GOVERNMENT OF INDIA

MSME

Micro, Small & Medium Enterprises

सूक्ष्म, लघु एवं मध्यम उद्यम

Guidelines

For the Implementation of

Financial Support to MSMEs in ZED Certification Scheme

Development Commissioner
(Micro Small and Medium Enterprises)
Ministry of Micro, Small and Medium Enterprises,
Government of India

2016

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सचिव
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भारत सरकार
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GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES
UDYOG BHAWAN, RAFI MARG, NEW DELHI-110 011

11.7.2016

PREFACE

The Ministry of Micro, Small & Medium Enterprises has launched the "Financial Support to MSMEs in ZED Certification Scheme" for the benefit of MSMEs during the 12th Five-year Plan.

In order to prepare the MSMEs of India to create a value chain for the new regime, it is important that quality and competitiveness of Indian MSME is enhanced over a period of time. It will also provide an opportunity to units to strive to continuously improve its processes thereby aiming to move up the ZED maturity assessment model (Bronze- Silver-Gold-Diamond-Platinum). This would also ensure that the larger companies investing in India have a ready-made vendor base to support their activities and an expansive base of trained human capital who can contribute to their manufacturing process without much retraining.

It is critical that any scheme is implemented in its true spirit & intent for it to be successful. Keeping this in mind we have ensured necessary steps are taken to retain the scheme integrity at every stage in the process of ZED. QCI, as the NMIU of this scheme, will be our extended arm under the able guidance of the DC-MSME and will create a robust mechanism of assessment, rating & handholding.

With the active support of the State Governments, Chambers, Industry Associations and other stakeholders, we are sure that the Government's intent of making India a sought after business destination will bear fruit and ZED will have a pivotal role to play.

The booklet contains the guidelines for this scheme, detailing all activities, role & procedures envisaged for different stakeholders as well as processes required for an MSME to participate in ZED.

(K. K. Jalan)

(To be published in the Gazette of India, Part-1, Section I)

Government of India
Office of the Development Commissioner
(Micro, Small & Medium Enterprises)
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New Delhi-110108

No. 17/2015/ZED/SFC Vol-II

11.07.2016

NOTIFICATION

The Central Government has approved a scheme "Financial Support to MSMEs in ZED Certification Scheme" with a total budget of Rs 491.00 crores (including Government of India contribution of Rs 365.00 crores) to be implemented during the 12th Five Year Plan. The scheme is an extensive drive to create proper awareness in MSMEs about Zero Defect Zero Effect (ZED) manufacturing and motivate them for assessment of their enterprise for ZED and support them. After ZED assessment and adoption of proper tools, MSMEs can reduce wastages substantially, increase productivity, expand their market as IOPs, become vendors to CPSUs, have more IPRs, develop new products and processes etc.

2. The details of the scheme and guidelines are available on the official website of the office of DC (MSME) i.e. www.dcmsme.gov.in.

11/7/2016

(Sanjay Bisariya)
Joint Development Commissioner

The Manager
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2. All Commissioner/Director of Industries (States/UTs)
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13. Secretary General, Quality Council of India, 2nd floor, Institution of Engineers Building, 2 Bahadur Shah Zafar Marg, New Delhi-110002
14. All Directors, MSME-DIs/Director, MSME-Testing Centres/ All Branch DIs
15. Internal Circulation in the O/o DC(MSME) as per standard list.

11/7/2016

(Sanjay Bisariya)
Joint Development Commissioner

Government of India
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No. 17/2015/ZED/SFC Vol-II 11.07.2016

OFFICE MEMORANDUM

Subject: "Financial Support to MSMEs in ZED Certification Scheme".

1.0 INTRODUCTION

The Government has decided to implement the "Financial Support to MSMEs in ZED Certification Scheme" with a total budget of Rs 491.00 crores (including Government of India contribution of Rs 365.00 crores) during 12th Five Year Plan.

The scheme is an extensive drive to create proper awareness in MSMEs about ZED manufacturing and motivate them for assessment of their enterprise for ZED and support them. After ZED assessment and adoption of proper other tools, MSMEs can reduce wastages substantially, increase productivity, expand their market as IOPs, Vendors to CPSUs, more IPRs, development of new products and processes etc.

The scheme envisages promotion of Zero Defect and Zero Effect (ZED) manufacturing amongst MSMEs and ZED Assessment for their certification with the following objectives :

- Developing an Ecosystem for Zero Defect Manufacturing in MSMEs.
- To promote adaptation of Quality tools/systems and Energy Efficient manufacturing.
- To enable MSMEs for manufacture of quality products.
- To encourage MSMEs to constantly upgrade their quality standards in products and processes.
- To drive manufacturing with adoption of Zero Defect production processes and without impacting the environment.
- To support 'Make in India' campaign.
- To develop professionals in the area of ZED manufacturing and certification.

