FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE

ON

PUBLIC UNDERTAKINGS
(2023-26)

……SIXTY FIFTH……... REPORT

(Presented on ….. 17th September, …………. 2025)

SECRETARIAT OF THE KERALA LEGISLATURE

THIRUVANANTHAPURAM

2025

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE

ON

PUBLIC UNDERTAKINGS
(2023-26)

SIXTY FIFTH
……………….... REPORT

On

Sitaram Textiles Limited
&
Keltron Component Complex Limited

(Based on the Report of the Comptroller and Auditor General of India for the year ended 31st March 2019)

CONTENTS

COMMITTEE ON PUBLIC UNDERTAKINGS

(2023-26)

COMPOSITION

Chairperson:

Shri E. Chandrasekharan

Members:

Shri A.P. Anilkumar

Shri Anwar Sadath

Shri Ahammad Devarkovil

Shri T. V. Ibrahim

Shri P. Mammikutty

Shri K. P. Mohanan

Shri D. K. Murali

Shri P. Nandakumar

Shri Kadakampally Surendran

Shri P. Ubaidulla

Legislature Secretariat:

DR. N. Krishna Kumar, Secretary

Smt. Sheeba Varghese., Joint Secretary

Shri Anil Kumar B., Deputy Secretary

Shri Mohanan O., Under Secretary

INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2023-26) having been authorised by the Committee to present the Report on its behalf, present this ..65th.... Report on Sitaram Textiles Limited & Keltron Component Complex Limited based on the report of the Comptroller and Auditor General of India for the year ended 31st March 2019 relating to the Public Sector Undertakings of the State of Kerala.

The aforesaid Report of the Comptroller and Auditor General of India was laid on the Table of the House on 10.06.2021. The consideration of the audit paragraphs included in this report and the examination of the departmental witness in connection thereto were made by the Committee on Public Undertakings (2023-2026) at its meetings held on 11.09.2024.

This Report was considered and approved by the Committee (2023-2026) at its meeting held on 09.09.2025.

The Committee place on record its appreciation for the assistance rendered to them by the Accountant General (Audit), Kerala in the examination of the Audit paragraphs included in this Report.

The Committee wishes to express thanks to the officials of the Industries Department of the Secretariat, Sitaram Textiles Limited and Keltron Component Complex Limited for placing the materials and information solicited in connection with the examination of the subject. The Committee also wishes to thank in particular the Secretaries to Government, Industries and Finance Department and the officials of the Sitaram Textiles Limited and Keltron Component Complex Limited who appeared for evidence and assisted the Committee by placing their views before the Committee.

E. CHANDRASEKHARAN
Chairperson,
Committee on Public Undertakings.

Thiruvananthapuram,
17th September, 2025.

REPORT
ON
SITARAM TEXTILES LIMITED
&
KELTRON COMPONENT COMPLEX LIMITED

Audit Paragraph : 5.2 (2018-19)

Electrical energy management by Public Sector Undertakings in the manufacturing sector

Delay in conducting energy audit, failure to achieve specific energy consumption norms, non-availing of open access facility etc. led to extra expenditure and non-achievement of energy savings.

Energy[1] management activities in India are governed by the Energy Conservation Act, 2001 (Act). Government of Kerala (GoK) accords high priority to energy conservation and energy efficiency and issued guidelines (May/ November 1992) for conducting energy audit and directions (June 2015) to regulate energy consumption standards for equipment and appliances. Bureau of Energy Efficiency (BEE) is established under the Act to coordinate with designated consumers, designated agencies and others. Energy Management Centre (EMC) is the State Designated Agency to coordinate, regulate and enforce the provisions of the Act/guidelines/ directions.

A sample of nine[2] out of thirty Public Sector Undertakings (PSUs) functioning in the manufacturing sector was selected as per Stratified Random Sampling Method[3] for assessing the level of compliance to the Act/ guidelines/ directions and evaluating the implementation of energy conservation measures during the period 2016-17 to 2018-19. Audit findings in this regard are discussed below:

---

1 As per Section 2(h) of Energy Conservation Act, 2001, energy means any form of energy derived from fossil fuels, nuclear substances or materials, hydro-electricity and includes electrical energy or electricity generated from renewable sources of energy or bio-mass connected to the grid.

