

F. No. AV-29017/37/2021-SDIT-MOCA-Part(4)

Government of India
Ministry of Civil Aviation

'B' Block, Rajiv Gandhi Bhawan, New Delhi - 110003

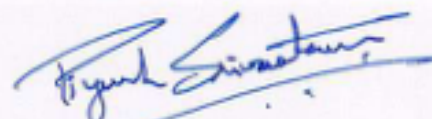
29 November 2022

Subject: Operational Guidelines of the Production Linked Incentive (PLI) scheme for drones and drone components – regarding.

The Government has approved the Production Linked Incentive (PLI) scheme for drones and drone components for implementation during 2022-23 to 2024-25 with an outlay of Rs 120 crores. The scheme is being implemented by Ministry of Civil Aviation

2. Based on the consultations/ meetings with the stakeholders, including the industry representatives and the concerned departments, the operational guidelines of PLI scheme for drones and drone components have been finalised.

3. These operational guidelines are hereby notified for the information of all the stakeholders and general public.



(Priyush Srivastava)

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Tel:011-24629322

Dated: 29/11/2022

Subject: Guidelines for the Operation of Production Linked Incentive Scheme (PLI) for Drones and Drone Components

1. Introduction

1.1. Objective – The objective of this scheme is to incentivise manufacturing of drones and drone components in India so as to make them self-sustaining and globally competitive. In order to make India a global hub for the research and development, testing, manufacturing and operation of drones under the Atmanirbhar Bharat Abhiyan, the liberalised Drone Rules, 2021 were released to create a growth-oriented regulatory framework for drones. To facilitate further growth, the Government has approved Production Linked Incentive (PLI) Scheme for Drones and Drone Components in India.

1.2. The Production Linked Incentive Scheme (PLI) for Drones and Drone Components (hereinafter referred to as 'Scheme') has been notified vide notification No. CG-DL-E-30092021-230076 dated 30/09/2021 in the Gazette of India. The Scheme has come into effect from the date of its Gazette Notification.

1.3. In pursuance of Para 11 of said notification and for the effective operation and smooth implementation of the Scheme, the following Guidelines are being laid down that are to be read along with the Scheme. In case of any inconsistency between the Scheme and the Guidelines, the provisions of the Scheme shall prevail.

1.4. These Guidelines have been prepared after detailed consultations with industry and other relevant stakeholders. The Scheme Guidelines inter-alia cover the following:

1.4.1. Definitions

1.4.2. Qualification and Eligibility

1.4.3. Application and Online Portal

1.4.4. Project Management Agency (PMA), Empowered Group of Secretaries (EGoS) and Competent Authority

1.4.5. Approval under PLI and Determination of Baseline

1.4.6. Calculation and Disbursement of Incentives

2. Definitions

2.1. Applicant: An Applicant for the purpose of the Scheme are the companies registered in India that are manufacturing –

- a. Drones, and/or,
- b. Drone Components

The aforesaid manufacturing can be carried out at one or more locations in India.

2.2. Target Segment – Target Segment covers the drones and drone components. The Target Segment / Eligible Products shall mean drones and drone components under the Scheme. The drone components include-

- 2.2.1. Airframe, propulsion systems (engine and electric), power systems, batteries and associated Components, launch and recovery systems;
- 2.2.2. Inertial Measurement Unit, Inertial Navigation System, flight control module, ground control station and associated components;
- 2.2.3. Communications systems (radio frequency, transponders, satellite-based etc.);
- 2.2.4. Cameras, sensors, spraying systems and related payload etc.;
- 2.2.5. 'Detect and Avoid' system, emergency recovery system, trackers etc. and other components critical for safety and security.
- 2.2.6. Software for drone and drone components.

The list of eligible drones and drone components may be modified by the Central Government from time to time.

2.3. Application: An application submitted/ to be submitted by an applicant along with supporting documents and application fee.

2.4. Application Acknowledgement Date: The date on which an application is acknowledged by MoCA after carrying out initial scrutiny in this regard.

2.5. Application Approval Date: The date on which, based on an application, approval under the Scheme is issued by the Project Management Agency (PMA)/MoCA.

2.6. Project Management Agency (PMA): Refers to the Financial Institution(s) or any other authority(ies) appointed by MoCA for secretarial, managerial and implementation support and carry out other responsibilities, as assigned by MoCA from time to time.

