



उत्तराखण्ड पावर कारपोरेशन लि०

(उत्तराखण्ड सरकार का उपक्रम)

Uttarakhand Power Corporation Ltd.

(A. Govt. of Uttarakhand Undertaking)

GIN : U40109UR20018GC025867,

Email ID do.upcl@yahoo.co.in, Website: www.upcl.org

2912
No. /UPCL/Dtr(D&P)/

Date: 23/05/26

All Drawing & Disbursing Officers,
Uttarakhand Power Corporation Ltd.

Subject- Directions regarding correct booking of expenditure in projects in ERP System, Labour Cess Compliance and proper Capitalization of Assets for FY 2025-26.

On the subject cited above, it is to inform that in order to ensure accuracy in booking of expenditure in the projects to be created in the ERP (SAP) system **for the FY 2025-26, proper compliance of labour cess provisions and accurate capitalization of assets in the books of accounts**, the following instructions are hereby issued for strict compliance by the Drawing and Disbursing Officers of all the units of the Corporation -

A. For the purpose of booking of services pertaining to **Labour Cess (to be deposited additionally by UPCL on its own)** in case of works (**other than deposit works**), for estimations created upto 19/05/2026, the same is to be posted by calculating 1% of following costs:

1. Other Costs (Comprising of Electrical Inspector fees, Road Cutting Charges, Forest Clearance Charges etc.).
2. Contingency charges.
3. Centage charges.

In case of Deposit Works, in addition to the above, labour cess @1% shall also be applied on Centralised / Decentralized material brought by UPCL (and not by contractors) and issued in projects, for estimations created upto 19/05/2026.

Note: It is assumed that in cases where the material has been brought by the contractors and the bills including erection bills have been accounted for in books of divisions, the labour cess compliance must have been ensured at the time of booking of liability for such bills on Gross Value.

- B. Technical closure of projects should be done for completed works. The complete technical details [Line-item wise details of assets like description of the asset, Quantity (number, length, weight, etc.), Value, Make, Location, etc.] to be invariably be brought in ERP (SAP) System as the capitalization data is also required to be submitted to Hon'ble UERC and other agencies. Further, detailed analysis should invariably be done where **there is abnormal variation between planned vs executed costs.**
- C. Further, in case of HT related works which have been completed in all manner, the following steps to be mandatorily ensured:

1. Technical closure should be done.
2. Electrical Inspection Fees date as well as Electrical Inspector Certificate date need to be validated. Thus, **the dates of Electrical Inspection Fees and Electrical Inspector Certificate should invariably be after the date of Technical Closure of the project.**

The above is necessary in view of the **following directions issued by Hon'ble UERC pertaining to capitalization of HT Works already conveyed earlier by Director (Finance), UPCL letter no 2370/D(F)/UPCL/DF-08 dated 30/05/2024.**

The assets shall be capitalized in the year in which the last of the following activity is completed:

- a. *Date of Inspection Certificate certifying satisfactory work.*
- b. *Date of submission of fees for Inspection.*
- c. *Date of Capitalisation in the books of account."*

All field units hereby directed to personally monitor the above activities and ensure strict compliance by all subordinate offices. **Any discrepancy in booking of expenditure, Labour Cess accounting, Technical Closure or Capitalization may lead to audit observations, regulatory issues and incorrect financial reporting.**

(M.R. Arya)

Director (Distribution & Project)

Cc:

- 1- Staff officer (L-1), O/o MD, UPCL, V.C.V. G.S. Urja Bhawan, Dehradun.
- 2- Director (Finance), UPCL, V.C.V. G.S. Urja Bhawan, Dehradun.
- 3- Process Owner (MM/FICO), UPCL, V.C.V. G.S. Urja Bhawan, Dehradun.
- 4- All G.M. (Fin)/DGM (Fin)/Dy.CAO/AAO/Accountant, UPCL,
- 5- All CE , SE(Distribution/Project/Secondary Works/Civil/C&P), UPCL.....
- 6- SE (SCADA & ERP), UPCL, V.C.V. G.S. Urja Bhawan, Dehradun.
- 7- SE (IT)/EE (IT) , UPCL, V.C.V. G.S. Urja Bhawan, Dehradun to upload the above letter in UPCL website.