2 Travancore Cochin Chemicals Limited (TCCL), Malabar Cements Limited (MCL), The Kerala Minerals and Metals Limited (KMML), Kerala State Coir Machinery Manufacturing Company Limited (KSCMMCL), Travancore Titanium Products Limited (TTPL), Keltron Component Complex Limited (KCCL), Steel Industrials Kerala Limited (SILK), Sitaram Textiles Limited (STL) and Transformers and Electricals Kerala Limited (TELK).

3 Based on energy consumption bill data.

5.2.1 Delay in conducting energy audit

As per the GoK directions (1992/2015) read with Government Order (January 2011), all HT/EHT installations should conduct energy audit once in three years.

Audit observed that out of nine PSUs selected for audit, energy audit was not conducted in STL so far (October 2019). In the case of remaining six[4] PSUs, delay ranging from 7 to 59 months was noticed in conducting the latest energy audit which was due between May 2012 and March 2019. The energy audit conducted by MCL, KMML and KSCMMCL did not include all their HT/EHT connections[5].

Regarding delay in conducting energy audit, the GoK replied (October/November/December 2020) that KCCL missed one energy audit due to retirement of key personnel and STL would take immediate steps to conduct energy audit.

Regarding not conducting energy audit of all the units, the PSUs replied that steps were initiated to conduct the energy audit of these units.

The fact, however, remains that non-conducting of energy audit or delay in conducting it would lead to delayed identification of areas for energy efficiency and conservation with probable energy savings. Further, as STL and SILK did not conduct any energy audit and KMML did not claim the subsidy though it conducted energy audits, these PSUs did not receive the subsidy[6] from EMC

Audit also noticed that EMC was appointed (January 2011) as the State Designated Agency to coordinate, regulate and enforce the provisions of the

4 TCCL, KMML, KSCMMCL, TTPL, KCCL and TELK. Since the last energy audit of MCL was conducted in April 2016, next audit was due in April 2019.

5 Mines at Walayar of MCL, Mineral Separation Unit and Titanium Sponge Plant of KMML and the administrative building of KSCMMCL.

6 EMC provides subsidy of ₹50,000 or 50 per cent of the cost incurred, whichever is less, to PSUs for conducting energy audit.

rules[7] in force. EMC, however, did not regularly monitor the conduct of energy audit and follow-up measures implemented by the PSUs.

EMC stated (July 2020) that empanelled energy auditors would be directed to incorporate details including status of implementation of previous energy audit and recommendations in energy audit report.

Audit Para 5.2.3 - Excess power consumption by non-designated PSUs

In the case of non-designated PSUs, Audit reviewed the existence of power consumption norms and power consumption pattern against such norms, if any.

Audit observed that four[8] out of seven PSUs did not fix any norms for power consumption. In the case of remaining three[9] PSUs, the consumption of power was higher than the norm fixed by them. The excess power consumption over the norms ranged between 0.47 per cent (TTPL) and 13.90 per cent (KMML) during 2016-17 to 2018-19. This resulted in extra expenditure of ₹11.36[10] crore.

The GoK replied (November/ December 2020) that the specific energy consumption of TTPL was fixed for a daily production of 45 tons and the excess compared to the norm was due to non-achievement of this production level. Further, steps were being taken to fix the range of specific energy consumption under different production levels. The GoK replied that STL achieved the norms in 2016-18, but the power consumption increased in 2018-19 due to the increase in capacity utilisation.

The reply regarding STL was not tenable as increase in capacity utilisation would ideally help to achieve the norm.

7 The Energy Conservation Act 2001, Guidelines issued by the GoK in May 1992 and November 1992 and the Directions issued by GoK in June 2015.
8 KSCMMCL, TELK, SILK and KCCL.
9 KMML, TTPL and STL.
10 KMML (₹10.87 crore), TTPL (₹33.96 lakh) and STL (₹14.55 lakh).