2.7. Empowered Group of Secretaries (EGoS): EGoS is the Committee chaired by the Cabinet Secretary (constituted by the Cabinet vide Gazette notification dated 10/06/2020). The EGoS will monitor the Scheme, undertake periodic reviews of the outgo under the Scheme and take appropriate action to ensure that the expenditure is within the prescribed outlay as approved by the Cabinet.

2.8. Eligible Sales Turnover: Total sales turnover achieved in a financial year (net of GST) from the sale of drones and drone components as stated in such manufacturer's GST returns. Such turnover should be net of credit notes (raised for any purpose), discounts (including but not limited to cash, volume, turnover, target or for any other purpose), taxes applicable, returns and write-offs.

2.9. Financial Year: Financial Year begins on the 1st of April of a year and ends on 31st March of the following year.

2.10. Eligible Purchase Cost: Total cost (net of GST) incurred in a financial year for purchase of items used in the manufacturing of drones and drone components as stated in such manufacturer's GST returns. Such purchase cost should be net of debit notes (raised for any purpose), discounts (including but not limited to cash, volume, turnover, target or for any other purpose), taxes applicable and expenses pertaining to freight, etc.

2.11. Manufacturing: In accordance with Central Goods and Services Tax (CGST) Act, 2017; manufacturing shall mean processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character, HSN and use and the term "manufacturer" shall be construed accordingly.

2.12. Employment: Jobs which are directly involved in the production process or with related activities beginning from when materials enter a production facility and up until the resultant manufacturing good leaves the production facility. Such employment shall include on-roll, contractual and apprentice workforce in the country only.

2.13. Non-Originating Material and Services: Material and Services whose country of origin is other than the country in which that material /

service is used in manufacturing and any material / service whose origin cannot be determined.

2.14. Eligible Value Addition in India: Eligible Value Addition in India shall be computed by subtracting Eligible Purchase Cost (net of GST) from Eligible Sales Turnover (net of GST).

2.15. Successor-in-Interest: Successor-in-Interest shall mean the new or re-organized entity formed after the merger, demerger, acquisition, transfer of business or significant change in ownership of an applicant.

2.16. Related Party(ies): The term related party shall be as defined in Accounting Standard 18/ Ind-AS-24 Related Party Disclosure, as may be applicable to the applicant, as notified by Ministry of Corporate Affairs or any other appropriate authority from time to time.

2.17. Force Majeure: Extraordinary events or circumstances beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, public health emergency, riots, crimes (but not including negligence or wrong-doing, predictable / seasonal rain and any other events specifically excluded).

2.18. Competent Authority: Competent Authority under the Scheme shall be defined as per OM F.No. 32(03)/PF-II/2020 dated 01.10.2020 issued by Department of Expenditure, Ministry of Finance, or any subsequent modifications thereof.

2.19. Group Company(ies): Group Company(ies) shall mean two or more enterprises which, directly or indirectly, are in a position to:

- i. Exercise twenty-six percent or more of voting rights in other enterprise; or
- ii. Appoint more than fifty percent of members of board of directors in the other enterprise.

As defined in the FDI Policy Circular of 2020.

2.20. Startups - 'Startups' shall mean organisations that possess a valid Certificate of Recognition issued by the Department for Promotion of Industry and Internal Trade.

2.21. MSME - 'MSME' shall mean organisations that are registered as Micro, Small & Medium Enterprises ('MSME') with the Ministry of MSME, Government of India under the MSMED Act, 2006 read with relevant rules and regulations.

2.22. Trading - Trading shall mean sale of goods that have been sold without any value addition or processing or any manufacturing activity. This shall, however, not include loose spare parts included as part of a drone package; provided that the total value of such loose spare parts does not exceed 5% of the invoice value of the drone package.

2.23. Tenure of the scheme:

- i. The tenure of this shall be 3 years starting from the financial year 2021-22.
- ii. The PLI for a particular financial year will be claimed and disbursed in the subsequent financial year.
- iii. An approved applicant shall be eligible for benefits for 3 consecutive financial years but not beyond financial year 2023-24.

3. Qualification and Eligibility

3.1. Support under the Scheme shall be provided only to companies engaged in manufacturing of drones and drone components in India. The drone components are mentioned in Para 2.2 above.

