

India Diesel Generator - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The India Diesel Generator Market size is estimated at USD 1.34 billion in 2025, and is expected to reach USD 1.74 billion by 2030, at a CAGR of 5.4% during the forecast period (2025-2030).

Key Highlights

- Over the medium period, factors such as growing power outages and rapid urbanization are anticipated to drive the market's growth during the forecast period.
- On the other hand, the Indian diesel generator market may face hurdles in the near future due to the growing trend of renewable power generation, particularly in industries that have targeted reducing greenhouse gas emissions.
- Nevertheless, the development of hybrid energy systems and emergence of smart diesel generator sets equipped with digital tools. Such developments are anticipated to create significant opportunities for the market.

India Diesel Generator Market Trends

The Commercial Segment is Expected to Dominate the Market

- Industrial operations mainly depend on electricity generated from diesel generators during power outages (to avoid production risks) and in regions with limited grid access. The industrial sector, which includes crude oil, natural gas, refining, mining and quarrying, construction, automotive, chemicals, transportation and storage, and pharmaceuticals, accounts for the largest share of energy consumption. Therefore, the increasing demand for continuous and reliable power from these industries will escalate

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the demand for generators.?

- In March 2024, the Government of India embarked on an ambitious journey to revolutionize the country's infrastructure landscape, aiming to bolster economic growth, enhance connectivity, and improve the quality of life for its citizens. For instance, India has achieved significant milestones in infrastructure development, including the inauguration of the world's longest highway tunnel, the Atal Tunnel, and the construction of the world's highest railway bridge, the Chenab Bridge. This remote infrastructure construction is likely to surge the demand for diesel generators for power supply.
- One of the primary drivers of the diesel generator market is the country's expanding industrial base. Manufacturing, particularly automotive, pharmaceuticals, and textiles, has grown significantly in recent years. These industries require reliable power to ensure efficient operations and prevent costly disruptions. Diesel generators provide a versatile, dependable solution that delivers power in remote locations or during grid failures.
- According to the India Brand Equity Foundation (IBEF), India's manufacturing sector is poised to reach USD 1 trillion by 2025-2026, led by Gujarat, Maharashtra, and Tamil Nadu, fueled by investments in automobile, electronics, and textile industries. Government initiatives like Make in India and PLI schemes drive growth, attract FDI, and enhance industrial infrastructure.?
- As reported by the Ministry of Statistics and Programme Implementation (MOSPI), in fiscal year 2024, finance, real estate, and professional services dominated India's gross value added (GVA) landscape. While these service sectors significantly contributed to the nation's GVA, agriculture, being the country's largest employer, accounted for approximately 18% that year.
- The Indian government's focus on infrastructural development has created a substantial demand for diesel generators. Large-scale projects, such as road construction, railway expansion, and power plant construction, necessitate heavy machinery and equipment that rely on reliable power sources. Diesel generators are ideal for powering these operations, ensuring uninterrupted productivity, and meeting project deadlines.
- In September 2024, India announced an investment value of INR 3 trillion in metro rail projects to improve urban mobility and unlock economic potential. These investments aim to reduce congestion and pollution while fueling the demand for diesel generators during construction work, as well as to have a backup power source.
- Indian diesel generator market will continue its growth trajectory in the coming years. The country's robust economic growth, coupled with the increasing demand for reliable power, presents significant opportunities for manufacturers and suppliers of diesel generators. As the industrial sector expands and infrastructure development continues, diesel generators will remain vital to the Indian power landscape.

Increasing Adoption of Alternative Energy Sources is Expected to Hinder the Market

- Increasing environmental and energy security concerns led to a shift toward cleaner resources in India. At present, the market for cleaner fuels (such as natural gas and renewable energy sources, like biodiesel, ethanol, solar, etc.) is developing. Additionally, technological advancement has led to the innovation of cleaner alternatives to diesel generators.?
- Diesel generators emit high levels of air and noise-polluting elements, which has been one of the concerns of environmentalists. As gas generators serve as reliable alternatives for diesel generators, the diesel generator has been losing its market share to gas generators and other alternative fuel generators. ?
- In recent years, few Indian states have notified directives to limit the utilization of diesel generators. For instance, in September 2023, the Commission for Air Quality Management (CAQM) banned large diesel generator sets considering the increased pollution levels in the Delhi NCR region, exempting the same only for essential services like healthcare, etc. Likewise, the Goa State Pollution Control Board (GSPCB) has also banned the integration of diesel generator sets to limit pollution.
- While the commission and state-level agencies have recommended emission control devices (ECDs) and Dual Fuel Kits for diesel generator sets in India, it comes with an additional cost to the end-consumers. This prompts them to look for alternate energy solutions for temporary or backup power. Such a scenario has restrained the growth of the diesel generator market in India.
- For instance, in March 2024, Samsung India noted the transition from diesel to natural gas generators at its Noida Plant in India, underscoring its commitment to sustainability. This shift not only curtails emissions but also results in significant cost savings.

