

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 17 of 2026

In the matter of:

Suo moto proceedings initiated by the Commission against non-compliance by Executive Director (Human Resource), UPCL, of the directives issued in the Commission's Order dated 11.04.2025 for FY 2025-26.

In the matter of:

Executive Director (Human Resource), UPCL

... Respondent

CORAM

Shri M.L. Prasad Chairman

Shri Anurag Sharma Member (Law)

Shri Prabhat Kishor Dimri Member (Technical)

Date of Hearing: February 25, 2026

Date of Order: October 23, 2026

This Order relates to the Suo-moto proceedings initiated by the Commission for non-compliance by the Executive Director (Human Resource), Uttarakhand Power Corporation Ltd. (hereinafter referred to as "ED(HR), UPCL" or "Respondent") of the directions issued in the Tariff Order dated 11.04.2025 for FY 2025-26.

1. Background

- 1.1 The Commission issued Tariff Order for FY 2025-26 on 11.04.2025 wherein certain directives were issued to UPCL for timely compliance during the year. The Commission forwarded a copy of the directive issued in the order to UPCL vide its letter No. UERC/6/TF-774/2025-26/2025/125 dated 24.04.2025 and advised UPCL to ensure timely compliance of the directions issued by the Commission and submit timely report as per the schedule.
- 1.2 Subsequently, the Commission vide its letter no. UERC/6/TF-774/2025-26/2025/291 dated 16.05.2025, while observing that almost 1 month has elapsed from the date of

issuance of the Tariff Order and UPCL did not submit any information to the Commission, asked UPCL to submit the reasons for delay alongwith the status of the compliance of the directives issued by the Commission in the Order.

- 1.3 In response to the same, UPCL vide its letter No. 3872/UPCL/RM/C-21 dated 04.06.2025 submitted the status of compliance of various directives issued by the Commission. Further, through separate submissions made by UPCL on different dates, information w.r.t. the compliance of various directives issued by the Commission was submitted by UPCL.
- 1.4 The Commission considering the status of compliance submitted by UPCL and also other information submitted before the Commission in the matter, decided to convene a meeting and vide its letter no. UERC/6/TF-774/2025-26/2025/551 dated 03.07.2025 asked UPCL to make a presentation before the Commission on 11.07.2025 regarding the status of compliance of directives issued by the Commission in the Tariff Order dated 11.04.2025. Subsequently, based on the request made by UPCL vide its letter dated 4555/UPCL/RM/C-21 dt. 10.07.2025, the Commission postponed the date of presentation to 25.07.2025.
- 1.5 Consequently, during the presentation given by UPCL on 25 July 2025 before the Commission regarding the status of the compliance of the directives, the Commission observed that UPCL has been very lax in complying with the directive issued by the Commission in the Tariff Order. This was particularly concerning given the critical nature of the directives and their objectives were to improve the Corporations' efficiency in various areas.
- 1.6 The Commission, in the meantime, analyzed in detail the submissions made by UPCL w.r.t. the status of compliance and further information submitted by it and observed that responsible officers of UPCL were grossly negligent in complying with the directions issued by the Commission. The Commission, therefore, issued Show Cause Notices (SCN) to the Managing Director, UPCL, Director (Operations), UPCL, Director (Finance), UPCL and Executive Director (HR), UPCL to show cause why penal action as per the provisions of the Electricity Act, 2003 should not be taken against the respective official for non-compliance of the directions given by the Commission in the Tariff Order dated 11.04.2025 for FY 2025-26.

- 1.7 The Commission issued separate SCNs to the respective Directors of UPCL, segregating the directives based on the functional area they were responsible for. Additionally, a separate SCN was issued to the MD, UPCL, who is administrative incharge and is responsible for performing the executive functions for and on behalf of the Corporation, therefore, the SCN issued to him, was directed at overall non-compliance with the Commission's directives, with specific critical directives to draw his attention to the non-compliances.
- 1.8 This Order specifically deals with the SCN issued to the Executive Director (HR), UPCL vide the Commissions letter no. UERC/6/TF-774/2024-25/2025/654 dated 21.07.2025.
- 1.9 The SCN was issued to the ED (HR), UPCL for non-compliance of the directive issued by the Commission in the Tariff Order dated 11.04.2025 mentioned at **para 8.1.41 Employee Expenses**.
- 1.10 Subsequently, the ED(HR), UPCL filed its reply to the Show cause notice issued by the Commission vide its letter no. अधि०निदे०(मा०सं०)/उपाकालि/S-1 dt. 30.07.2025. Later, UPCL filed the Petition for determination of ARR/Tariff for FY 2026-27 before the Commission on 10.12.2025 wherein the updated status of the compliance against the directives issued by the Commission was provided by UPCL.
- 1.11 The Commission analyzed the submissions made by the ED(HR), UPCL vide its letter dated 30.07.2025 in response to the SCN issued by the Commission and the status of the compliance of the directives as submitted alongwith the Tariff Petition.
- 1.12 The Commission not being satisfied with the submissions made by the ED(HR), UPCL, and observing the persistent non-compliance of the directions issued by the Commission issued a notice for Personal Hearing to ED(HR), UPCL to appear before the Commission on 25.02.2026, vide letter no. UERC/6/TF-774/2025-26/2026/1709 dated 09.02.2026.
- 1.13 The reasons/analysis for issuing SCN to ED(HR), UPCL, towards non-compliance of the directive issued by the Commission, response of ED(HR), UPCL, on the SCN, Commissions' analysis of the same, also taking into account the updated status of directives as submitted in the Tariff Petition filed by UPCL, are discussed in the subsequent paras of this Order.

