



Frequently Asked Questions (FAQs)

Financial Support to MSMEs in ZED Certification Scheme



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ZED Scheme FAQs

1) What is Financial Support to MSMEs in ZED Certification Scheme?

Ans: The Ministry of MSME has decided to implement the ZED Certification Scheme with the help of Quality Council of India (as NMIU) & other stakeholders for 22,222 MSMEs unit with a total budget of Rs. 491 Crores (including Government of India contribution of Rs. 365 Crores) during the 12th Five Year Plan.

The objectives of the scheme include inculcating Zero Defect & Zero Effect practices in manufacturing processes, ensure continuous improvement and supporting the Make in India initiative.

The scheme is an extensive drive of the Government of India to enhance global competitiveness of MSMEs by providing them financial support in assessment, rating & handholding of its manufacturing processes on quality and environment aspects.

The activities include nationwide awareness of the ZED Model, building capacities of accredited agencies or bodies by training & certifying assessors & consultants for site-assessment & handholding. The scheme also includes an e-platform for assessments and e-content for capability building.

For more detail about the scheme you can download the guideline of the scheme by clicking at

<http://dcmsme.gov.in/Guidelines-ZED-Final.pdf>

2) What is the genesis of ZED?

Ans: Our Hon'ble Prime Minister Shri Narendra Modi Ji has been a guiding force to the process of culture creation amongst entrepreneurs of this great nation. His vision of India being a manufacturing hub of the world through the Make in India initiative and "Zero Defect Zero Effect" manufacturing is now taking shape in the form of the "ZED Maturity Assessment Model" developed by our Ministry and the Quality Council of India.

3) What is the purpose/aim/objective of ZED Certification Scheme?

Ans: The major objectives of the ZED Scheme are:

- To create proper awareness in MSMEs about ZED manufacturing and motivate them for assessment of their enterprise for ZED rating
- To drive manufacturing with adoption of Zero Defect production processes without impacting the environment (Zero Effect)
- To encourage MSMEs to constantly upgrade their quality standards in products and processes
- To support "Make in India" campaign

4) What are the major activities involved in ZED Certification Scheme?

Ans: The major activities of the ZED Certification Scheme are:

- Industry awareness programs, regional/state/national workshops, training of officials of DIs, TCs, DICs
- Training and certification of Assessors & Consultants
- Online systems including e-platform for assessment and e-content for awareness & training

- Assessment, Rating & Certification
- Gap analysis & Handholding for improving rating
- International Benchmarking

4) What are the benefits of the ZED Scheme?

Ans: The main benefits of the scheme are:

- Credible recognition of MSMEs for international investors seeking investment in India
- Part of supply chain of national & international OEMs
- Streamlined operations and lower costs
- Superior quality, reduced rejection and higher revenues
- Increased environmental consciousness and social benefits
- “ZED Mark” to enable an MSME to be seen as a company with a difference
- Other benefits expected to be announced by the Government in the near future

5) Who is/are going to implement the Scheme?

Ans: The ZED Scheme will be implemented nationwide through Implementing Agencies such as QCI, NPC, Industry Chambers like CII, FICCI & ASSOCHAM, MSME-Development Institutes, MSME Technology Centres, Industry Associations, BEE, etc.

7) Who is/are going to conduct site-assessment?

Ans: Site-assessment will be conducted by third party accredited Credit Rating agencies, Certification Bodies and other agencies. The assessments will be carried by ZED Certified Assessors of these agencies and will be through handheld tabs with geo-tagging feature.

8) Who will allocate the assessors?

Ans: The NMIU will auto-allocate assessments/assessors to MSMEs for site-assessments and will closely monitor their activities.

9) Who will issue final ZED certificate?

Ans: The final certification will be issued by Quality Council of India after reviewing the site-assessment report.

10) Who is/are going to conduct Gap analysis and handholding activity?

Ans: The Gap analysis and handholding activity in the scheme will be carried out by accredited third-party consulting organizations & agencies and certified consultants. ZED Certified Consultants from these accredited agencies will conduct gap analysis on the site and assist the MSMEs in implementing suggested interventions that will improve their systems & processes and get them higher ZED rating once implemented in its true spirit.

11) Who will allocate the consultants?

Ans: The consultants will be auto-allocated to the MSME by the NMIU and will continuously monitor & review the implementation of the suggested interventions for a maximum period of 6 months.

12) What is governing structure of ZED Scheme?

Ans: The ZED Scheme will be governed by a Screening & Steering Committee which will provide an overall guidance & direction.