Audit Para 5.2.4 - Non-utilisation of open access facility for purchase of power

As per Section 42 of the Electricity Act 2003, Kerala State Electricity Regulatory Commission introduced (2013) open access scheme enabling the electricity users having more than 1 MW connected load to avail the benefits of cheap power by purchasing it from the open market.

Audit noticed that out of seven PSUs[11] which were eligible to avail the open access facility, only two PSUs, KMML and TCCL, utilised the facility from 2015-16 and 2017-18 onwards respectively. There were savings of ₹13.37 crore to KMML and ₹8.72 crore to TCCL on account of purchasing power using the open access facility up to 2018-19.

The GoK confirmed (December 2020) that STL did not initiate steps for availing open access facility for purchase of power. KCCL would explore the possibilities of utilisation of open access facility.

Audit Para 5.2.5 - Non-implementation of solar power projects

The Budget Speech 2013-14 of the GoK encouraged the PSUs to set up solar energy units. GoK also issued directions (July/December 2013) to six[12] out of nine PSUs selected for audit to implement solar energy units.

Audit observed that four[13] out of the six PSUs set up solar energy units as directed by GoK. In the case of the remaining two PSUs, TELK did not take any steps to comply with the directions of the GoK. KMML did not implement the solar energy unit as it was not financially viable (2014) and due to closure (2018) of a scheme for roof top solar project under Renewable Energy Service Company (RESCO) model[14] implemented by Solar Energy Corporation of India Limited. Audit noticed that

11 MCL, TCCL, KMML, TELK, TTPL, KCCL and STL.
12 KMML, MCL, TELK, TTPL, TCCL and STL.
13 MCL, TTPL, STL and TCCL.
14 Under this model, there is no capital investment by KMML and regular upkeep of the facility will be done by the supplier for 25 years.

implementation of solar energy project would have reduced the liability of KMML towards purchase of Renewable Energy Certificates for fulfilling Renewable Purchase Obligation [15].

It was further noticed that MCL failed to claim subsidy of ₹six lakh[16] from Ministry of New and Renewable Energy (MNRE) for implementing the solar energy project. After it was pointed out by Audit, MCL claimed (October 2019) the same, which was yet to be received.

However, as per the notification (November 2015) of MNRE, subsidy was not available to commercial and industrial buildings of the private sector but was available for an industrial building under a State PSU. In the case of other PSUs, they were yet to comply with the direction (2013) of the GoK.

Audit Para 5.2.6 - Lapses in energy requirement planning and efficiency improvement measures

As per the tariff orders of KSEBL approved by the Kerala State Electricity Regulatory Commission, 75 per cent of the Contract Demand (CD) or the actual Recorded Maximum Demand (RMD) whichever is higher is considered as the billing maximum demand. If the RMD exceeds the CD, RMD is billed at 1.5 times. The tariff orders from time to time also provide for incentives[17] to HT and EHT consumers for power factor[18] (PF) improvement. An increase in PF above 0.90 would thus reduce energy charges. If the PF falls below 0.90, one per cent of energy charges for reduction of every 0.01 unit is charged in addition to the applicable charges.

5.2.6.1 - Analysis of the contract demand and the actual consumption pattern from the monthly electricity bills of nine PSUs (total 13

---

15 As per Kerala State Electricity Regulatory Commission (Renewable Energy) Regulations, 2015, 2017 and 2019, KMML was liable to purchase Renewable Energy Certificates for a certain percentage (ranged from 4.50 per cent to 12 per cent) of the total energy availed through open access from renewable sources.

16 Cost capital subsidy of 30 per cent of the project cost limited to ₹30 per Watt peak for Photovoltaic Systems without battery backup.

17 0.50 per cent vide Kerala Gazette Order No. 782 dated 21/04/2017, 0.25 per cent vide Kerala Gazette Order No. 1305 dated 28/11/2012, No. 2652 dated 9/9/2013 and No. 2379 dated 27/09/2014.

18 Power Factor (PF) expresses the ratio of true power used in a circuit to the apparent power delivered to the circuit.

connections) from April 2016 to March 2019 was made in audit. In four connections of three PSUs[19] , the actual RMD was in the range of 15.25 per cent to 67.83 per cent of the CD. The PSUs did not analyse the need for reducing the CD and act accordingly which resulted in avoidable expenditure of ₹54.14 lakh[20] .

