



Andhra Pradesh State Road Transport Corporation  
Office of the Managing Director, Bus Bhavan, Hyderabad - 500 624.

No: OP5/462(1)/2011-MED

**JOINT MED & SPD CIRCULAR NO: 15/2011-MED, Dt.13.05.2011**

Sub: **COST CONTROL** - Guidelines on stocking, disposal and accountal of Spring leaves at Depots for implementation - Reg.

Ref: 1. Circular No:29/1999-MED, dt.04.10.1999

2. Circular No:17/1999-MED, dt.06.05.1999

Corporation spends about Rs.9 crores per annum on leaf springs. As Leaf Springs are treated as highly critical item, greater attention needs to be paid on supply, stocking, usage and disposal.

Since the material used for Leaf Springs is special steel, the realization of revenue through auction of used spring leaves is very high compared to the other M.S scrap. Therefore, the used spring leaves are also treated as highly valuable material.

Instructions are in vogue in terms of Circular 1<sup>st</sup> cited on accountal, disposal and review of used leaf springs at Depots.

But, the data on supply vis-à-vis disposal of Springs at six Zonal Stores for the period from 2006-07 to 2009-10 reveals startling picture on disposal/accountal of used springs indicating serious violation of standing instructions. The variance between Issues and Return of spring leaves at different zonal stores during the period from 2006-07 to 2009-10 is shown below

Zonal Stores	Issue of New Leaves in MTs	Return of used Leaves in MTs	Variance In MTs	% of Short devolution
VJA	628.45	579.41	-49.04	7.80
VZM	827.07	644.58	-182.49	22.06
UPL	1698.16	1059.33	-638.82	37.62
KRMR	1003.89	935.10	-68.79	6.85
KDP	1469.87	1122.01	-347.86	23.67
NLR	1335.62	1054.55	-281.08	21.04
Total	6963.06	5394.99	-1568.07	22.52

As per the Circular No.29/1999-MED, the norm for returning of broken spring leaves on scrapping is equal quantity of new spring leaves/assemblies drawn.

As could be seen from the above table, the total shortfall is as high as 22.52% for the period of 5 years which is Rs 3.53 crores in terms of monetary value. The Audit team of AG while observing above discrepancy pointed out that proper accountal, controls and monitoring at various levels are lacking which resulted in loss of revenue.

The following are some of the reasons that can be attributed to shortfall in return of used spring leaves by Depots.

- Negligence in segregation and proper storage of used/ broken leaves in scrap bins at depots.
- Usage of spring leaves for making stands, fences and other fabrication purposes at depots instead of returning to the Zonal Stores
- Missing of broken leaves on vehicles
- Mixing smaller pieces of spring leaves with MS scrap
- Discrepancies in accountal of unserviceable spring leaves

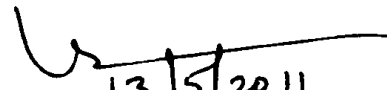
Therefore, the following instructions are once again reiterated for strict implementation in this regard.

- 1) Collect all the broken/ unserviceable leaves and store them in ***exclusive Scrap Bins at Depots***
- 2) Keep the ***serviceable Spring leaves*** in Smithy section ***duly de-rusting and segregating them into different sizes***
- 3) Always keep the ***new spring leaves stocked properly in the Depot Stores*** under the custody of Stores Supervisor
- 4) ***Do not use Spring leaves for the purpose of fabricating fences, stands etc*** under any circumstance
- 5) ***Send the unserviceable Spring leaves to Zonal Stores every month*** duly taking the correct weighment
- 6) DMs shall ***review the disposal activity every month*** and ensure that the instructions are implemented religiously.
- 7) The ***Depot Stores Supervisor*** shall ***maintain the record*** in the following format and reconcile the figures with those of Zonal Stores every month.

Month	Qty of new springs received (including Assys)		Qty of new Springs issued to vehicles		Qty of broken/ Unserviceable springs generated		Qty of used/ unserviceable spring leaves sent to Zonal Stores	
	For	Upto	For	Upto	For	Upto	For	Upto
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Variance between Receipts and DS8		Reasons for variance
For	Upto	
(10)	(11)	(12)

- 8) Further, at the end of financial year i.e, on **31<sup>st</sup> March of every year**, the following information shall be recorded in the register for reconciliation
- a) Total Qty of new springs received during the year (including Assys) :
  - b) Qty of Springs transferred to Other Depots during the year :
  - c) Total Qty of Unserviceable springs returned to Stores :
  - d) Qty of new springs available at Depot as on the last day :
  - e) Qty of Serviceable springs available at the depot as last day :
  - f) Qty of Unserviceable/Broken leaves available as on the last day :
  - g) Net variance (a+d+e)-(b+c+f):
  - h) Reasons for shortfall
- 9) The Dy.CMEs shall invariably monitor this activity at all depots under their jurisdiction and review this **as important item during their inspection** of depots.
- 10) The **Controllers of Stores** shall maintain a record on depot-wise issue of new springs/assemblies and receipt of used/unserviceable spring leaves and **communicate the statement indicating the shortfall to the concerned Regional Managers/Dy.CMEs every month** without fail.
- 11) The Regional Managers shall take appropriate **action on the concerned for violation of instructions** and short devolution of springs.
- 12) Executive Directors (zones) shall review the region-wise & depot-wise short devolution of Unserviceable springs and take appropriate action wherever deviations are observed.



13/5/2011

VICE CHAIRMAN & MANAGING DIRECTOR

To

All Depot Mangers.

Copy to: Director(Vig. & security), ED(E&IT), ED(O&MS), ED(A&P), FA, CAO & ED(T&C)  
for infmn.

Copy to: All Executive Directors(Zones) for necessary action.

Copy to: All Regional Managers for necessary action.

Copy to: All HODs for information.

Copy to: All Dy.CMEs & Dy.CTMs for necessary action.

Copy to: All WMs, COS', Dy.CAOs for information.

Copy to: All AOs for information

Copy to: All Principals, ZSTCs & TA/Hakimpet for information

Copy to: Manual Section/Head Office for filing

Copy to: AG Audit section, Bus Bhavan, Hyderabad for information.