



उत्तर प्रदेश पावर कारपोरेशन लिमिटेड
(उ०प्र० सरकार का उपक्रम)
U.P. POWER CORPORATION LIMITED
(Govt. of Uttar Pradesh Undertaking)
CIN No. U32201UP1999SGC024928



Corporate Accounts

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Letter No I/38866/2026/PCL/CA/N312 Date: 24-01-2026

Director (Finance),
PuVVNL/ MVVNL/ DVVNL/ PVVNL/Kesco.
Varanasi/Lucknow/Agra/Meerut/Kanpur.

Subject: Accounting in respect of Payment to AMISP & Government Budgetary Support against Implementation of Advance Metering Infrastructure (AMI) Project under RDSS Scheme.

This is to inform that office letter no. 534/PCL/CA/N312/T.C01 (Smart Meter), dated 07.12.2024, issued on the above subject, is hereby **cancelled ab initio**. It shall be deemed to have no force or effect from its date of issuance. In lieu thereof, the procedure outlined below shall be applicable and enforced henceforth.

This is with reference to the Accounting in respect of Payment to the Advance Metering Infrastructure Service Provider (AMISP) for the Advance Metering Infrastructure (AMI) Project under the **Revamped Distribution Sector Scheme (RDSS)** by the Central Government. Under the AMI Project, the AMISP will be responsible for the Design, Build, Finance, Own, Operate, and Transfer (DBFOOT) of the AMI project. The AMISP will finance and implement the entire project, including all hardware and software components necessary for the functioning of the AMI system. During the operational phase, the AMISP will manage and operate the infrastructure for the specified duration. At the end of the contract period, the AMISP will transfer full ownership of the entire system—comprising all hardware, software, valid licenses, and any data collected throughout the project—to the **Distribution Company (Discom)** ensuring seamless operations.

I. The terms of payment to the (AMISP):

- i. **Monthly Payment (AMISP Service Charge):** This payment will be regarded as the **AMISP Service Charge** and will be made on a monthly basis for the duration of the contract.
- ii. **Lumpsum Payment on Quarterly Basis:** A lumpsum payment will be made on a quarterly basis to the AMISP.

In addition to the above, the Discoms may also make **supplementary payments** to the AMISP on the raising of an invoice for any **change requests** or **new requirements** that arise during the course of the project.

II. Government Budgetary Support from Central Govt to the Discoms

1. As per RDSS, the Discoms shall receive Government Budgetary Support (GBS) from Central Govt. of 15% of the approved cost of the metering works including the operational cost:
- For consumer metering, GBS shall not be more than Rs. 900 per consumer meter assuming smart metering cost of Rs. 6000 per meter over the project life. In case the price discovered in the Bid is less than Rs. 6000 per meter over the project life, the DISCOM shall be eligible for GBS of 15% of the discovered cost only.
 - For DT/Feeder Metering, the Discoms shall provide a minimum lumpsum amount of Rs. 3450 per DT Meter assuming smart metering cost of Rs. 23000 per DT Meter and Rs. 6300 per Feeder Meter assuming smart metering cost of Rs. 42000 per Feeder meter over the project life.

III. Accounting Process of AMISP Payment as per guidance note issued by REC in respect of Advance Metering Infrastructure Project

- a. **Transaction Nature:** Payment to the AMISP by the DISCOM shall be considered as an operational expenditure on DISCOM's Account.
- b. **Regulatory Treatment:** DISCOM to consider AMISP payments (AMISP service charge along with the lump-sum payment per meter) as operational expenditure while filing ARR and tariff review petition to the state ERC.**Accounting in respect of Payment to AMISP & Government Budgetary Support**

Following accounting entries in respect of AMISP will be made in the books of account considering the recognition exemption of IND-AS 116 for low value assets is taken:

SI No.	Event	Existing Entry as per Letter No. 534	Revised Entry		Remark
			AT UPPCL	AT DISCOM	
1	On Lumpsum Payment to AMISP-Bill receive	Metering Equipments (AG 74.531) Dr. Bank A/c (AG 24.....)	No Entry	Metering Equipments- AMISP (AG 74.53110) Dr. GR/IR Clearing A/c (AG 42.10000) Cr.	At the time of Bill posting of meter installation. This is to record the liability.