This committee will be chaired by the Development Commissioner of Ministry of MSME. Quality Council of India, an autonomous body of Ministry of Commerce & Industry, has been nominated as the National Monitoring & Implementation Unit and under the guidance of the SSC, it will facilitate the implementation of the scheme and monitor all activities of all Implementation Units, Rating & other agencies involved in assessment and the consulting bodies involved in handholding. The NMIU will also coordinate with the MSMEs for a smooth deployment of activities related to them.

13) Who is NMIU of ZED Scheme?

Ans: Quality Council of India, an autonomous body of Ministry of Commerce & Industry, has been nominated as the National Monitoring & Implementation Unit

14) What is QCI?

Ans: Quality Council of India is an autonomous body of Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Govt. of India. The main objectives of QCI are (a) to establish and operate national accreditation structure (b) to monitor and administer the National Quality Campaign.

For more detail about QCI please visit www.qcin.org

15) What are the maturity levels in the model?

Ans: Each parameter has 5 maturity levels. Each level corresponds to the existing state of systems and processes in the manufacturing unit that is being assessed. These levels range from struggler which is level 1, to beginner, organized and achiever that correspond to level 2, 3 & 4 respectively. The topmost level is world class at level 5.

16) What are the ratings provided in the ZED Model?

Ans: The ratings provided in the maturity model are:

If the MSME's score is above 2.2 and up to 2.5, then the rating is **Bronze**

If the MSME's score is above 2.5 and up to 3.0, then the rating is **Silver**

If the MSME's score is above 3.0 and up to 3.5, then the rating is **Gold**

If the MSME's score is above 3.5 and up to 4.0, then the rating is **Diamond**

If the MSME's score is above 4.0 and up to 5.0, then the rating is **Platinum**

In case an MSME scores 2.2 or lower, then no rating is provided

17) What are the evaluating criteria?

Ans: ZED Maturity Assessment Model will evaluate an MSME's manufacturing unit on process based enablers and performance based outcome parameters at the operational level. e.g.

- Enabler for process quality
- Enablers for emission, effluent & waste disposal activities:
- Enablers for resource management
- Enabler on outsourced activity
- Enabler on innovation, creativity & safeguarding
- Outcomes for quality performance

- Outcomes for Process Performance
- Outcomes for environmental performance
- Outcome for overall company performance
- For more details on parameters please visit www.zed.org.in

18) What is the complete process to get ZED Certified?

Ans: An MSME's journey of Zero Defect Zero Effect to get ZED certified is explained in the following 7 steps:

1. The MSME has to first register online on www.zed.org.in. This simple step expresses an MSME's intent to participate in the ZED scheme. The MSME must have a working email ID & an Indian number to start the registration process. A ZED ID will be allotted to you after completing the registration.
2. The next step is a self-assessment which an MSME will take using the ZED ID provided after registration. This is an online activity where the MSME will be assisted on the ZED parameters through simple questions and a choice of answers. It may be noted that the MSME may be asked to upload relevant documents as evidence to the answers chosen.
3. After the online self-assessment, Quality Council of India will assess and evaluate answers and documents submitted by the MSME and come out with a preliminary rating based on answers and evidences provided. This is known as Desktop assessment. The rating after the desktop assessment will determine whether the MSME proceeds further in the process.
4. If the MSME is selected to proceed further after the desktop assessment, a ZED certified assessor from an accredited rating agency will be appointed to conduct a physical assessment of the manufacturing unit of the MSME. This site-assessment will be done on the parameters selected by the MSME during the online self-assessment stage. The site-assessment process typically takes 4 man-days.
5. Once the site-assessment is completed and the final report is submitted by the assessor, a ZED rating and a certificate is issued to successful MSMEs. It may be noted that no certificate is issued to MSME which fail to qualify for any rating. i.e. those MSMEs who achieve a score of 2.2 or below. A certification is valid for 4 years, after which the certification expires and the unit will have to apply again for renewal before the certification expires.
6. The MSMEs with a minimum Bronze rating will have the option to avail the services of a ZED certified consultant. This consultant will assist the unit in implementation of interventions that is aimed at improving the rating of that unit. The NMIU will allocate the consultant to the MSME and the handholding process will typically take 6 months.
7. The MSME which has gone through the process of consulting by a ZED certified consultant will have the option to apply for a re-assessment if it feels that the Unit's systems and processes have considerably improved. It may be noted that the subsidy applicable in the re-assessment process will only be provided if the rating improves by one level, i.e. from bronze to silver or silver to gold etc. An MSME can even opt for re-assessment without going through the process of consulting, provided there is a gap of minimum six months between the earlier site-assessment.

19) How can I access detailed guideline of ZED Scheme?