3.2. Eligibility shall be subject to qualification criteria as under:

Minimum annual sales turnover for claiming PLI			
Indian MSME and startups		Indian Non-MSME	
Drone (Rs. in crore)	Component (Rs. in crore)	Drone (Rs. in crore)	Component (Rs. in crore)
2	0.5	4	1

3.3. In terms of Clause 3.7 of the Scheme Notification, the component manufacturers shall have to provide self-certificates that the drone components for which PLI is being claimed is used solely in the manufacturing of a drone. The certificate shall also be obtained from the Statutory Auditor of the selected applicant and MD of the selected applicant.

3.4. If the Applicant is MSME as per the definition above, they need to provide Udyam Aadhar Certificate.

3.5. As per Para 6.5 of the Scheme Notification dated 30/09/2021, "Multiple claims by a manufacturer under different PLI schemes of Government of India may lead to disqualification of such manufacturer, in

addition to legal action as applicable under the law." The Applicants need to submit an undertaking that they are not claiming incentives or benefits under any other PLI schemes of GoI for the same products or any of its components.

3.6. Developers of software for drones and drone components are also eligible for the PLI, subject to the eligibility norms and guidelines of the Scheme.

3.7. The total financial outlay during three years of the PLI Scheme for drones and drone components is capped at Rs. 120 crore. In case the calculated incentive payout under this scheme exceeds the budget for a particular year it will be reduced on pro-rata basis for each applicant.

3.8. The administrative expense for the scheme will be absorbed within the overall limit of Rs.120 crore.

3.9. Total PLI per manufacturer is capped at Rs.30 crore which is 25% of the total financial outlay of Rs.120 crore.

4. Related Party Transactions

All transactions with Related Parties will be subject to provisions of relevant statutes and Accounting Standard 18/ Ind AS 24 as amended from time to time.

5. Application

5.1. The Scheme may be reopened for applications anytime during its tenure as notified by MoCA from time to time.

5.2. An application under the Scheme can be made to MoCA / Project Management Agency (PMA) by any company registered in India.

5.3. The number of applications allowed per applicant for support under the Scheme shall be restricted to one (1).

5.4. PMA shall appraise the applications received as prescribed in the format in **Annexure-1** of these Guidelines.

5.5. The application fee as mentioned in **Annexure-2** of these Guidelines, shall be accepted electronically and shall be non-refundable.

5.6. PMA may ask for desired information to carry out the Appraisal. PMA would provide recommendation to MoCA for final selection of Applicant and issuance of Letter of Approval by PMA.

6. Online Portal

6.1. All applications received/to be received will be through an online portal maintained by MoCA/PMA. In case the online portal is not functional, the same may be obtained in offline mode till such time the portal is fully operational.

6.2. Upon successful submission of an application, MoCA/PMA shall issue a unique Application ID to the applicant for all future activities pertaining to the Scheme. All applicants may refer to this unique ID for any future correspondence on the subject.

7. Project Management Agency (PMA)

7.1. The Scheme will be implemented through a Nodal Agency as mentioned in Para 7 of the Scheme Notification dated 30/09/2021. Such nodal agency shall act as a Project Management Agency (PMA) and be responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by MoCA from time to time.

7.2. The PMA would be responsible for inter-alia:

7.2.1. Appraisal of applications and verification of eligibility;

7.2.2. Examination of claims eligible for disbursement of PLI;

7.2.3. Compilation of data regarding progress and performance of the scheme, including incremental investment and incremental sales and purchase of drones and drone components;

7.2.4. To keep a check on any diversions arising out of any change in accounting policy or duplication of benefits on account of the same activity under different PLI schemes.

7.3. The PMA may request for additional information, details, undertakings, certificates and documents from the applicant as deemed necessary.

8. **Audit** – The scheme shall have a provision for audit by an external auditor (Chartered Accountant or Cost Accountant) appointed by PMA/ MoCA. Cost to be borne by selected Applicant under the Scheme.

