



ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION
OP4/377(SML)/2020-MED

O/o the VC & MD,
RTC House, VJA,
Dt: 08.03.2021.

To

The Executive Directors (Zone),
VZM, VJA & NLR.

SUB: UPSET VALUE- Disposal of SML MIDI buses in "As is where is"
condition- Guidelines for arriving upset value- Reg.

- Ref: 1. Lr no OP4/745(CTR)/2020-MED, dated 16.09.2020
2. Lr no Sup/Scrap Buses/DVM/VZM, dated 03.11.2020

Vide reference 1st cited, the competent authority has accorded approval to withdraw all the 60 SML MIDI buses and dispose off in "as is where is condition". Accordingly all the SML MIDI buses were withdrawn by Regions and sent to respective zonal scarp yards. Vide reference 2nd cited, it was requested to communicate the guidelines for arriving upset value of the serviceable buses.

In this connection, the following guidelines are issued :

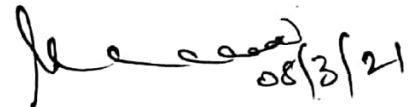
- i. The new bus cost shall be depreciated in straight line method (SLM) as per companies act @11.88% over 8 years of life with 5% salvage value
- ii. Residual value of bus arrived after 5 years shall be adopted as the upset value for a fully serviceable (power) bus
- iii. If any unit/units fitted on the bus are unserviceable, then deduct the cost of new unit/units from the new bus cost and depreciate the arrived value as per SLM method. To the residual value arrived after 5 years in the above process, add scrap value of the unserviceable unit, calculated as per circular 14/2013-MED, to arrive at the upset value of the Bus fitted with unserviceable unit/units.
- iv. If any of the unit/units fitted on the bus are least serviceable and requires overhauling to keep the bus in power, then deduct the cost of overhauling of that particular unit/units from the residual value arrived after 5 years for a fully serviceable bus (as arrived at S.no. ii above) in order to arrive at the upset value of the bus fitted with least serviceable unit/units.
- v. The cost of overhaul of various units for these SML MIDI buses shall be obtained from Works Manager, ZWS Nellore.

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- vi. The weights and cost of new major units /sub assemblies of SML Midi buses required for calculating the upset value is furnished at Annexure-1
- vii. DyCMEs who have operated SML Midi buses shall also be included in the existing Zonal upset value committee as they will be having knowledge on the vehicle wise units condition for better guidance and assistance while calculating the upset value.

The model worksheets with hypothetical values for fully serviceable vehicle(in power) , vehicle with unserviceable engine , vehicle with unserviceable gear box , vehicle with unserviceable engine & unserviceable gear box and vehicle with least serviceable engine are furnished at Annexures 2-7.

Hence, you are requested to take immediate action to dispose off the SML MIDI buses at the earliest.



Executive Director (E)

Copy to ED(A), ED(O), FA&CAO for information

Copy to all DyCMEs, DVMs, WMs, COSs and DyCAOs(Zone) for information and necessary action

Weights and cost of new units/ sub assemblies

Annexure-1

S.No.	Name of the Unit	Part No.	Qty.	Weight of the unit (in kg)	Total Weight / cost	New item cost
1	ENGINE	LBOM02198	1	Weight of Aluminium: 20	350	588639
				Weight of Cast Iron: 330		
				Total Weight: 350		
2	GEAR BOX	LBOM03068	1	Weight of Aluminium: 11	82	137014
				Weight of Cast Iron: 71		
				Total Weight: 82		
3	FRONT AXLE (Including Brake Drums)	WA9033011	1	101	101	27397
4	REAR AXLE (Including D/Head, Brake Drums, With-out Wheel Disc)	LP5005000 C	1	203	203	242748
5	STEERING BOX	LP2632920	1	19	19	71047
6	RADIATOR ASSEMBLY	LP6015200	1	4	4	8582
7	LEAF-SPRING ASSEMBLY FRONT	LP0134010 D	2	32	63	10551
8	LEAF-SPRING ASSEMBLY REAR	LP5128010A	2	49	97	13229
9	CHASSIS FRAME	LBOM38288	1	395	395	217857
10	PP SHAFT ASSEMBLY	Front : LP0225200	1	10	10	19673
		Rear : LP6425100	1	22	22	9228
11	WHEEL RIM	LP6437040	7	22	151	9277
12	SELF STARTER	ZLP6418400	1	12	12	16642
13	ALTERNATOR	ZLP6418300	1	8	8	23309
14	CLUTCH DISC	SD0116460 A	1	4	4	4763
15	PRESSURE PLATE	SD0116410	1	14	14	8407
16	FUEL TANK	LP0142160 C	1	25	25	9591
17	AIR TANKS	LP4943640 (10 Ltrs.)	1	5	5	2519
		LP4943900 (20 Ltrs.)	2	10	21	3196
18	BRAKE ITEMS	Brake Chamber LH: LP4943710 A	1	2	2	2792
		Brake Chamber RH:LP4943860 A	1	3	3	1728
		Actuator:LP4944620	2	5	11	7928
		Slack Adjuster:LP4926970 A	4	3	11	4717
19	SILENCER	Joint pipe : LP6040510 B	1	4	4	1431
		Silencer : LP2440100 A	1	6	6	1930
		Cat Con : LP4040300	1	5	5	25205

