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LT- Adm /Kisan Drones/2025-26 Dt: 19-09-2025

CIRCULAR

Sub: LT Master Circular on Kisan Drones - Establishment of Village level Farm Machinery Banks with Kisan drones – Reg.

Ref: 1. APCOB circular on Kisan Drones Dt.23/06/2025.
2.APCOB circular Revision in the modalities for procurement of drone Dt. 30/08/2025.
3.Our Bank Board Resolution No.08,Dt.31-07-2025.

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Kisan Drones:

Vide reference to the circulars cited above by APCOB has communicated the Master circular on Kisan Drones to provide financial support to farmer groups to purchase Agriculture machinery/equipment through grounding of Kisan Drones for establishment of Village Level Farm machinery banks to the farmer groups is drafted as below.

S.No	Features	Scheme
1	Purpose	Kisan Drone CHCs to the eligible groups can be supported under this scheme.
2	Eligible beneficiaries	Farmers Groups/Viable FPOs that are willing to provide drone services on hire basis.
3	Eligible criteria & Educational qualifications of drone pilot	• One of the active group members to train as Drone Pilot in DGCA accredited RPTO by the Dept. • Age – 18 Years to not more than 50 Years • Educational qualification- Minimum 12th pass. • License/Certificate – Must obtain from DGCA by undergoing training from recognized RPTO.
4	Requirement of Passport	One member of the group preferably convenor shall have a valid passport and have their adhaar number linked to active mobile number to enable transfer of UIN number of Kisan Drone on the group name in Digital Sky platform of DGCA, MoCA, GoI. The UIN number transfer will be taken up after grounding of the unit and permitted to complete the task in 45 days from the date of Supply of Drone to the beneficiary group.
5	Benefits of the scheme	a. 80% Subsidy under RKVY b. CGTMSE cover if registered as MSME unit.

6	Nature of facility	Term loan
7	Margin	Rs. 2.00 lakh
8	Loan component	Rs. 7.80/7.81 lakh
9	Subsidy component	80% of unit cost (The detailed break up is enclosed in Annexure I)
10	Security	Primary Security – Hypothecation of Kisan Drones with Geo Tag & hypothecation sticker with Bank (DCCB) name to be affixed on the drone. Loan amount will be covered under CGTMSE if registered as MSME unit, if no CGTMSE coverage of borrower, collateral security has to be obtained. For CGTMSE coverage of borrower, Udyami Mitra registration certificate is mandatory.
11	Credit rating	Minimum CIBIL score of 650.
12	Rate of Interest	The rate of interest will be as per the prevailing interest rate on LT Loans (Subject to revision from time to time).
13	Loan Tenure	The loan must be repayable in 12 quarterly equated instalments with a gestation period of 3 months from date of disbursement of loan.
14	Processing charges	0.50% of the loan sanctioned plus applicable GST.
15	Penal Interest	Penal charges @ 2% p.a., would be charged on overdue amount for the period of default.
16	Sanctioning Authority	As per the circular Adm-dcpc loans/2022-23 dt.27-10-2022
17	Insurance	For initial one Year comprehensive insurance with Bajaj Insurance will be covered by Drone manufacturer company in the name of borrower with Bank clause for full value. Insurance cost for 1st year will be included in project cost. Accordingly, the insurance amount in case of total loss will be credited to the loan account of the concerned FMB group. For 2nd & 3rd Year of loan tenure – Third party comprehensive insurance shall be obtained.
18	Loaning through PACS as FPOs	• Banks are eligible for interest subvention @ 3% under Agri Infrastructure Fund (AIF) as per GOI directions if loans extended to PACS as FPOs with a maximum Rate of Interest of 9.00% for loan of Rs. 7.80/7.81 lakh. • The loan amount shall be covered under CGTMSE and fee will be reimbursed by GoI as per AIF scheme guidelines. Branches to upload all above accounts in AIF portal for claiming Interest Subvention at 3%. • Branch to treat the initial contribution of Rs 2.00 lakh as Margin under Agri infrastructure fund (AIF) scheme of NABARD. • On disbursal of subsidy by the Dept of Agriculture, the beneficiary will be allowed to withdraw Rs.2.04/2.048 lakh subsidy and balance subsidy amount Rs.5.80 lakh will be retained as Backend subsidy which includes 10% of borrower's contribution with a lock-in period of 3 years as per AIF guidelines.

