



मंगलूर रिफाइनरी एण्ड पेट्रोकेमिकल्स लिमिटेड
MANGALORE REFINERY AND PETROCHEMICALS LIMITED

अनुसूची 'अ' के अंतर्गत भारत सरकार का उद्यम, SCHEDULE 'A' GOVT. OF INDIA ENTERPRISE.
(ऑयल एण्ड नेचुरल गैस कॉर्पोरेशन लिमिटेड की सहायक कंपनी, A SUBSIDIARY OF OIL AND NATURAL GAS CORPORATION LIMITED)
आई.एस.ओ. 9001, 14001 एवं 50001 प्रमाणित कंपनी AN ISO 9001, 14001 AND 50001 CERTIFIED COMPANY.
सीआईएन/CIN : L23209KA1988GOI008959 / वेबसाइट Website : www.mrpl.co.in

Date: 25.03.2025

To,

Micro, Small and Medium Enterprises

Subject: MSME Competitive (Lean) and ZED Certification Schemes

Dear Valued Partner,

We extend our sincere appreciation for your continued association with Mangalore Refinery and Petrochemicals Limited. As part of our commitment to supporting the growth and competitiveness of MSMEs, we wish to bring to your attention two key initiatives launched by the Ministry of MSME—**MSME Competitive (Lean) Scheme** and **MSME Sustainable (ZED) Certification Scheme**—designed to enhance efficiency, productivity and sustainability.

1. MSME Competitive (Lean) Scheme:

- a) Aims to improve process efficiency by reducing wastage, optimizing resources and enhancing quality.
- b) Offers financial support for implementing Lean tools in three levels: Basic (Free), Intermediate, and Advanced.
- c) Provides subsidy for eligible MSMEs on implementation costs.

2. MSME Sustainable (ZED) Certification Scheme:

- a) Focuses on sustainable manufacturing, promoting resource efficiency, energy conservation and environmental responsibility.
- b) Offers graded financial incentives for achieving Bronze, Silver and Gold certification levels.

Guidelines on MSME Competitive (LEAN) Scheme and MSME Sustainable (ZED) Certification Scheme by Ministry of MSME are attached for reference along with this letter. We encourage you to explore these schemes and leverage their benefits to enhance your business potential. Detailed information, eligibility criteria and registration process are available at www.msmecompetitive.gov.in, <https://zed.msme.gov.in> and <https://lean.msme.gov.in/>. For any further queries, you may visit the website or contact the MSME Development Facilitation Offices.

We look forward to your participation in these initiatives for mutual growth and sustainability.

Regards,


Dr. Prasanth Sankar Poduval
Group General Manager (Materials)

Encl.: As above

GUIDELINES 2022

MSME COMPETITIVE (LEAN) SCHEME

(A component of MSME Champions Scheme)



सत्यमेव जयते

सूक्ष्म , लघु और मध्यम उद्यम मंत्रालय

MINISTRY OF

MICRO, SMALL & MEDIUM ENTERPRISES



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ABBREVIATIONS

CFC	Common Facility Center
DSR	Diagnostic Study Report
GoE	Group of Enterprises
IA	Implementing Agency
ISO	International Standard Organisation
LMC	Lean Manufacturing Consultant
Lean Scheme	MSME Competitive (Lean) Scheme
MoMSME	Ministry of Micro, Small and Medium Enterprise
MSME	Micro, Small and Medium Enterprises
MSE-CDP	Micro & Small Enterprises - Cluster Development Program
MSME-DFO	MSME-Development and Facilitation Office
NPC	National Productivity Council
OEM	Original Equipment Manufacturer
PMAC	Project Monitoring and Advisory Committee
PMU	Project Monitoring Unit
QCI	Quality Council of India
SFURTI	Scheme of Fund for Regeneration of Traditional Industries



1.0 Introduction

As domestic & global competitiveness becomes intensive, there is a need for MSMEs to transition to a new business environment especially with the disruption in the global supply chains and convergence of multiple sourcing as a methodology in vendor development. MSMEs form an integral part of almost every value chain and there is a symbiotic relationship between the large corporations and relatively small sized suppliers. Recognizing the importance of overall economic growth of a country and the need for enhancing its productivity, competitiveness and employment generation besides resource optimization, many countries have initiated institutional mechanism for a national approach on improving the quality of manufacturing & services.

Ministry of Micro, Small & Medium Enterprises, Government of India, aims to implement the MSME Competitive (Lean) Scheme for MSMEs with an objective to enhance their productivity, efficiency, and competitiveness by reduction of wastages in processes, inventory management, space management, energy consumption, etc.

2.0 About MSME COMPETITIVE (Lean) Scheme

MSME Competitive (Lean) Scheme is an extensive drive and continuous effort on the part of Ministry of Micro, Small and Medium Enterprises for enhancing the competitiveness of MSME Sectors through implementation of Lean Tools and Techniques. Lean Tools and Techniques are a tested and proven methodology for improving the competitiveness of MSME sector.

Lean Scheme is proposed to be implemented in 2 Phases:

PHASE 1

For Manufacturing MSMEs with UDYAM Registration. This phase will focus largely on maximizing inclusion of manufacturing MSMEs and taking them through the journey of Lean.

PHASE 2

Inclusion of Service Sector MSMEs. This phase will also strive to integrate those MSMEs (Manufacturing and Service Sectors) who are registered under a State Government protocol /system but not on UDYAM.

Scheme Validity: The financial support, incentives, benefits & other provisions contained in the scheme herein will be valid till March 31, 2026.



2.1 Objectives of Scheme

The objective of the scheme is to enhance the Domestic and Global Competitiveness of MSMEs through the application of various Lean Techniques that inter-alia includes:

- **Reduction in:**
 - ❖ Rejection Rates
 - ❖ Product and Raw Material Movements
 - ❖ Production Cost
- **Optimization of:**
 - ❖ Space Utilization
 - ❖ Resources Like Water, Energy, Natural Resources etc.
- **Enhancement of:**
 - ❖ Quality in Product and Process
 - ❖ Production & Export Capabilities
 - ❖ Workplace Safety
 - ❖ Knowledge & Skill Sets
 - ❖ Innovative Work Culture
 - ❖ Social & Environmental Accountability
 - ❖ Profitability
 - ❖ Introduction & Awareness to Industry 4.0
 - ❖ Digital Empowerment

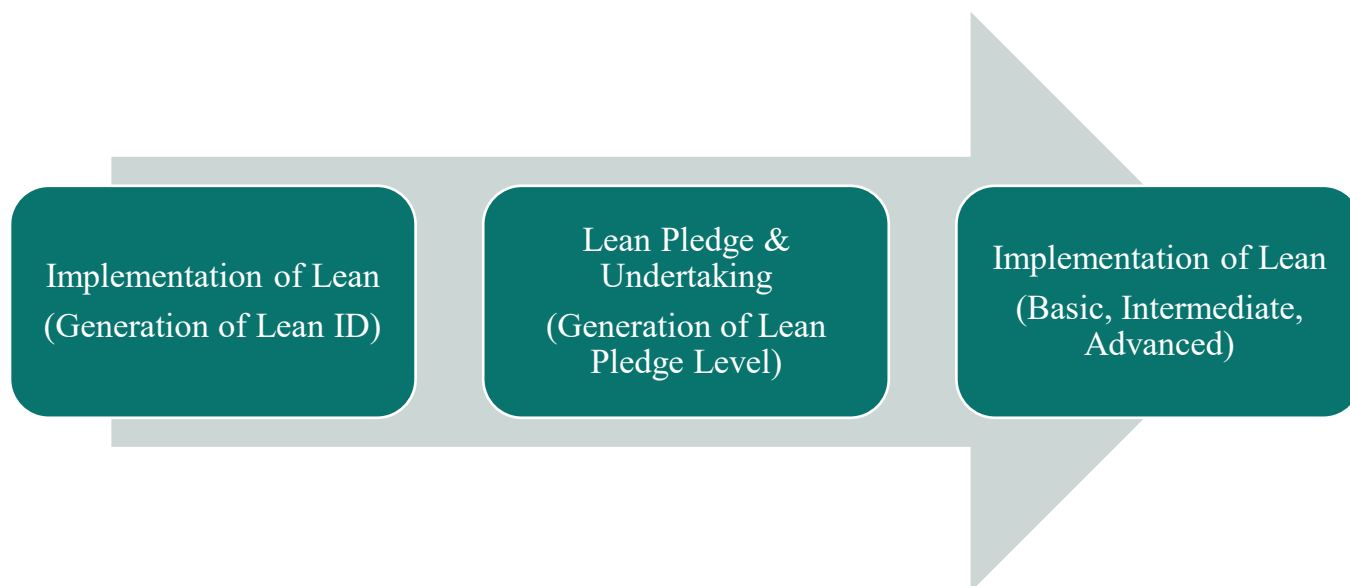
2.2 MSME Competitive (Lean) Scheme Levels

MSME Competitive (Lean) Scheme can be attained in **THREE** Levels after registering and taking the Lean Pledge:

- **Level 1: BASIC**
 - **Level 2: INTERMEDIATE**
 - **Level 3: ADVANCED**
- a) Every MSME that embarks on the journey of Lean (Basic, Intermediate, Advanced) will have to take a “Lean Pledge” before undertaking the journey of implementation of lean tools and techniques.



- b) The intent of taking a Lean Pledge is to take a “pre-commitment” or a solemn promise by MSMEs to uphold the values of Lean Practices and Philosophy in their functioning and to urge them to move ahead on the journey of Lean.
- c) After taking the Lean Pledge, the MSME can apply for handholding of its units depending on the need and level of preparedness and interest of MSME unit. Lean Scheme can be implemented by MSME units in the above three levels.



2.3 MSME Competitive (Lean) Scheme Components

- i. **Industry Awareness Programmes/Workshop:** MSMEs will be made aware of the Scheme through Nation-wide awareness programmes (online and/or face-to-face, as appropriate) with the assistance of stakeholders like Industry Associations, Implementing Agencies, MSME-DFOs, District Industries Centres (DICs), Large Enterprises/OEMs.
- ii. **Training Programmes:** Stakeholders like the MSME Officers, Assessors and Consultants will be trained on the MSME Competitiveness (Lean) Scheme to enable an effective implementation by Implementing Agencies like QCI, NPC.
- iii. **Handholding:** MSMEs will be provided handholding towards the implementation of Lean Tools and Techniques at three different levels – Basic, Intermediate, and Advanced. Completion of each stage is verifiable end term assessment or assessment by Implementation Agency along MSME -DFOs as the case may be.
- iv. **Benefits/Incentives:** Graded incentives will be announced by the Ministry of MSME for MSMEs for encouraging MSME units’ participation under the scheme.



- v. **PR campaign, Advertising & Brand Promotion:** For popularizing the Lean Scheme, a Nation-wide publicity will be done.
- vi. **Digital Platform:** Lean Scheme process will be e-enabled through a single window digital platform which will be utilized for the implementation of the scheme.

2.4 Coverage & Eligibility

- i. All MSMEs registered with the UDYAM registration portal (of the MoMSME) will be eligible to participate in MSME Competitive (Lean) Scheme and avail related benefits/incentives.
- ii. Scheme is also open to Common Facilities Centers (CFCs) under SFURTI (Scheme of Fund for Regeneration of Traditional Industries) and Micro & Small Enterprises - Cluster Development Program (MSE-CDP) Schemes.

