



Ministry of Micro, Small and Medium Enterprises,
Government of India

MSME
MICRO, SMALL & MEDIUM ENTERPRISES
सूक्ष्म, लघु एवं मध्यम उद्यम

Industry Awareness Programme

Venue: Smalkha City Mall, Smalkha

ZEDTM
ZERO DEFECT • ZERO EFFECT

Financial Support to MSMEs in ZED Certification Scheme

February 8th 2017



Quality Council of India

Objectives of today's programme




Objectives:

- Introduce ZED scheme to participants
- Introduce ZED Rating & Certification Process
- Broad overview of the ZED Maturity Assessment Model
- Answer queries if any




Source:

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The Scheme




Name

FINANCIAL SUPPORT TO MSMEs IN ZED CERTIFICATION SCHEME

The Scheme is an extensive drive of the Government of India to enhance global competitiveness of MSMEs by providing them financial support in assessment, rating and handholding of its manufacturing processes on Quality and Environment aspects



A few basic facts (1/2)




- This scheme is applicable to Micro, Small & medium Enterprises – Manufacturing Sector only
- Definitions of **Micro, Small & Medium Enterprises** is in accordance with the provision of MSMED Act, 2006.
- Manufacturing Enterprises** are enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The Manufacturing Enterprise are **defined in terms of investment in Plant & Machinery**.

Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees



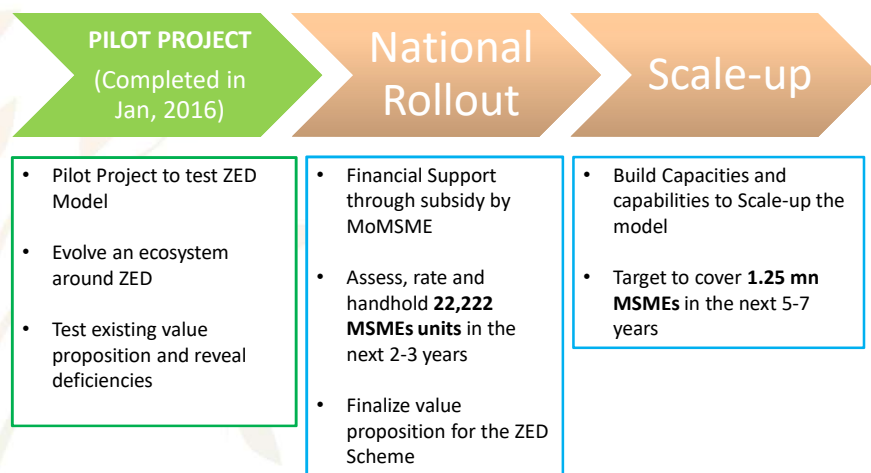
A few basic facts (2/2)

- The model for Service Sector is under validation and the pilot is under consideration by the Ministry
- Though Large industries are not covered in this scheme, the model is applicable across all sectors and size
- An MSME must be registered under the UAM (Udyog Aadhaar Memorandum) to avail the benefits under the ZED scheme. Registrations under UAM are free. It may be noted that the Ministry has not appointed any representative for Udyog Aadhaar Registration.
- UAM is a one-page simple registration form for online filing of UAM which replaces the filing of Entrepreneur's Memorandum Part I & II. The filing of UAM can be done on <http://udyogaadhaar.gov.in>
 - Registration is online and user-friendly
 - UAM can be filed on self-declaration basis
 - No documentation required
 - No Fee for filing
 - File more than one Udyog Aadhaar with same Aadhaar Number.



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Roadmap



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Introduction to ZED scheme





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INTRODUCTION TO THE SCHEME



“Our manufacturing should have
ZERO DEFECT so that our products should not be rejected in the global market. We must also keep in mind that our manufacturing is done with
ZERO EFFECT so that it does not have any negative impact on our environment.”
 - August 15, 2014

“The Government has decided to implement the ZED Certification Scheme for 22,222 MSMEs unit with a total budget of Rs. 491 Crores (including Government of India contribution of Rs. 365 Crores) during the 12th Five Year Plan”





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Objectivities and activities under ZED scheme




