

[Innovations for Defence Excellence](#)Are you sure you want to sign out?CancelSign OutEngEnglish/अंग्रेज़ी/EnglishInBackDetailsBenefitsEligibilityApplication ProcessDocuments RequiredFrequently Asked QuestionsSources And ReferencesFeedbackSomething went wrong. Please try again later.OkYou need to sign in before applying for schemesCancelSign InSomething went wrong. Please try again later.OkIt seems you have already initiated your application earlier.To know more please visit CancelApply NowCheck EligibilityMinistry Of DefenceInnovations for Defence ExcellenceAcademiaInnovationMSMER&DStart-upsDetailsScheme for iDEX-Innovations for Defence Excellence was launched in May 2021 by Defence Innovation Organization (DIO) under the aegis of the Department of Defence Production (DDP), Ministry of Defence (MoD). iDEX provides grants up to Rs. 1.50 Cr (up to Rs. 10 Cr in case of iDEX Prime) to the Start-ups/MSMEs to fund the projects in many technological areas under Defence India Start-up Challenges (DISC) and Open Challenge through the Support for Prototype and Research Kick start (SPARK Framework). The iDEX scheme, besides fostering innovation and technology development, is also a path to procurement for the Armed Forces as per the Defence Acquisition Procedure 2020 which states that procurement through Innovative solutions could be undertaken under following programmes: -(a) Innovations for Defence Excellence (iDEX).: Projects of Start-ups, MSMEs etc. with low capital investments and high innovation would be pursued under the iDEX category.(b) Technology Development Fund (TDF) Scheme. Projects supported through TDF of DRDO for leveraging the domestic capabilities available with Indian Industries especially MSMEs including Start-ups. iDEX is being funded and managed by a Defence Innovation Organization (DIO) which has been formed under the aegis of Department of Defence Production, Ministry of Defence, Government of India, as a not for profit company as per Section 8 of the Companies Act 2013 for this purpose, by the two founder members i.e. Defence Public Sector Undertakings (DPSUs) - Hindustan Aeronautics Limited (HAL) & Bharat Electronics Limited (BEL). iDEX is functioning as the executive arm of DIO, carrying out all the required activities while DIO will provide high level policy guidance to iDEX. iDEX aims at creating an ecosystem to foster innovation and technology development in Defence and Aerospace by engaging Industries including MSMEs, start-ups, individual innovators, R&D institutes & academia. It will provide them with grants/fundings and other necessary support to carry out R&D which has potential for future adoption for Indian Defence and aerospace needs. Achieving the goal of self - sufficiency for the Indian military will require a means to incorporate innovation rapidly in the weapons procurement process. iDEX will function as the executive arm of DIO, carrying out all the required activities while DIO will provide high level policy guidance to iDEX. Objectives:-a) Facilitate rapid development of new, indigenised, and innovative technologies for the Indian Defence and Aerospace sector, to meet their needs in a shorter time span. b) Create a culture of engagement with innovative startups, to encourage co-creation for Defence and Aerospace sectors. c) Empower a culture of technology co-creation and co-innovation within the Defence and Aerospace sectors. DIO supports tech-driven firms to create, deploy and commercialize technologies for the Indian Armed Forces, Defence Public Sector Undertakings (DPSUs) & other Govt. Establishments through Defence India Startup Challenges (DISC) and Open Challenges (OC) by providing a SPARK (Support for Prototype and Research Kickstart) grant upto Rs. 1.5 Crore (The grant amount is upto Rs. 10 Crore under iDEX Prime cases) Benefits1) SPARK (Support for Prototype and Research Kickstart) Grant: iDEX provides grants up to Rs. 1.50 Cr (up to Rs. 10 Cr in case of iDEX Prime) to the start-ups/MSMEs to fund the projects in many technological areas under Defence India Start-up Challenges (DISC) and Open Challenge through the Support for Prototype and Research Kick start (SPARK Framework)2) Partner Incubators Support to iDEX winners:- (a) Partner Incubator will provide mentorship to startups/MSMEs selected by iDEX-DIO. (b) Partner Incubator will run programs like accelerators, incubation, etc. to strengthen selected startups/MSMEs beneficial for the India defence sector.(c) Partner Incubator will undertake initiatives to reach out, spread awareness and promote innovations for defence among students/ researchers at all levels in academia3) The major benefits from iDEX Scheme to Indian Defence Innovation Ecosystem are:-(a) Facilitate rapid development of new, indigenized, and innovative technologies for the Indian defence and aerospace sector, to meet needs for these sectors in shorter timelines (b) Create a culture of engagement with innovative startups, to encourage co-creation for defence and aerospace sectors (c) Empower a culture of technology co-creation and co-innovation within the defence and aerospace sectors. EligibilityEligible Organisations/ Beneficiaries to avail the grants under Support for Prototype and Research Kickstart (SPARK), the eligibility is as follows:i. Startups, as defined and recognized by Department of Industrial Policy Promotion (DIPP), Ministry of Commerce and Industry, Government of India.ii. Any Indian company incorporated under the Companies Act 1956/2013, primarily a Micro, Small and Medium Enterprises (MSME) as defined in the MSME Act, 2006.iii. Individual innovators are also encouraged to apply (research & academic institutions can use this category to apply), however they are supposed to form a Start-up before signing the SPARK Grant Agreement. Application ProcessOnlineApplication Link: <https://idex.gov.in/challenge-categories> Application Process: Please follow the website <https://idex.gov.in> for application process stepwise) Documents Required1) Company Incorporation Certificate, AoA and MoA(in case of Pvt. Ltd./ Public limited company)2) DPIIT registration/valid MSME certificate3) Latest Audited Balance Sheet, ITR, P&L statements of the Company, if applicable4) Govt. Issued ID Card of applicant) Frequently Asked QuestionsWhat is iDEX?Innovations for Defence Excellence (iDEX) is the operational framework of the Defence Innovation Organization (DIO), a special purpose vehicle under the aegis of the Department of Defence Production, Ministry of Defence. The iDEX framework was launched by the Hon'ble Prime Minister Shri Narendra Modi in 2018 to support innovation for Indian Defence, and create pathways for adoption of technologies in the Indian armed services, as well as seeding India's future Defence enterprises.What is DIO?Defence Innovation Organisation (DIO) is a Section 8 company formed by Hindustan Aeronautics Limited (HAL) and Bharat Electronics Limited (BEL), both Defence Public Sector Undertakings. DIO implements the iDEX framework, which acts as a bridge between the requirements of the Armed Forces and the solution providers.What is the purpose of iDEX, DIO?The underlying objective is to make the country self-reliant and self-sufficient in matters of Defence, through mastering of the fundamentals of identify, incubate, innovate, integrate, and indigenise. The core objective of iDEX is to create an ecosystem, essentially to foster innovation, entrepreneurship and technology development, specifically in the Defence and Aerospace sector. Fundamentally, iDEX fosters the culture of technology co-creation and co-innovation within the Defence and Aerospace sectors.What are the objectives of iDEX?1. To create 'corporate Venture Capital' models for Indian Defence needs, which would identify emerging technologies, connect innovators to military units, facilitate co-creation of new and appropriate technologies, and create pathways for incorporation of cutting edge technologies into weapon systems used by Armed Services. 2. To transform defence innovation in India with the ultimate goal of delivering military-grade products that solve the critical needs of the Indian defence set-up by developing or applying advanced technologies. 3. To create a culture of innovation in Indian defence & Aerospace by engaging startups and innovators through encouraging co-creation & co innovation.What is the focus of iDEX?The program focuses on facilitation for creating of prototypes and bringing of products/technologies to market (Defence or otherwise), applicants will be encouraged to spend on: Research & Development Prototyping Pilot Implementation Market AssessmentHow iDEX works?IDEX-DIO has launches of Defence India Startup Challenge (DISC) with problem statements from Armed Forces, DPSUs & OFB. After rigorous evaluation of the applications winners are identified. Winner start-ups/ individuals receive innovation grants in technological areas through the Prototype funding guidelines called 'Support for Prototype and Research Kickstart' (SPARK), which entail provisioning of grants upto Rs 1.5 crore to the Startups on the basis of milestones through multiple tranches, for prototype development. Who can apply?Start-ups, as

defined and recognized by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India. Any Indian company incorporated under the Companies Act 1956/2013, primarily a Micro, Small and Medium Enterprises (MSME) as defined in the MSME Act, 2006. Individual innovators are also encouraged to apply (research & academic institutions can use this category to apply). What is the procedure to apply for grant in aid under iDEX initiative? Applicants are required to apply for challenges launched under DISC and <https://idex.gov.in/challenge-categories> and fill in the application over the mentioned link. The major info sought in application is: Full Details of a Single Point of Contact for the applying entity. We encourage that this person be a core member of the applicant entity (Startup/MSME). Entity Details – the details of the Startup/MSME applying. Individuals Innovators do not have to fill these. Proposal Details – the details of the proposal in response to the iDEX Challenge problem statements/focus areas. Applicants must select the problem statement they are addressing, what level of funding they want, give technical and financial details of their proposal. This includes the information of relevant patents and research papers by the applicant, if any as well as a tentative business plan. Is there any limitation on number of winners selected under a challenge? No, there is no such limit. Any number of potential candidate can be selected under the iDEX challenges. How grant mechanism works? The DISC winners will be funded