3.0 Stakeholders and their expected roles

a) Ministry of MSME

The Ministry of MSME shall create an enabling environment and assist its partners in achieving the objectives of the scheme by:

- i) Providing the approved guidelines for the development of various strategies and frameworks
- ii) Monitoring, evaluation and necessary approvals.
- iii) Creating a PMU for smooth operations and coordination.
- iv) Identifying and partnering with Implementing Agencies for implementation of Lean Scheme.
- v) Co-ordinating with various Ministries/Departments/States and other stakeholders regarding the Lean Scheme, including obtaining relevant consents/approvals wherever needed.
- vi) Ensuring Nation-wide Media/PR activities for wide publicity of the Lean Scheme.
- vii) Instituting incentives for MSMEs implementing Lean Scheme.
- viii) Developing synergies with States/ UTs and DICs to take forward the scheme into underserved and un-served sectors, clusters, industrial units.

b) Implementing Agencies:

Implementation of the Lean Scheme will be carried out through Quality Council of India (QCI) and National Productivity Council (NPC), who will work as Implementing Agencies (IAs).



These IAs will co-ordinate with MoMSME to enable effective implementation of MSME Competitive (Lean) by:

- i) Nominating a Nodal Officer for effective coordination with the Ministry.
- ii) Developing Lean Scheme monitoring and implementation mechanism, dedicated digital platform, E-learning modules, etc.
- iii) Developing mechanism for handholding of MSME units and on boarding of consultants for the same.
- iv) Training of Stakeholders on the Lean Scheme
- v) Performing as an Implementing Agency (IA)

c) Organisations under the administrative control of MoMSME & the office of DC-MSME

These organisations (such as MSME-DFOs, Technology Centres, Testing Centres, NIMSME and others) will enable effective implementation of the Lean Scheme by:

- i) Nominating a Nodal Officer for effective coordination with the Ministry
- ii) Creating a mechanism for widespread dissemination of information on this initiative through its offices and assisting maximizing awareness & outreach of Lean Scheme Guidelines to enroll MSMEs on the Lean journey
- iii) Assisting the Ministry in capacity building of the industry
- iv) Assisting the Ministry in institutionalizing incentives for MSME units availing Lean Scheme
- v) Assisting in milestone assessment along with Implementing Agencies (IA's)

d) State Governments

- i) Nominate a Nodal Officer for effective coordination with the Ministry
- ii) Activate all DICs & related divisions/offices under its administrative control/purview and sensitize them on Lean Scheme with the assistance of Implementing Agencies
- iii) Create a mechanism for widespread dissemination of information on this initiative through its divisions/offices in the State and assist the Ministry of MSME in maximum awareness & outreach of the Lean Scheme guidelines and urging the MSMEs to join the Lean journey
- iv) Assist the Ministry in capacity building of the Industry in their State
- v) Incorporate Lean Scheme guidelines as a part of their respective Industrial policy
- vi) Extend graded benefits (that come under the purview of the State) to MSMEs that have implemented Lean tools and techniques under Lean Scheme.



e) Lean Consultants

- i) Preparation of Diagnostic Study Report (DSR) and Action Plan.
- ii) Providing Remote / Onsite handholding to MSMEs for Lean implementation.
- iii) Maintenance of record of Lean implementation activities carried out in units.
- iv) Preparation of case studies, progress reports of GoEs and any other report as desired from time to time by the MoMSME.
- v) Any other task as advised by the MoMSME

f) OEMs and Industrial Associations

Ministry of MSME will identify and partner with OEMs and Industrial Associations for:

- i) Disseminate information amongst its MSME members and assist the Ministry in creating awareness & outreach of the Lean Scheme
- ii) Motivating MSMEs to apply for Lean scheme
- iii) Ensure the MSMEs joining the Lean Scheme to complete the journey

g) Micro, Small & Medium Enterprises

- i) Undergo Awareness Programmes & Training for a better understanding of the Lean Scheme guidelines
- ii) Exhibit intent and commitment towards improving their systems and processes so as to achieve higher lean implementation level in their unit

h) Other Ministries & Departments

- i) Explore benefits/incentives relevant to their respective Ministry/Department for MSMEs who undertake lean implementation
- ii) Explore extending preference in procurement to Lean Implemented MSMEs



4.0 Scheme Implementation *(Implementation Mechanism)*

A. Lean Pledge

- a) Every MSME that embarks on the journey of Lean Scheme will have to take “Lean Pledge” (**Annexure -1**) before submitting its application.
- b) After taking “Lean Pledge”, MSME can apply for implementation of Lean Tools and Techniques. Every MSME embarking on the journey of Lean Scheme must submit an undertaking as per **Annexure -2**.

B. Basic Level-2 Months

- a) The BASIC Level can be achieved by MSMEs individually, without forming any cluster/group and is aimed at motivating them and creating awareness about the principles & benefits of Lean manufacturing.
- b) Subsequent to taking Lean Pledge, the MSME will register itself for the Lean BASIC Level through the dedicated online portal of the scheme.
- c) This will be achieved through self-paced learning with the help of online Module developed and hosted on dedicated Lean Scheme portal.
- d) There will be a provision of online technical support for MSMEs in case of clarification of doubts in the online module.
- e) The MSME will ensure dissemination of the learnings achieved after undergoing the BASIC Level module to an adequate number of employees for sustenance and continuation.
- f) **Basic level is free of cost for MSMEs.**



Certificate Validity: The validity of the certificate is for a period of 03 years. The applicant will have to apply afresh in order to continue availing associated benefits/ incentives as per the validity of the scheme.

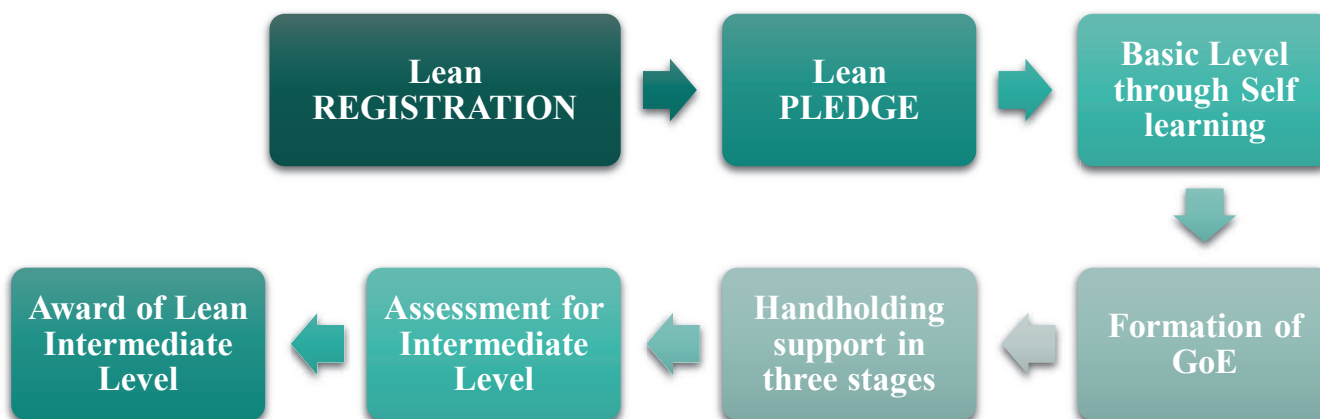


C. Intermediate Level

- After completion of BASIC Level MSMEs would be eligible for applying for Intermediate Level through the dedicated online portal of the scheme
- For achieving the Intermediate Level, the eligible MSMEs will have to form a Group of Enterprises (GoE).
- Intermediate Level encompasses application of Lean tools and techniques through onsite handholding provided by the designated consultant.
- The cost of implementation of the Intermediate level is up to Rs. 1.2 Lakh (excluding taxes) per unit. The details of financial assistance are available at para 9.0.
- The three stages through which the Intermediate Level will be achieved are given in the table below:

Implementation Mechanism – Intermediate Level	
Duration	6 Months*
Implementation Phases	3 Phases
Duration of Phases	2 months each
1st Stage	DSR and Action Plan
2nd Stage	Implementation
3rd Stage	Final and Last Stage of Implementation
Note	Minimum onsite holding of 12 -14-man days per unit of GoE

* From the date of signing of Tri-Partite Agreement (TPA)



Certificate Validity: The validity of the certificate is for a period of 03 years subject to surveillance audit at the end of 18 months. The applicant will have to apply afresh in order to continue availing associated benefits/ incentives as per the validity of the scheme.

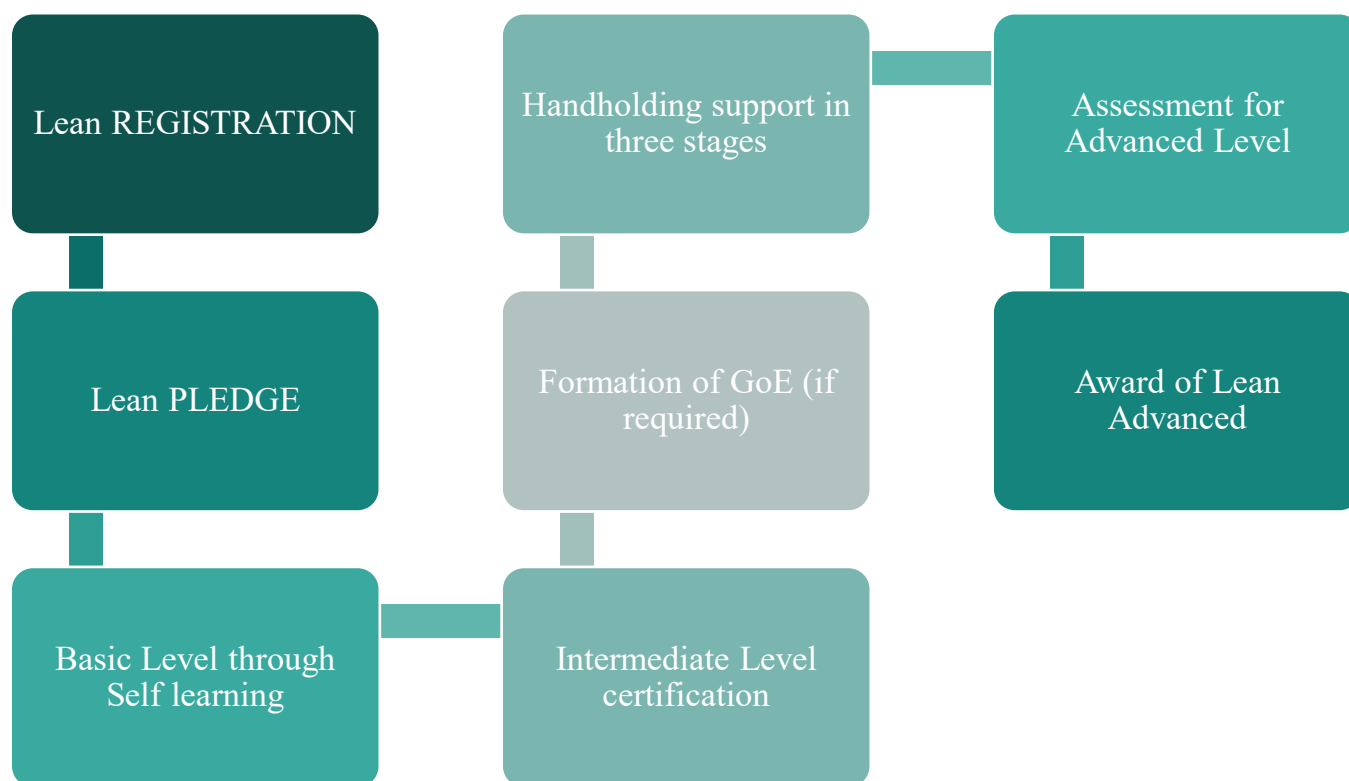


D. Advance Level

- After completion of Intermediate Level MSMEs would be eligible for applying for Advanced Level through the dedicated online portal of the scheme.
- For achieving the Advanced Level, the eligible MSMEs will have to form a Group of Enterprises (GoE).
- Advanced Level encompasses application of Lean tools and techniques through onsite handholding provided by the designated consultant.
- The cost of implementation of Advanced level is up to Rs. 2.4 Lakh (excluding taxes) per unit. The details of financial assistance are available at para 9.0.
- The three stages through which the Advanced Level will be achieved are given in the table below:

Advanced Level	
Duration	12 months*
Implementation Phases	3 Phases
Duration of Phases	1 st Stage (2 months); 2 nd Stage (5 months); 3 rd Stage (5 months)
1st Stage	DSR and Action Plan
2nd Stage	Implementation
3rd Stage	Final and Last Stage of Implementation
Note	Minimum onsite holding of 24–26-man days per unit of GoE

**From the date of signing of Tri-Partite Agreement (TPA)*



During the Advanced Stage units forming a GoE may choose to continue with same GoE/ Consultant or may form a new GoE/appoint a new consultant with the approval of PMAC based on the recommendation of Implementing Agency (IA).