Ans: Please click on <http://dcmsme.gov.in/Guidelines-ZED-Final.pdf>

- 20)** What is the web address from where information about the ZED Scheme can be obtained?
- Ans:** www.zed.org.in
- 21)** Is ZED Certification mandatory?
- Ans:** No it is not mandatory, it is a voluntary scheme which will provide the MSMEs a roadmap to global competitiveness.
- 22)** This scheme is part of 'Make in India' initiative?
- Ans:** Yes. This scheme is designed to support Make in India initiative.
- 23)** How many sectors of 'Make in India' Movement covered under ZED Scheme?
- Ans:** All the sectors of 'Make in India' Movement belonging to manufacturing are aligned under this scheme.
- 24)** Does the ZED Certification Scheme cover all MSME sectors?
- Ans.** Yes. This ZED Certification Scheme covers all the MSME sectors belonging to manufacturing.
- 25)** Are parameters related to safety of processes covered in the ZED Maturity Matrix?
- Ans.** Yes. The parameters related to safety of processes are covered in the ZED Maturity Model. For more details please visit www.zed.org.in.
- 26)** When will the assessors visit the MSMEs site for assessment?
- Ans.** After clearing the desktop assessment, ZED certified assessor(s) from an accredited rating agency or agencies will be appointed to conduct a site-assessment of the manufacturing unit of the MSME that has applied. The MSME unit will be informed well in time for a site-assessment.
- 27)** When will the consultants visit the MSMEs site?
- Ans.** The MSME units which have undergone a site-assessment and have obtained minimum Bronze rating will have the option to avail the services of a ZED certified consultant. The NMIU will then allocate a consultant to the MSME and the handholding process will commence. This process will typically be for about 6 months.
- 28)** How will the confidentiality of data & other processes of the MSME be maintained during the entire ZED Certification process?

Ans. The NMIU will take steps to ensure the confidentiality of the entire process. There will be a Non-Disclosure Agreement that will be signed between the parties involved.

29) Do ISO etc. certified companies need to go for ZED Certification?

Ans. All MSMEs which are registered with Ministry of MSME can avail scheme benefits irrespective of the certifications they may have. ZED is an integrated and holistic certification and handholding scheme which aims to provide an opportunity to Micro, Small and Medium Enterprises to strive to continuously improve its processes thereby aiming to move up the ZED maturity assessment model (Bronze- Silver-Gold-Diamond-Platinum). It is a maturity assessment model and not a conformity assessment model.

30) If an MSME has no ISO or similar certification, will it be eligible to apply for ZED rating?

Ans. Yes. All MSMEs which are registered with Ministry of MSME can avail scheme benefits irrespective of the certifications they may have.

31) Whether ZED certified units still need to get other certifications like ISO to establish their credence.

Ans. ZED certification is independent of Certifications like ISO etc. MSMEs are free to obtain any other certifications simultaneously, however, it may be noted that merely having any such certificate will have no bearing or impact on the outcome of the ZED rating process. An MSME which has implemented a quality or an environment management system or any other tool or intervention in its true spirit does have the chance to score higher on the ZED maturity Model. Efforts will be made to make ZED certifications globally accepted.

32) Will CPSUs, OEMs, Large buyers give any recognition/ preference to ZED certified units.

Ans. The office of DC-MSME is actively pursuing this and discussions are in process to establish recognition/preference to ZED certified units among CPSUs, OEMs, Large buyers etc.

33) If an MSME has been ZED Certified and they want to go for re-certification, when can they can apply?

Ans. Typically an MSME can apply for re-certification after 6 months of initial certification. However, the subsidy on the cost of the re-certification component will be given to those MSMEs only which achieve a higher level in rating from the initial/previous rating. For

example, if the previous rating of an MSME unit was Bronze, then subsidy will be extended only if re-certification rating of that MSME unit is minimum Silver.

34) Whether ZED Maturity Model will be accepted worldwide. What are the efforts being done in this direction, till what time the results will be visible.

Ans. QCI is a member of several international bodies like PAC, IAF etc. Efforts are being made to have ZED accepted & recognized by these international bodies. Once the ZED model and scheme establishes itself in India and the mechanism establishes its credibility, the model will gain acceptance world-wide.

35) How will the NMIU ensure uniformity in assessment by different assessors?

Ans. NMIU is developing an exhaustive training module for the eligible assessors. As per the scheme guidelines, all the assessors will be trained and certified on the ZED Maturity Assessment Model. Further, efforts have been made to minimize subjectivity in assessment. It is proposed that the assessment will be done using the latest technology with hand-held tabs. This is expected to enhance accuracy and ensure uniformity among assessments by different assessors.

36) There are already many certification systems. Will the ZED scheme be another burden on MSMEs?