Audit, however, noticed that the energy audit reports of these PSUs also recommended for reduction in contract demand which was not yet complied with.

5.2.6.2 - Analysis also revealed that seven PSUs[21] achieved PF above 0.90 in all the three years (total eight connections). Out of this, TCCL obtained PF incentive of 10 points for 34 months and nine points for two months. In the remaining five connections, three PSUs (KMML-2, KSCMMCL-2 and SILK-1) paid penalty of ₹7.21 lakh during this period for reduction in PF below 0.90. Continued reduction in the PF and payment of penalty indicated that the PSUs failed to investigate the reasons for poor PF and take remedial action. Though the energy audit report recommended (April 2018) replacement of capacitor in one of the HT connections, KMML replaced the capacitor only in June 2019 despite paying penalty for PF reduction on a regular basis.

The GoK and PSUs (January/ October 2020) replied that steps were being taken to improve the power factor.

Recommendation 5.2: The GoK/PSUs may accord priority for undertaking timely energy audit, to identify energy efficiency and conservation areas including availing open access facility in order to achieve efficient use of energy. A senior management level oversight

19 Two connections in KSCMMCL, one connection each in TTPL and TELK.

20 Excess contract demand is worked out by taking difference between the actual connected load and the connected load recommended in energy audit reports. This excess contract demand is multiplied with applicable fixed charges.

21 TCCL, MCL, TTPL, TELK, KCCL, SILK (one connection) and STL.

mechanism may be contemplated to monitor the achievement in this regard.

[Audit Paragraphs 5.2 contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2019]

The Notes furnished by the Government on the audit paragraph are given in Appendix II

Discussion and Findings of the Committee

SITARAM TEXTILES LIMITED (STL)

Para -5.2 Electrical energy management by Public Sector undertakings in the manufacturing sector.

5.2.1 Delay in conducting energy audit.

To a query of the Committee regarding the current financial status of STL, the Managing Director replied that the scarcity of raw materials and increase in import duty led to the increase in price of raw materials. But at the same time price of products are decreasing. This inturn led to a situation that the mill could not move forward without the support of the Government. He added that in 2019, a proposal of ₹10 crore was prepared for the modernization of the mill but owing to financial crisis it could not be materialised. The mill was laid off from May 2023 to October 2023. After that the mill was restrarted but in July 2024 again the mill was laid off. He added that due to the financial crisis they could not either conduct energy audit or appoint required staff.

The witness informed that the Government had taken a decision that if the cotton suppliers of the mill buy the threads, the conversion charge would be given to them and the suppliers have to meet the overhead expenses. Then the Committee enquired whether any mill in India succeeded in implementing the conversion charge system. The witness replied that this system has been successfully implemented in Kollam and Kannur spinning mills. But the Committee contradicted the statement by citing that the employees in these mills were not given deserved benefits The witness replied that currently the benefits are being given to the staff and only the benefits for the previous years were pending. But the Committee opined that switching on to conversion system may lead to more loss.

The Committee enquired whether the witness is claiming that the mill gained profit by implementing the conversion charge system based on any calculations. The witness replied that Onam bonus has been distributed to the employees and currently salary is being disbursed regularly and also there is no strike.

The Committee accepted the reply. Hence no remarks.

Para 5.2.3 – Excess power consumption by non designed PSUs.

The Senior Audit Officer enquired whether the company had tried to reduce the energy consumption when the mill was not working and at the time when working hours was reduced below 50%. The Managing Director replied that the routine maintenance works were carried out on ordinary hours and production process during peak hours i.e., 6 pm to 10 pm. But now the Company carry out the maintenance works during peak hours and production during ordinary hours so as to reduce the electricity charge. The witness added that the company succeeded in reducing the electricity charge by about ₹3 lakh per month.

The witness further informed that currently there is no change in the connected load and the company may change some depleted machinery and after completing modernisation, the company will tend to increase the connected load if they reduce it now.

The Committee accepted the reply. Hence no remarks.

Para 5.2.4 –Non-utilisation of open access facility for purchase of Power.