Lean Certificate Validity: The validity of the certificate is for a period of 03 years subject to surveillance audit at the end of 18 months. The applicant will have to apply afresh in order to continue availing associated benefits/ incentives as per the validity of the scheme.

- i. The details of the topics covered in each certification level of Lean Scheme are available at **Annexure -3.**



E. Group of Enterprises (GoE)

A Group of Enterprises will comprise at least 4 and up to 10 MSMEs located within an identifiable, and as far as practicable, contiguous area and manufacturing same/similar products. However, MSMEs manufacturing dissimilar products may also be allowed to form Group of Enterprises (GoE).

<i>Level</i>		<i>Individual/ (GoE)</i>	<i>Mode and Duration</i>
Level -1	Basic Level	MSME as Individual Units	Self – learning Phase through e- learning module <u>Duration up to 2 Months</u>
Level -2	Intermediate Level	MSMEs as Group of Enterprise (GoE).	Self – learning Phase through e- learning module and Handholding <u>Duration up to 6 months</u>
Level -3	Advanced Level	MSMEs as Group of Enterprise (GoE).	Handholding Phase: <u>Duration up to 12 months</u>

Formation of GoE: The eligible MSMEs would be required to form a Group of Enterprises (GoE) for applying for intermediate and Advanced Levels. The following are the stages for the formation of GoE:

- (i) Identification of MSMEs by IAs.
- (ii) Signing of MoU amongst the identified MSMEs.
- (iii) Selection of a Nodal Officer and Power of Attorney.
- (iv) Applying through online portal for registration of GoE.
- (v) Forwarding of proposals of eligible GoEs by IAs after scrutiny to Ministry of MSME.
- (vi) Approval of GoE by PMAC.



F. LEAN Manufacturing Consultant (LMC)

Lean Consultant will provide, inter-alia, remote/ onsite handholding to MSMEs for Lean implementation, maintenance of record of Lean implementation activities carried out in units and preparation of case studies, progress report of GoEs, and any other reports as desired from time to time by the MoMSME.

The procedure for empanelment and selection of Lean consultant is as below:

Empanelment:

- (a) The criteria for empanelment of Lean consultants would be developed by the IAs, which will be approved by the PMAC.
- (b) The criteria so developed must facilitate the selection of consultants having adequate expertise, knowledge, training & consulting skills, experience and adequate territorial presence etc.

Selection:

- (a) IAs would develop criteria for the selection of Lean consultants which will be approved by PMAC.
- (b) The Lean consultants which have been empanelled would be selected for the GoE for carrying out the implementation of Lean activities.
- (c) The IAs would carry out the selection process through a competitive bidding process ensuring fair and transparent selection as per GFR/ CVC norms. The consultant so selected shall be approved by the PMAC.
- (d) IAs would develop criteria for monitoring/ evaluating the performance of the consultants. In case of unsatisfactory performance/ withdrawal/ any unforeseen circumstances leading to the change of consultants, the IAs would ensure the approval of PMAC before doing the same.
- (e) A Tri-Partite agreement shall be signed amongst GoE, IA and the approved Lean Consultant.
- (f) IAs shall ensure the same Lean consultant is not selected for more than 01 GoE at a time.



5.0 Monitoring Mechanism

a) Basic Level

Duration	2 Months
Monitoring Mechanism	This will be achieved through self- paced learning with the help of online Module Developed for the same. Monitoring of Basic Level Certification will be based upon online assessment examination at the end of the Basic Level self-paced learning modules. Subsequent to successful completion of the online assessment examination, the MSME Unit will be eligible for the Basic Level Certification.

b) Intermediate Level

Duration	6 Months
Monitoring Mechanism	a) 1 st Stage (DSR Stage): Online by Implementing Agency b) 2 nd Stage: Online by Implementing Agency c) 3 rd Stage: Physical by Implementing Agency along with MSME DFO Official

c) Advanced Level

Duration	12 Months
Monitoring Mechanism	a) 1 st Stage (DSR Stage): Online by Implementing Agency b) 2 nd Stage: Online by Implementing Agency c) 3 rd Stage: Physical by Implementing Agency along with MSME DFO Official

Note:

- At Intermediate level, consultant will be provided a grace period of 3 months for completion of work at Intermediate Level; while at Advanced Level, consultant will be provided a grace period of 6 months for completion of work at Advanced Level
- MSME DFO offices need to appoint SPOC for interaction with Implementing Agency



- c. MSME DFO offices are expected to provide date for assessment within 7 working days of receipt of request for date from Implementing Agency. In absence of receipt of date from MSME DI office within 7 working days of receipt of request, Implementing Agency can proceed to carry the audit of designate GoE with intimation to MSME DI office.
- d. Implementing Agency will be submitting assessment report of stages available for scrutiny by Mo MSME through online mode.
- e. MoMSME is free to conduct surprise assessment of GoE allocated to Implementing Agency for assessing the ground realities of implementation in GoE.
- f. Monitoring will be carried out in all three Stages for verification of achievement of targets in each stage through a mix of virtual and on-site monitoring mechanisms.

6.0 MSME Competitive (Lean) Scheme Activities

a) Awareness & Training

The activities in this component will leverage the already existing partnerships of the Ministry of MSME with other public/private organisations and also explore to forge new partnerships so as to enable a more conducive environment for MSMEs which are on the Lean Journey.

Following activities shall be organised by the stakeholders:

S.No	Type of Programme	Deliverables	Amount limit
1.	Industry Awareness Programmes /Workshops / Registration Camps	Half-day workshops. Minimum 50 participants. Minimum 15 (new) Pledges.	Webinar: Rs. 40,000/- Face to Face: Rs. 70,000/-
2.	Training of officials of MSME- DFOs, MSME- Testing Centres, Technology Centres, Design Incubation Centres, IPFC, etc.	5-Day training programme ~20-25 participants per training	Virtual: Rs. 60,000/- per day Face to Face: Rs. 1 Lakh per day (Prorated for both modes)
3.	Consultants/Assessors/Master Trainers' Training	5-Day training programme ~20-25 participants per training	Virtual: Rs. 60,000/- per day Face to Face: Rs. 1 Lakh per day (Prorated)

The Annual targets will be allocated by the PMAC based on the industry requirements.



b) International Benchmarking and Learning Best Practices and Foreign Travels/Delegations, International Trainings related to MSME Competitive (Lean) Certification

Adoption of world class practices for Lean implementation is required for effective implementation of MSME Competitive (Lean) Certification. To facilitate learning of relevant world class practices, proposal(s) relating to the activity will be prepared by IAs, which will be considered on case-to-case basis on its merit. IA will submit a report regarding the findings of the visit that will be shared with stakeholders. The PMAC will approve the finer details and financial requirements.

c) Marketing and Other Initiatives

- i. Nationwide prolonged Awareness Campaigns through Print / Electronic Media shall be undertaken to reach entire industrial belts of the country in vernacular languages.
- ii. Animated Audio/Video developed on the Knowledge repository on 'Lean Tools and Techniques' for showcasing 'Body of Knowledge' to be dissipated for enhancing 'Trained manpower' on Lean for the industry as well as academia.
- iii. A portal shall be developed for the scheme implementation and monitoring. This portal shall also contain the e-learning modules developed for all three levels of the scheme.

7.0 E-Certificate

- a) E- Certificate towards participation under the scheme will be issued by MoMSME after completion of Basic Level, Intermediate Level, and Advanced Level.
- b) The Implementing Agencies (IA) will establish a mechanism for the issue of Certifications which is verifiable and authentic.
- c) The list of MSMEs that have taken the Lean Pledge and achieved any Lean Implementation Level will be displayed on the Lean Scheme portal.

8.0 Benefits/ Incentives

Graded incentives will be announced for MSMEs so as to motivate MSMEs to participate in the Scheme. Details attached as **Annexure -4**.



9.0 Financial Assistance for MSME Units

	Basic Level	Intermediate level	Advanced Level
Implementation Cost (Max. per unit)	Free	₹ 1,20,000 + Taxes	₹ 2,40,000 + Taxes
Beneficiary Contribution	-	10% of Total Cost of Implementation i.e., up to ₹ 12,000 + Taxes per unit (Max.)	10% of Total Cost of Implementation i.e., up to ₹ 24,000 + Taxes per unit (Max.)
GOI Contribution	-	MSME unit will be entitled for up to ₹ 1,08,000 (max.) towards the Implementation cost (Taxes Extra)	MSME unit will be entitled for up to ₹ 2,16,000 (max.) towards the Implementation cost (Taxes Extra)
Additional Benefit	-	<p>a) Additional 5% GOI contribution for MSMEs which are part of SFURTI Clusters, Woman/SC/ ST owned, NER located MSMEs.</p> <p>b) OEM/ Industry Association route</p> <p>(i) Additional 5% GoI contribution shall be given to the MSMEs registering through Industry Association/ OEM after completion of all levels.</p> <p>(ii) ₹ 5000/ per MSME shall be given to OEM/ Association after completing all stages of lean intervention.</p> <p>(iii) For availing this benefit MSME unit need to mention on while applying – Applying under Original Equipment Manufacturer (OEM) or Applying under Industry Association (IA).</p>	



10.0 Implementation Arrangements

The Ministry of MSME will implement the Scheme with the assistance of Implementing Agencies (IA) and **organisations under the administrative control of MoMSME & the office of DC-MSME**. IAs will be paid 15% as implementation charges (inclusive of all taxes) on the GoI grant released to MSMEs in respect of the activities mentioned under para 9.0.

- a) A Project Monitoring and Advisory Committee (PMAC) set up in the O/o DC (MSME) will look after the planning, screening / identification of interventions / projects and such other functions as may be necessary to ensure effective implementation of the scheme. All proposals under the scheme will be received by IAs and submitted to PMAC for approval.

The constitution of PMAC will be as follows:

1.	AS & DC (MSME)	Chairman
2.	Joint Secretary, O/o DC (MSME)	Vice Chairman
3.	EA (IFW)/Representative	Member
4.	ADC/JDC In-charge of MSME-DFOs/TCs at O/o DC (MSME)/Representative	Member
5.	Representative of Ministry of Heavy Industries	Member
6.	Representative of DPIIT	Member
7.	Representative of PMU	Member
8.	Representative of Industry Associations/OEMs	Member
9.	Representative of Implementation Agencies of the Scheme	Member
10.	Special invitees/experts/consultants	Member
11.	Director/Nodal officer handling scheme in MoMSME	Member – Secretary

- b) The Ministry of MSME will implement the Lean Schemewith the assistance of Implementing Agencies and will institute suitable monitoring & fund-flow mechanism. Details of the same will be decided by the PMAC.
- c) The PMAC will have overall responsibility for policy formulation for scheme implementation and monitoring agency. It will be empowered to take all key decisions related to the scheme and



also approve minor modifications for operational expediency. PMAC will hold its meeting as and when required.

- d) **PMU:** A Project Monitoring Unit (PMU) shall be setup to take care of facilitation, implementation and monitoring of the scheme involving Implementing Agencies (IAs) in accordance with established procedure.
- e) **Implementing Agencies:** Ministry of MSME will identify and engage an Implementing Agency (IA). O/o DC (MSME) and its field institutions that are MSME Development and Facilitation Offices, Technology Centres, Testing Centres/Central Government/State Government and its organizations shall also be a part of the implementation.