The detailed steps involved in implementation of the activity "Establishment of Village level Farm machinery banks with Kisan drones on subsidy":

1. **Empanelled Drone models by GoAP and its indicative prices:**

- The Department of Agriculture has taken up empanelment of the Kisan Drones adopting the technical specifications finalized by SLTC.
- As per SMAM guidelines, the Drones having Type Certificate issued by Director General of Civil Aviation (DGCA), GOI are only to be supplied on Govt subsidy schemes.
- Dept of Agriculture has empanelled the following two Drone Models that are found qualified and recommended by the State level technical committee constituted by Govt of Andhra Pradesh.

The details of Drone Unit cost along with its component wise prices:

KISAN DRONE MODELS EMPANELLED FOR 2024-25 & THEIR DRONE UNIT COST					
S.No.	**Manufacturer Name**	**Type & Weight**	**Drone Model**	**Indicative Price excluding drone pilot training cost of Rs. 25,000/-**	**Indicative Price (Rs.) of drone and its components**
1.	M/s. Drogo Drones Pvt. Ltd.	Medium & 29.80 Kg	Krishi 3 Pro	955000	980000
2.	Vihanga Technologies Pvt Ltd.	Medium & 29.90 Kg	Khetimithra H30	956000	981000

2. **Selection of Mandals:**

Agriculture Operations through Drones in Agriculture is feasible in mono crop on a large area and also for field crops of horticulture. Hence, Mandals having extended mono-cropping of Agriculture/Horticulture field crops and having high acreage of commercial crops which are having intensive plant protection protocols shall be selected for grounding the units.

3. **Criteria for Selection of Clusters:**

MAO shall identify the feasible clusters for grounding the unit with the criteria given below. MAO shall ensure grounding of minimum one unit per mandal i.e., ensure coverage of all the mandals as per the feasibility.

a. Cluster of 10-15 villages/ Gram Panchayats.
b. Contiguous area of 1000 - 1200 Ha with Agri/Horti field crops.
c. Clusters where custom Hiring centers are running successfully.
d. Clusters with large & viable FPO.
e. Clusters with Large Irrigated area.

f. Clusters with more fertilizer and pesticide consumption.

4. **Selection of Farmer Group/ FPOs:**

- In feasible clusters MAOs shall identify the farmer group / FPO which is willing to set up Village level Farm machinery banks with Kisan drones as a revenue-generating Agri-entrepreneur activity with their initial investment and to provide hiring services to the village farmers at reasonable prices.
- In case of the Farmer group, Group shall be formed with minimum 5 active farmers.
- The Group shall elect two persons to act as Convenor and Co-convenor to represent the group in all correspondence and transactions.
- It is to be ensured that at least one member of the group preferably convenor shall have a valid passport and shall have their adhaar number linked to active mobile number to enable transfer of UIN number of Kisan Drone on the group name.
- The identified/sanctioned beneficiary shall be registered with concerned RSK.
- Farmer group shall enter into Agreement with RSK on the clauses viz., the Village level Farm machinery banks with Kisan drones will be utilized for hiring drone services to the farmers of the village at approved hiring charges.
- The group shall fix the reasonable hiring charges as per the local rates and obtain the approval of the concerned MAO.

5. **Selection of Drone Pilot:**

- The farmer group / FPO will identify one of the active group members to train as Drone Pilot in DGCA accredited RPTO by the Dept.
- He /She must not be less than 18 years of age and not more than 50 years
- He /She must have minimum qualification of class 12th pass.
- He/ She should be mentally and physically fit and should be willing to undergo training for drone pilot from the DGCA recognized RPTOs.
- In case of non-availability of suitable person in the group, the group shall select any other rural unemployed youth or suitable person in their village/mandal having the above prescribed eligibility criteria with the following educational qualifications (in the order of preference), and willing to undergo for training on Remote Pilot Training certification.
  a. Graduate in Agriculture/Agriculture Engg
  b. Diploma in Agriculture/Agriculture Engg
  c. Graduate in any Engineering
  d. Diploma in any Engineering
- The farmers group shall take an MOU with the identified rural entrepreneur about his willingness to pilot the Kisan Drone on behalf of Village level FMB with Kisan Drone to the farmers in the mapped villages of the cluster.