To a query of the Committee regarding the non utilisation of open access facility, the witness informed that STL being a small industry, it could not purchase power through open access system and that they are purchasing electricity from KSEBL.

The Committee accepted the reply. Hence no remakrs.

<u>Discussion and Findings of the Committee</u>

<u>KELTRON COMPONENT COMPLEX LIMITED (KCCL)</u>

Para -5.2 Electrical energy management by Public Sector undertakings in the manufacturing sector.

5.2.1 Delay in conducting energy audit.

To a query of the Committee regarding the audit observation the Managing Director replied that the KCCL at Kannur has been working in profit for the last seven years and in last year, the operating profit was ₹14 crore and net profit was ₹4 crore and it is one of the PLI approved companies in India. He added that the company conducts energy audit in every three years and the last audits were conducted in 2018 and 2022 and the next audit will be conducted in 2025.

Para 5.2.3 – Excess power consumption by non designated PSUs.

The witness informed the Committee that about twenty new machineries were installed under three projects in the last four years and hence the power consumption has increased a lot.

The Committee accepted the reply. Hence no remarks.

Para 5.2.4 – Non utilization of open access facility for purchase of power.

The witness informed that as per the norms of Electricity Regulatory Commission, the open access facility have to be utilised if the connected load is above one megawatt. But KCCL has only 0.75 megawatt power consumption so that they were not purchasing power through open access system.

The Committee accepted the reply. Hence no remarks.

Para 5.2.5 – Non Implementation of solar power projects.

The witness informed that Energy Management Centre has conducted a study in KCCL regarding the implementation of solar power project. But the Company which was started in 1974 have antiquated buildings and hence solar panel cannot be set up on the rooftops. The EMC has informed the Company that the solar panels can be installed on the ground, but the proposal for the same is not obtained yet.

The witness informed that it will be a major project which requires huge funding. He added that a high level team of EMC had visited KCCL two times for the project and that the staff of the Company are regularly participating in the training conducted by EMC and the rules are being strictly followed by the KCCL.

<u>Observation/Recommendation</u>

1) ***The Committee observes that Energy Management Centre has conducted a study in KCCL regarding the implementation of solar power project and informed the company that the solar panels can be installed on the ground, but the proposal for the same is not obtained yet. Hence the Committee recommends to furnish a report regarding the present status of the implementation of solar power project.***

Para 5.2.6 – Lapses in energy requirement planning and efficiency improvement measures.

The witness informed that the power factor of the Company is above 0.95 since 2018 and are getting incentive from KSEBL for the past six years.

To a query of the Committee regarding the power cost, the witness replied that the power cost for a year is 3% that is about ₹2 crore. The Senior Audit Officer pointed out that while fixing the norms in 2022, it was decided by the Company that the energy intensity should be reduced about 5% per year. But while examining the accounts of 2023-24, it is clear that the energy intensity has increased about 3%. The witness replied that this was caused due to the increase in the number of machineries

The Committee enquired about the plan of KCCL to enter into the share market and thereby converting into a joint venture under PPP model. The Committee observed that it is not at all favourable for a PSU like KCCL to accept PPP model and thereby sharing the monitory benefit. The witness replied that the Company has to resort to new ventures in order to compete with the multinational companies and ensured that the company would never give up the status of a PSU. He added that no policy decision has been taken regarding the same.

To another query of the Committee the witness informed that there are three companies under Keltron which includes Kerala State Electronics Development Corporation Limited at Thiruvananthapuram, Keltron Company at Kuttippuram and KCCL at Kannur. He added that the KCCL at

Kannur was on the verge of amalgamation before 2016 and recovered from that stage and is now working in profit.

The Committee enquired whether the computers supplied to the schools through MLA fund were the products of Keltron and stated that these computers got damaged and to be replaced every year. But the witness replied that the Managing Director of KSIDC could explain the same and assured that the matter would be brought to the notice of the Managing Director of KSIDC.

Observation/Recommendation

2) The Committee observes that KCCL had a plan to enter into the share market and to convert into a joint venture under PPP model. Hence the Committee opines that it is not at all favourable for a PSU like KCCL to accept PPP model and thereby sharing the monitory benefit.