Lean Pledge

(This will be an online pledge/commitment)

Owner/Partner Name: _____

Enterprise Name: _____

Udyam Registration No. : _____

Unit Address: _____

Lean- ID: _____

*(The above details will be extracted from the Udyam Registration/MSME Competitive
(Lean) Scheme Registration validation)*

1. We undertake to conform to the Principles of Lean Manufacturing in our enterprise and thereby towards elimination of wastes in processes through implementation of Lean Tools and Techniques.
2. We will work towards delivering safe and high-quality products
3. We will give back, in every way we can, to our people, our community and to our planet.

Undertaking

(This will be an online undertaking)

Owner/Partner Name: _____

Enterprise Name: _____

Udyam Registration No.: _____

Unit Address: _____

Lean- ID: _____

*(The above details will be extracted from the Udyam Registration/MSME Competitive
(Lean) Scheme Registration validation)*

I/We understand that the MSME Competitive (Lean) Scheme is voluntary and recognize the authority of the Ministry of MSME, Government of India, in issuance of any Level.

I/We hereby give our commitment to complete the entire Lean Scheme journey as per the guidelines. By proceeding I/We certify that my/our Enterprise/Unit complies with & fulfils all relevant & applicable regulatory & statutory norms/licenses pertaining to the functioning of this manufacturing unit. If not, then efforts will be taken to fulfil those regulatory/statutory requirements by me/us. If at any stage the Enterprise/Unit is found to be non-compliant with any relevant/applicable regulatory & statutory norms, the competent authority will have the right to recall/withdraw any or all reports or Level Issued.



Coverage of Topics

Basic Level

- a. Topics related to existence of organization – Voice of Customer, Voice of Business, Employee Involvement. Current Working Environment for Organization
- b. Basic Concept of Lean
- c. Linkages with Lean /Quality Guru
- d. Conceptual Knowledge on Lead Time, Takt Time, Waste, Value Added, Non-Value-Added Activities
- e. Typical Diagnostic Study Report
- f. Concept of 5S, Kaizen, Visual Management, Value Stream Mapping
- g. Introduction of basic concepts related to Industry 4.0 & Lean Six Sigma

Intermediate Level

- a. Daily 5S; 5S Pledge
- b. Daily Work Management
- c. 8 Waste Awareness Workshop; 8 Waste Identification
- d. Kaizen
- e. Visual control; SOP
- f. Awards and Recognition system within Units

Advance Level

- a) Continuation of practices installed or initiated at basic level.
 - i. 5S
 - ii. Kaizen
 - iii. Visual Control
 - iv. SOP
- b) Application of following concept in units based on capability and maturity of unit (at least 7 tools)
 - i. JIT – Kanban
 - ii. VSM – Cross Functional VSM
 - iii. Line Balancing,



- iv. Takt Time,
- v. Process Capability,
- vi. SMED,
- vii. Preventive Maintenance,
- viii. 7 QC tools.
- ix. Poka Yoke,
- x. Cellular Layout,
- xi. Flow of Manufacturing - Single Piece Flow Manufacturing,
- xii. Product Process Matrix,
- xiii. Skill Mapping, (Multi Skilling, Multi-Tasking)
- xiv. TPM
- xv. Low Cost Automation (Jidoko)
- xvi. Hinjunka

c) Concept of Inventory Management / Reduction (Mandatory Project)

d) Introduction of Six Sigma Concept

e) Introduction of Industry 4.0 /Digital Lean Concept

Note:

1. Training shall not be taken as an independent project; it should be a mandatory component under projects taken.
2. The tools stated above are illustrative and non-exhaustive.
3. The selection of the tools will be based on the requirement of MSME units towards implementation of the Certification Levels.



Benefits/ Incentives

Beneficiaries of the MSME Competitive (Lean) Scheme may also take benefit of the interoperability envisaged within the schemes under MSME Champions Scheme of the Ministry of Micro, Small and Medium Enterprises, subject to fulfillment of desired conditions/ parameters.

Examples of such benefits are listed below:

- MSME Competitive (Lean) Scheme, **Advance Level Certification** holder is exempted from Daily Works Management Parameter of the MSME Sustainable (ZED) **Silver Level Certification**.
- MSME Competitive (Lean) Scheme, **Advance Level Certification** holder is exempted from Daily Works Management and Waste Management (Muda, Mura, Muri) Parameters of the MSME Sustainable (ZED) **Gold Level Certification**.

**(This list is evolving; detailed incentives may be found on
www.msmecompetitive.gov.in)**



Leans Tools & Techniques

Lean Tools and Techniques are a tested and proven methodology for improving the competitiveness of MSME sector. Main Lean-C tools & techniques are mentioned below (but not limited to):

1. 5S System

The 5S systems is a workplace management which helps in getting the “junk out of the work area and set of procedures to keep it that way. 5S stands for Sort, Set in Order, Shine, Standardize & Sustain.

2. Visual Control

Visual controls such as cartoons, charts, light signals, Lane marking on floor, Safety instructions, Warning signs, Poka-Yoke instructions etc., can be displayed all over the workplace.

3. Standard Operating Procedures (SOPs)

All verbal instructions should be converted to SOPs to remove dependency on skilled personnel in achieving required product quality level, consistency, effectiveness and efficiency.

4. Just in Time (JIT)

It's a Japanese manufacturing philosophy to make the right product in right quantity at the right time. This almost results in zero inventory and shortest possible cycle time.

5. KANBAN System

In this, components are pulled by assembly or subsequent work centers and the containers are replenished with the right quantities by the previous work center, which reduces the inventory of unwanted components.

6. Cellular Layout

In this improved manufacturing system, familywise component completion is aimed at within the smaller self-contained cell, which is a part of a big factory, as compared to operation wise completion in traditional functional layout.

7. Value Stream Mapping

It covers all activities, both value added and non-value added, and helps in arriving at best layout of all resources required for making the product.



8. PokaYoke or Mistake Proofing

It is again a Japanese technique used to prevent errors occurring at their source of origin, and it finally leads to a “Zero Defect” situation.

9. Single Minutes Exchange of Dies or Quick Changeover (SMED):

Applying ingenious methods, setup time is minimized and brought to less than ten minutes; thereby smaller batches as required by the customer can be taken up for manufacturing.

10. Total Productive Maintenance (TPM)

TPM involves operators, maintenance staff and management working together to improve overall operation of any equipment. Operators, who first identify noisy or vibrating motors, oil or air leaks, can be trained to make simple repairs to prevent major and costly break downs.

11. Kaizen Blitz or Rapid Improvement Process:

It is an intense management programme, which results in immediate change and bottom-line improvement. Both management staff and workers are involved in this.

12. 7 QC Tools

The 7 QC tools are fundamental instruments to improve the process and product quality. They are used to examine the production process, identify the key issues, control fluctuations of product quality, and give solutions to avoid future defects.

13. Jidoka (Low-Cost Automation)

Design equipment to partially automate the manufacturing process (partial automation is typically much less expensive than full automation) and to automatically stop when defects are detected. After Jidoka, workers can frequently monitor multiple stations (reducing labour costs) and many quality issues can be detected immediately (improving quality).

14. Hincunka (Level Scheduling)

A form of production scheduling that purposely manufactures in much smaller batches by sequencing (mixing) product variants within the same process. It reduces lead times (since each product or variant is manufactured more frequently) and inventory (since batches are smaller).



सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय
MINISTRY OF
MICRO, SMALL &
MEDIUM ENTERPRISES

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Azadi Ka
Amrit Mahotsav



MSME Sustainable (ZED) Certification Scheme

GUIDELINES 2022



शैलेश कुमार सिंह, भा.प्र.से.
अपर सचिव एवं विकास आयुक्त
SHAILESH KUMAR SINGH, IAS
Additional Secretary & Development Commissioner



भारत सरकार
सूक्ष्म, लघु एवं मध्यम उद्यम मंत्रालय
GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES

MESSAGE

Zero Defect Zero Effect (ZED) has the potential to become a movement to bring about a revolution in the MSME segment to enhance their global competitiveness.

The MSME Sustainable (ZED) Certification Scheme of our Ministry will not only provide a roadmap to global competitiveness for Indian MSMEs but will also have economic and social impacts in terms of capacity building of MSMEs. The aim of this initiative is that the goods being manufactured by the MSME sector have zero recall from the market at the same time has zero effect on environment. It also has a lot of social benefits in terms of training of labor, creation of knowledge, increased labor productivity, lower input costs to other industries, and introduction of new production equipment/ methods in manufacturing and development of quality conscious work culture in society.

This Scheme comes with immense benefits & incentives for our MSMEs, including assistance on COVID-19 management, and is expected to be open for MSMEs of the service sector in the future.

I solicit the MSMEs' participation in this scheme to take advantage of the incentives and benefits provided and move toward a position of eminence in the global marketplace.

(Shailesh Kumar Singh)

अतीश सिंह
संयुक्त सचिव

ATEESH SINGH
Joint Secretary



सत्यमेव जयते



भारत सरकार
सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय
उद्योग भवन, नई दिल्ली-110 011
GOVERNMENT OF INDIA
MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
UDYOG BHAWAN, NEW DELHI-110 011

MESSAGE

The best solution for a country like India to enhance the competitiveness of its industry is to upgrade its regulations to international standards both in terms of product requirements as well as conformity assessment procedures. Pending such an upgradation in any sector, there would be a need to set up a system of certifying to the higher international standards adopted by the developed countries.

Further, to increase the share of manufacturing sector in GDP it is imperative to provide opportunities where the MSMEs can provide goods and services of high quality and have the facility to export their goods and services. At the same time, it is essential that foreign buyers and investors have faith in goods and services being provided by Indian Manufacturers will be of high quality.

This is where a model like ZED will have a crucial role to play where it intends to be a connect between the two and provide the much-needed trust factor and simultaneously be aligned with the “vocal for local” mantra.

The MSME Sustainable (ZED) Certification Scheme, which is based on a Conformity Model for each Certification Level (Bronze, Silver & Gold), will assist the MSMEs to gradually build its capacities and reach the desired level of competence in a structured manner. There are defined assessment parameters based on which the unit will be assessed & rated and subsequently provided handholding. This model will gauge the manufacturer's maturity in a number of areas, identify the areas of improvement and assist MSMEs in becoming the CHAMPIONS they deserve to be.

The Ministry is launching this Scheme with a bouquet of incentives and benefits from Ministries, States/UTs and other stakeholders, including MSME KAWACH (support for MSME preparedness to mitigate COVID 19 risks), which will pull our MSMEs towards a quality driven ecosystem.


(Ateesh Kumar Singh)

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ABBREVIATIONS

BEE	Bureau of Energy Efficiency
BIS	Bureau of Indian Standards
DICs	District Industries Centres
IA	Implementing Agency
ISO	International Standard Organisation
KAWACH	Knowledge Acquisition through WASH for an Accelerated COVID 19 Handling
MoMSME	Ministry of Micro, Small and Medium Enterprise
MSME	Micro, Small and Medium Enterprise
MSME-DIs	MSME-Development Institutes
NMIU	National Monitoring and Implementing Unit
NPC	National Productivity Council
PMAC	Project Monitoring and Advisory Committee
PMU	Project Monitoring Unit
QCI	Quality Council of India
WASH	Workplace Assessment for Safety & Hygiene
ZED	Zero Defect Zero Effect

INTRODUCTION

As the MSMEs are amongst the strongest drivers of economic development, innovation and employment, it becomes imperative to strengthen their ecosystem. The Government of India envisioned Zero Defect & Zero Effect (ZED) initiative to enhance MSME competitiveness, make them sustainable and transform them as National and International Champions.

