

# Soon, book a drone powered by PPP

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E-commerce players may soon rent out drones, so you can use them the way you book a cab on an app, and test viable use-cases for last-mile delivery. This means that bootstrapped drone manufacturers will find ready-made use-cases for their machines rather than having to develop the market from scratch.

The government's tech piloting agency, Ease of Doing Business (EODB), is finalising details for a mega commercial pilot project, which is looking at inviting 16 players (individual companies or consortiums) across various locations in the country to offer drones-as-a-service in a public-private partnership (PPP) mode for a tenure of 12 months. EODB has identified four broad use-cases for commercialisation — e-commerce delivery, use in agriculture, map-



ping and survey, logistics, surveillance and SOS rescue. The details of the drone commercial pilot will be announced next month. Each player has to start with a minimum of 10 drones and will be chosen on the basis of their use-case and a techno-commercial evaluation.

Says Abhijeet Sinha, programme director of EODB, "As many as 16 ministries have already shown an

interest in taking up the project in consortium with private drone manufacturers and operators. Numerous public sector undertakings from coal, oil, defence, transport, police and railways have also evinced interest in the project. Under the policy, they will be given first preference to participate in the project, followed by the private sector as well as FDI investors." They have to apply

once the scheme opens.

The move to test commercially viable use-cases is closely linked with the government's production linked incentive (PLI) scheme for drones which has earmarked ₹120 crore for incentives in three years.

The government has already identified 12 drone manufacturers and 11 drone component manufacturers for the project. Turn to Page 6 ▶

▶ **Govt's pilot scheme identifies 4 broad use-cases** for drones — e-commerce delivery, agriculture uses, mapping and logistics, and surveillance

▶ **This will create a market for drone manufacturing start-ups**

▶ **The scheme will be offered to 16 players** (individual firms or in consortium), each with a minimum of 10 drones

▶ **Will be for a year,** though operators can continue after the deadline and expand

▶ **States may provide a subsidy on the price that consumers** have to pay for the service to make it more affordable

during the festive season,” said Aditi Nayar, chief economist at ICRA.

Madan Sabnavis, chief economist at Bank of Baroda, said rural demand was likely to remain buoyant as had already been reflected by improvement in tractor and two-wheelers sales. “Revival in pent-up demand and higher discretionary spending is likely to boost urban consumption. Uptick in railway freight and upward momentum in air passenger traffic, along with higher e-way bill generations, will provide further support to services,” he added.

The second Advance Estimates will also provide updated annual growth projection for FY23. The first Advance Estimates released in January had estimated GDP growth in FY23 at 7 per cent, slightly above projections by the RBI and World Bank at 6.8 per cent and 6.9 per cent, respectively.

## Drone, PPP

The plan is to complete the chain by ensuring that these manufacturers already have commercially viable use-cases for drones through the EODB project.

Says Ambar Dubey, former joint secretary in the ministry of civil aviation who spearheaded the drone policy: “The drone EODB project is timely and much needed. It

will help the nascent drone industry, especially the innovative but bootstrapped startups, to make full use of the liberalised drone rules and the PLI scheme”

Those who meet the criteria for being eligible for the commercial pilot will get single-window clearances from the ministry of civil aviation for all licenses and permissions required to use drones. States who have shown an interest in running the commercial pilots are expected to provide some subsidy on the rentals to make it more affordable for users. The key in selling drones as a service is to establish viable rentals which are acceptable to consumers as well as the service operators.

Once the pilot is successful, EODB will hand over the project to the host state which can scale it up to the next level, and NITI Aayog will prepare the policy framework.

EODB is targeting around 25 per cent of the global share of drone revenues (manufacturing and services). It expects that once the PPP model goes fully commercial, the project will generate revenues of around ₹700 crore (drone manufacturing is targeted to hit a revenue of ₹400 crore by FY24) annually. It is projected that drone revenues in India will hit \$10 billion by 2027.

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