TECHADYANT

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WHO BUILDS INDIA'S DRONES

INDIA'S DRONE MANUFACTURING ECOSYSTEM, STRATEGIC DEPENDENCIES, SUPPLY-CHAIN GAPS & INDUSTRIAL OPPORTUNITY SURFACES

STRENGTHEN NATIONAL SECURITY | BUILD INDUSTRIAL CAPABILITIES | UNLOCK GLOBAL OPPORTUNITIES | DRIVE ECONOMIC GROWTH

AN INDEPENDENT STRATEGIC INTELLIGENCE REPORT

WHO BUILDS INDIA'S DRONES?

India's drone manufacturing ecosystem — strategic dependencies, supply-chain gaps, and the opportunity surfaces beyond assembly. FREE CONDENSED EDITION.

Techadyant Labs

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Who Should Read This

This is the free edition of *Who Builds India's Drones?* — a condensed version of a Techadyant Labs strategic-intelligence report on the industrial system behind India's drone industry. It is written for policymakers, investors, founders and operators who need the argument and the shape of the opportunity quickly. It gives the full thesis, the headline evidence, the six analytical frameworks by name, and the top of the opportunity map. The complete report carries the full datasets — a hundred scored opportunities, a fifty-component sovereignty index, the framework rubrics, and thirteen reference appendices.

The report's question is deliberately narrow and uncomfortable: not whether India flies drones, but whether it builds them.

The Argument in Brief

India has built a drone assembly industry, not a drone manufacturing industry — and India's own customs data settle the point. In 2025-26 finished-drone imports were negligible, barely US$8 million, because the 2022 import ban works on whole units. But imports of drone and aircraft parts ran at roughly US$767 million in the same year — about a hundred times the finished-drone figure. The country buys the parts, not the planes, and assembles the difference.

That is not a failure of entrepreneurship; it is a feature of policy. The 2022 ban prohibited finished foreign drones while leaving the components "free" to import. It created a protected market for assembly without building the component base beneath it, and in doing so relocated the dependency upstream rather than removing it. The result is an industry that can integrate a drone but cannot yet produce the parts that decide what the drone can do.

Value and vulnerability both sit upstream. The airframe — the most visible part of any drone — is the least strategically significant. The capability, the intellectual property and the import bill concentrate at the back of the stack: in the magnets and motors, the cells, the sensors, the radio-frequency electronics and the flight-controller silicon. These are not drone industries; they are separate industrial bases that a drone industry depends on. Where those bases are thin, the drone industry is hollow regardless of how many platforms roll off assembly lines.

And the dependency is concentrated in one direction. Rare-earth permanent magnets are almost entirely imported, with China supplying about 78% of India's purchases; lithium-ion cells are roughly 84% Chinese; small-drone flight controllers and motors are overwhelmingly Chinese. China's 2025 rare-earth export controls demonstrated that this is not merely a commercial fact but an instrument — the supplier of India's drone motors can, on national-security grounds, throttle them.