E. Chandrasekharan
Chairperson
Committee on Public Undertakings

Thiruvananthapuram,
17th September, 2025.

APPENDIX – I SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS			
Sl. No.	Para. No.	Department Concerned	Conclusions/Recommendations
1	1	Industries	The Committee observes that Energy Management Centre has conducted a study in KCCL regarding the implementation of solar power project and informed the company that the solar panels can be installed on the ground, but the proposal for the same is not obtained yet. Hence the Committee recommends to furnish a report regarding the present status of the implementation of solar power project.
2	2	Industries	The Committee observes that KCCL had a plan to enter into the share market and to convert into a joint venture under PPP model. Hence the Committee opines that it is not at all favourable for a PSU like KCCL to accept PPP model and thereby sharing the monitory benefit.

GOVERNMENT OF KERALA
INDUSTRIES (C) DEPARTMENT

ACTION TAKEN STATEMENT OF AUDIT PARAS IN THE REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA FOR THE YEAR ENDED 31ST MARCH 2019.

Sl. No	Para	Observation of the Audit	Action taken Report
1	5.2	**Electrical energy management by Public Sector Undertakings in the Manufacturing sector** Energy management activities in India are governed by the Energy Conservation Act, 2001(Act). Government of Kerala (GoK) accords high priority to energy conservation and energy efficiency and issued guidelines (May/November 1992) for conducting energy audit and directions (June 2015) to regulate energy consumption standards for equipment and appliances. Bureau of Energy Efficiency (BEE) is established under the Act to coordinate with designated consumers, designated agencies and others. Energy Management Centre (EMC) is the State Designated Agency to coordinate, regulate and enforce the provisions of the Act/ guidelines/ directions.	The Managing Director has reported that mill is continuously working in loss. The impact of Covid – 19 crisis also badly affected the functioning of the Mill. The electricity dues of the mill is Rs.2crore and the mill is in threat of disconnection of power supply. The mill could not remit EPF contribution since 2017 and disbursement of Pensionary benefits to the retired employees is also pending. The statutory dues of the mill is around 5 crore. The mill

2	5.2.1	**Delay in conducting enery audit** As per the GoK directions (1992/2015) read with Government Order (January 2011), all HT/EHT installations should conduct energy audit once in three years. Audit observed that out of nine PSUs selected for audit, energy audit was not conducted in STL so far (October 2019). STL would take immediate steps to conduct energy audit. Further, as STL did not conduct any energy audit and hence STL did not receive the subsidy from EMC.	is facing working capital shortage for day to day operations. The functioning of mill is below 50%. There is no profitable price for the products in the market. Due to this the mill is struggling for disbursing payments to its employees. Due to continued operating loss, the mill is facing a possible shutdown.
3	5.2.2	**Non – achievement of specific energy consumption targets** As per Perform Achieve and Trade (PAT) Rule 2012, the designated consumers are required to achieve specific energy consumption target over a cycle of three years.	Considering the above facts, the mill is not in a position to meet the huge cost involved to conduct energy audit and to implement the suggestions of the audit report.
4	5.2.3	**Excess power consumption by non-designated PSUs** In the case of non – designated PSUs, Audit reviewed the existence of power consumption norms and power consumption pattern against such norms, if any. Three PSUs, including STL the consumption of power was higher than the norm fixed by them. Further, steps were being taken to fix the range of specific energy consumption under different production levels. The	The Managing Director has reported that mill cannot meet the expense for the energy audit. Energy audit can be conducted only after improving the financial condition of the mill.

