



ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No: PRD1/ 745(1)/12-13-MED

O/o the VC & MD,
Musheerabad, Hyderabad

CIRCULAR NO.14/2013-MED, date: 17/07/2013

Sub: - **UPSET VALUE**- Fixing of Upset Value for Scrap Vehicles - Procedure to be followed - Reg.

Ref: - 1) Circular No. 38/96-MED, dated 24.10.96.
2) Circular No. 3/98-MED, dated 05.02.98.

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Guidelines were issued vide Circular No 2nd cited for assessment of Upset Value for Unserviceable Vehicles declared as Scrap and to Dispose off through tender cum auctions.

But on reviewing the status of Scrap Vehicles held at Scrap Yards, huge accumulations of Scrap Vehicles are observed because of higher Upset Values. This is not only leading to blockade of Unserviceable Vehicles in the Scrap Yards but also resulting in holdup of revenue realization besides causing difficulty in accommodating the incoming Scrap Vehicles owing to insufficient space in the yards.

In this regard, a committee has been formed to review the methodology of Upset Value assessment and propose necessary modifications to the existing system for speedy Disposal/Clearance of Scrap Vehicles through tender cum auction.

The Committee consisting of DY.CME (P), WM/UPL, WM/VZM, Dy.CME (O), Dy.CME/RR, Dy.CME/VJA, Dy.CAO/HZ, COS (C)-II & Dy.CAO (CE) under the Chairmanship of CME (O) examined the issues in detail and made certain recommendations to revise the present method of calculating Upset Value assessment in respect of certain items.

- On reviewing the recommendations of the committee, the following Methodology is finalized for calculating the **Upset Value of Vehicles**.

1. Upset Value of Chassis Frame & Engine:

The revised Upset Value of Chassis Frame & Engine is to be calculated as follows:

Upset Value of Chassis Frame:

Existing	Revised
Chassis Weight X 2 X the average of MS Scrap Rate in preceding 3 Auctions after adding 2% inflation.	Chassis Weight X 1.5 X the average of MS Scrap Rate in preceding 3 Auctions after adding 2% inflation.

Upset Value of Engine:

Existing	Revised
Wt. Of AL In Engine X Avg. Rate of AL Scrap in preceding 3 Auctions after adding 2% inflation + Wt. Of Spl. Steel in Engine X 2 X Avg. Rate of MS Scrap Rate in preceding 3 Auctions after Adding 2% inflation + Wt. Of CI X Avg. Rate of MS Scrap in preceding 3 Auctions after adding 2% inflation	Wt. Of AL In Engine X Avg. Rate of AL Scrap in preceding 3 Auctions after adding 2% inflation + Wt. Of Spl. Steel in Engine X 1.5 X Avg. Rate of MS Scrap Rate in preceding 3 Auctions after Adding 2% inflation + Wt. Of CI X Avg. Rate of MS Scrap in preceding 3 Auctions after adding 2% inflation

2 Upset Value of Front Axle & Rear Axle:

The revised Upset Value of Front Axle & Rear Axle is to be calculated as follows:

Upset Value of Front Axle:

Existing	Revised
Front Axle Weight X 2 X Best Rate of MS Scrap in preceding 3 Auctions.	Front Axle Weight X 1.5 X Best Rate of MS Scrap in preceding 3 Auctions.

Upset Value of Rear Axle :

Existing	Revised
Rear Axle Weight X 2 X Best Rate of MS Scrap in preceding 3 Auctions.	Rear Axle Weight X 1.5 X Best Rate of MS Scrap in preceding 3 Auctions.

3 Upset value of Least Serviceable items (Units)

The revised Upset Value for all Least Serviceable units is to be calculated as follows:

Upset Value of Least Serviceable Units:

Existing	Revised
Actual Scrap Value of Unit +10% Of O.E. Cost of the Least Serviceable Part.	Actual Scrap Value of Unit +5% Of O.E. Cost of the Least Serviceable Part.

The illustration on computing Upset Value for an Ashok Leyland/Tata bus with the standard Chassis regarding the Upset Value Committee of the Zones is furnished at Annexure A & B enclosed herewith

The guidelines issued earlier vide circular 1078-MED for fixing of Upset Value for Scrap Vehicles *stands modified only to the extent of the items furnished above* and the methodology *remains same for all other items*.