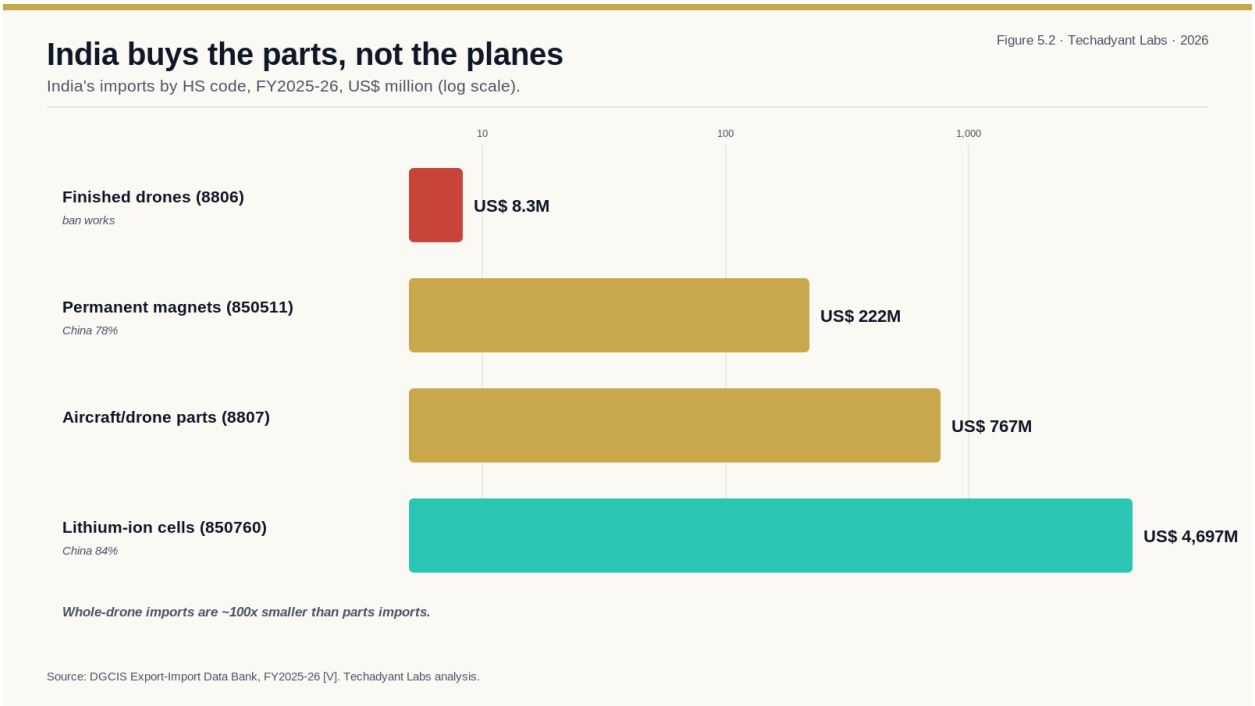

Figure 1 — India's drone imports, FY2025-26: finished drones versus the parts and materials that actually flow in.

Why India Is Exposed: The Dependency Stack

Walking the eight layers of a drone from airframe to software reveals a consistent shape. India is genuinely strong where the discipline is software and systems integration — autonomy, computer vision, fleet management and the ability to combine subsystems into a certified platform. Below that line the picture changes. At the airframe, India has fabrication competence but material dependency. At propulsion, it can assemble motors but cannot make the rare-earth magnets that set their performance. At energy, it can build battery packs but not the cells inside them. At electronics, it can design capable boards but cannot fabricate the silicon. At sensors, it integrates packages it rarely designs. At communications, it builds radios on imported radio-frequency parts.

The strategic problem is therefore not whether India can build a drone industry — it demonstrably can — but whether that industry will have the depth, layer by layer, to be sovereign: to sustain itself independently of external suppliers at a moment of geopolitical or operational stress. Operation Sindoor in May 2025 turned that question from a policy debate into a live one, triggering an emergency-procurement ceiling of ₹9,100 crore with the bulk of field-formation spending directed at drones and counter-drone systems.

