

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 1844
(To be answered on the 9th December 2021)**

PLI SCHEME FOR DRONE INDUSTRY

**1844. DR. BEESETTI VENKATA SATYAVATHI
SHRI MADDILA GURUMOORTHY
SHRI M.V.V. SATYANARAYANA
SHRI POCHA BRAHMANANDA REDDY
SHRI KURUVA GORANTLA MADHAV
SHRI CHANDRA SEKHAR BELLANA**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has announced a Production Linked Incentive (PLI) Scheme for the Drone Industry;
(b) if so, the details thereof;
(c) whether this will help in capacity building and domestic value addition in the sector; and
(d) if so, the details thereof?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(GEN. (DR) V. K. SINGH (RETD))

(a) & (b) Yes, Sir. The Production-Linked Incentive (PLI) Scheme for drones and drone components has been notified on 30 September 2021 to promote the manufacturing of drones and drone components in India. The details of the PLI scheme are as follows:

(i) An incentive of Rs. 120 crore has been provided for Indian manufacturers of drone and drone components on the basis of their value addition in India, 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 incentive is spread over three financial years commencing from 2021-22.

(ii) The PLI that can be claimed by a manufacturer is 20% of the value addition by such manufacturer. The PLI rate is constant at 20% for all three years.

(iii) Minimum value addition is specified as 40% of net sales

(iv) Eligibility norm for Micro, Small and Medium Enterprises (MSME) and startups is specified as Rs. 2 crore of annual sales revenue for drone manufacturers and Rs. 50 lakhs of annual sales revenue for drone component manufacturers.

(v) PLI for a beneficiary is capped at 25% of the total annual outlay to allow widening of the number of beneficiaries.

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

(c) & (d) The incentive under the PLI scheme is applicable only on domestic value addition and will encourage manufacturers to reduce imports and go for higher capacity building and value addition in the sector.
