later.

8.2 The application would be processed and examined by the Joint Director/ Deputy Director, District MSME Centre. He will be responsible for scrutiny and shall clearly recommend for approval/ rejection of the claim after conducting the inspection of the unit. The deficiencies, if any, would be communicated to the applicant in writing within a period of 7 days and the applicant would be given a period of 10 days to rectify the discrepancies so pointed out.

8.3 In case the discrepancies are not removed within prescribed period, the claim shall be filed by the Competent Authority under intimation to the party through an e-mail. The enterprise shall not be required to submit any additional document other than specified under Annexure-II without approval of competent Authority unless required to establish genuineness of the claim.

9. Monitoring and Compliance

i. Post Installation Verification

All DG sets, Retrofit Emission Control Devices (RECDs), and dual-fuel conversion systems installed under the scheme shall be subject to physical and technical verification by the concerned District MSME Centre and/or any agency designated by the Directorate prior to release of subsidy. The verification shall include confirmation of installation, operational status, and compliance with prescribed technical specifications and emission norms.

ii. Compliance with Regulatory Standards

The beneficiary unit shall ensure that the installed DG set, RECD device, or dual-fuel system complies with the emission standards notified by the Central Pollution Control Board (CPCB) and directions issued by the Haryana State Pollution Control Board (HSPCB) and the Commission for Air Quality Management (CAQM) from time to time. Non-compliance with applicable environmental standards shall render the unit ineligible for assistance under the scheme.

iii. Minimum Operational Period

The beneficiary unit shall be required to operate and maintain the supported equipment for a minimum period of six (6) years from the date of disbursement of subsidy. The equipment shall not be disposed of, transferred, or rendered non-operational during this period without prior approval of the competent authority.

iv. Inspection and Monitoring

The Directorate of MSME, HSPCB or any other agency authorized by the Government may undertake periodic inspections of the beneficiary units to verify continued operation and compliance with scheme conditions. The beneficiary unit shall extend full cooperation and provide access to records, equipment, and premises for such inspections.

10. Time Limit

An enterprise shall forfeit its claim for entitlement for the reimbursement of the expenses incurred in converting the existing DG set or purchase of new DG set, if it does not submit its claim, complete in all respects within three months from the date of conversion of existing DG set/ purchase of new DG set or from the date of notification of the scheme, whichever is later.

11. Competent Authority for sanction:

The Joint Director/ Additional Director, Micro, Small and Medium Enterprises shall be competent authority for sanction of assistance.

12. Interpretation/ Clarification:

The Administrative Secretary, Industries & Commerce, Haryana shall be competent to make interpretation/ clarification of any provision of this scheme.

13. Appeal

An appeal against an order passed by the Competent Authority shall lie withthe Director General, Directorate of MSME, Haryana within a period of 30 days from the date of communication of orders appealed against. The orders passed by the Director General, Directorate of MSME, Haryana in appeal shall be final.

14. Power to condone delay in submission of application & appeal:

(a) The Director/ Director General, Micro, Small and Medium Enterprises, Haryana shall be competent to condone the delay up to a period of 03 months after the prescribed time limit.

(b) The Administrative Secretary, Industries & Commerce, Haryana shall be competent to condone the delay up to a period of 06 months after the prescribed time limit. Provided that the competent authority is satisfied with the reasons of late submission of the application based on the substantial evidence/ documents/ arguments presented by the applicant.

15. Penal Action

At any time if it is found that assistance form government has been availed based on any false information, the applicant shall besides refund assistance with compound interest at the rate of 12% per annum and facing legal action, will be debarred from grant of any incentives/assistance from the State Government. If the applicant fails to refund the subsidy amount with interest, then the amount shall be recovered as arrear of land revenue. The applicant shall be debarred from public procurement because of mismatch in facts and figures.

16. Service Delivery Timeline

S. No.	**Tasks**	**Time Limit (Working Days)**
1.	Letter of Approval	30 Days
2.	Letter of Sanction	07 Days
3.	Disbursement	07 Days

AMIT KUMAR AGRAWAL,
Commissioner & Secretary to Government Haryana,
Industries & Commerce Department.