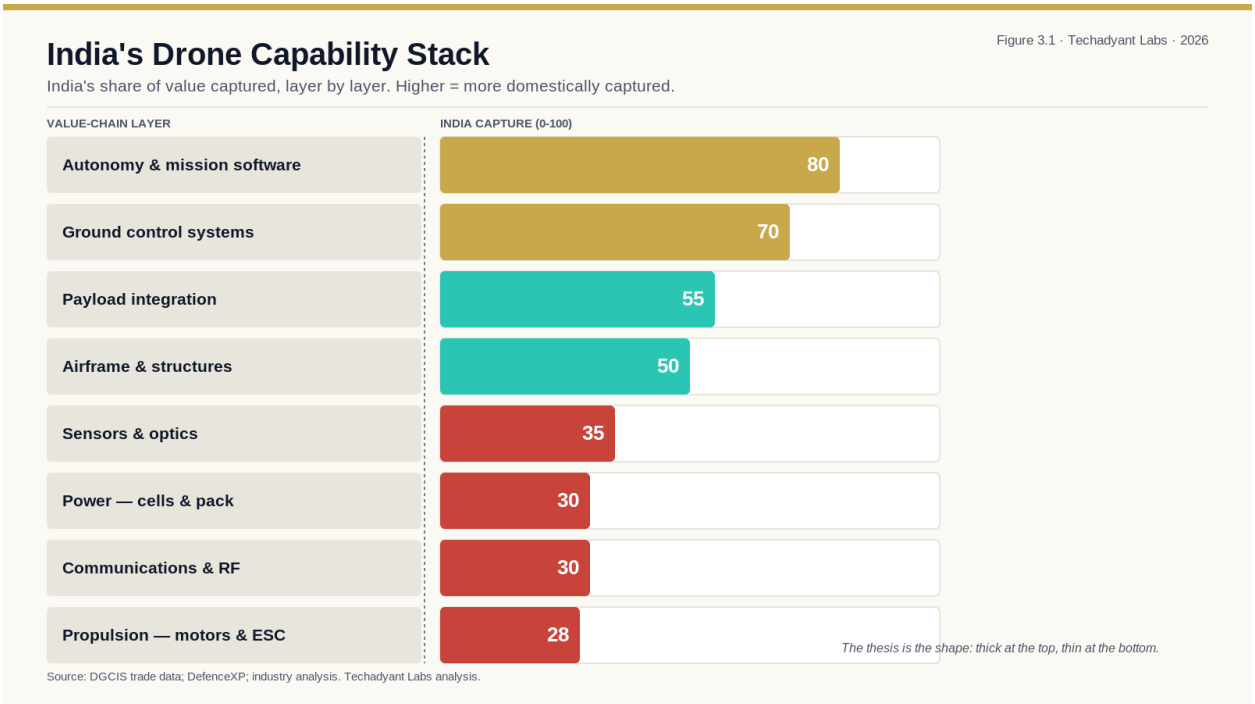

Figure 2 — India's Drone Capability Stack: value captured, layer by layer. The shape of the shading is the thesis.

What the Gap Costs: The Value-Capture View

A dependency map shows where India must import; a value-capture view shows what that import costs. Measured by value-weighting localisation across the component stack, India today captures roughly 43% of its drone market's economic value — and could capture about two-thirds if the upstream gaps were closed. At the 2030 market scale, that difference is a reshoring prize of roughly US$1.1 billion a year, concentrated in exactly the four layers the dependency map flags as critical: propulsion, sensors, electronics and power.

This is the report's signature finding, and it reframes the whole debate. The missing quarter of the value is the same quarter every time. Closing it is not a matter of building everything — it is a matter of building the few components that are both fatal if cut off and unfixable by simply diversifying imports.