		GoK replied that STL achieved the norms in 2016-18, but the power consumption increased in 2018-19 due to the increase in capacity utilisation. The reply regarding STL was not tanable as increase in capacity utilisation would ideally help to achieve the norm	
5	5.2.4	**Non – utilisation of open access facility for purchase of power** Audit noticed that out of seven PSUs including STL which were eligible to avail the open access facility.	
6	5.2.4.1	Steps for obtaining legal opinion on an agreement proposed to be entered into with Power Trading Corporation of India for purchasing power through open access.	
7	5.2.4.3	Action for purchasing power through open access	
8	5.2.5	**Non – implementation of solar power projects** The Budget Speech 2013-14 of the GoK encouraged the PSUs to set up solar energy units. GoK also issued directions (July / December 2013) to six including STL out of nine PSUs selected for audit to implement solar energy units.	
9	5.2.6	**Lapses in energy requirement planning and efficient improvement measures** As per the tariff orders of KSEBL approved by the Kerala	

		State Electricity Regulatory Commission, 75 per cent of the Contract Demand (CD) or the actual Recorded Maximum Demand (RMD) whichever is higher is considered as the billing maximum demand.	
10	5.2.6.1	Analysis of the contract demand and the actual consumption pattern from April 2016 to March 2019	
11	5.2.6.2	Analysis also revealed the seven PSUs achieved PF above 0.90 in all the three year 2016-2019 including STL	
		Recommendation 5.2: The GoK/PSUs may accord priority for undertaking timely energy audit, to identify energy efficiency and conservation areas including availing open access facility in order to achieve efficient use of energy. A senior management level oversight mechanism may be contemplated to monitor the achievement in this regard.	

SIJU JACOB
PEN No. 100986
Joint Secretary
Industries Department
Government Secretariat
Tvpm. Ph: 0471-2517466

ACTION TAKEN REPORT OF KELTRON COMPONENT COMPLEX LIMITED RELATED TO AUDIT PARAS MENTIONED IN C&AG REPORT ON PUBLIC SECTOR UNDERTAKINGS FOR THE YEAR ENDED ON 31 St MARCH 2019

<table>
<tr><th>PARA NO.</th><th>OBSERVATION OF C&AG</th><th>ACTION TAKEN</th></tr>
<tr><td>5.2.1</td><td>Delay in conducting Energy Audit</td><td>During the period of 2011-2017, the company missed conducting one periodic Energy Audit. The missed energy audit was conducted on 10/05/2018 by Alenso Energy, Ernakulam. The Audit report evaluation was done at EMC, Trivandrum on 22/08/2019 and the company also obtained subsidy from EMC.</td></tr>
<tr><td>5.2.3</td><td>Excess power consumption by non-designated PSU. Didn't fix any norms for power consumption</td><td>The company fixed power consumption norms by setting a target to reduce energy intensity (kWh/unit) by 5% by March 2022. The status of the same is detailed below.
<table>
<tr><th>Energy Intensity (kWh/1000 Nos)</th><th>Year</th><th>Reduction in %</th></tr>
<tr><td>30.41</td><td>2018-19</td><td></td></tr>
<tr><td>30.05</td><td>2019-20</td><td>1.1 %</td></tr>
<tr><td>25.68</td><td>2020-21</td><td>15.5 %</td></tr>
</table></td></tr>
<tr><td>5.2.4</td><td>Non-utiisation of open access facility for purchase of power</td><td>In view of collecting primary information the company contacted other units who had been already utilizing open access facility for purchase of power and it is noticed that even though the connected load of the company is 2.5 m w , the consumption profile is too small as compared to them. So, KCCL decided to make a detailed study on the same. The report is expected to complete by December 2021.</td></tr>
<tr><td>5.2.5</td><td>Non implementation of solar</td><td>As per Government direction, company had contacted ANERT for</td></tr>
</table>

	power projects.	exploring the possibility of installing roof top solar power plant. The ANERT representatives visited the Company for initiating the survey/technical details. The company is awaiting the report and proposal from ANERT.
5.2.6	Lapses in Energy requirement planning and efficiency improvement measures. (5.2.6.1 - Reduction of contract demand)	Originally the contract demand was 1000 KVA, later it has been reduced to 850 KVA. There are various capacity enhancement and modernization projects planned during this year and next couple of years. Hence, the company is not able to reduce the contract demand at this point of time.
5.2.6	Lapses in Energy requirement planning and efficiency improvement measures. (5.2.6.2 - Power Factor value maintenance)	KCCL achieved Power Factor above 0.90, which is an ideal requirement for all industries. The company is receiving incentive because of this achievement.

K. ASOKAN
Additional Secretary
Industries Department
Govt. Secretariat
Thiruvananthapuram