Objectives	
	- To create proper awareness in MSMEs about ZED manufacturing and motivate them for assessment of their enterprise for ZED rating - To drive manufacturing with adoption of Zero Defect production processes without impacting the environment (Zero Effect) - To encourage MSMEs to constantly upgrade their quality standards in products and processes - To support "Make in India" campaign
Activities	
	- Industry awareness programs, regional/state/national workshops, training of officials of DIs, TCs, DICs - Accreditation of Assessment & Consulting agencies, Training and certification of Assessors & Consultants - Online systems including e-platform for assessment and e-content for awareness & training - Assessment, Rating & Certification of MSMEs - Gap analysis & Handholding for improving rating of MSMEs - International Benchmarking

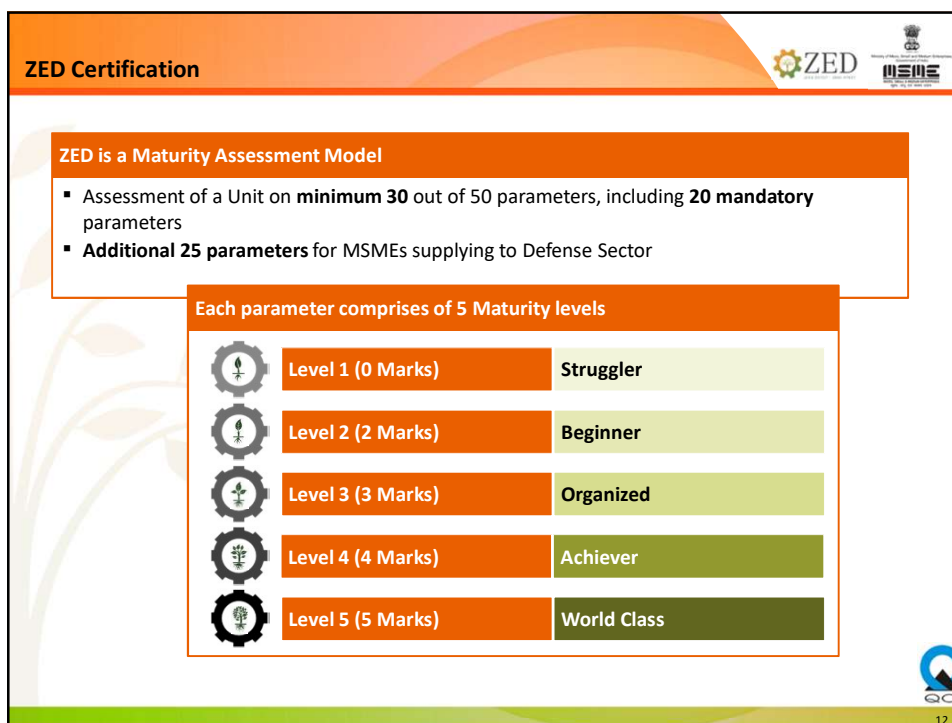
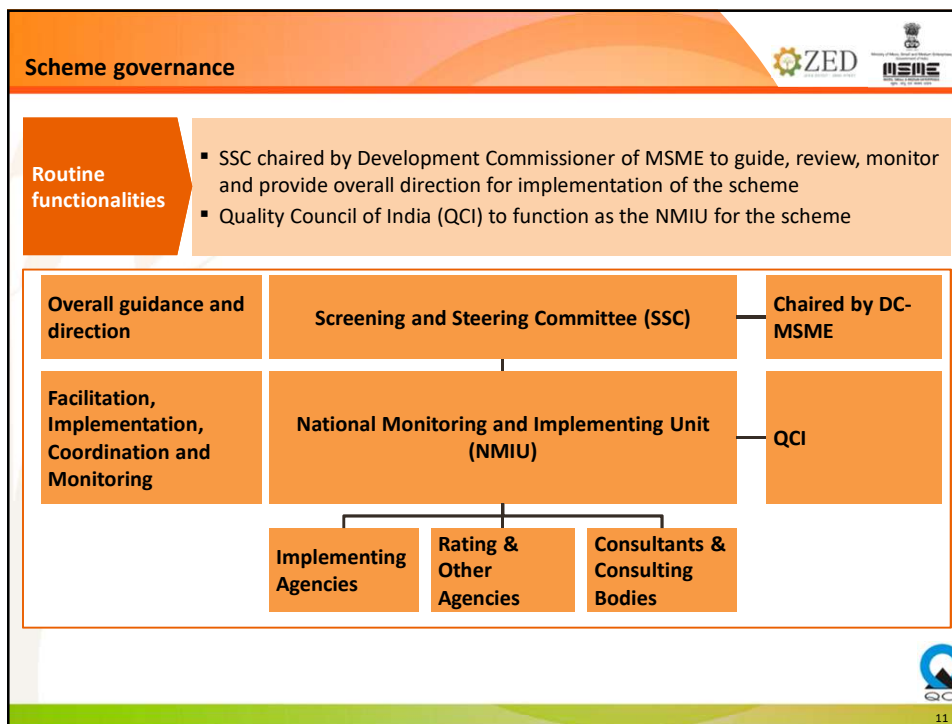