9. Empowered Group of Secretaries (EGoS)

9.1. An Empowered Group of Secretaries (EGoS) has been constituted by the Central Government vide Order No. P 36017/144/2020-Investment

Promotion published in the Gazette of India. The composition of the EGoS is as follows:

- (i) Cabinet Secretary, **Chairperson**
- (ii) CEO, NITI Aayog
- (iii) Secretary, Department for Promotion of Industry and Internal Trade, **Member Convenor**
- (iv) Secretary, Department of Commerce
- (v) Secretary, Department of Revenue
- (vi) Secretary, Department of Economic Affairs
- (vii) Secretary, Ministry of Civil Aviation

9.2. The Empowered Group of Secretaries (EGoS) chaired by Cabinet Secretary will monitor the Scheme, undertake periodic review of the outgo under the scheme and take appropriate action to ensure that the expenditure is within the prescribed outlay as approved by the Cabinet.

9.3. The EGoS will conduct periodic reviews of eligible companies with respect to their investments, employment generation, production, and value addition under the Scheme.

9.4. The EGoS may revise incentive rates, ceilings, target segment(s) and eligibility criteria as deemed appropriate during the tenure of the Scheme.

10. Competent Authority/ Committee at MoCA:

10.1. Competent Authority for exercising the financial powers under the Scheme shall be defined as per OM F.No. 32(03)/PF-II/2020 dated 01.10.2020 issued by Department of Expenditure, Ministry of Finance, or any subsequent modifications thereof.

10.2. The MoCA will constitute a committee as mentioned hereunder for selection of Applicants, Sanctions and release of funds:

- i. Secretary, MoCA (Chairperson)
- ii. Senior Economic Advisor/ Joint Secretary in charge of drones, MoCA
- iii. Joint Secretary & Financial Adviser, MoCA
- iv. Deputy Secretary, SDIT, MoCA (Member Secretary)

10.3. The Committee at MoCA will consider applications, as recommended by the PMA for approval under the Scheme. The Committee may seek such additional information, as necessary for approval.

10.4. The Committee at MoCA will consider claims for disbursement, as examined, and recommended by the PMA, for disbursement of incentive.

10.5. In case of a Force Majeure event, the Committee at MoCA may amend, modify, or withdraw any clauses under the Scheme Guidelines.

10.6. The Committee at MoCA will also be authorized to carry out any amendments in Scheme Guidelines.

11. Approval under PLI

11.1. The Project Management Agency (PMA) appointed by MoCA, will appraise the applications, as received. The PMA shall accordingly make appropriate recommendations to the Competent Authority/MoCA for approvals under the Scheme.

11.2. After receiving approval from the Competent Authority, the PMA/MoCA shall issue a letter to the applicant within 10 working days of approval by the Approval Committee of MoCA, communicating approval under the Scheme. The approval letter shall clearly state the following:

11.2.1. Name of the Applicant

11.2.2. Category

11.2.3. Target Segment

11.2.4. Proposed Product(s) to be manufactured

11.2.5. Proposed Investment

11.2.6. Minimum/ Threshold Net Sales

11.2.7. Proposed Net Sales of drones or drone components, over the Scheme Period

11.2.8. Plan for Eligible Value Addition during the tenure of the Scheme

11.2.9. Plan for Employment Generation in India during the tenure of the Scheme.

11.2.10. Plan for Proposed Export of Drones and Drone Components, over the Scheme Period.

11.3. The aforesaid approval letter shall not be construed as a guarantee for disbursement of incentive as the same will be dependent upon verification of eligibility after submission of disbursement claim and other criteria defined in these Guidelines.



12. Calculation of Incentive

12.1. The incentive applicable for an approved applicant shall be computed as follows:

Eligible Value Addition (EVA) * 20%

Where

- i. $EVA = \text{Eligible Sales Turnover (net of GST)} - \text{Eligible Purchase Cost (net of GST)}$
- ii. EVA should be at least 40% of the eligible sales turnover for the year
- iii. In case of return of sales, the Gross Sales shall be reduced by the amount corresponding to such return of sales. If the corresponding sales have been considered for claim processing for the earlier period, the sales return shall be adjusted with Gross Sales for the period in which the actual sales return takes place.
- iv. In case a manufacturer fails to meet the threshold for the eligible value addition in India for a particular financial year, he shall not receive any PLI for the said financial year. He will however be eligible to receive the said PLI in the subsequent year subject to him making up the said shortfall in rupee terms in the subsequent year.
- v. The total financial outlay of the PLI scheme for drones and drone components is Rs.120 crore, inclusive of the administrative expenses. The total financial outlay during three years of the PLI scheme for drones and drone components is capped at Rs.120 crore. In case the calculated incentive payout under this scheme exceeds the budget for a particular year, it will be reduced on pro-rata basis for each applicant. The total incentive per manufacturer under the Scheme is capped at Rs.30 crore which is 25% of the total financial outlay of Rs.120 crores.
- vi. Excess incentive paid to any applicant (due to any reason, like sales return in the subsequent year or some other reason) will be adjusted in the incentives payable in the next year(s). If there are no incentives payable in the next year(s), the applicant has to return the incentive along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, for the number of days of holding the excess incentive.