These instructions come into force with immediate effect.

This has the concurrence of FA & CAO.


Vice Chairman & Managing Director

Encl: As above

Copy to: Director (V&S)/FA/CAO/All EDs for information and necessary action.

Copy to: All HODs for information.

Copy to: All RMs for information and necessary action.

Copy to: Dy.CMEs/DVMs/Dy.CAOs/WMs/COSs/COS C-I&II for information and necessary action.

ILLUSTRATION OF COMPUTING UPSET VALUE FOR ALL DIST ORDINARY BUSES AL ON 210 W.B CHASSIS (BASED ON MATERIAL RATES IN HYD ZONE)				
Sl. No	Unit	Weight (Kgs)	Unit Cost	Remarks
1	Chassis Frame	470	17216.10	Chassis Wt X 1.5 X Avg. MS Scrap Rate Obtained in preceding 3 Auctions after adding 2% Inflation
2	Engine (370)	550	10000.00	Minimum Slavage Value of Scrap Engine with all Scrap Components
	With Least Serviceable Engine (Cyl. Block + Cyl. Head + Crank Shaft)		14356.20	a) Add 5% Of O.E.Engine Block Value If the Engine Block is Least Serviceable b) Add 5% of O.E Cylinder Head Value if Cylinder Head is Least Serviceable c) Add 5% of O.E Crank Shaft Value if Crank Shaft is Least Serviceable
3	Engine (Hino)	400	13590.60	Wt. Of AL in Engine X Average AL Rate in immediately Preceding 3 Auctions Adding 2% Inflation+ Wt of Special Steel in Engine X 1.5 X Average Rate Of MS in immediately Preceding 3 Auctions Adding 2% Inflation+ Wt of CI in Engine X Average Rate Of MS in immediately Preceding 3 Auctions Adding 2% Inflation.
			19854.55	a) Add 5% Of O.E.Engine Block Value If the Engine Block is Least Serviceable b) Add 5% of O.E Cylinder Head Value if Cylinder Head is Least Serviceable c) Add 5% of O.E Crank Shaft Value if Crank Shaft is Least Serviceable
4	Gear Box	125	4200.00	Weight X Best Gear Wheel Rate in Immediately Preceding 3 Auctions
5	Front Axle	280	11046.00	Weight of Front Axle X 1.5 X Best MS Scrap Rate in Preceding 3 Auctions
6	Rear Axle	475	18738.75	Weight of Rear Axle X 1.5 X Best MS Scrap Rate in Immediately Preceding 3 Auctions
7	Springs	380	12464.00	Wt Of 4 Springs X Best Rate Of Sp.Leaves/Kg in Preceding 3 Auctions
8	Self Starter		1000.00	1.25 times of the Best Rate Adopted by the Zones Presently
9	Alternator		1000.00	1.25 times of the Best Rate Adopted by the Zones Presently
10	Batteries		2200.00	No Of Batteries X Scrap Rate Fixed By the ASRTU
11	Radiator (Copper)	13	2687.67	Wt Of Radiator X Avg. Rate Of Copper in Preceding 3 Auctions Adding 2% Inflation
12	Radiator (AL)	5	555.71	Wt Of Radiator X Avg. Rate Of AL in Preceding 3 Auctions Adding 2% Inflation
13	Tyres		2332.68	No Of Tyres X Best Tyre Rate Obtained in Preceding 3 Auctions including Best Tube Rated Obtained in 3 Auctions
14	Wheel Discs	40	8408.00	No Of Disc X Wt. Of Disc X Best Rate Obtained in Preceding 3 Auctions
15	Cost Of Minor Sub-assemblies		3000.00	Clutch Disc, S/Box, P/Plate, HSD Tank, Air Tanks. PP Shaft set, Break Items, Bumper, Scilencor, Spare Wheel etc.
16	Aluminum	1194	132704.26	Wt Of AL- 5% X(Avg. Scrap Rate Of AL in Preceding 3 Auctions Adding 2% inflation
17	MS	1386	33839.74	Wt Of MS- 10% X(Avg. Scrap Rate Of MS in Preceding 3 Auctions Adding 2% Inflation
	Chassis Cost		97883.80	
	Body Cost		166544.01	
	Total Cost		264427.81	
	Chassis Cost With Least Serviceable Engine		104147.75	
	Body Cost		166544.01	
	Total cost with LSB		270691.76	