B

20	Steel Parts		Weight (Kg)
	GI Structure tubes	FLOOR , LH side , RH Side , Roof , Front , Rear , Bumper , passenger foot step & emergency Door structure	780
	GI Sheets	Outer panel , Roof sheet , Humps , Floor liners etc.	480
		GI Sheet - Driver Door	22
	Mild steel	Hat Rack Pipes & Brackets	45
		Seat Rail	27
		Passenger seats structure	220
		TOTAL	1574
21	Aluminum Parts		Weight (Kg)
	sheets , ornaments	Floor / sides ornaments , PVC Coated sheet, Window guard rail pipes, Rub Rail, Roof Grab Rail , Stanchion pipe	105
	Aluminum extrusion	Window frames outer frames	35
	Passenger Door	Passenger Door	20
		TOTAL	160
22	FRP Parts		Weight (Kg)
	FRP Parts	Front , Rear , Bumper, Front Inner dome, Rear inner dome, Wheel arcs, Dash board etc.	140
		TOTAL	140

**Straight line method of depreciation @ 11.88% depreciation rate ,
8 years useful life and 5% salvage value**

1	Cost of bus	Rs	X
2	Useful life of bus/ Period of depreciation	Years	8
3	Salvage value @ 5% on cost of bus	Rs	$SV = X*5/100$
4	Amount to be depreciated	Rs	$X - SV$
5	Annual amount to be depreciated	Rs	$AD = [X - SV] / 8$

Method of depreciation

Year	Opening amount (Rs) (A)	Depreciation amount (Rs) (B)	Residual value at the end of each year (Rs) (C = A-B)
1	X	AD	$RV 1 = X - AD$
2	RV 1	AD	$RV 2 = RV 1 - AD$
3	RV 2	AD	$RV 3 = RV 2 - AD$
4	RV 3	AD	$RV 4 = RV 3 - AD$
5	RV 4	AD	$RV 5 = RV 4 - AD$
6	RV 5	AD	$RV 6 = RV 5 - AD$
7	RV 6	AD	$RV 7 = RV 6 - AD$
8	RV 7	AD	$RV 8 = RV 7 - AD$

1) For fully serviceable bus:

X= New bus Cost
Upset value = RV 5

2) For a bus with unserviceable engine:

X= New Bus cost- New Engine cost
Upset value= RV 5 + Scrap engine cost

3) For a bus with unserviceable gearbox:

X= New Bus cost- New Gearbox cost
Upset value= RV 5 + Scrap gearbox cost

4) For a bus with unserviceable engine and unserviceable gear box:

X= New Bus cost - New Engine cost- New Gear box cost
Upset value = RV 5 + scrap engine cost + Scrap gear box cost

5) For a bus with least serviceable engine :

X= New Bus cost
Upset value= RV 5 - CO Cost of engine

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MODEL CALCULATION FOR FULLY SERVICEABLE BUS (POWER)

For Example:

1	Cost of New bus	Rs		1000000
2	Useful life of bus/ Period of depreciation	Years		8
3	Salvage value @ 5% on cost of bus	Rs	$(10,00,000 * 5 / 100)$	50000
4	Amount to be depreciated	Rs	$(10,00,000 - 50,000)$	950000
5	Annual amount to be depreciated	Rs	$(9,50,000 / 8)$	118750

Method of depreciation

Year	Opening amount (Rs) (A)	Depreciation amount (Rs) (B)	Residual value at the end of each year (Rs) (C = A-B)
1	1000000	118750	881250
2	881250	118750	762500
3	762500	118750	643750
4	643750	118750	525000
5	525000	118750	406250
6	406250	118750	287500
7	287500	118750	168750
8	168750	118750	50000

Upset value = Residual value at the end of 5 th year = 4,06,250/-

(B)