2

ABOUT MSME SUSTAINABLE (ZED) CERTIFICATION

MSME Sustainable (ZED) Certification is an extensive drive to create awareness amongst MSMEs about Zero Defect Zero Effect (ZED) practices and motivate and incentivise them for ZED Certification while also encouraging them to become MSME Champions. Through the journey of ZED Certification, MSMEs can reduce wastages substantially, increase productivity, enhance environmental consciousness, save energy, optimally use natural resources, expand their

markets, etc. MSMEs will also be motivated to adopt best practices in work culture, standardization of products, processes and systems etc. in order to enhance their global competitiveness and sustainability. The ZED Certification aims at enhancing the competitiveness of an MSME by assessment, modification through guidance, handholding, managerial and technological intervention – not just certification.

The ZED Certification is proposed to be implemented in 2 Phases:

PHASE 1 Manufacturing MSMEs

For Manufacturing MSMEs with UDYAM Registration. This phase will focus largely on maximizing inclusion of manufacturing MSMEs and taking them through the journey of ZED

PHASE 2 Service Sector MSMEs, ZED Exports

Inclusion of Service Sector MSMEs. This phase will also strive to integrate those MSMEs (manufacturing and Service Sectors) who are registered under a State Government protocol/system but not on UDYAM. From this phase onwards, additional information regarding MSME operations/performance may be collected so as to create a National MSME Competitiveness Index.

It is also envisaged to provide funding to the ZED Certified MSMEs to obtain international certifications like CE and others, as necessary for international market and further, making provisions to align ZED Certification with the international certifications for its global acceptance.

Scheme Validity: The financial support, incentives, benefits & other provisions contained in the scheme here in will be valid till March 31, 2026.



2.1 Objectives

The ZED Certification envisages promotion of Zero Defect Zero Effect (ZED) practices amongst MSMEs so as to:

- Encourage and enable MSMEs for manufacturing of quality products using latest technology, tools & to constantly upgrade their processes for achievement of high quality and high productivity with the least effect on the environment
- Develop an Ecosystem for ZED Manufacturing in MSMEs, for enhancing competitiveness and enabling exports
- Promote adoption of ZED practices and recognising the efforts of successful MSMEs
- Encourage MSMEs to achieve higher ZED Certification levels through graded incentives
- Increase public awareness on demanding Zero Defect and Zero Effect products through the MSME Sustainable (ZED) Certification
- Identify areas to improve upon, thereby assisting the Government in policy decisions and investment prioritization

2.2 MSME Sustainable (ZED) Certification Components

1. Industry Awareness Programmes/ Workshop: MSMEs will be made aware of the MSME Sustainable (ZED) Certification through nation-wide awareness programmes (online and/or face-to-face, as appropriate) with the assistance of stakeholders like Industry Associations, Implementing Agencies, MSME-DIs, District Industries Centres (DICs), Large Enterprises/OEMs, BEE.

2. Training Programmes: Stakeholders like the MSME Officers, Assessors and Consultants will be trained on the MSME Sustainable (ZED) Certification to enable an effective implementation by partners like QCI, BIS, NPC.

3. Assessment & Certification: MSMEs will be assessed (desktop verification, remote assessment, onsite assessment; as applicable) and awarded relevant Certification Level for which they have applied for after fulfilling the requirements of that Level.

4. Handholding: MSMEs will be provided handholding to help them achieve higher ZED Certification levels and also towards technology

upgradation for moving towards zero effect solutions/pollution control measures/cleaner technology.

5. Benefits/Incentives: Graded incentives will be announced by the Ministry of MSME for MSMEs so as to motivate them to achieve higher ZED Certification levels. These incentives will also include assistance to MSMEs in their preparedness & response to COVID-19 pandemic, called MSME KAWACH (Knowledge Acquisition through WASH for an Accelerated COVID-19 Handling) which is based on the WASH (Workplace Assessment for Safety & Hygiene) Standard.

6. PR campaign, Advertising & Brand Promotion: For popularizing the MSME Sustainable (ZED) Certification and brand promotion of ZED, a nation-wide publicity will be done.

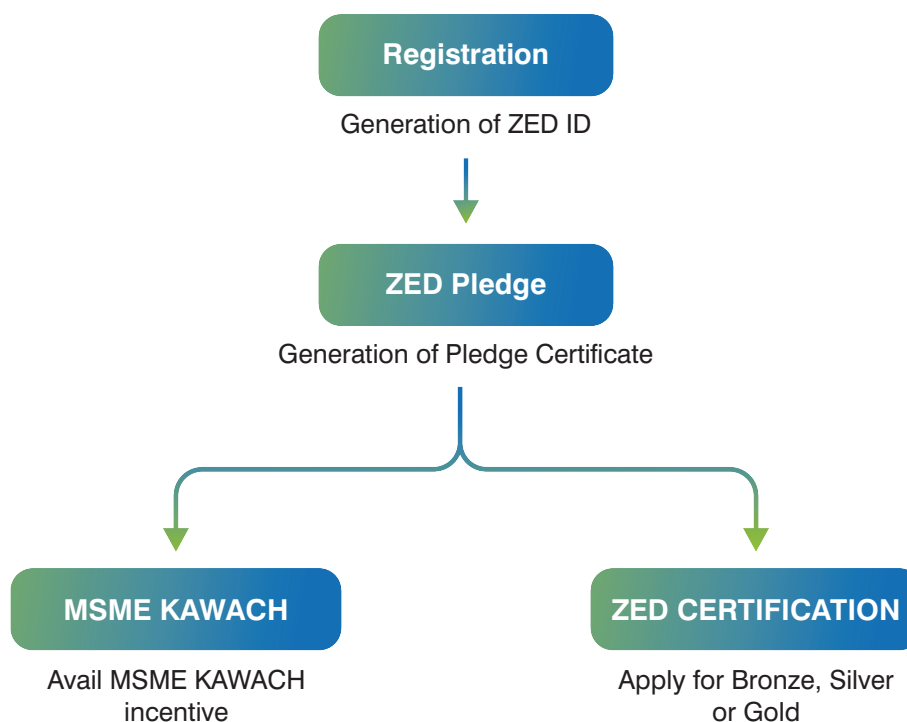
7. Digital Platform: MSME Sustainable (ZED) Certification process will be e-enabled through a single window digital platform and minimum use of paper.

2.3 ZED Certification Levels

MSME Sustainable (ZED) Certification can be attained in THREE Levels after registering and taking the ZED Pledge:

ZED Pledge

- Certification Level 1: **BRONZE**
 - Certification Level 2: **SILVER**
 - Certification Level 3: **GOLD**
- a. Every MSME that embarks on the journey of ZED will have to take a “ZED Pledge” before applying for a ZED Certification Level (Bronze, Silver, Gold).
- b. Certification on WASH Standard & other capacity building measures through MSME KAWACH will be available to MSMEs immediately after taking ZED Pledge.
- c. After taking the ZED Pledge, the MSME can apply for any Certification Level if it feels that it can fulfil the requirements mentioned in each level. The intent of taking a ZED Pledge is to take a “pre-commitment” or a solemn promise by MSMEs to uphold the values of Zero Defect Zero Effect in their practices and to urge them to move ahead on the journey of ZED.



2.4 Eligibility

All MSMEs registered with the UDYAM registration portal (of the MoMSME) will be eligible to participate in MSME Sustainable (ZED) Certification and avail related benefits/incentives.

2.5 Stakeholders & Their Expected Role

a. Ministry of MSME

The Ministry of MSME shall create an enabling environment and assist its partners in achieving the above-mentioned objectives by:

1. Providing the approved guidelines for the development of various strategies and frameworks
2. Monitoring and evaluation of MSME Sustainable (ZED) Certification implementation
3. Creating a PMU/NMIU for smooth operations and coordination
4. Identifying and partnering with Implementing Agencies for implementation of MSME Sustainable (ZED) Certification
5. Co-ordinating with various Ministries/ Departments/States and other stakeholders regarding the MSME Sustainable (ZED) Certification Scheme, including obtaining relevant consents/approvals wherever needed
6. Ensuring nation-wide Media/PR activities for wide publicity of the MSME Sustainable (ZED) Certification
7. Instituting incentives for ZED Certified MSMEs

b. Quality Council of India (QCI)

QCI will co-ordinate with MoMSME to enable effective implementation of MSME Sustainable (ZED) Certification by:

1. Nominating a Nodal Officer for effective coordination with the Ministry
2. Developing MSME Sustainable (ZED) Certification model and framework, digital platform, E-learning modules, etc.
3. Developing mechanism for Assessment, Certification and Handholding
4. Desktop verification of MSMEs, wherever required
5. Training of Stakeholders on the MSME Sustainable (ZED) Certification

6. Collaborating with BIS to create MSME Sustainable (ZED) Certification as an international standard in the second Phase
7. Performing as an Implementing Agency

c. Organisations under the administrative control of MoMSME & the office of DC-MSME

These organisations (such as MSME-DIs, Technology Centres, Testing Centres, NIMSME and others) will enable effective implementation of the MSME Sustainable (ZED) Certification by:

1. Nominating a Nodal Officer for effective coordination with the Ministry
2. Creating a mechanism for widespread dissemination of information on this initiative through its offices and assist in maximizing awareness & outreach of the MSME Sustainable (ZED) Certification Guidelines to enrol MSMEs on the ZED journey
3. Assisting the Ministry in capacity building of the Industry
4. Assisting the Ministry in institutionalizing incentives for ZED Certified MSMEs

d. Bureau of Indian Standards (BIS)

BIS will assist the MoMSME in the following:

1. Nominating a Nodal Officer for effective coordination with the Ministry
2. Participation in various committees to enable model development, processes finalization etc.
3. Assisting in international recognition of the ZED Certification
4. Undertaking training of stakeholders like Assessors, Master Trainers and Consultants

e. Implementing Agencies

Ministry of MSME will identify and partner with Implementing Agencies such as BIS, NPC, Industry Associations who will:

1. Nominate a Nodal Officer for effective coordination with the Ministry



2. Develop a mechanism of dissemination of these guidelines in a manner that the MSMEs understand them well and adopt them to improve their systems and processes
3. Develop a mechanism to assess the level of on-ground adoption of these guidelines
4. Assist in providing handholding to desirous MSMEs to help them achieve a higher ZED Certification Level
5. Any other task as advised by the Ministry

f. State Governments

1. Nominate a Nodal Officer for effective coordination with the Ministry
2. Activate all DICs & related divisions/offices under its administrative control/purview and sensitize them on MSME Sustainable (ZED) Certification with the assistance of Implementing Agencies
3. Create a mechanism for widespread dissemination of information on this initiative through its divisions/offices in the State and assist the Ministry of MSME in maximum awareness & outreach of the MSME Sustainable (ZED) Certification guidelines and urging the MSMEs to go for ZED Certification
4. Assist the Ministry in capacity building of the Industry in their State

5. Incorporate ZED Certification guidelines as a part of their respective Industrial policy
6. Extend graded benefits (that come under the purview of the State) to MSMEs which obtain a ZED Certification

g. Industry Associations

1. Disseminate information amongst its MSME members and assist the Ministry in creating awareness & outreach of the ZED Scheme
2. Motivating MSMEs to apply for a ZED Certification Level
3. Assist the Ministry in capacity building of the Industry

h. Micro, Small & Medium Enterprises

1. Undergo Awareness Programmes & Training for a better understanding of the MSME Sustainable (ZED) Certification guidelines
2. Exhibit intent and commitment towards improving their systems and processes so as to achieve higher ZED Certification Levels

i. Other Ministries & Departments

1. Explore benefits/incentives relevant to their respective Ministry/Department for MSMEs who obtain ZED Certification
2. Explore extending preference in procurement to ZED Certified MSMEs

3

MSME SUSTAINABLE (ZED) CERTIFICATION ACTIVITIES

3.1 Awareness & Training

The activities in this component will leverage the already existing partnerships of the Ministry of MSME with other public/private organisations and

also explore to forge new partnerships so as to enable a more conducive environment for MSMEs which are on the ZED Journey.