13. Approval and Disbursement of Incentives

13.1. Claim for disbursement of incentive shall be filed on an annual basis by the applicant within twelve months from the end of the financial year for the claims pertaining to FY 2021-22 and within six months from the end of the financial year to which the claim pertains for remaining tenure of the Scheme.

13.2. For claiming incentives under the Scheme, applicants will be required to submit claims for disbursement of incentive to the PMA. Applicants must ensure that the claims are complete in all respects and are accompanied by all the documents required as per format prescribed in **Annexure-3** of these Guidelines.

13.3. Claims for any period shall be made only once, unless withdrawn, and no subsequent part claims shall be allowed for the said period.

13.4. The PMA will examine the disbursement claims as submitted by an applicant. The PMA shall verify eligibility and assess incentive payable to an applicant based on the method laid down in these Guidelines and the approval letter issued to the applicant.

13.5. The PMA will have the right to verify any document(s) in relation to the claim for incentives including but not limited to statutory auditor certificates / chartered engineer certificates and returns furnished to various Ministries / Departments / Agencies. The PMA shall also have the right to examine the end realization and settlement / payments corresponding to sales and investment respectively by way of auditor's certificate, bank statements etc. to the extent deemed necessary.

13.6. In case of any doubt with respect to determining eligibility and incentive amount due, or any other matter in discharge of its duties and responsibilities, the PMA may refer to MoCA for clarification. The decision of MoCA will be final in this regard.

13.7. The PMA shall process claims for disbursement of incentive and make appropriate recommendations to the Competent Authority.

13.8. The Competent Authority will consider claims for disbursement, as examined, and recommended by the PMA, for disbursement of incentive.

13.9. The PMA shall disburse funds after completion of all pre-disbursal formalities by the applicant and approval from Competent Authority.



13.10. The disbursement of incentives may be in the form of Direct Bank Transfer, or through any other mechanism of adjustment in the name of the applicant only.

13.11. The PMA shall verify the aforesaid reconciliation. In case of excess claims disbursed, the applicant shall reimburse MoCA for any incentive amount refundable along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually (for the period between excess payment and date of refund by the applicant).

13.12. If the PMA or MoCA is satisfied that eligibility under the Scheme and / or disbursement of incentives have been obtained by misrepresentation as to an essential fact or furnishing of false information, MoCA may ask the applicant to refund the incentives along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, after giving an opportunity to the applicant of being heard, subject to satisfaction of MoCA.

13.13. MoCA shall make budgetary provisions for disbursement of incentives by the PMA under the Scheme. The PMA will submit budgetary requirements to MoCA as a consolidated amount on a quarterly basis.

13.14. The PMA shall furnish information to MoCA with details of disbursement claims received for incentives, amount disbursed, reasons for rejection / delay in disbursement of the incentives on a quarterly basis.

14. Review

14.1. Periodic reviews will be undertaken by the Empowered Group of Secretaries (EGoS) to conduct a periodic review of eligible companies with respect to their investments, employment generation, production, and value addition under the Scheme.

14.2. All approved applicants shall be required to furnish self-certified Quarterly Review Reports (QRRs) within 30 days from the end of each quarter in the format provided in **Annexure-4** of these Guidelines.

15. Residual:

15.1. An applicant shall intimate the PMA of any change in the shareholding pattern during the tenure of the Scheme, after updation with the Registrar of Companies (RoC).

15.2. Any change in the shareholding pattern or ownership of an applicant leading to a successor-in-interest or having the effect of change in nature of

company or nature of partnership during the tenure of the Scheme, shall be intimated by PMA for approval of the Competent Authority to consider for disbursement of incentives.

15.3. In case of a successor-in-interest or having the effect of change in category, all Incremental Investment undertaken by the applicant to whom approval was accorded under the Scheme, would be considered for determining eligibility, subject to approval and compliance with any other condition stipulated by the Competent Authority, as may be deemed appropriate.