Methodology




	Awareness and training	- Through Implementing Agencies like QCI, NPC, Chambers, MSME-DIs, MSME Technology Centers, Industry Associations, BEE, etc. - To develop e-learning modules for capability building
	Third party site-assessment	- Assessments by Certified Assessors of accredited Credit Rating Agencies, and other accredited agencies etc. - Online allocation of assessors and monitoring of Assessment process - Tab based Site-Assessments
	Third party consultancy (gap analysis and handholding)	- Consultancy by Certified Consultants of accredited Consulting Agencies/Bodies, and Certified Individual Consultants - Online allocation of consultants and monitoring of Consulting process - Tab based reporting of Site-Visits
	Certification	Final Rating and Certificates to be issued by QCI

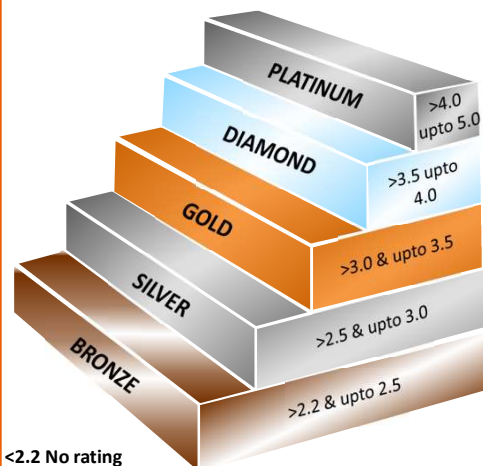




How does ZED rating system work?




5 levels of ZED rating system



<2.2 No rating

An example

Company X is being rated on 30 parameters

On 4 parameters the MSME is at Level 5

On another 8 parameters it is at Level 4

On remaining 18 parameters it is at Level 3

Parameters	Level	Marks
4	5	20
8	4	32
18	3	54
Total		106

Hence, the scores will be calculated as

(Total points/applicable parameters): $106 / 30 = 3.53$

Company X Rating

COMPANY X is rated as: **ZED DIAMOND**



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The ZED Disciplines




ENABLER FOR PROCESS QUALITY

- Process Design for Quality
- Pre-production or start-up activities
- Production & maintenance activities
- Product Design for Quality
- Post Production activities

Enablers for resource management

- Facility
- Human Resource

Enabler on outsourced activity

- Selection control and improvement of outsourced organizations.

ENABLERS FOR EMISSION, EFFLUENT & WASTE DISPOSAL ACTIVITIES

- Process Design for Environment Management
- Pre-production (startup activities) for Environment Management
- Production and Maintenance activities
- Product Design for Environment
- Post Production activities

Outcomes parameters

- Outcomes for quality performance
- Outcomes for Process Performance
- Outcomes for environmental performance
- Outcome for overall company performance