up to the max ceiling of Rs 1.5 crores (depending upon the costing of the project and matching contribution) in the form of equity/other relevant structures. The funds will be disbursed in tranches based on the milestones decided by a high-powered selection committee. Apart from the fund, selected applicants may also be given entry to accelerator programs run by iDEX partners, where they will be supported in technology and business development through mentorship under the innovation and entrepreneurship experts. The selected applicants may also be supported in terms of access to defence testing facilities and experts for their product/technology development. How does iDEX select startups to support? iDEX has multiple programs, which follow open and transparent processes to identify startups with innovative products for Indian Defence needs. Under the flagship Defence India Startup Challenge (DISC) program, specific challenges are launched to attract innovative ideas. All applicants are put through a rigorous and transparent system to select grant winners, which get technical support and SPARK grants of up to Rs 1.5 cr, with equivalent matching contribution from the startups. Other programs such as iDEX Open Challenges, iDEX4Fauji (i4F), iDEX Internships and others have their own selection procedures as per published guidelines. What is SPARK? SPARK or Support for Prototype & Research Kickstart (in Defence) is the scheme for funding startups selected through the DISC challenges. Applicants showing capability, intent, and promise to be able to produce functional prototypes or to productize existing technologies will be awarded up to Rs. 1.5 crores, strictly on a milestone basis in the form of grant/equity/debt/other relevant structures. The exact amount and mode of each grant is decided by a High-Powered Selection Committee (HPSC) based on the application. What is the next step after being declared as SPARK Grant winner? Once a startup or innovator is selected as a SPARK Grant winner after a multi-stage process, the Technical Appraisal begins. The Technical Appraisal is an assessment of the proposed budget, technology / product details, work breakdown structures, and requirements and support required. Once the Technical Appraisal is prepared mutually between iDEX and the grant winner, an Agreement is signed with supporting documents like certificate of incorporation, exclusive bank account statements for iDEX project etc. Note that individual innovators are required to form a startup before signing the agreement. Does iDEX provide equity, debt or milestone based grants? Currently, iDEX does not provide equity or debt for companies, but only milestone-based grants for Defence-relevant innovative products, under published guidelines. The SPARK Grant determined during the Technical Appraisal is released in multiple tranches, based on completion of pre-established milestones and the deployment of Matching Contribution as per the agreement. Generally, the tranche amount for Tranche 0, 1, 2, 4 and 5 is 10%, 20%, 30%, 30%, 10% of the SPARK Grant. Once the agreement is signed, the Kick-off Tranche is released. For Tranche 3, there is no SPARK Grant, only the Matching Contribution is to be deposited by innovator. Likewise in Tranche 5, there is no Matching Contribution, only re-imbursement of funds by iDEX, DIO. Why does iDEX require matching contribution from Grant winners? iDEX is designed to attract start-ups with innovative ideas products relevant to the Armed Services, and in this process, also create a vibrant Indian Defence manufacturing base. Meeting these objectives requires companies to have adequate capabilities to not just deliver on the product under the grant, to be able to service the equipment over its useful lifetime, and run a sustainable enterprise. iDEX would like its grant winners to expand and become self-sustaining enterprises, which requires a vibrant business plan and “skin-in-the-game”™ from the founders. The substantial grant under SPARK from public resources are expected to be matched by matching contribution from the grant winning start-ups, to ensure the incentives are aligned with creating a viable product meeting Defence standards. The matching contribution in the Product Development Budget (PDB) is determined with varying amounts of cash, in-kind resources, and human resources, through a collaborative process between the iDEX Team and the start-up, under robust guidelines. iDEX is designed to support start-ups using public funds with the assumption that this assistance will help develop products and Indian Defence technology companies. It is assumed that start-ups competing for grants will be doing so with full faith and integrity, in the broader interest of the nation. While substantial flexibility is provided with the understanding that innovation requires prompt decision making and frequent experiments, this flexibility should not be misused or abused. Any efforts to extract excess funds from iDEX or under-report matching contribution, despite the flexibility, will be assumed to be in bad faith, and proportionate penal action will be taken, including cross-govt blacklisting for future and withdrawal of all existing grants. What is product development budget and how is it worked out? The Product Development Budget (PDB) is an estimate of the resources required for