ILLUSTRATION OF COMPUTING UPSET VALUE FOR TATA DIST ORDINARY BUSES ON 218 W.B CHASSIS (REVISED BASED ON MATERIAL RATES IN VJA ZONE)				
Sl. No	Unit	Weight (Kgs)	Unit Cost	Remarks
1	Chassis Frame	450	14958.00	Chassis Wt X 1.5 X Avg. MS Scrap Rate Obtained in preceding 3 Auctions after adding 2% Inflation
2	Engine (6971)	550	10000.00	Minimum Slavage Value of Scrap Engine with all Scrap Components
			12592.00	a) Add 5% Of O.E.Engine Block Value If the Engine Block is Least Serviceable b) Add 5% of O.E Cylinder Head Value if Cylinder Head is Least Serviceable c) Add 5% of O.E Crank Shaft Value if Crank Shaft is Least Serviceable.
3	Engine (BS-II)	400	9972.00	Wt. Of AL in Engine X Average AL Rate in immediately Preceding 3 Auctions Adding 2% Inflation+1.5 X Wt of Special Steel in Engine X Average Rate Of MS in immediately Preceding 3 Auctions Adding 2% Inflation+Wt of CI in Engine X Average Rate Of MS in immediately Preceding 3 Auctions Adding 2% Inflation.
			12772.00	a) Add 5% Of O.E.Engine Block Value If the Engine Block is Least Serviceable b) Add 5% of O.E Cylinder Head Value if Cylinder Head is Least Serviceable c) Add 5% of O.E Crank Shaft Value if Crank Shaft is Least Serviceable.
4	Gear Box	125	5375.00	Weight X Best Gear Wheel Rate in Immediately Preceding 3 Auctions
5	Front Axle	280	9454.20	Weight of Front Axle X 1.5 X Best MS Scrap Rate in Preceding 3 Auctions
6	Rear Axle	475	16038.38	Weight of Rear Axle X 1.5 X Best MS Scrap Rate in Immediately Preceding 3 Auctions
7	Springs	360	11739.60	Wt Of 4 Springs X Best Rate Of Sp.Leaves/Kg in Preceding 3 Auctions
8	Self Starter		1000.00	1.25 times of the Best Rate Adopted by the Zones Presently
9	Alternator		1000.00	1.25 times of the Best Rate Adopted by the Zones Presently
10	Batteries		2200.00	No Of Batteries X Scrap Rate Fixed By the ASRTU
11	Radiator (Copper)	13	5163.86	Wt Of Radiator X Avg. Rate Of Copper in Preceding 3 Auctions Adding 2% Inflation
12	Radiator (AL)	5	529.85	Wt Of Radiator X Avg. Rate Of AL in Preceding 3 Auctions Adding 2% Inflation
13	Tyres	4	2152.72	No Of Tyres X Best Tyre Rate Obtained in Preceding 3 Auctions Including Best Tube Rate Obtained in 3 Auctions
14	Wheel Discs	40	8025.60	No Of Disc X Wt. Of Disc X Best Rate Obtained in Preceding 3 Auctions
15	Cost Of Minor Sub-assemblies		3000.00	Clutch Disc, S/Box, P/Plate, HSD Tank, Air Tanks. PP Shaft set, Break Items, Bumper, Scilencor. Spare Wheel etc.
16	Aluminum	1284	136065.48	Wt Of AL- 5% X Avg. Scrap Rate Of AL in Preceding 3 Auctions Adding 2% Inflation
17	MS	1535	34015.60	Wt Of MS- 10% X Avg. Scrap Rate Of MS in Preceding 3 Auctions Adding 2% Inflation
	Chassis Cost		90079.36	
	Body Cost		170081.68	
	Total Cost		260160.04	
	Chassis Cost With Least Serviceable Engine		112271.36	
	Body Cost		170081.68	
	Total cost with MSB		282353.04	