

# Ministry of Civil Aviation disbursed about Rs 30 crores during FY 2022-23 under PLI Scheme for Drones and Drone Components.

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The Ministry of Civil Aviation has disbursed an amount of Rs. 30 crores (approximately) to the beneficiaries during FY 2022-23 under the PLI Scheme for Drones and Drone Components.

To promote the indigenous drone industry, the government notified the Production Linked Incentive (PLI) scheme for drones and drone components on 30<sup>th</sup> September 2021. The step was widely welcomed by academia and industry experts. This scheme has multiple features to help the industry such as:

The total incentive is Rs. 120 crore spread over three financial years. It is nearly double the combined turnover of all domestic drone manufacturers in FY 2020-21.

For this scheme, the PLI rate is 20% of the value addition which is one of the highest among PLI schemes.

Under this scheme, the value addition is calculated as the annual sales revenue from drones and drone components (net of GST) minus the purchase cost (net of GST) of drone and drone components.

The PLI rate is kept constant at 20% for all three years, which is an exceptional treatment for the drone industry in the country.

The Minimum value addition norm has been at 40% of net sales for drones and drone components instead of 50% which is another exceptional treatment for the industry.

The eligibility norm for MSMEs and startups is at nominal levels.

The coverage of the scheme includes developers of drone-related software also.

PLI for a manufacturer is capped at 25% of the total annual outlay. This allows for the widening of the number of beneficiaries.

In case a manufacturer fails to meet the threshold for the eligible value addition for a particular financial year, she will be allowed to claim the lost incentive in the subsequent year if she makes up the shortfall in the subsequent year.

A provisional list of 23 PLI beneficiaries was released on 6th July 2022. The beneficiaries include 12 drone manufacturers and 11 drone component manufacturers.

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**YB/PS**

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