bringing a product to deployment stage, covering capital and operating expenditures, in accordance to the guidelines issued by DIO. The PDB is the overall project cost including the SPARK Grant and Matching Contribution (Cash, In-Kind and Past Expenditure). The PDB is divided in three broad heads – Prime Costs, Primary Overheads and Secondary Overheads. What all expenses are included in prime cost, primary and secondary overhead? Annexure Y (Product Development Budget - Categories of Expenditures) of SPARK Grant agreement defines all three heads alongwith the limits under each head for SPARK Grant as well as Matching Contribution. Category wise allocation of Matching Contribution is NOT applicable if: i. TMC is > 2 times the SPARK Grant approved, and ii. Cash part of matching contribution is equal to or greater than 2 times the SPARK Grant approved. Eligible expenditures for grant of money under SPARK? Since the focus of the framework is to facilitate creating of prototypes and bringing of products/technologies to market (Defence or otherwise), applicants will be encouraged to spend on: a. Research & Development b. Prototyping c. Pilot Implementation d. Market Assessment Detailed fund utilization guidelines will be provided to the selected applicants. Who all will be eligible for the support? Startups, as defined and recognised by DPIIT, Ministry of Commerce and Industry, Govt Of India. Any Indian company incorporated under the Companies Act 1956/2013, primarily a Micro, Small and Medium Enterprises (MSME) as defined in the MSME Act, 2006. Individual innovators are also encouraged to apply (research & academic institutions can use this category to apply) What is a matching contribution and how is it part of the project cost? The project cost is the total cost of the project envisioned, including the SPARK Grant and the Matching Contribution. Matching Contribution (MC) shall mean the cumulative contribution in the form of Cash, In-Kind, and Past Expenditures, made by the SPARK Grantee in accordance to the guidelines of DIO. What is past expenditure matching contribution? Past Expenditure Matching Contribution corresponds to the monetary value (based on fair market value for intangibles or competitive market prices for others) of all expenditures incurred by the SPARK grantee company in the past specifically related to technology / product development activities, which have been showcased during the SPARK Grant selection process. Point to Note is that actual expenditure

on the Product Development starts when PDS defines the problem and SPARK Grant Agreement is signed. Past Expenditure partially covers some of the CAPEX / OPEX used for core product development activities between HPSC and agreement signing period as well as CAPEX upto a year before the HPSC. The Past Expenditure should be less than 20% of the MC for the project. Who can and cannot be covered under past expenditures? OPEX incurred before the selection of the winner, with broad limits being adhered to and upto a reasonable proportion of Matching Contribution (less than 20%) may be considered. This form of Matching Contribution can only form a part of Prime Costs, i.e. it should not include any component that would normally be covered in Primary Overheads or Secondary Overheads. Point to note is that iDEX does not endeavour to compensate all technology development activity of the startup. It only tries and cover some of the expenses occurred in developing the technology which will be utilised for creating the product as defined by PDS. Past Expenditure needs to be ascertained by PDs/PEs at the time of preparation of Technical Appraisal and supporting documents verified at the completion of Milestone 1. What is in-kind matching contribution? In-Kind Matching Contribution corresponds to the monetary value (based on fair market value for intangibles or competitive market prices for others) of all expenditures incurred by the SPARK Grantee company either on actuals or accruals. Note that it is recommended that only upto 25% of the Salary for Founders/Promoters shall be included in the Product Development Budget under the Primary Overheads. The emoluments for the founder will be decided by DIO before signing the agreement. It is the responsibility of the SPARK Grantee to prove beyond reasonable doubt that all artifacts or IP generated in the past shall be applied or reused effectively. The Grantee is required to submit the documentary evidence to DIO as and when requested by DIO. What cannot be included in matching contribution in kind? Any amount linked with Equity of the company cannot be considered as Matching contribution or In-Kind. Amount linked with company's own business purpose and not directly related to iDEX-DIO project cannot be considered as In-Kind matching. How is matching contribution in-kind expenditure for founder/promoter salary? Founders/promoters who are working employees of the company and are involved in the iDEX Product Development process. Founder/promoter who are contributing to iDEX Product Development activities but are not employees of the company. If the said individual is not drawing his salary in cash, then a liability needs to be created in the audited balance sheet of the financial year under consideration. The startup may or may not clear the liability within the duration of the product development with