Annexure- I

Application Form for Diesel Generator Set Subsidy Scheme

S. No.	Description	
1.	Name of the Applicant (Authorized person of the unit)	
2.	Name & factory address of the unit with telephone no. and e-mail	
3.	District of the Unit setup	
4.	Registered Office address	
5.	Category of unit (Micro/ Small)	
6.	Udyam Registration Certificate (URC) and Haryana Udhyam Memorandum (HUM) No. & Date	
7.	Date of commencement of commercial production	
8.	Item of manufacture	
9.	Constitution of the Unit [Proprietary, Partnership, Pvt. Ltd., Public Ltd., LLP (Limited Liability Partnership) and Co-operative society]	
10.	Cost & Details of RECD Equipment/ CPCB complied Genset installed	
11.	Capacity of DG sets installed.	
12.	Total Reimbursement claimed against installation	

Self-attested copies of documents to be attached with the application:

1. Certificate of Incorporation/ Partnership deed/Partnership registration/ Co-operative society registration, whichever is applicable.
2. Board resolution/ Power of attorney or Stamp paper duly notarized.
3. Change of Land Use (CLU)/ NOC from competent authority, if applicable.
4. CA certificate of Expenditure (in original) giving the details (as per prescribed format)
5. Copy of the bills and proof of payment thereof.
6. Certificate from pollution control board
7. First sale bill
8. Latest sale Bill/ Electricity bill of last 2 months (proof of production).
9. Copy of GST returns.

Signature of the applicant
(with seal)

Annexure-II

Undertaking/Declaration (to be submitted on non-judicial stamp paper of Rs. 50/- (Min) duly sworn before a Notary Public (duly affixed with Notarial Stamp; and with Notary Seal & Notary Registration Number) or First-Class Magistrate):

I do hereby solemnly state that I am proprietor/ partner/director/___________________of M/s located which is engaged in the manufacture of and I have been authorized to file the claim of purchase of CPCB compliant DG set/ Installation of RECD kit on existing DG set, with the Directorate of MSMEs, Haryana.

2. I have gone through all the conditions/criteria mentioned in this scheme and the same have been duly complied with.

3. I have not availed any assistance for the same Diesel Generating set under any scheme from State/Central Government.

4. The unit will be liable to refund excess subsidy/assistance, if any released due to omission or pointed out by the Audit team of Principal Accountant General, Haryana.

5. I do hereby further affirm that the particulars given in the application are correct. In case any of the statement/ information furnished in the application/ documents later found to be wrong or incorrect or misleading or violation of the eligibility criteria/conditions, I do hereby undertake to refund the entire amount of assistance of Rs. _______ (Rupees) granted to me at the compound interest @12% per annum, besides facing legal action in case facts contained in this application are proved to be wrong at the time of verification/ checking or otherwise at any stage.

Dated:

Signature of the Proprietor/Partner/
Managing Director/Director
(with seal)

Annexure-III

Certificate from Chartered Accountant in respect of Proof of Expenditure incurred for conducting energy audit and about investment in plant & machinery and turnover (on CA letter head)

To whom it may concern

The document & records of M/s...................................with their regd. Office at..........................and factory located at..................and Udyam Registration Certificate (URC)/ HUM no………………………dated……..........) in respect of the expenditure incurred in installation/purchase have been verified, and it is certified that the said company has incurred a total expenditure of Rs. .... (Rupees ....) towards, purchase of CPCB compliant DG set/installation of RECD kit on existing DG set namely……………….as per the following details of payments.

Details of payments (Name of certification agency/ org.) amount paid (in rupees).

(a) Cost of device ....

(b) Installation charges ....

(c) Taxes …………………………………………….

Total ....

AND

Verified from the books of accounts & records of above firm that the cost of RECD equipment/CPCB complied Genset installed for pollution control is Rs.............

AND

Verified from the books of accounts of above firm that the total investment in plant and machinery (original purchase value) of the unit as on date............ stands as Rs.................(Rupees--------) and turnover of last financial year Rs……… (Rupees……..)

Name & signature of the Chartered Accountant with stamps & CA membership Number

Date------ UDIN-----

Payment at (a) should be supported by copies of receipts of payments made to the certification agency duly attested. The payment receipts must indicate the purpose for which the payments have been made to the certification agency.

Annexure-IV

Certificate from Regional Officer of State Pollution Control Board

No.______________ Date: __________

This is to certify that the RECD devices/Conversion kit for Genset to operate on dual mode/CPCB complied Genset (whichever applicable) has been installed at (name and address of the unit) _______________ is in accordance with the CPCB emission standards, to promote a clean environment and to comply the CAQM standards.

Regional Officer Haryana State Control Board

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