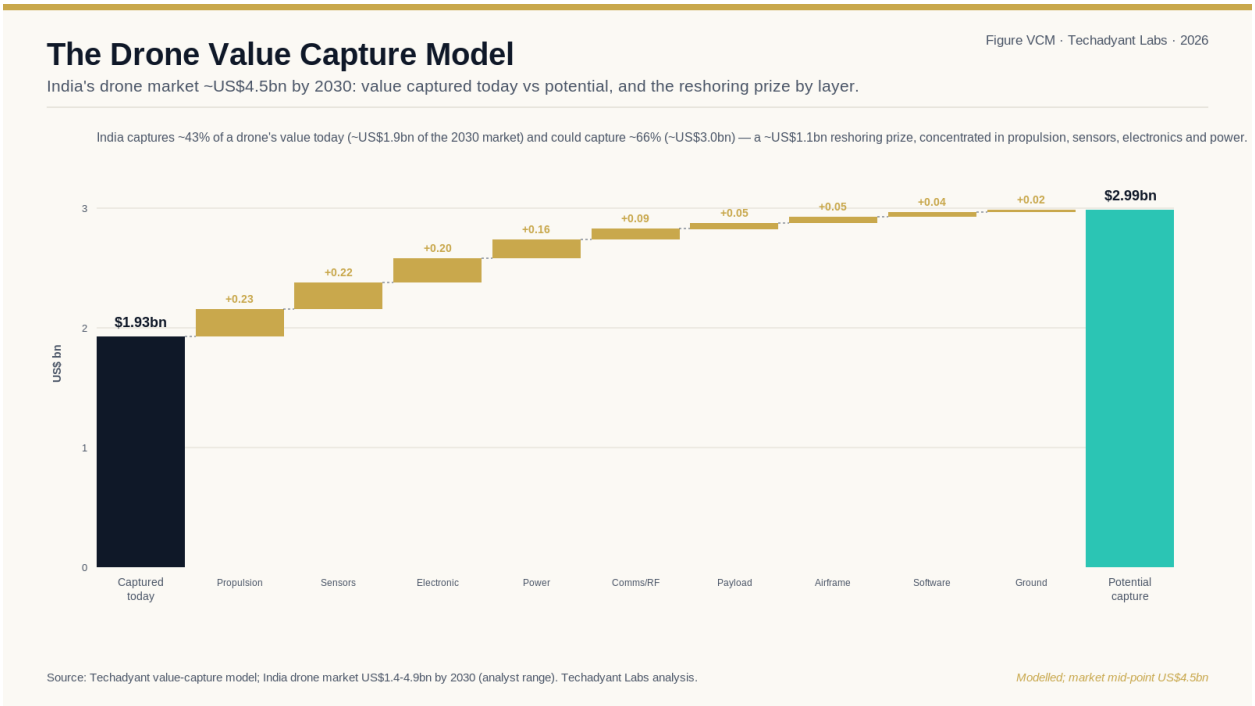

Figure 3 — The Drone Value Capture Model: the share India keeps today versus what closing the up-stream gaps would add.

Six Frameworks for Reading the Ecosystem

The full report scores India's drone industrial base on one reproducible system of six indices, each running 0-100 from published band anchors. They are introduced here by name; their rubrics and scores are in the complete edition.

The **Drone Localization Index (DLI)** measures how much of a component's value is actually captured in India. The **Drone Supply-Chain Dependency Map (DSCDM)** is its mirror — a risk score for how exposed India is if a supplier stops. The **Drone Capability Stack (DCS)** aggregates the picture layer by layer. The **Drone Industrial Readiness Matrix (DIRM)** scores the hidden enabling industries — precision machining, composites, electronics manufacturing, test and certification. The **Drone Corridor Readiness Index (DCRI)** scores which states can anchor manufacturing. And the **Drone Opportunity Surface Framework (DOSF)** turns all of it into a single question an investor or founder can act on: of every place you could build, which is most attractive today?

DOSF combines strategic value, India readiness, market pull and go-to-market ease into a 0-100 score, with tiers of Build-now (65 and above), Position-early (45-64) and Watch (below 45). Worked through the fifteen headline opportunity surfaces, it produces the leaderboard below.

Where the Opportunities Are

The honest pattern is that India's highest-strategic-value surfaces — motors, sensors, communications — are held back by low readiness, while the surfaces it can win now are the ones where it already has an edge. Four surfaces clear the Build-now bar: autonomy and mission software, where India competes on merit and capital is light; counter-unmanned-systems, the most exportable capability India has; battery packs and management systems, the pragmatic half of the battery problem; and test-and-certification infrastructure, the bottleneck that gates the whole industry.

Table 1 — The leading drone-economy opportunity surfaces, scored on the Drone Opportunity Surface Framework.

Rank	Opportunity surface	DOSF score	Tier
1	AI / autonomy software	76.0	Build-now
2	Counter-UAS systems	71.5	Build-now
3	Battery packs & BMS	69.0	Build-now
4	Test & certification infrastructure	68.5	Build-now
5	Ground control stations	63.0	Position-early
6	Training ecosystems (RPTOs)	62.0	Position-early
7	Autonomous swarm systems	62.0	Position-early
8	Drone motors	60.5	Position-early

The full report scores one hundred opportunities this way, with addressable-market bands, capital intensity, time horizon and export potential for each, and groups them into a registry an investor can read top-down.

Figure 4 — The opportunity map: fifteen surfaces plotted by strategic value against India's readiness to build them.

What India Can Learn from Two Comparators

Turkey built export-grade drone capability from a standing start, and it did so with a policy lever India lacks. Its state procurement agency reportedly requires producers to pass 60-80% of contract value down to domestic subcontractors — a deliberate construction of a component base that India's output-based incentives do not contain. The figure is a reported procurement practice, and Turkey's rise also rested on a permissive export policy and a decade of sustained development; the lever is necessary, not sufficient. But the principle transfers.

South Korea is the sharper near-peer. It hosts some of the world's largest battery-cell makers, yet its drone-grade ecosystem of lightweight motors, polymer cells and flight controllers is thin and China-dependent — proof that a giant adjacent industry does not automatically confer drone capability, exactly the trap India faces with its own battery ambitions. Seoul's response is a domestic-core-component mandate attached to government drone procurement: a softer version of Turkey's rule. Both comparators point to the same instrument for India — attach domestic-value conditions to the large institutional offtake it already controls.