2	On accrual of Government Budgetary Support.	Subsidy/Grant Receivable from GOI (AG 28.856) Dr. Subsidy/Grant from GOI (AG 63.3) Cr.	No Entry	Receivable from Govt.- AMISP (AG 28.86410) Dr. Other Liability Payable (AG 46.975) Cr.	To record accrual of Budgetary support from State/Central Govt.
3	On Receipt of Government Budgetary Support.	Not Available	No Entry	Bank Account (AG 24....) Dr. Receivable from Govt.- AMISP (AG 28.86410) Cr.	To record receipt of budgetary support from State/Central Government.
4	On Lumpsum Payment to AMISP-Bank payment against Bill	Not Available	No Entry	GR/IR Clearing A/c (AG 42.10000) Dr. Liability for Payment (AG 45.30000) Cr. Liability for Payment (AG 45.30000) Dr. Bank A/c (AG 24) Cr.	To pay the liability as recorded in the entry no.1.
5	Post Receipt of Government Budgetary Support, Accounting of Share Application Money	Not Available	Share Application Money Pending Allotment (AG 20.34)Dr. SHARE APPLICATION MONEY (AG 52.603) Cr.	Other Liability Payable (AG 46.975) Dr. Share Application Money Pending Allotment (AG 52.603) Cr.	To record the share application money post receipt of support.
6	On Allotment of Shares in UPPCL to GoUP and in Discoms to UPPCL	Not Available	Share Application Money (AG 52.603) Dr. Equity Share Capital (AG 52.601) Cr.	Share Application Money (AG 52.603) Dr. Equity Share Capital (AG 52.601) Cr.	To record the allotment of Shares as Paid up Equity Share Capital through Share Application money pending Allotment.
7	Conversion of Share Application Money Pending Allotment of Investment to Share Capital in the head of Investment	Not Available	Investment in Shares in Subsidiaries (AG 20.31...) Dr. Share Application Money Pending Allotment (AG 20.34) Cr.	No Entry	To record the allotment of Shares as Paid up Equity Share Capital through Share Application money pending Allotment in Investment side.

8	On Monthly Bill receipt from AMISP. Liability Creation	Metering Equipments (AG 74.531) Dr. Bank A/c (AG 24.....) Cr.	No Entry	Metering Equipments (AG 74.531) Dr. GR/IR Clearing A/c (AG 42.10000) Cr.	To record liability against monthly AMISP bill for metering equipment.
9	On Monthly Bill Payment to AMISP.	Not Available	No Entry	GR/IR Clearing A/c (AG 42.10000) Dr. Liability for Payment (AG 45.30000) Cr. Liability for Payment (AG 45.30000) Dr. Bank A/c (AG 24.....) Cr.	To pay the liability as recorded in the entry no.8.
10	On transfer of project after successful completion of contract period.	Assets will be created at nominal value i.e. ₹1 Fixed Assets (AG 10.631) Dr. Other (Misc, Receipt) (AG 62.920) Cr.	No Entry	Assets will be created at nominal value i.e. ₹1 Fixed Assets (AG 10.631) Dr. Other (Misc, Receipt) (AG 62.920) Cr.	To record asset creation at nominal value on successful contract closure and project handover.
11	Amount received from Prepaid consumers	Not Available	No Entry	Bank A/c (AG 24) Dr Advances from Consumers (AG 46.916) Cr.	To record advances received from prepaid consumers against power sale.
12	Sale of Power	Not Available	No Entry	Sundry debtors for sale of power (AG 23.1) Dr Revenue from sale of power (AG 61.1) Cr.	To record power sale to prepaid consumers.
13	Realisation against Actual Assesment to Prepaid consumers	Not Available	No Entry	Advances from Consumers (AG 46.916) Dr Sundry Debtors Collection-Prepaid Consumers (AG 23.303) Cr	To record realisation amount against actual assessment made to prepaid consumers from the advances received.