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ZED Defence Model

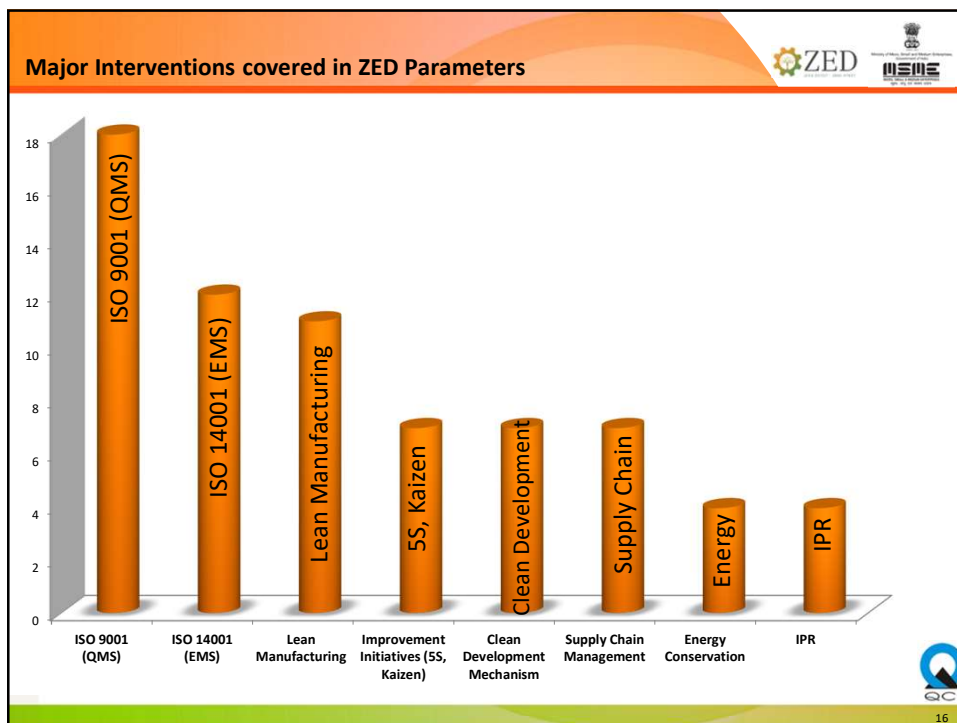
To cater the need of defence industries,

- QCI has developed a holistic ZED defence Model.
- QCI has integrated another 25 parameters specifically designed to measure MSME performance in defence sector.
- These 25 parameters will be additional to 30 parameters from the generic ZED model.

Additional Disciplines for ZED Defence	
	Defence Outreach
	Technology specific to defence
	Risk Assessment
	Defence Quality System
	Financial Discipline
	Security, Safety & Confidentiality
	Post delivery and customer feedback
	Design Discipline

QCI

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Sector specific models

Since each sector focuses on its unique operating conditions, we have developed sector specific models that address these conditions. These sectors are:

- Machinery and equipment
- Food processing
- Chemical
- Pharmaceuticals
- Electronics
- Thermal Power / Renewable Energy
- Textiles
- Wearing Apparel
- Wood & Furniture
- Metal & Foundry
- Defence

These sectors are aligned with Ministry of MSME sectors as well as sectors under the Make in India initiative




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Benefits of ZED Scheme for MSMEs

-  Credible recognition for international investors seeking investment in India
-  Part of supply chain of national & international OEMs
-  Streamlined operations and lower costs
-  Superior quality, reduced rejection and higher revenues
-  Increased environmental consciousness and social benefits
-  "ZED Mark" to enable an MSME to be seen as a company with a difference

Other benefits expected to be announced by the Government in the near future





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Financial Support to MSMEs by Government

Micro: 80%, Small: 60%, Medium: 50%

	Total Cost	Cost to MSMEs according to its Type		
Registration, Desktop Assessment & Site-Assessment	1 Registration & Online Self-assessment	Micro No Cost	Small No Cost	Medium No Cost
	2 Desktop assessment Rs. 10,000/-	Micro Rs. 2000/-	Small Rs. 4000/-	Medium Rs. 5000/-
	3 Site assessment Rs. 80,000/-	Micro Rs. 16000/-	Small Rs. 32000/-	Medium Rs. 40000/-
	TOTAL ASSESSMENT COST to MSME	Rs. 18000/-	Rs. 36000/-	Rs. 45000/-
Defence Assessment, Consulting & Re-Assessment	4 Additional Defence Rating Rs. 40,000/-	Micro Rs. 8000/-	Small Rs. 16000/-	Medium Rs. 20000/-
	5 Gap analysis & handholding (optional) Rs. 1,90,000/-	Micro Rs. 38000/-	Small Rs. 76000/-	Medium Rs. 95000/-
	6 Re-assessment/Re-rating Rs. 40,000/-	Micro Rs. 8000/-	Small Rs. 16000/-	Medium Rs. 20000/-

- Additional Subsidy of 5% for MSMEs owned by SC/ST/Women & MSMEs located in NER and J&K
- Certification Costs are included in Site-assessment, Defence Rating and Re-assessment components
 - Surveillance Fee to be paid by MSMEs will be decided in due course

ZED Awareness Module



The Awareness Video

[ZED Awareness Video](#)

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