



1342/सचिव (प्रा)
11/07/17

भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

No. AAI/CHQ/AERA/MYTP/Dep/2017/397

10th July, 2017

The Secretary,
Airports Economic Regulatory Authority of India,
AERA Building, Administrative Complex,
Safdarjung Airport
New Delhi-110003

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
सफदरजंग एयरपोर्ट, नई दिल्ली-110003

प्राप्त
दफ्तरी नं० 1005
तारीख 11/07/17

Sub:- In the matter of determination of Useful life of Airports Assets

Sir,

Reference is invited to AERA's Consultation, paper No. 09/2017-18 dated 19/06/2017 on the subject mentioned above.

It is proposed to AERA to consider following suggestions:

- A) Runways, Taxiways & Apron are key Airfield assets where no specific rates are prescribed under Companies Act 2013. The rates of depreciation of Runways, Taxiways & Apron can be based on the usability of Airports. The usage levels facilities can be determined on the basis of per hour movements of Aircrafts / total movements of Aircraft per year. The Airports can be categorized into three segments as under:

Sl No	Category	Useful life of Assets
1)	Airports with extensive use of Runway, Taxiways & Apron.	20 years
2)	Airports with less extensive use of Runway, Taxiways & Apron.	25 years
3)	Airports which doesn't fall under above two category	30 years

This categorization may be done on the basis of number of movements per hour in a day.

- B) AAI proposes to specify useful life of any Asset based on manufacturer's specifications & technical justifications for SL No 10,11,14 & 20 of Annexure -5 Part I.

Thanking you,

DGAT (P)
Aam (P)
11/7/17

Useful life

Yours faithfully,

(G. Ravichandran)
ED(JVC&Tariff)