Ans. ZED certification system addresses and provides roadmap for enhancing business and greatly cutting down the cost. Though this is a voluntary scheme, the implementation of ZED will not be a burden but a boon to the MSMEs.

37) Can MSME Units obtain ZED Certification purely on the basis of an ISO certification?

Ans. No. ZED certification is independent of an ISO or any other Certification.

38) Can ISO certified companies avail the subsidy applicable in ZED certification?

Ans. Yes. An MSME, irrespective of their existing Certification, can avail the subsidies as applicable in the ZED Scheme provided they undergo all applicable steps & processes as mentioned in the Scheme.

39) What are the renewal charges of ZED Certification?

Ans. A ZED Certificate will be valid for 4 years. The renewal charges will be notified shortly.

40) Can MSMEs have the choice to select consultants/assessors?

Ans. No, the allocation will be done by the NMIU through a pre-defined process.

41) Will the language issue be considered during the allocation of consultants/assessors?

Ans. Due consideration will be given to ensure that language does not become a constraint or a barrier in assessment or consulting processes.

42) Is there any provision to change the consultant during the consultancy period?

Ans. Yes. In case an MSME or the NMIU is not satisfied with the progress of the implementation by the consultant, the agreement with the consultant will become null and void and the beneficiary may be allocated a new consultant with appropriate approvals as mentioned in the scheme guidelines.

43) Who will select the optional parameters during ZED assessments?

Ans. The applicant MSME will select the optional parameters during the ZED assessment.

44) What are the charges for surveillance?

Ans. The charges for surveillance will be notified soon.

45) Who can participate under the ZED Programme/Scheme?

Ans: The scheme is designed to assess, rate, and handhold Indian MSMEs involved in manufacturing.

46) Is this scheme applicable for MSMEs belonging to Service Sector?

Ans: At present this scheme is designed for the manufacturing MSMEs of India, however work is in progress to create a model for the MSMEs in the service sector.

47) Are the unregistered MSMEs also eligible to participate in this Scheme?

Ans: No. Only the registered MSMEs can participate in this scheme. Registrations can be done via the UAM of Minister of MSMEs. (<http://udyogaadhaar.gov.in/UA/UdyogAadhar-New.aspx>)

48) Which States/UTs can participate in this Scheme?

Ans: The scheme is applicable for all states/UTs of India.

49) What is the fee structure? Is there any subsidy in ZED Scheme?

Ans: The Ministry of MSME will provide a subsidy of 80% to Micro enterprises, 60% to Small enterprises & 50% to Medium enterprises. An additional 5% subsidy shall be extended to MSMEs owned by SC/ST/Women & MSMEs located in NER and J&K.

The detailed fee structure will be as:

S. No.	Total Cost (Component Wise)	Cost to MSMEs according to its Size (in Rs.)		
		Micro	Small	Medium
1	Registration & Online			
2	Self-assessment	No Cost	No Cost	No Cost
3	Desktop assessment Rs. 10,000/-	2000/-	4000/-	5000/-
4	Site assessment Rs. 80,000/-	16,000/-	32,000/-	40,000/-
	Additional Defence Rating Rs. 40,000/-	8000/-	16,000/-	20,000/-
5	Gap analysis & handholding (optional)	38,000/-	76,000/-	95,000/-
6	Rs. 1,90,000/-			
	Re-assessment/Re-rating Rs. 40,000/-	8000/-	16,000/-	20,000/-

For more detail about the scheme you can download the guidelines of the scheme by following this scheme: <http://dcmsme.gov.in/Guidelines-ZED-Final.pdf>

50) What is the time cycle (time taken) of the entire ZED Rating Process?

Ans: As per scheme guideline, the time frame of ZED rating Process is fixed at 8 weeks after completion of online self-assessment by MSME.

51) How can we apply for the ZED Rating?

Ans: You need to apply first for Online Self-Assessment through the website. Registration process is very simple and takes only few minutes. First, an applicant should visit website www.zed.org.in. On right hand side of the web page, he has to click on tab "Online Registration" to register his details.

An applicant can also directly log on to link given below to register his details.

<http://assessment.zed.org.in/Assessment/Assessment BeforeLogin.aspx>

52) What information/details/items are required while filling the online application form?

Ans: The details which required to submit the application form are:

- Valid email and mobile number
- Address and registration number of the unit

53) When can an MSME submit online application for ZED Scheme? Can MSMEs apply any time during the year for a particular examination?

Ans: Online registration is open now. Please visit we

54) What is the ZED Maturity Assessment Model?

Ans: The Model comprises of 50 parameters of which the MSME has to choose a minimum 30, which includes 20 mandatory parameters, for the assessment process. There are additional 25 parameters for MSMEs supplying to the Defence sector.