6. **Training of Drone Pilot:**

- Certified Drone pilot training is being provided as a part of Unit cost by the Drone manufacturer in DGCA accredited Remote Pilot Training Organization (RPTO) approved by Directorate General of Civil Aviation (DGCA) of their firm or tied-up to their firm.
- The nominated trainee will be imparted training on piloting of Small and Medium Class drones based on the Drone procured by the FMB.
- The training shall cover drone flying, understanding provisions of Drone Rules, SOPs for nutrient and pesticide application, Hands on practice on drone piloting and minor repair and maintenance of Drones
- They are also been imparted with OEM training on the Drone model procured by the Drone manufacturer.

7. **Sanction of village level FMB with Farmer Group/FPO:**

- The VAA shall submit the application to the MAO concerned after verification of the details of the group.
- The Mandal Agriculture Officer shall verify the details of Kisan drones selected by Farmer Group/FPO and recommend for sanction to the ADA ® for sanction,
- The ADA® shall recommend to DAO for sanction.
- The DAO shall obtain the sanction of Kisan drone to Farmer Group/FPO from the District Collector.

8. **Sanction of Drone Unit to the Farmer Group:**

The District Collector is the sanctioning authority for sanction of Kisan Drone unit to the Farmer Group/FPO recommended by DAO.

9. **Procurement of Kisan Drone unit by the beneficiary:**

- It is the discretion of the Farmer group to decide which drone model to be procured under the scheme.
- The Agriculture Dept. shall provide the information of the Drone models empanelled viz., the technical specifications, price details etc., and provide the brochures.
- The beneficiary can negotiate the price with the supplier and procure with negotiated price.
- The scheme is being implemented with Back-end & Front-end subsidy. The beneficiary shall procure the Kisan Drone with his/her initial investment.
- To reduce the initial investment of beneficiary group and to establish transparency in scheme implementation, it is kept mandatory to ground the unit with Bank Loan for Rs.7.80/7.81 lakh.
- On sanction of Kisan Drone, the Dept. shall recommend to Bank for opening of Bank account and coordinate with sanction of Loan.

- The Dept. of Agriculture will be coordinating with Bankers to provide Bank loan for Rs.7.80/7.81 lakh.

10. Standard Operating Procedure (SOP) – for Bank accounts & Placing purchase order and Payment of Drone unit cost to the supplier

- FMGs will be approaching the bank branches with a request to open operative account with two authorized signatories consisting of Convener & Co-Convener. The mobile number of Convener or Co-Convener is linked for SMS alerts invariably.
- Branches to verify the genuineness of the FMG and cross verify with Mandal Agriculture Officer, GoAP. Before opening of the operative account, Branch must check the CIBIL history of the all five borrowers in the FMG for verifying Financial Discipline.
- Branch to ensure that individual SB accounts are opened with five separate CIF IDs and all five CIF IDs are to be linked to Joint Operative account in Related Party Details Tab.
- Branch to ensure that FMG will deposit Rs.2.00 lacs to their operative account from their own funds, duly obtaining the Group Resolution for placing Purchase Order for Drone.
- FMG will request the Branch to remit an amount of Rs.7.80/7.81 lacs to the empaneled Drone vendor after taking the Quotation.
- Branch to remit Rs.2.00 lacs from the amount deposited in joint operative account of FMG to empaneled Kisan Drone manufacturers along with in-principle approval letter for an amount of Rs.7.80/Rs.7.81 lacs duly marking copy to MAO, GoAP.
- Banks to sanction loan of Rs.7.80/7.81 lacs with Rate of Interest as mentioned in point 14 of the table.
- In-principle approval letter should contain the proposed loan amount of Rs.7.80/7.81 lacs, with a Rate of Interest as mentioned in point 14 of the table, repayable in 12 quarterly equated instalments with a gestation period of three months from the date of disbursement of the loan, primary security is hypothecation with Geo Tag of drone worth of Rs.9.80/9.81 lacs and loan is to be covered under CGTMSE if group registered as MSME unit in Udyamimitra portal or else collateral has to be obtained.
- Kisan Drone manufacturer will acknowledge the receipt of advance payment of Rs.7.80/7.81 lacs duly giving an undertaking to supply the Drone within the time frame of 15 days from date of receipt of advance amount money.