15.4. To obviate any malpractices in the financial matters where disbursements are made to industry by the Government, it has been decided to provide a deterrent against corrupt practices for promotion of transparency and equity. Therefore, keeping in view the sensitivities involved in the process and taking cue from the instructions of the Central Vigilance Commission regarding adoption of an Integrity Pact in the matter of procurement, it has been decided to obtain undertaking(s) from applicants under the Scheme.

15.5. Two formats of undertakings are enclosed as Format-A and Format-B in **Annexure-5**. These undertakings are to be furnished by applicants, duly signed by CEO / MD / Director, and depicting the designation along with authorization to do so.

15.6. The first undertaking (Format-A) shall be provided by all applicants whose applications or claims are under consideration for approval or disbursement of incentives. The applications or claims of those applicants who do not submit the undertaking shall not be processed and considered. The second undertaking (Format-B) for confirming the compliance of integrity will be provided by applicants after the submission of claims for disbursement of incentive and in any case before release of funds. The release of incentives shall be withheld until the above-mentioned undertaking is provided.

15.7. These Guidelines may be amended/ modified at any time during the continuance of the scheme and such amendment/ modifications shall be binding to all the applicants including selected applicants during the tenure of the scheme.

15.8. Any dispute arising out of any conditions stipulated in the Guidelines, selection of proposals and issues arising during implementation



under the scheme will be subject to Courts/ Tribunals having jurisdiction over Delhi.



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New Delhi, Dated:

Copy to:

1. All Concerned Ministries / Departments of Government of India
2. All States / Union Territories
3. Cabinet Secretariat
4. PMO
5. NITI Aayog
6. Comptroller and Auditor General of India
7. AS&FA, Ministry of Civil Aviation
8. Industry Associations
9. Internal circulation



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Annexure-1

Criteria: Documents / Information to be checked for preliminary assessment of application

1. Submission of prescribed Application Fee.
2. Products proposed are covered under the Target Segment.
3. Qualification and Eligibility of Applicant
4. Proposed Sales of Manufactured Goods (covered under the Target Segment)

Note: It may be noted that acknowledgement based on above does not qualify an applicant for claiming incentives under the Scheme. The applicant would be eligible for incentives after approval, baseline determination and achieving eligibility as per procedure defined in the Scheme Guidelines



Application Fee for Application under PLI:

An amount of Rs. 10,000/- (Rupees Ten thousand only) is hereby notified under Para 5.5 of the said Guidelines as application fees, which shall be paid electronically through NEFT / RTGS to the MoCA / PMA.



**Disbursement Claim Form: Production Linked Incentive Scheme (PLI) for
Drones and Drone Components**

1. Name of Applicant
2. Category
3. Target Segment
4. Product(s)
5. Date of Acknowledgement
6. Ref. No. and Date of Approval
7. Yearly Sales of Manufactured Goods (covered under the Target Segment)
8. Period for which Incentives are being sought
9. Applicable Ceilings as per Approval Letter
10. Certificate from Statutory Auditor covering details in the format below:

S. No.	Particulars	Unit	FY 2021-22	Period of Claim
1	Investment Actualized (Cumulative)	<i>Rs. in Crore</i>		
	a) Land			
	b) Building			
	c) Plant, Machinery, Equipment & Associated Utilities			
	d) Transfer of Technology			
	d) Others			
2	Employment as on Date of Filing Claim (Cumulative)	<i>Numbers</i>		
	a) On-roll labour / employees			
	b) Contractual			
	c) Apprentice			
3A	Revenue from Operations –Domestic Sales [net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]	<i>Rs. in crore</i>		
	a) Manufacturing Activity			

	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
	i. Target Segment			
	ii. Other Goods			
	c) Services Activity			
3B	Revenue from Operations – Exports [net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]			
	a) Manufacturing Activity			
	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
	i. Target Segment			
	ii. Other Goods			
	c) Services Activity			
3C	Total Revenue from Operations (Domestic Sales & Exports)			
4	Sales Quantity [net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]	Numbers		
	a) Manufacturing Activity			
	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
5	Details of Purchase Cost (net of GST)	Rs. in crore		
	a) Raw Material / Parts / Components			