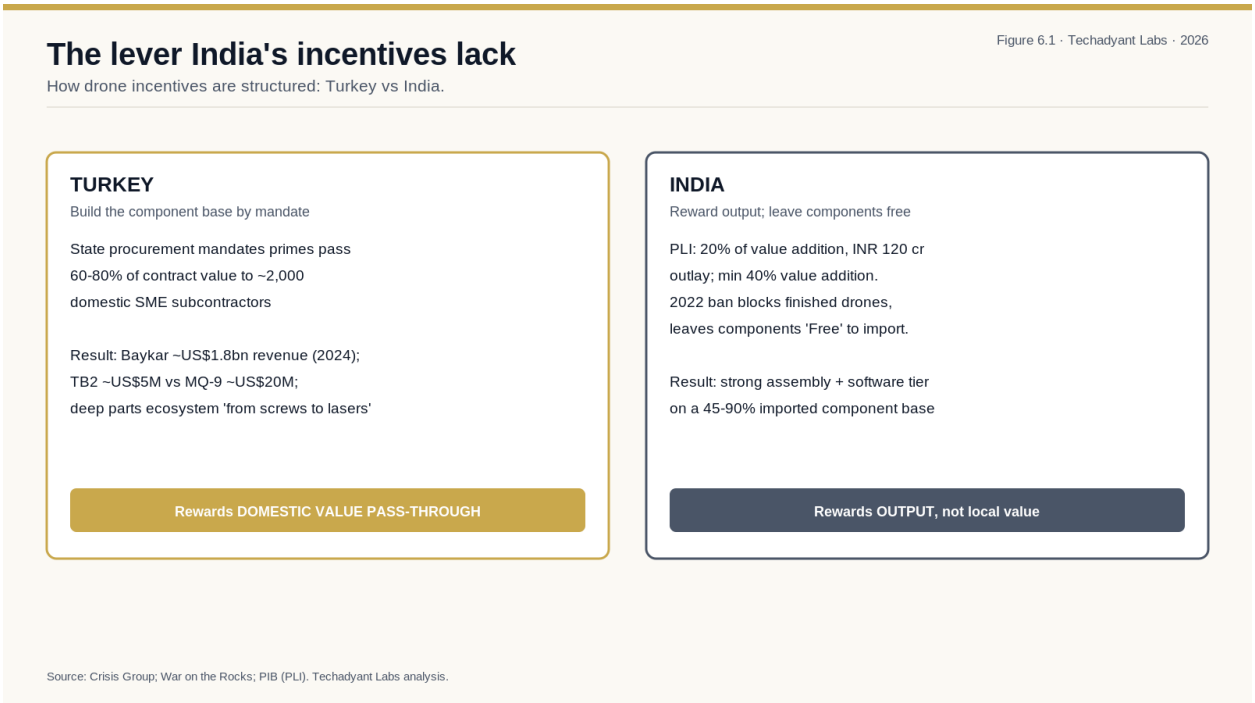

Figure 5 — Turkey's value pass-through versus India's output-based incentives — the lever India's policy lacks.

The Path: 2026-2035

The route is not autarky and it is not parity with China; it is selective sovereignty. Build now what is ready — autonomy software, counter-UAS, battery packs, certification capacity — and seed the hard layers in parallel. Close the strategic gaps next, as the sintered-magnet scheme and the battery-cell programme mature toward the end of the decade, converting assembly into manufacture in motors and power. And own the deep layers last — trusted flight-controller silicon and sensors — through the kind of partnership-led capability transfer that an India-Taiwan-Japan arrangement implies. Success is measurable as a single number: value capture moving from roughly 43% toward two-thirds.

The single highest-leverage policy move is to attach domestic-value pass-through conditions to India's large institutional drone offtake — defence, the Namo Drone Didi scheme, government departments — so that public demand builds the component base rather than enlarging the import bill. It is the lever Turkey and South Korea use, and the one India's output-based incentives currently lack.

What the Full Report Contains

The complete edition of *Who Builds India's Drones?* runs to thirteen chapters and thirteen reference appendices. Beyond everything in this free edition, it includes: the full scoring rubrics for all six frameworks; the **Drone Opportunity Registry** of one hundred scored opportunities; the **Drone Sovereignty Index** ranking fifty components by risk; a supply-chain atlas and company directory of India's and China's drone industries; an investor opportunity matrix; state-by-state playbooks; supply-shock dependency scenarios with likelihoods; a bill-of-materials database by drone type; a manufacturing playbook for each venture type; and the customs, procurement and policy evidence base in full.

It is available as a paid edition from Techadyant Labs at labs.techadyant.com.