

# Energy Conservation (Micro, Small & Medium Manufacturing Enterprises)

Govt. of Karnataka

**MSME**  
BHARAT MANCH

## ■ Scheme Summary/key features:

To conserve the crucial energy resources, the Government of India enacted the Energy Conservation Act, 2001. The Act brought every sector of the economy under the purview of energy conservation and efficient management. Through the Implementation of Scheme for Technology and Quality Upgradation Support to MSMEs Under National Manufacturing Competitiveness Programme the major activity of the scheme is Capacity Building of MSME Clusters for Energy Efficiency/Clean Development Mechanism. The primary objective of this Activity is to handhold the MSME clusters in adopting energy efficient processes. Under the activity, the following initiatives will be taken up:

- i. Conducting awareness programmes in MSME clusters on energy efficient technologies; availability of energy efficient equipment's and the need for energy efficiency and cash benefits from energy efficient technologies (EET) and Clean Development Mechanism (CDM).
- ii. Supporting energy audits in sample units (3 Nos. in each cluster representing the micro, small and medium enterprises respectively) in energy intensive clusters. The related activities will be identification of energy efficient technologies for typical production units and preparation of model. Detailed Project Report (DPRs) for cost effective, bankable energy efficient projects. The recommendations in the model DPRs will be used with the cluster based MSMEs for demonstrating the scope, need and financial benefits from EET projects.
- iii. Promoting replication of model EET projects in the cluster based MSMEs and subsidizing the preparation cost of the DPRs for the EET projects taken up by the individual MSMEs.

**Applicable State: Karnataka**

- **Amount or Percentage of Subsidy:**

Towards organizing the awareness programmes, the Government of India will provide financial support to the extent of 75% of the actual expenditure, subject to maximum Rs.75,000/- per programme (Average cost of one programme is expected to be Rs. 80,000). The Government of India will provide financial support to the extent of 25% of the project cost for implementation of Energy Efficient Technologies (EET), as per the approved DPR. The maximum amount of GOI assistance from the scheme will be Rs.10 lakhs (Average subsidy for one EET project is estimated to be Rs. 5.0 lakh). For setting up CCA centres The Govt. of India will provide financial support to the extent of 75% of the actual expenditure, subject to a maximum Rs.15 lakh for establishing each of these centres. (Average cost of setting up of one CCA is expected to be Rs. 15.0 lakh). The remaining expenditure will have to be met by the implementing agency/ SPV through collection of users' charges For acquiring product certification licences from national/international bodies MSME manufacturing units will be provided subsidy to the extent of 75% of the actual expenditure, towards licensing of product to National/International Standards. The maximum GOI assistance allowed per MSME is Rs.1.5 lakh \ (Average Rs. 0.75 lakh) for obtaining product licensing /Marking to National Standards and Rs. 2.0 lakh (Average Rs. 1.50 lakh) for obtaining product licensing /Marking to International standards .

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