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Further, the company noted replacing ten diesel generators with eight natural gas-based alternatives. The initiative involved setting up a 20 MW PNG gas-based genset to cater to the Noida plant's requirements and offer emergency support in critical situations. Such commitment to environmental stewardship by industrial consumers is expected to restrain India's diesel generator market during the forecast period.

- The diesel Generator market players in India, such as Jakson Group, Kirloskar Oil Engines, Cummins, Greaves Cotton Limited, and Mahindra Powerol, have shifted their focus on manufacturing generator sets that utilize cleaner fuels such as biodiesel and ethanol.
- For instance, in July 2024, the firm Greaves Engineering launched new generation products that are CPCB IV + Compliant Gensets in India. The new gensets are compatible with ethanol and biodiesel, which is feasible for commercial and industrial consumers. Further, the gensets are launched with capacities ranging from 5 kVA to 500 kVA.
- Other renewable energy technologies, such as solar energy integrated with batteries, have also emerged as viable alternatives to diesel generators. For instance, in May 2026, EcoFlow rolled out solar generators in the Indian market to cater to backup power requirements. The company claims that DELTA 2 MAX, a solar generator integrated with a battery, is a pioneer innovation in the portable generator market. With a capacity of approx. 2048 watt-hour, the product intends to deliver emergency power to a household for up to two days. This is likely to emerge as a robust alternative for diesel generators in the Indian market.
- As of February 2024, India's private sector boasted the largest installed renewable energy capacity, totaling around 223 thousand megawatts. The South Asian nation's government has been steadfast in its commitment to amplifying the use of clean energy sources, spearheading both small and large-scale projects. Beyond just generating renewable energy, these initiatives also focus on creating job opportunities, particularly in rural regions.
- Owing to these developments, the growing trend of adoption of alternative energy sources is expected to restrain the growth of the diesel generator market in India.

India Diesel Generator Industry Overview

The Indian diesel generator market is semi-fragmented. Some of the key players in the market (in no particular order) include Kirloskar Oil Engines Ltd., Mahindra Powerol Ltd., Cummins India Limited, Greaves Cotton Limited, Ashok Leyland Ltd., and others.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

Table of Contents:

1 INTRODUCTION

1.1 Scope of the Study

1.2 Market Definition

1.3 Study Assumptions

2 EXECUTIVE SUMMARY

3 RESEARCH METHODOLOGY

4 MARKET OVERVIEW

4.1 Introduction

4.2 Market Size and Demand Forecast in USD, till 2030

4.3 Recent Trends and Developments

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- 4.4 Government Policies and Regulations
- 4.5 Market Dynamics
 - 4.5.1 Drivers
 - 4.5.1.1 Growing Power Outages
 - 4.5.1.2 Improvement in Technology of Diesel Generator
 - 4.5.2 Restraints
 - 4.5.2.1 Increasing Adoption Of Alternative Energy Sources
- 4.6 Supply Chain Analysis
- 4.7 PESTLE Analysis
- 4.8 Investment Analysis

5 MARKET SEGMENTATION

- 5.1 Power Rating
 - 5.1.1 Below 75 kVA
 - 5.1.2 75-350 kVA
 - 5.1.3 Above 350 kVA
- 5.2 End-User
 - 5.2.1 Residential
 - 5.2.2 Commercial
 - 5.2.3 Industrial
- 5.3 Application
 - 5.3.1 Standby Backup Power
 - 5.3.2 Prime/Continuous Power
 - 5.3.3 Peak Shaving Power

6 COMPETITIVE LANDSCAPE

- 6.1 Mergers and Acquisitions, Joint Ventures, Collaborations, and Agreements
- 6.2 Strategies Adopted by Leading Players
- 6.3 Company Profiles
 - 6.3.1 Mitsubishi Heavy Industries Ltd.
 - 6.3.2 Mahindra Powerol Ltd.
 - 6.3.3 Kirloskar Oil Engines Ltd.
 - 6.3.4 Cummins India Ltd.
 - 6.3.5 Greaves Cotton Limited
 - 6.3.6 Ashok Leyland Ltd.
 - 6.3.7 Caterpillar Inc.
 - 6.3.8 Cooper Corporation Pvt. Ltd.
 - 6.3.9 Atlas Copco AB
- 6.4 List of Other Prominent Companies
- 6.5 Market Ranking Analysis

7 MARKET OPPORTUNITIES AND FUTURE TRENDS

- 7.1 Development of Hybrid Energy Systems?

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