1.14 Directive issued, Compliance reported by UPCL and Commission's analysis thereon.

1) 8.1.41 Employee Expenses

The Commission directs UPCL to book the Salary paid to all the employees- regular and outsourced under employee expenses. UPCL is directed to submit the basis of recruiting outsourced employees alongwith any policy for the same within 1 month of the date of order.

- a. With regard to the above, while issuing the SCN, the Commission, based on the submissions made by UPCL observed that UPCL has failed to submit aforesaid information before the Commission. The Commission, in the Tariff Order, directed UPCL to submit the basis of recruiting outsourced employees alongwith the policy for the same within one month from the date of Order, however, UPCL failed to submit the same. The Commission observed that the reply of UPCL reflects towards the lackadaisical approach of UPCL in ensuring compliance of Commission's directions.
- b. In response to the SCN, ED(HR), UPCL, while referring to UPCL's letter dated 09.06.2025 submitted that the compliance in the matter has already been made by UPCL through the aforesaid letter, wherein UPCL submitted that in UPCL contractual employees are recruited through UPNL and SHG.
- c. The Commission analysed the submissions made by UPCL and observed that in accordance with the directive issued by the Commission, UPCL was required to submit the rationale and policy for recruiting outsourced employees, rather than the source or agency through which sourcing is conducted. The Commission wanted to understand as to how the requirement for outsourced employees was assessed and established within the Organisation, the varying levels of approval authority for the same, and whether any established standard policy is being adhered to by UPCL or not. However, the ED (HR) response in this matter appeared to be unsatisfactory, as the required details were missing from the reply.

1.15 A Personal Hearing was held in the matter at Commission's office on 25.02.2026 wherein the Respondent was heard in detail and was provided an opportunity to put up his matter before the Commission for consideration.

2. Response of Executive Director (HR), UPCL on Personal Hearing Notice, and the Commission's Views on the same.

2.1 Executive Director (HR), UPCL during the Personal Hearing held on 25.02.2026 made its submission before the Commission which are summarized herein below:

- a. The ED(HR), UPCL, submitted that no fresh recruitments are being carried out through Self Help Group (SHG) and Uttarakhand Purv Sainik Nigam Limited (UPNL) since the year 2017. He further, submitted that presently for maintenance of Substations etc. the office of Director (Operations), UPCL, directly outsources the work to external agency and the said requirement is not being brought before the HR Department of UPCL as per the practice being followed and delegation of authority in the Organization.

The same was also confirmed by the Director (Operations), UPCL, who was also present at the time of hearing. The Commission expresses its dissatisfaction over the practice being adopted and followed in UPCL regarding outsourcing the work to external agencies in the absence of any policy in this regard. ED (HR), UPCL, also agreed that a policy for internal recruitment of outsourced employees should be in place for effective assessment and utilisation of resources.

The Commission analysed the submissions made by ED(HR), UPCL and is of the view that, based on the explanation submitted by him and also the practices prevalent in the Corporation, the non-compliance of the directives issued by the Commission, in the Tariff Order dated 11.04.2025, on the part of ED(HR) is not established. **However, the Commission directs ED (HR) to frame a policy for internal recruitment of outsourced employees being currently done at the field levels and submit the same to the Commission within 2 months of the date of Order.**

2.2 The Commission, therefore, holds that there is no non-compliance of the directions of the Commission by the ED(HR), UPCL and, accordingly, recalls the SCN issued to him.

(Prabhat Kishor Dimri)
Member (Technical)

(Anurag Sharma)
Member (Law)

(M.L. Prasad)
Chairman