**- MODEL CALCULATION FOR
BUS FITTED WITH UNSERVICEABLE ENGINE**

For Example:				
1	Cost of new bus	Rs		1000000
2	Cost of new engine	Rs		200000
3	Cost of bus without engine	Rs	(10,00,000 - 2,00,000)	800000
4	Cost of scrap engine	Rs		10000
5	Useful life of bus/ Period of depreciation	Years		8
6	Salvage value @ 5% on cost of bus w/o engine	%	(8,00,000 * 5 / 100)	40000
7	Amount to be depreciated	Rs	(8,00,000 - 40,000)	760000
8	Annual amount to be depreciated	Rs	(7,60,000 / 8)	95000

- Method of depreciation

Year	Opening amount (Rs) (A)	Depreciation amount (Rs) (B)	Residual value at the end of each year (Rs) (C = A-B)
1	800000	95000	705000
2	705000	95000	610000
3	610000	95000	515000
4	515000	95000	420000
5	420000	95000	325000
6	325000	95000	230000
7	230000	95000	135000
8	135000	95000	40000

Upset value = Residual value at the end of 5th year + scrap engine cost = 335000/-

B

**MODEL CALCULATION FOR
- BUS FITTED WITH UNSERVICEABLE GEAR BOX**

For Example:				
1	Cost of new bus	Rs		1000000
2	Cost of new gear box	Rs		100000
3	Cost of bus without gear box	Rs	(10,00,000 - 1,00,000)	900000
4	Cost of scrap engine	Rs		3000
5	Useful life of bus/ Period of depreciation	Years		8
6	Salvage value @ 5% of cost of bus w/o engine	%	(9,00,000 * 5 / 100)	45000
7	Amount to be depreciated	Rs	(9,00,000 - 45,000)	855000
8	Annual amount to be depreciated	Rs	(8,55,000 / 8)	106875

Method of depreciation

Year	Opening amount (Rs) (A)	Depreciation amount (Rs) (B)	Residual value at the end of each year (Rs) (C = A-B)
1	900000	106875	793125
2	793125	106875	686250
3	686250	106875	579375
4	579375	106875	472500
5	472500	106875	365625
6	365625	106875	258750
7	258750	106875	151875
8	151875	106875	45000

Upset value = Residual value at the end of 5th year + scrap gear box cost = **3,68,625/-**

B

**MODEL CALCULATION FOR
BUS FITTED WITH UNSERVICEABLE ENGINE & GEAR BOX**

For Example:				
1	Cost of new bus	Rs		1000000
2	Cost of new engine	Rs		200000
3	Cost of new gear box	Rs		100000
4	Cost of bus w/o engine & w/o G.Box	Rs	(10,00,000-2,00,000-1,00,000)	700000
5	Cost of scrap engine	Rs		10000
6	Cost of scrap G.Box	Rs		3000
7	Useful life of bus/ Period of depreciation	Years		8
8	Salvage value @ 5% on cost of bus w/o engine and w/o gear box	%	(7,00,000*5/100)	35000
9	Amount to be depreciated	Rs	(7,00,000-35,000)	665000
10	Annual amount to be depreciated	Rs	(6,65,000/8)	83125

Method of depreciation

Year	Opening amount (Rs) (A)	Depreciation amount (Rs) (B)	Residual value at the end of each year (Rs) (C = A-B)
1	700000	83125	616875
2	616875	83125	533750
3	533750	83125	450625
4	450625	83125	367500
5	367500	83125	284375
6	284375	83125	201250
7	201250	83125	118125
8	118125	83125	35000

Upset value = Residual value at the end of 5th year + scrap engine cost + scrap G.Box cost = 297375/-

B

MODEL CALCULATION FOR BUS WITH LEAST SERVICEABLE ENGINE

For Example:

1	Cost of New bus	Rs		1000000
2	CO cost of engine	Rs		50000
3	Useful life of bus/ Period of depreciation	Years		8
4	Salvage value @ 5% on cost of bus	Rs	$(10,00,000 * 5 / 100)$	50000
5	Amount to be depreciated	Rs	$(10,00,000 - 50,000)$	950000
6	Annual amount to be depreciated	Rs	$(9,50,000 / 8)$	118750

Method of depreciation

Year	Opening amount (Rs) (A)	Depreciation amount (Rs) (B)	Residual value at the end of each year (Rs) (C = A-B)
1	1000000	118750	881250
2	881250	118750	762500
3	762500	118750	643750
4	643750	118750	525000
5	525000	118750	406250
6	406250	118750	287500
7	287500	118750	168750
8	168750	118750	50000

Upset value = Residual value at the end of 5 th year - CO cost of engine
 $\therefore 406250 - 50000 = \mathbf{3,56,250/-}$

(B)