Following activities have been planned to be organised by the above stakeholders, as decided by the Ministry:

S.No	Type of Programme	Deliverables	Amount limit
1.	Industry Awareness Programmes /Workshops / Registration Camps	Half day workshop. Minimum 50 participants. Minimum 20 (new) Pledges.	Webinar: Rs. 40,000/- Face to Face: Rs. 70,000/-
2.	Training of officials of MSME-DIs, MSME-Testing Centres, Technology Centres, Design Incubation Centres, IPFC, etc.	5-Day training programme ~20-25 participants per training	Virtual: Rs. 60,000/- per day Face to Face: Rs. 1 Lakh per day (May be prorated for both modes)
3.	Consultants/Assessors/Master Trainers' Training	5-Day training programme ~20-25 participants per training	Virtual: Rs. 60,000/- per day Face to Face: Rs. 1 Lakh per day (May be prorated)

3.2 International Benchmarking and Learning Best Practices and Foreign Travels/ Delegations, International Trainings relating to MSME Sustainable (ZED) Certification

Adoption of world class practices for ZED is a must for the envisaged MSME Sustainable (ZED) Certification aiming at creation of a world class ecosystem of continuous improvement to sustain Zero Defect and Zero Effect manufacturing. To facilitate learning of relevant world class practices, proposal(s) relating to the activity will be prepared

by NMIU/IAs, which will be considered on case to case basis on its merit. The delegation will submit a report regarding the findings of the visit which is to be shared with stakeholders. The PMAC may decide the finer details and financial implications.

3.3 Online Systems

The MSME Sustainable (ZED) Certification process will be e-enabled in order to make the MSME journey on ZED more robust and meaningful. This will include web interface as well as mobile applications, as required. The complete Digital

Platform will be developed & managed by Quality Council of India (QCI) including data hosting, security and other recurring services with a provision to amend/modify or scale-up the digital systems as and when required.



The online systems will include following:

- a. Development/up-gradation of e-Platform for online handling of applications, ZED assessments, awareness & training, handholding, data security etc.
- b. Linkage with other knowledge portals of the Government for MSMEs & other stakeholders' Capacity Building (including e-learning modules aligned with the MSME sector) while

leveraging the strength of the Ministry's Media Cell, wherever possible.

- c. Online service support and maintenance for the Online System.

The online system will be scalable and provisions shall be made for interoperability with other platforms in the future or any other modifications that may be needed. All data so captured under this scheme will be under the ownership of the MoMSME, Government of India.

3.4 Assessment & Certification

3.4.1. Accreditation of Assessment Agencies

- a. QCI will create detailed guidelines on accreditation of Assessment Agencies and eligibility criterion for Assessors.
- b. Assessment Agencies will require to get accreditation from QCI at their own cost for MSME Sustainable (ZED) Certification Scheme.
- c. A mechanism may be developed where the repository of the trained and qualified Assessors is available on the dashboard.

3.4.2. Assessment of MSMEs

- a. The assessment process will be created by QCI and the assessment allocation criteria will be developed by QCI.
- b. Eligible MSMEs who have taken the ZED Pledge will apply for a ZED Certification Level and fulfil/complete/provide all information/documentation that is needed for that Level.
- c. Verification/Assessment, as applicable, will be conducted against the requirements defined in the MSME Sustainable (ZED) Certification Model as per the defined process.
- d. Once the applicant MSME demonstrates conformance to the requirements of the certification level, the MSME will be recommended for the award of Certification.

3.4.3. Award of Certification

- a. QCI will establish a mechanism for the issue of Certifications
- b. The list of MSMEs who have taken the ZED Pledge and achieved any ZED Certification Level will be displayed on the ZED portal

3.4.4. Cost of Certification

- a. Certification Level 1: **BRONZE**: Rs. 10,000/-
- b. Certification Level 2: **SILVER**: Rs. 40,000/-
- c. Certification Level 3: **GOLD**: Rs. 90,000/-

The above cost includes cost of verification, assessment, certification and monitoring, and taxes, as applicable.

3.4.5. Subsidy on Cost of Certification

Any number of Units registered under one Udyam Registration can apply for subsidy under this Scheme. Each Unit (under one Udyam Registration) will need to apply for Certification separately to avail subsidy/benefits/incentives.

- a. MSMEs will be given financial assistance/ subsidy for obtaining for a ZED Certification Level.
- b. An MSME unit will get subsidy as per the following structure, on the cost of certification:
 - i. Micro Enterprises: 80%
 - ii. Small Enterprises: 60%
 - iii. Medium Enterprises: 50%



Additional Subsidy:

1. There will be an additional subsidy of 10% for the MSMEs owned by Women/SC/ST Entrepreneurs OR MSMEs in NER/Himalayan/LWE/Island territories/aspirational districts.
2. In addition to above, there will be an additional subsidy of 5% for MSMEs which are also a part of the SFURTI OR Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of the Ministry.

MSMEs may opt for upgrading their Certification Level at any point of time before the expiry of validity of their existing ZED Certification. Cost and subsidy will remain the same for the applied Level.

- c. A limited-purpose joining reward of Rs. 10,000/- will be offered to each MSME once they take the ZED Pledge which needs to be utilized within a defined time period for the purpose defined as per the following modalities:
 - i. This joining reward may be used by an applicant MSME only once while applying for a ZED Certification (Bronze, Silver, Gold).
 - ii. If the joining reward is used for any Certification, then the cost of the reward will be first deducted from the cost of Certification and then the Subsidy may apply if applicable. For example, if an MSME uses the reward for applying for Bronze Certification, the effective cost to MSME becomes zero, while in case an MSME applies for the Silver or Gold Certification, the reward amount will be adjusted in the Certification Cost and the subsidy will apply on the balance amount as per the type of the MSME (Micro, Small or Medium).
 - iii. This joining reward will be valid only for 1 year after taking the ZED Pledge.

3.4.6. Payment of Beneficiary Contribution

MSMEs opting for any ZED Certification will have to pay only their contribution upfront as per the subsidy framework after adjustment of the joining reward amount as applicable. It may be noted that any amount once paid through the ZED Portal will be non-refundable, non-transferable and cannot be adjusted for any other activity in this scheme or any other scheme of GoI.

3.4.7. Certification Process

ZED Certification can be attained on 3 levels after taking the ZED Pledge:

ZED Pledge (as per Annexure 1)

- Certification Level 1: **BRONZE**
 - Certification Level 2: **SILVER**
 - Certification Level 3: **GOLD**
- a. After taking the ZED Pledge, an MSME can apply online for any Certification Level (Bronze, Silver, Gold) and would need to conform to all the requirements of the level applied for, in order to obtain the Certification.
 - b. Every MSME embarking on the journey of ZED must submit an Undertaking (as per Annexure 2).
 - c. In case of a non-conformity, the applicant MSME would be given an opportunity to close the non-conformity(ies), in a defined time period, in order to be eligible for the desired level/Certification.
 - d. The Final ZED Certificate will be issued based upon the findings and recommendation of the Accredited Assessment Agencies.

Ministry of MSME reserves the right to visit & inspect any MSME after Certification, which has availed any subsidy, benefit or incentives under this Scheme.

The process flow and requirement for each level is highlighted in subsequent pages.

Certification Level 1: Bronze

CERTIFICATION PROCESS



BASIC INFORMATION

While applying for this Level, the applicant MSME will be asked to submit basic information about the MSME on the online portal. This information will be related to (but not limited to) the details about the product(s) manufactured, Quality Certificates (if any), operational processes, customer information, etc.

UNDERTAKING OF COMPLIANCES

The applicant MSME will certify that they comply with & fulfil all relevant & applicable regulatory & statutory norms/licenses pertaining to the functioning of the MSME unit.

DOCUMENTS UPLOAD & VERIFICATION

MSME shall upload relevant documents for verification, which may be as follows (but not limited to) **as per Annexure 3:**

Photos of the products(s)	Photos of the shop-floor
Photos of product labelling/product description	Photos of fire safety systems

DECLARATION

The applicant MSME will sign an online self-declaration stating that the information uploaded is true and that they fulfil all the requirements as per Annexure 3.

CERTIFICATION

Upon verification of the uploaded documents, recommendations for award of Certification will be made and a Certificate will be issued.

VALIDITY OF ZED CERTIFICATE

The certificate provided will be valid for a period of 3

years. The applicant will have to apply afresh after expiry of the certificate as per the validity of the scheme.

INCENTIVES

The MSME will be able to avail incentives as announced by the Ministry of MSME.

HANDHOLDING / CONSULTANCY

The MSME may also avail handholding/ Consultancy in order to achieve the next Certification Level.



**FINANCIAL ASSISTANCE IN TESTING/
SYSTEM/PRODUCT CERTIFICATION**

In case the MSME wishes to apply for any Testing, Management System or Product Certification, a subsidy on the cost of Certification will be extended to the MSME, subject to the following conditions:

1. The product testing must be through a Laboratory that is accredited by the National Accreditation Board for Testing & Calibration Laboratories (NABL).
2. The Management System Certification must be through a Certification Body that is accredited by the National Accreditation Board for Certification Bodies (NABCB)
3. The Product Certification must be through Bureau of Indian Standards (BIS)
4. The subsidy will be 75% of the total cost of Testing/System/Product Certification, with the maximum ceiling of subsidy being Rs. 50,000/-
5. The subsidy will be applicable on only one Testing OR one Quality OR one Product Certification after achieving this Level
6. The Certification pertaining to Testing, Management Systems or Product, obtained through a Government Agency/ Organisation will also be eligible for the said Financial Assistance

Certification Level 2: SILVER

CERTIFICATION PROCESS



BASIC INFORMATION

While applying for this Level, the applicant MSME will be asked to submit basic information about the MSME on the online portal. This information will be related to (but not limited to) the details about the product(s) manufactured, Quality Certificates, operational processes, customer information, etc.

UNDERTAKING OF COMPLIANCES

The applicant MSME will certify that they comply

with & fulfil all relevant & applicable regulatory & statutory norms/licenses pertaining to the functioning of the MSME unit.

DOCUMENTS UPLOAD & VERIFICATION

MSME shall upload relevant documents to enable the next step of onsite assessment. The Documents will be verified (including Quality/Product Certificate validation). The documents may be as follows (but not limited to) **as per Annexure 3:**

Photos of the products(s)	Photos of the shop-floor
Photos of product labelling/product description	Relevant Quality / Product Certifications

REMOTE ASSESSMENT BY QCI ACCREDITED ASSESSMENT AGENCY

Once the relevant information is furnished and documents are uploaded & verified, the remote assessment will take place. The remote assessment requirements/checklist (as per Annexure 3) will already be made available to the applicant MSME through the portal.

FULFILLMENT OF REQUIREMENTS

Once all the requirements are complied with, recommendations for award of Certification will be made and a Certificate will be issued.

VALIDITY OF ZED CERTIFICATE

The certificate provided will be valid for a period of 3 years. A Surveillance assessment will be conducted after 18 months of Certification. The

applicant will have to apply afresh after expiry of the certificate as per the validity of the scheme.

INCENTIVES

The MSME will be able to avail incentives as announced by the Ministry of MSME.

HANDHOLDING / CONSULTANCY

The MSME may also avail handholding/ Consultancy in order to achieve the next Certification Level.