	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Spare Parts			
	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	c) Finished Goods			
	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	d) Capital Goods			
	i. Target Segment			
	iii. Other Goods			
	e) Import of Services – Target Segment			
6	Eligible Value Addition (%) As per definition in Para 2.14			

11. Certificates / undertakings stating / covering the following:

- No deviation in the product(s) manufactured as per Eligible Product and Target Segment

12. Certificate(s) from Company Secretary stating:

- All clearances required by law like statutory clearances, environmental clearances etc. have been obtained

13. Certificate(s) from Statutory Auditor stating / covering:

- Value addition of Net Sales of Manufactured Goods (covered under the Target Segment) applicable has been achieved for the year in consideration

14. List of documents to be submitted post approval of claim

- An undertaking from the applicant as per format given in Appendix
- An agreement / indemnity bond on prescribed formats from the applicant that if at a later stage its claim is found to be false or excessive it would be liable to return the amount disbursed with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually.



- Board resolution to the effect that the applicant agrees by the terms and conditions as laid down in the PLI Scheme and Guidelines while securing the incentive amount



FORMAT OF UNDERTAKING

(Undertaking from the Applicant on letterhead)

1. We,, hereby, acknowledge that the incentives that would / may be provided to us under the Production Linked Incentive Scheme (PLI) for Drones and Drone Components, notified by Ministry of Civil Aviation vide Notification X, will be provided to us based on, and after relying upon, the information provided by us to avail the said incentives.
2. We hereby confirm that the information provided by us for availing the said incentives is true, correct, and complete in all respects and that no material fact / information that may have an adverse impact on the information provided by us for availing the said incentives has been concealed. We acknowledge and confirm that the foregoing averment is on an on-going basis and further undertake to immediately apprise the Ministry of Civil Aviation about any change in the status of the information provided by us to avail the said incentives.
3. We further undertake that in the event of (i) any of the information provided by us to avail the said incentives being found false, incorrect or incomplete, or (ii) in the event of the undertakings and confirmations stated at para 2 above being found false, incorrect, incomplete or breached; we will (a) refund the entire amount of incentives availed by us along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, for the period between excess payment and date of refund.
4. We acknowledge that the remedies provided in para 3 (i) and 3 (ii) above are not the exclusive remedies available with the Ministry of Civil Aviation and are without prejudice to any legal remedies available with Ministry of Civil Aviation for events mentioned in Para 3 (i) and (ii) above.



Quarterly Review Report

An applicant shall be required to provide the following information (self-certified) for quarterly review within 30 days from the end of each quarter:

1. Name of Applicant
2. Category
3a. Target Segment
3b. Product(s)
4. Date of Acknowledgement
5. Date of Approval
6. Manufacturing Location(s)
7. Investment Actualized for Manufacturing of Target Segment (amount in Rs.)
<i>Land/ Building/ Plant, Machinery, Equipment & Associated Utilities/ Transfer of Technology/ Others</i>
8. Employment as on date (in numbers)
<i>On-roll labour / employees</i>
<i>Contractual</i>
<i>Apprentice</i>
9. Installed Production Capacity for Target Segment / Eligible Product (in numbers)
10. Revenue from Operations – Domestic Sales [net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]
a) Manufacturing Activity
i. Eligible Products
ii. Other Goods in Target Segment
iii. Other Goods
b) Trading Activity
i. Target Segments
ii. Other Goods
c) Services Activity
11. Revenue from Operations – Exports [net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]

a) Manufacturing Activity
i. Eligible Products
ii. Other Goods in Target Segment
iii. Other Goods
b) Trading Activity
i. Target Segment
ii. Other Goods
c) Services Activity
12. Total Revenue from Operations
13. Details of Purchase Cost (net of GST)
a) Raw Material / Parts / Components
i. Eligible Products
ii. Other Goods in Target Segment
iii. Other Goods
b) Spare Parts
i. Eligible Products
ii. Other Goods in Target Segment
iii. Other Goods
c) Finished Goods
i. Eligible Products
ii. Other Goods in Target Segment
iii. Other Goods
d) Capital Goods
i. Target Segment
iii. Other Goods
e) Import of Services pertaining to Target Segment
14. Eligible Value Addition (%) (As per definition in Para 2.14)



Subject: Proforma for Integrity compliance in PLI - Initial Undertaking(s)

(To be signed by full time Director / CEO / MD of the company / firm duly depicting the designation and submitted on official stationery of the applicant along- with the authorization to do so)

FORMAT-A

1. Whereas, the applicant namely *(name of company with address)* has submitted an application under Production Linked Incentive Scheme (PLI) for Drones and Drone Components to Ministry of Civil Aviation (MoCA), Government of India seeking incentives for the application pertaining to manufacturing..... (Eligible Product) at.....(location(s)).