14	Category wise segregation of realised revenue against actual assessment	Not Available	No Entry	Sundry Debtors Collection-Prepaid Consumers (AG 23.303) Dr Sundry debtors for sale of power (AG 23.1) Cr	To record category wise realisation amount against actual assessment made to prepaid consumers
Accounting in respect of Project management charges and corresponding financial support from GoUP is given below:					
15	On Payment of PM Charges-Bill receive	Not Available	No Entry	Consultancy Charges (AG 76.12300) Dr. GR/IR Clearing A/c (AG 42.10000) Cr.	At the time of Bill posting of PM Charges. This is to record the Liability.
16	On accrual of Government Assistance.	Not Available	No Entry	Receivable from Govt.- AMISP (AG 28.86410) Dr. Other Liability Payable (AG 46.975) Cr.	To record accrual of financial assistance from State/Central Govt.
17	On Receipt of Government Assistance.	Not Available	No Entry	Bank Account (AG 24....) Dr. Receivable from Govt.- AMISP (AG 28.86410) Cr.	To record receipt of financial assistance from State/Central Government.
18	On Payment of PM Charges-Bank payment against Bill	Not Available	No Entry	GR/IR Clearing A/c (AG 42.10000) Dr. Liability for Payment (AG 45.30000) Cr. Liability for Payment (AG 45.30000) Dr. Bank A/c (AG 24) Cr.	To pay the liability as recorded in the entry no.15.
19	Post Receipt of Government Assistance, Accounting of Share Application Money	Not Available	Share Application Money Pending Allotment (AG 20.34)Dr. SHARE APPLICATION MONEY (AG 52.603) Cr.	Other Liability Payable (AG 46.975) Dr. Share Application Money Pending Allotment (AG 52.603) Cr.	To record the share application money post receipt of Government Assistance.
20	On Allotment of Shares in UPPCL to GoUP and in Discoms to UPPCL	Not Available	Share Application Money (AG 52.603) Dr. Equity Share Capital (AG 52.601) Cr.	Share Application Money (AG 52.603) Dr. Equity Share Capital (AG 52.601) Cr.	To record the allotment of Shares as Paid up Equity Share Capital through Share Application money pending Allotment.

Note: 1. Required Adjustment for Income Tax TDS/TCS in above entries shall be made by Discoms.

Note: 2. Unconsumed recharge at year end shall be the balance in AG 46.916 after entry no. 13 above. The same shall be shown in the financial statements as advance from consumers under the Note: Other Financial Liabilities (Current).

Accounting Guidelines in respect of the revenue assessment/realisations and advance from prepaid consumers have already been issued by letter no. 57/PCL/CA/N-312/ V-II dated 03.05.2024 under the heading "Accounting Treatment of Advance from Prepaid Consumer"

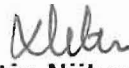
Further, on conversion of existing consumers from postpaid to prepaid, the security deposit lying in consumer account shall be first utilised against any arrear due from the consumer. After adjustment of arrear, any balance remains in the security deposit ledger shall be transferred to advances from consumers (AG 46.916).

Therefore, it is hereby directed to adhere to the prescribed accounting procedures outlined above while recording transactions related to the **Advance Metering Infrastructure (AMI) Project** in your financial statements.


(Nitin Nijhawan)
Dy. General Manager
(Accounts)

CC:-LetterNol/38866/2026/PCL/CA/N312 Dated: As above

1. Chairman, UPPCL, Shakti bhawan, Lucknow.
2. Managing Director, UPPCL, Shakti bhawan, Lucknow.
3. Director (Finance), UPPCL, Shakti Bhawan, Lucknow.
4. Director (IT), UPPCL, Shakti bhawan, Lucknow.
5. Director (Commercial), UPPCL, Shakti bhawan, Lucknow.
6. Director (Commercial), PuVVNL/MVVNL/DVVNL/PVVNL/KESCO, Varanasi/ Lucknow /Agra/Meerut/Kanpur.
7. Director (Technical), PuVVNL/MVVNL/DVVNL/PVVNL/KESCO, Varanasi/Lucknow/ Agra/Meerut/Kanpur.


(Nitin Nijhawan)
Dy. General Manager
(Accounts)