FINANCIAL ASSISTANCE IN TESTING/ SYSTEM/PRODUCT CERTIFICATION

In case the MSME wishes to apply for any Testing, Management System or Product Certification, a subsidy on the cost of Certification will be extended to the MSME, subject to the following conditions:



1. The product testing must be through a Laboratory that is accredited by the National Accreditation Board for Testing & Calibration Laboratories (NABL).
2. The Management System Certification must be through a Certification Body that is accredited by the National Accreditation Board for Certification Bodies (NABCB)
3. The Product Certification must be through Bureau of Indian Standards (BIS)
4. The subsidy will be 75% of the total cost of Testing/System/Product Certification, with the maximum ceiling of subsidy being Rs. 50,000/-
5. The subsidy will be applicable on only one Testing OR one Quality OR one Product Certification after achieving this Level
6. The Certification pertaining to Testing, Management Systems or Product, obtained through a Government Agency/ Organisation will also be eligible for the said Financial Assistance

Certification Level 3: GOLD

CERTIFICATION PROCESS



BASIC INFORMATION

While applying for this Level, the applicant MSME will be asked to submit basic information about the MSME on the online portal. This information will be related to (but not limited to) the details about the product(s) manufactured, Quality Certificates, operational processes, customer information, etc.

UNDERTAKING OF COMPLIANCES

The applicant MSME will certify that they comply with & fulfil all relevant & applicable regulatory &

statutory norms/licenses pertaining to the functioning of the MSME unit.

DOCUMENTS UPLOAD & VERIFICATION

MSME shall upload relevant documents to enable the next step of onsite assessment. The Documents will be verified (including Quality/Product Certificate validation). The documents may be as follows (but not limited to) **as per Annexure 3:**

Photos of the products(s)	Photos of the shop-floor
Photos of product labelling/product description	Relevant Quality / Product Certifications

ONSITE ASSESSMENT BY QCI ACCREDITED ASSESSMENT AGENCY

Once the relevant information is furnished and documents are uploaded & verified, the on-site assessment of relevant parameters that need to be assessed will be undertaken. The onsite assessment requirements/checklist (as per Annexure 3) will be made available to the applicant through the portal.

FULFILLMENT OF REQUIREMENTS

Once all the requirements are complied with, recommendations for award of Certification will be made and a Certificate will be issued.

VALIDITY OF ZED CERTIFICATE

The certificate provided will be valid for a period of 3 years. A Surveillance assessment will be conducted after 18 months of Certification. The applicant will have to apply afresh after expiry of the certificate as per the validity of the scheme.

INCENTIVES

The MSME will be able to avail incentives as announced by the Ministry of MSME.

HANDHOLDING / CONSULTANCY

The MSME may also avail handholding/ Consultancy in order to achieve the next Certification Level.



**FINANCIAL ASSISTANCE IN TESTING/
SYSTEM/PRODUCT CERTIFICATION**

In case the MSME wishes to apply for any Testing, Management System or Product Certification, a subsidy on the cost of Certification will be extended to the MSME, subject to the following conditions:

1. The product testing must be through a Laboratory that is accredited by the National Accreditation Board for Testing & Calibration Laboratories (NABL).
2. The Management System Certification must be through a Certification Body that is accredited by the National Accreditation Board for Certification Bodies (NABCB)
3. The Product Certification must be through Bureau of Indian Standards (BIS)
4. The subsidy will be 75% of the total cost of Testing/System/Product Certification, with the maximum ceiling of subsidy being Rs. 50,000/-
5. The subsidy will be applicable on only one Testing OR one Quality OR one Product Certification after achieving this Level
6. The Certification pertaining to Testing, Management Systems or Product, obtained through a Government Agency/ Organisation will also be eligible for the said Financial Assistance



Surveillance

A surveillance assessment (after a period of 18 months of achieving ZED Certification) will be conducted by QCI's Accredited Assessment Agencies as a part of the ZED Certification. The surveillance assessment will only be applicable to those MSMEs which have achieved Silver & Gold Certification levels.

The surveillance assessment will be conducted as a remote assessment for both Silver & Gold levels and the cost of the assessment will be as under:

- a. ZED Silver Level: Rs. 10,000/-
- b. ZED Gold Level: Rs. 20,000/-

The MSMEs will be given financial assistance/ subsidy for the surveillance assessment as per the following structure:

- i. Micro Enterprises: 80%
- ii. Small Enterprises: 60%
- iii. Medium Enterprises: 50%

Additional Subsidy:

1. There will be an additional subsidy of 10% for the MSMEs owned by Women/SC/ST Entrepreneurs OR MSMEs in North Eastern Region/ Himalayan/ LWE/Island territories/ aspirational districts.
2. In addition to above, there will be an additional subsidy of 5% for MSMEs which are also a part of the SFURTI OR Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of the Ministry.

The mechanism of surveillance assessment will be developed by QCI.

3.4.8. Renewal after expiry of ZED Certificate

MSMEs can go for Renewal of their ZED Certification level in order to continue availing associated benefits/incentives as per the validity of the Scheme.

3.5 Handholding through Consultancy

MSMEs with minimum Bronze certification are eligible to apply for handholding support. A provision of up to Rs. 5 Lakhs (per MSME) has been made available for handholding and consultancy support for MSMEs under ZED Certification for assisting them to move towards Zero Defect Zero Effect solutions. Out of this, an amount upto Rs. 2 Lakhs to be utilized for handholding support (as needed) through consulting organizations and up to Rs. 3 Lakhs may be utilized towards technology upgradation for moving towards zero effect solutions/pollution control measures/cleaner technology. The utilization of the Financial Support of upto Rs. 3,00,000/- for moving towards zero effect solutions will be subject to Consultant's recommendations, verification by respective MSME-DI and approval by the PMAC.

The Ministry will subsidize the handholding support and technology upgradation financial support for

moving towards zero effect solutions, as follows:

- Micro Enterprises: 80%
- Small Enterprises: 60%
- Medium Enterprises: 50%

Additional Subsidy:

1. There will be an additional subsidy of 10% for the MSMEs owned by Women/SC/ST Entrepreneurs OR MSMEs in North Eastern Region/Himalayan/LWE/Island territories/ aspirational districts.
2. In addition to above, there will be an additional subsidy of 5% for MSMEs which are also a part of the SFURTI OR Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of the Ministry.



3.6 Marketing, Promotion & Branding

The Ministry will ensure nation-wide publicity of the ZED Certification.

3.7 Incentivizing the MSMEs for adoption of ZED Certification

To encourage nation-wide adoption of the ZED Certification by MSMEs, several benefits & incentives have been instituted by the Ministry.

a. MSME KAWACH: After taking ZED Pledge, MSMEs can avail support for their preparedness to mitigate COVID 19 risks and continue operations safely in terms of capacity building and Certification based on WASH Standard (Annexure 4)

b. Financial Assistance in Testing/Quality/Product Certification: In case the MSME wishes to apply for any Testing, System or

Product Certification, a subsidy on the cost of Certification will be extended to the MSME, subject to the prescribed conditions as mentioned in each Certification Level Process Flow.

c. Graded Incentives: MSMEs can avail graded incentives as prescribed for the three ZED Certification Levels. Wherever possible, the incentives provided by States will be linked through API integration with the ZED portal to ensure interoperability. These incentives are evolving and can be found on the ZED website www.zed.msme.gov.in.

4

IMPLEMENTATION ARRANGEMENTS

4.1

A Project Monitoring and Advisory Committee (PMAC) set up in the O/o DC (MSME) will look after the planning, screening / identification of interventions / projects and such other functions

as may be necessary to ensure effective implementation of the scheme. All proposals under the scheme will be received by IAs and submitted to PMAC.

The constitution of PMAC will be as follows:

1.	AS & DC (MSME)	Chairman
2.	Joint Secretary, O/o DC (MSME)	Vice Chairman
3.	EA (IFW)/Representative	Member
4.	Representatives of expert agencies	Member
5.	ADC/JDC In-charge of MSME-DIs/TCs at O/o DC (MSME)/Representative	Member
6.	Representative of PMU	Member
7.	Representative of Industry Associations	Member
8.	Representative of Implementation Agencies of the Scheme	Member
9.	Special invitees/experts/consultants	Member
10.	Director/Nodal officer handling scheme in MoMSME	Member – Secretary

4.2

The Ministry of MSME will implement the ZED Certification with the assistance of Implementing Agencies and will institute suitable monitoring & fund-flow mechanism. Details of the same will be decided by the PMAC. The PMAC will have overall responsibility for policy formulation for scheme

implementation and monitoring agency. It will be empowered to take all key decisions related to the scheme and also approve minor modifications for operational expediency. PMAC will hold its meeting as and when required.

ANNEXURE 1: ZED PLEDGE

ZEDPLEDGE

(This will be an online pledge/commitment)

Owner/Partner Name: _____

Enterprise Name: _____ Udyam Registration No. _____

Unit Address: _____

ZED ID: _____

(The above details will be extracted from the Udyam Registration)

We undertake to conform to the values of Zero Defect Zero Effect in our enterprise and ensure that our processes shall be environmentally sound and socially responsible with safe and high quality products.

We will give back, in every way we can, to our people, our community and to our planet.

ANNEXURE 2: UNDERTAKING

(This will be an online undertaking)

Owner/Partner Name: _____

Enterprise Name: _____ Udyam Registration No. _____

Unit Address: _____

ZED ID: _____

(The above details will be extracted from the Udyam Registration)

I/We understand that the ZED Certification is voluntary and recognize the authority of the Ministry of MSME, Government of India, in issuance of any Certificate.

By proceeding I/We certify that my/our Enterprise/Unit complies with & fulfils all relevant & applicable regulatory & statutory norms/licenses pertaining to the functioning of this manufacturing unit. If not, then efforts will be taken to fulfil those regulatory/statutory requirements by me/us. If at any stage the Enterprise/Unit is found to be non-compliant with any relevant/applicable regulatory & statutory norms, the competent authority will have the right to recall/withdraw any or all reports or Certifications awarded.

ANNEXURE 3:

ASSESSMENT PARAMETERS

ZED Certification Parameters- Manufacturing					
S. No.	Parameters	Bronze	Silver	Gold	Parameter Exemptions for existing Certifications
1	Leadership				
2	Swachh Workplace				
3	Occupational (Workplace) Safety				ISO 45001
4	Measurement of Timely Delivery				
5	Quality Management				ISO 9001
6	Human Resource Management				
7	Daily Works Management				MSME-Competitive (Lean) (Advance Lean Certification)
8	Planned Maintenance & Calibration				
9	Process Control				
10	Product Quality & Safety (Testing/Certification)				
11	Material Management				
12	Energy Management				ISO 50001
13	Environment Management				ISO 14001
14	Measurement and Analysis				
15	Supply Chain Management				
16	Risk Management				
17	Waste Management (Muda, Mura, Muri)				MSME-Competitive (Lean) (Advance Lean Certification)
18	Technology Selection & Upgradation				
19	Natural Resource Conservation				
20	Corporate Social Responsibility				

Note:

- Exemptions shall be allowed on the relevant parameters, only if the ISO certifications are awarded under the National Accreditation Body of India (NABCB) or by an Accreditation Body which is signatory to the respective Multilateral Recognition Arrangement (MLA) of International Accreditation Forum (IAF).
- Exemptions shall be allowed on the relevant parameters, only if the Lean certification is obtained from the Implementing agencies under the MSME Competitiveness (Lean) Certification Scheme of Ministry of MSME.

ANNEXURE 4: MSME KAWACH

(Knowledge Acquisition through WASH for an Accelerated COVID 19 Handling)

To extend support to MSMEs for COVID-19, an initiative called "MSME KAWACH" has been instituted under the ZED Certification Scheme. MSME KAWACH is based on the WASH Standard (Annexure 5) which has been developed by QCI, leading to WASH Certification. The MSMEs can avail the components of MSME KAWACH as part of ZED incentives.