11. Delivery of the Kisan drones and Joint inspection:

- The supplier shall ensure the supply of the Drone unit within 15 days from the date of receipt of the purchase order unless mutually accepted in writing by the beneficiary with prior intimation to VAA of the concerned RSK.

- The Farmer Group/FPO shall inform the Bank and the VAA/MAO about the receipt of the unit.
- A joint photograph of the Kisan drone with the name of the FMB Farmer Group/FPO banner behind the implement shall be taken at the time of delivery along with Bank representative, MAO and FMB group members.
- Another Photo shall be taken with display of the UIN number of the drone and beneficiary.
- The concerned MAO will submit the joint inspection report after due certification to the Banker requesting for release of 50% of Kisan drone to the supplier within 3 days from the date of the joint inspection.
- After procurement of Drone by the FMB Farmer Group/FPO, the Drone shall be registered on the name of the FMB Farmer Group/FPO in the Digital Sky Platform of DGCA with Unique Identification Number (UIN) of the Drone procured by the supplier.
- Drone Piloting shall only be carried out by a person holding the Remote Pilot Certificate (RPC) issued by RPTO accredited by DGCA.

12. Release of loan amount to the Supplier by the bank:

- Supplier will issue invoices in triplicate to the group. The group shall retain one set of invoices with it, submit one set to the ADA, GoAP and submit one set of invoices to the bank to arrange for the release of Rs.7.80/7.81 to the supplier. A copy of the invoice set is to be filed and maintained at the RSK.
- Branch to issue final sanction for amount of Rs.7.80/7.81 lacs duly ensuring the proper documentation signed by all the five members of FMG.
- The bank shall release the payment through RTGS to the Drone supplier within 3 days or after the hypothecation of the Drone.
- Kisan Drone manufacturer will acknowledge the receipt of left-over amount of Rs.2.00/2.01 lacs.

13. Sanction of subsidy:

- MAO shall process the subsidy claims to the concerned ADA(R) with his recommendation on subsidy payable within 2 days from the date of receipt of joint inspection from VAA.
- The ADA® will verify the subsidy claim and recommend for release of subsidy the concerned DAOs.
- The DAO shall verify the recommended subsidy proposal sent by ADA® and process for subsidy release to the Director of Agriculture.
- State office of Dept of Agriculture will process the subsidy claims and the Director of Agriculture will sanction subsidy to the Groups/FPO.
- Proper documentation shall be maintained at VAA, MAO ADA and DAO level.

14. Accounting procedure for Subsidy:

- Subsidy amount will be transferred directly to the FMG operative account through APSAIDC ltd on the processing of subsidy claims received from DAOs with certification and utilization certificates.
- Front End subsidy of Rs.2.04/2.048 lakh to be released to Farmer Group duly obtaining Group Resolution and Back End subsidy of balance Rs.5.80 lakh is to be retained with Bank till the date of liquidation of loan as per repayment schedule.
- Banks to adjust the backend subsidy of Rs 5.80 lakh to the loan A/c after lock in period irrespective of status of the A/c i.e., SMA/NPA/Overdue/Loss.
- Branch to go for recovery measure for net loan amount of Rs 2.00/2.01 lakh only.
- Branch to ensure that interest is charged loan amount of Rs.7.80/7.81 lakh till receipt of subsidy from GoAP and on Rs.2.00/2.01 lakh only from date of receipt of subsidy. Interest should not be charged on loan of Rs.5.80 lakh and interest should not be paid on back- end subsidy Rs.5.80 lakh.
- The above loans will be covered under *CGTMSE if group registered as MSME unit in Udyamimitra portal or else collateral has to be obtained.

  *It is further requested to charge CGTMSE for the net loan amount payable Rs. 2.00/2.01 lakh only and not to charge on the Backend subsidy amount Rs. 5.80 lakh kept with Bank in locking period of 3 years to reduce burden on the farmer beneficiary.

15. Post Monitoring and Recovery:

- After the loan is disbursed, the account shall be closely monitored and Branch Manager shall initiate legal action soon after the account becomes overdue. Periodical visits to ensure that the drone hiring businesses is running.
- Recovery terms will be governed in accordance with applicable laws, RBI guidelines, and IRDAI regulations (in case of claiming the insurance).

Chief Executive Officer