iDEX. Clarification with reference to Annexure Y of SPARK Grant Agreement Current practices ensure that following ceiling limit is under practice: Salary of promoter/founder has been capped at max Rs 2L PM for a maximum of two promoters/founders per startup. This overall limit will be in vogue even if the promoters/founders have more than one ongoing projects with iDEX. Hence max Rs.50000/- each for two promoters at 25% of pay will be admissible even if they are undertaking more than one project with iDEX. This will be negotiated before signing of the agreement. The consideration of valuation of promoter/founder owned IP would be decided based on criticality in the project and on a case-to-case basis at the time of negotiation of the agreement for Matching Contribution. The amount admissible as MC for IP may be capped at 20% of total Matching contribution or the amount Rs. 25 Lac whichever is lower. PDB at the time of signing of agreement is tentative which may undergo multiple changes during the course of Product Development. In all cases, SPARK Grant will remain 1.5 CR or half (50%) the product development budget whichever is lower. Clarification regarding lab infrastructure cost Lab utilization cost has been accepted as part of MC in Kind in case where infrastructure and manpower are not owned by the startup. An agreement with the Lab owner/management and reasonable cost for utilization has been accepted as proof. In case where the lab infrastructure is owned by the startup themselves as on the date of the SPARK agreement, a cost equivalent to the rental cost may be accepted as MC in Kind based on the fair and competitive valuation for the same for the duration of the need. The valuation may be based on equipment, physical infra and manpower needed. The requirement and duration of the need may be confirmed by the PI and valuation from an independent agency may be provided by the startup themselves at the time of negotiating the agreement for Matching Contribution. For the valuation of the rental cost of Lab equipment, furniture and fixtures (except land/ building), depreciated percentage value to be considered. However, notional depreciation will be accepted in cases where the equipment/ item is already depreciated. It must be noted that the total rental value cannot exceed the total cost of Lab. Startup may also explore the availability of such facility with iDEX registered PIs if the same is not owned by them. Caps for SPARK Grants under various heads In a PDB, minimum 75% of SPARK Grant should be allocated to the Prime Costs and maximum 25 % of SPARK grant may be allocated to Primary Overheads. No fund is allocated to Secondary Overheads from SPARK Grant. Caps for Matching Contribution Cash, in-kind and past expenditure. Matching Contribution (MC) Cash is one of the component of MC. Matching Contribution cash also follows the same category wise percentage as SPARK Grant for Prime Cost and Primary Overhead. Maximum 5% of MC Cash may be used for Secondary Overhead expenses. Within the Matching Contribution, at least 50% of Cash Contribution is recommended. Further FAQs on Financial Aspects and link for same https://idex.gov.in/financial_faq Sources And References Website Of IDEx Ok Was this helpful? News and Updates No new news and updates available Share Something went wrong. Please try again later. Ok You need to sign in before applying for schemes Cancel Sign In Something went wrong. Please try again later. Ok It seems you have already initiated your application earlier. To know more please visit Cancel Apply Now Check Eligibility Ministry Of Defence Innovations for Defence Excellence Academia Innovation MSME & D Start-ups Details Benefits Eligibility Application Process Documents Required Frequently Asked Questions Scheme for iDEX-Innovations for Defence Excellence was launched in May 2021 by Defence Innovation Organization (DIO) under the aegis of the Department of Defence Production (DDP), Ministry of Defence (MoD). iDEX provides grants up to Rs. 1.50 Cr (up to Rs. 10 Cr in case of iDEX Prime) to the Start-ups/MSMEs to fund the projects in many technological areas under Defence India Start-up Challenges (DISC) and Open Challenge through the Support for Prototype and Research Kick start (SPARK Framework). 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Aerospace sectors.ï»¿c) Empower a culture of technology co-creation and co-innovation within the Defence and Aerospace sectors.ï»¿DIO supports tech-driven firms to create, deploy and commercialize technologies for the Indian Armed Forces, Defence Public Sector Undertakings (DPSUs) & other Govt. Establishments through Defence India Startup Challenges (DISC) and Open Challenges (OC) by providing a SPARK (Support for Prototype and Research Kickstart) grant upto Rs. 1.5 Crore (The grant amount is upto Rs. 10 Crore under iDEX Prime cases)ï»¿OkWas this helpful?ShareNews and UpdatesNo new news and updates availableÂ©2024Powered byDigital India Corporation(DIC)Ministry of Electronics & IT (MeitY)Government of IndiaÂ®Quick LinksAbout UsContact UsScreen ReaderAccessibility StatementFrequently Asked QuestionsDisclaimerTerms & ConditionsUseful LinksGet in touch4th Floor, NeGD, Electronics Niketan, 6 CGO Complex, Lodhi Road, New Delhi - 110003, Indiasupport-myscheme[at]digitalindia[dot]gov[dot]in(011) 24303714Last Updated On : 28/03/2024 | v-2.1.1