Objectives

- Assist MSMEs in their preparedness to mitigate COVID 19 risks and continue operations safely
- Ensure safety & health of employees/customers and identify vulnerable areas within the MSME unit and beyond
- Verify compliance with the government orders (including States/UTs) related to COVID-19
- Ensure business continuity in operations to serve customers and protect businesses

MSME KAWACH Components:

- Self-assessment:** Will provide a detailed understanding to the MSME of the SOPs/ Guidelines/Key-elements to be followed on COVID-19. This will help the MSMEs to carry out a quick self-assessment to identify gaps, if any, and make improvements.
- Capacity building:** Will build capacities of MSMEs and its staff on the SOPs/guidelines issued, through virtual trainings/ webinars and through e-learning modules
- Desktop Assessment:** Will check on-ground implementation of the SOPs/Guidelines and identify opportunities for improvement, if any, desktop assessment will be conducted, leading to WASH Certification

WASH Certification Process



Benefits

- Increased outreach of the initiative and its dissemination for maximum adoption to build trust amongst the stakeholders about their safety
- Development of mechanism of assessment for MSMEs to verify the extent of preparedness through adoption of this initiative
- A holistic assessment on the preparedness of the MSME's system and processes related to COVID-19 Safety & Hygiene risks in order to identify opportunities for improvement & take appropriate actions
- Capacity building of MSMEs equipping them better to adopt measures related to COVID 19 risks

Cost of Certification:

The MSME KAWACH initiative will be made available to ZED registered MSMEs free of cost.



ANNEXURE 5:

MSME KAWACH ELEMENTS

1. Management Commitment
2. Regulatory and other requirements
3. Business Continuity
4. Risk Management
5. Communication
6. Hygiene and Safety
7. Preventive Measures
8. Training and Awareness
9. Waste Management
10. Ventilation
11. Public Interaction
12. Supply Chain
13. Transport Management
14. Documentation Requirements
15. Control of Discriminatory Practices

Exclusions:

- Areas under Quarantine or those workplaces that need an expert medical/related assessment/advise
- Statutory and other Requirements specific to other subjects, such as those for quality, social responsibility, environmental, security or financial management etc.



सत्यमेव जयते

सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय
MINISTRY OF
MICRO, SMALL & MEDIUM ENTERPRISES



Government of India
O/o Development Commissioner (MSME)
Ministry of Micro, Small & Medium Enterprises
(MSME Champions Scheme Division)

Subject: Addendum to MSME Sustainable (ZED) Certification Scheme Guidelines

Reference: MSME Sustainable (ZED) Certification Scheme Guidelines 2022

In supersession of the existing guidelines of MSME Sustainable (ZED) Certification Scheme 2022 issued as per earlier approvals, clause 3.4.5b relating to subsidy on the cost of ZED certification for the MSMEs owned by women entrepreneurs is hereby amended as follows:

Reference No.	Existing	Amended
3.4.5 b Additional Subsidy	<p>1. There will be an additional subsidy of 10% for the MSMEs owned by Women/SC/ ST Entrepreneurs OR MSMEs in NER/ Himalayan/LWE/Is-land territories / aspirational districts.</p> <p>2. In addition to above, there will be an additional subsidy of 5% for MSMEs which are also a part of the SFURTI OR Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of the Ministry.</p> <p>MSMEs may opt for upgrading their Certification Level at any point of time before the expiry of validity of their existing ZED Certification. Cost and subsidy will remain the same for the applied Level</p>	<p>1. There will be an additional subsidy of 10% for the MSMEs owned by SC/ST Entrepreneurs OR MSMEs in NER/ Himalayan/LWE/Island territories/ aspirational districts other than Women.</p> <p>2. In addition to above, there will be an additional subsidy of 5% for MSMEs which are also a part of the SFURTI OR Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of the Ministry other than Women.</p> <p>3. There will be 100% subsidy to the MSMEs owned by Women Entrepreneurs.</p> <p>MSMEs may opt for upgrading their Certification Level at any point of time before the expiry of validity of their existing ZED Certification. Cost and subsidy will remain the same for the applied Level</p>

Henceforth, women owned MSMEs will be eligible for 100% subsidy and the additional subsidy provisioned at point 1 & 2 above of 10% and 5% is inapplicable for them.

2. The aforesaid addendum shall come into force **w.e.f. 11.11.2023 till the validity of the scheme.**

3. This issues with the approval of Hon'ble Union Minister for Ministry of Micro, Small & Medium Enterprises, Government of India.



(Ateesh Singh)

Joint Secretary (AFI)

New Delhi, Dated: 11th November, 2023

Copy to:

1. PPS to Hon'ble Minister, MSME
2. PPS to Secretary (MSME)
3. PPS to AS & FA (MSME)
4. PPS to AS & DC (MSME)
5. PPS to JS (AFI), MoMSME
6. PS to Director (TP & GA), MoMSME
7. Sr. Director-ZED, Quality Council of India
8. All States / Union Territories
9. All MSME-DFOs/Branch MSME-DFOs
10. SENET Division, O/o DC(MSME) with a request for uploading on the official website.

Government of India
O/o Development Commissioner (MSME)
Ministry of Micro, Small & Medium Enterprises
(MSME Champions Scheme Division)

Subject: Addendum-2 to MSME Sustainable (ZED) Certification Scheme Guidelines


Reference: MSME Sustainable (ZED) Certification Scheme Guidelines 2022

In supersession of the existing guidelines of MSME Sustainable (ZED) Certification Scheme 2022 issued as per earlier approvals, amendments in the approved Guidelines for "MSME Sustainable (ZED) Certification Scheme" have been made as per approval of the Competent Authority and approval of Project Monitoring & Advisory Committee in a meeting held on 13th June, 2024. The following are the amendments:

S. No.	Existing Clause & Clause Number	Amendment (Insertion / Append)
1.	3.4.4. Cost of Certification a. Certification Level 1: BRONZE: Rs. 10,000/- b. Certification Level 2: SILVER: Rs. 40,000/- c. Certification Level 3: GOLD: Rs. 90,000/- The above cost includes cost of verification, assessment, certification and monitoring, and taxes, as applicable. Clause Location: Assessment & Certification (Page 9)	The clause may now be read as: 3.4.4. Cost of Certification a. Certification Level 1: BRONZE: Rs. 8,000/- b. Certification Level 2: SILVER: Rs. 32,000/- c. Certification Level 3: GOLD: Rs. 72,000/- The above cost includes cost of verification, assessment, certification and monitoring, and taxes, as applicable.
2.	Annexure 3: Assessment Parameters Clause Location: (Page 22)	The assessment parameters may now be read as per APPENDIX-A . Two additional parameters, namely, Energy Management and Measurement & Analysis have been included under Bronze Certification level for existing as well as new MSMEs. For existing certified MSMEs, additional parameters would be assessed during the Surveillance assessment (at no extra cost). An onsite visit at the applicant MSME unit should be ensured to assist the MSME for Bronze Certification
3.	3.4.7. Certification Process – Surveillance A surveillance assessment (after a period of 18 months of achieving ZED Certification) will be conducted by QCI's Accredited Assessment Agencies as a part of the ZED Certification. The surveillance assessment will only be applicable to those MSMEs which have achieved Silver & Gold Certification levels. The surveillance assessment will be conducted as a remote assessment for both Silver & Gold levels and the cost of the assessment will be as under:	The clause may now be read as: At Bronze Certification level, a surveillance assessment (after a period of 18 months of achieving ZED Bronze Certification) will be conducted for existing as well as new MSMEs. The Surveillance assessment of the existing Bronze certified MSMEs will be done at no extra cost. For new applicant MSMEs, the validity of availing the balance joining reward i.e. Rs. 2000/- (cost of surveillance assessment of Bronze) will be till the surveillance is done. For Silver and Gold Certification levels, there will be 2 surveillance assessments (first surveillance assessment at a period of 12-18

	<p>a) ZED Silver Level: Rs. 10,000/- b) ZED Gold Level: Rs. 20,000/-</p> <p>The MSMEs will be given financial assistance/subsidy for the surveillance assessment as per the following structure:</p> <p>i. Micro Enterprises: 80% ii. Small Enterprises: 60% iii. Medium Enterprises: 50%</p> <p>Clause Location: Surveillance (Page 17)</p>	<p>months and second surveillance assessment at a period of 24-30 months of achieving ZED Silver / Gold Certification) conducted by QCI's Accredited Assessment Agencies as a part of the ZED Certification.</p> <p>The cost of the assessment will be as under:</p> <p>a) ZED Bronze Level: Rs. 2000/- b) ZED Silver Level: Rs. 10,000/- c) ZED Gold Level: Rs. 20,000/-</p> <p>The MSMEs will be given financial assistance/subsidy for the surveillance assessment as per the following structure:</p> <p>a) ZED Bronze Level: 100% b) ZED Silver & Gold Level: i. Micro Enterprises: 80% ii. Small Enterprises: 60% iii. Medium Enterprises: 50%</p>
4.	<p>3.4.7. FINANCIAL ASSISTANCE IN TESTING/SYSTEM/PRODUCT CERTIFICATION</p> <p>5. The subsidy will be applicable on only one Testing OR one Quality OR one Product Certification after achieving this Level</p> <p>Clause Location: Financial Assistance in Testing/System/Product Certification (Page 12, Page14 & Page16)</p>	<p>The clause may now be read as:</p> <p>5. The subsidy will be applicable on multiple Testing / Quality / Product Certifications obtained after the date of ZED registration i.e. it should be on prospective basis and not on retrospective basis.</p>

2. All the other terms and conditions of the Guidelines shall remain unchanged.
3. The aforesaid amendments shall come into force *w.e.f. 18.09.2024 till the validity of the scheme.*
4. This issues with the approval of Hon'ble Union Minister for Ministry of Micro, Small & Medium Enterprises, Government of India.


(Ateesh Singh)
Joint Secretary (AFI)

New Delhi, Dated: 17th September, 2024

Copy to:

- 1) PPS to Hon'ble Minister, MSME
- 2) PPS to Secretary (MSME)
- 3) PPS to AS & FA (MSME)
- 4) PPS to AS & DC (MSME)
- 5) PPS to JS (AFI), MoMSME
- 6) PS to Director (TP & GA), MoMSME
- 7) Sr. Director-ZED, Quality Council of India
- 8) All States / Union Territories
- 9) All MSME-DFOs/Branch MSME-DFOs
- 10) SENET Division, O/o DC(MSME) with a request for uploading on the official website.

ANNEXURE 3: ASSESSMENT PARAMETERS

ZED Certification Parameters- Manufacturing					
S. No.	Parameters	Bronze	Silver	Gold	Parameter Exemptions for existing Certifications
1	Leadership				
2	Swachh Workplace				
3	Occupational (Workplace) Safety				ISO 45001
4	Measurement of Timely Delivery				
5	Quality Management				ISO 9001
6	Energy Management				ISO 50001
7	Measurement and Analysis				
8	Human Resource Management				
9	Daily Works Management				MSME-Competitive (Lean) (Advance Lean Certification)
10	Planned Maintenance & Calibration				
11	Process Control				
12	Product Quality & Safety (Testing/Certification)				
13	Material Management				
14	Environment Management				ISO 14001
15	Supply Chain Management				
16	Risk Management				
17	Waste Management (Muda, Mura, Muri)				MSME-Competitive (Lean) (Advance Lean Certification)
18	Technology Selection & Upgradation				
19	Natural Resource Conservation				
20	Corporate Social Responsibility				

Note:

- Exemptions shall be allowed on the relevant parameters, only if the ISO certifications are awarded under the National Accreditation Body of India (NABCB) or by an Accreditation Body which is signatory to the respective Multilateral Recognition Arrangement (MLA) of International Accreditation Forum (IAF).
- Exemptions shall be allowed on the relevant parameters, only if the Lean certification is obtained from the Implementing agencies under the MSME Competitiveness (Lean) Certification Scheme of Ministry of MSME.
- 2 additional parameters, namely, Energy Management and Measurement & Analysis have been included under Bronze Certification level for existing as well as new MSMEs. For existing certified MSMEs, additional parameters would be assessed during the Surveillance assessment (at no extra cost).
- An onsite visit shall be done during the Bronze Certification.