2. Now, therefore, the applicant including its officers / representatives commits and undertakes that he / she will take all measures necessary to prevent corruption. He / She commits to observe the following principles during his / her association / engagement with MoCA or its agencies or its consultants engaged with the process of appraisal and verification of application for the approval of application and disbursement of incentives under PLI.

2.1 The PLI applicant will not directly or through any other person or firm, offer, promise or give to any of the MoCA's officer(s) or consultant or agency representative (appraisal or / and verification agency appointed by MoCA to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he / she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of incentives under PLI.

2.2 The PLI applicant will not commit any offence under the relevant IPC / PC Act; Further, the applicant will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the MoCA.

2.3 The PLI applicant shall disclose the name and address of the duly authorized Agents / Representatives who will be dealing with MoCA or its agencies and the remuneration of these agents or representatives shall not include any hidden amount or component to get the work done in undue manner or causing



inducement of whatsoever nature whether in cash or kind to influence the normal process or practice of work.

- 2.4 The PLI applicant will disclose any and all payments he / she has made, is committed to or intends to make to agents, brokers or any other intermediaries, other than regular employees or officials of the applicant, in connection with the grant of approval or / and disbursement of incentives.
- 2.5 The applicant will not offer any illicit gratification to obtain unfair advantage.
- 2.6 The applicant will not collude with other parties to impair transparency and fairness.
- 2.7 The applicant will not give any advantage to anyone in exchange for unprofessional behaviour.

3. The applicant declares that no previous transgressions occurred in the last 3 years with any other Company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprises / Central or State Government or its any instrumentality in India.

4. The applicant agrees that if it is found that the applicant has made any incorrect statement on this subject, the application will be closed or rejected and MoCA reserve the right to initiate legal action of whatsoever nature. In case if MoCA has disbursed the incentives under PLI, the amount disbursed to applicant be recoverable along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually besides blacklisting of the applicant and initiation of legal action of whatsoever nature at the discretion of MoCA.

The contents of the above undertaking have been gone through and after understanding the same is being executed / given on.....day of (month / year)

Signature

(Name & designation with address)
Director / CEO / MD



**Subject: Proforma for Integrity compliance to be furnished by PLI Applicants before
Release of Incentives**

(To be signed by full time Director / CEO / MD of the company / firm duly depicting the designation and submitted on official stationery of the applicant along- with the authorization to do so)

FORMAT- B

1. Whereas the applicant namely (name of company with address) has submitted an application under Production Linked Incentive Scheme (PLI) for Drones and Drone Components to Ministry of Civil Aviation (MoCA), Government of India seeking incentives for the application pertaining to manufacturing (Eligible Product) at..... (location(s)).
2. And Whereas, the applicant has submitted an undertaking for observance and commitment for Integrity vide Undertaking dated.....given under the signatures / authority of applicants (name and designation) to MoCA in respect of aforesaid application.
3. And whereas, the applicant including its officers / representatives gives commitment and undertake that he / she will take all measures necessary to prevent corruption and that he / she will not directly or through any other person or firm, offer, promise or give to any of the MoCA's officer(s) or consultant or agency representative (appraisal or / and verification agency appointed by MoCA to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he / she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of incentives under PLI.
4. And whereas, the application submitted by the applicant has been given the approval by MoCA vide its communication no.....dated.....
5. And whereas, the applicant has submitted a claim for disbursement of incentive dated to the PMA for claiming incentives of Rs./-
6. And whereas, the PMA has considered the claim for disbursement of incentive and is in the process of disbursement / release of incentives on the claim dated.....
7. Now, therefore, We hereby confirm the compliance thereof with the Integrity Undertaking submitted to MoCA duly certifying that there is no breach to the same and requests that eligible incentives under PLI be released to applicant and the amount of incentives be credited in the bank account of applicant.
8. The contents of the above Undertaking have been gone through and after duly understanding the same, is being executed / given on..... day of..... (month / year).

Signature

*(Name & designation with
address) Director / CEO / MD*