2.0 The major activities under the scheme are:

2.1 **Awareness & Training:** 8 Activities have been planned as briefed below:

a) Industry Awareness Programmes:

To sensitize MSMEs about the Zero Defect and Zero Effect manufacturing, benefits of ZED certification, QMS/QTT, and their benefits.

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b) Regional/ State/ National Workshop by QCI/ NPC/Chambers/Industry Associations:

To evolve strategies for smooth adoption of the scheme, remedies to problems arising while doing ZED maturity assessment by Assessors, hand holding and consultancy for graduation to higher level by Consultants and also to sensitize MSMEs about the Zero Defect and Zero Effect manufacturing, benefits of ZED certification etc. these workshops will organised.

c) Onsite Training for Enterprise Capacity Building for NER, J&K, Industrially backward and remote areas etc.:

MSMEs of NER and J&K, Industrially backward and remote areas need to be thoroughly trained for capacity building in tune with the Zero Defect and Zero Effect manufacturing, benefits of ZED certification and QMS/QTT etc.

d. Training of officials of MSME- DIs, MSME-Testing Centres, Technology Centres, Design Incubation Centres, IPFC, etc.:

Officials of MSME- DIs, MSME-Testing Centres, Technology Centres, Design Incubation Centres, IPFC, etc. will play very important role in popularising the scheme and need to be properly trained to know finer details of ZED maturity model, Zero Defect and Zero Effect manufacturing, benefits of ZED certification etc. and assessment procedure for certification, how to grade under various parameters of ZED and ZED defence etc.

e, f &g. Consultants Training, Assessors Training & Master Trainers Training:

Consultants, Assessors and Master Trainers will play pivotal role in ZED Maturity assessment & certification, consultancy to MSMEs for their graduation to higher levels & their proper training and creation of trained HR. So their training is a must. This is also needed for maintaining quality and reliable assessment.

h. International Benchmarking and Learning Best Practices and Foreign Travels/Delegations, International Trainings relating to ZED including QMS/QTT, productivity etc.:

Adoption of world class practices for ZED, QMS/QTT and productivity is a must for the envisaged scheme aiming at creation of world class ecosystem of continuous improvement to sustain Zero Defect and Zero Effect manufacturing.

2.2 **Online systems:** 3 activities have been planned under this activity group as briefed below:

a) Initial Development of e-Platform:

To develop e-platform at NMIU (QCI) both hardware and software for online handling of applications, ZED –assessment etc.

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b) On line service support:

To maintain e-platform, its hardware & software, to hire cloud services/internet services and other IT services including hiring of manpower etc., recurring financial support to NMIU (QCI) is needed.

c) Development of Content for Capacity Building (e-learning modules for 25 sectors under Make in India):

Preparation of e-learning modules is very important to enhance Global competitiveness of MSMEs, developing the ecosystem for Zero Defect and Zero Effect manufacturing, and give impetus to drive "Make in India" through capacity building of MSMEs.

2.3 **Accreditation, Assessment & Rating/Re-rating:** 6 activities have been planned as briefed below:

a) Assessment/Rating by empanelled Credit Rating Agencies/other Agencies:

Objective: This is core activity under the scheme. 22222 MSMEs will be given financial assistance for opting ZED assessment and certification.

The assessment process consist three stages as under:

i) Online (e-Platform) self assessment
ii) Desk Top assessment
iii) Complete assessment

b) Additional rating for Defence angle i.e. ZED-Defence by empanelled Credit Rating Agencies/ other Agencies:

There is very much need of certification for MSMEs having interest and competencies for becoming defence vendors and Indian Offset Partners (IOPs). Accordingly interested MSMEs will be given financial support for ZED-Defence assessment and certification.

c) Gap Analysis, Handholding and Consultancy for improving rating of MSMEs:

For giving pace to the drives of Make in India or Zero defect and Zero effect in the country the one of the important parameter is Graduation of MSMEs to higher levels, i.e. MSME with Bronze level to Silver, from Silver to Gold, Gold to Diamond etc. Accordingly interested already ZED certified MSMEs will be given financial support for Gap Analysis, Handholding and Consultancy for improving their rating.

11/7/2016

d) **Re-Assessment/Re-Rating by Credit Rating Agencies & Other Agencies**:

After Gap Analysis, Handholding, Consultancy for improving rating of MSMEs by Consultants, MSMEs can go for reassessment of their ZED rating. MSMEs can also go for reassessment of their ZED rating without opting for Gap Analysis, Handholding and Consultancy activity for improving rating of MSMEs. MSMEs will be given financial assistance, however, in case of no improvement in grading (say if MSME was having no rating and goes for reassessment and does not graduate to Bronze or above level then it will be treated as no improvement.) no financial assistance will be given to the MSME and cost of reassessment will be fully borne by the MSME. NMIU may develop its own mechanism for compliance.

e) Certification by QCI:

To maintain uniformity of certification, final certificate for ZED or ZED Defence will be issued by QCI based upon the findings and recommendation of the rating agencies. The time frame of assessment by QCI may be fixed not more than 8 weeks.

f) Market Research and Analysis and validation of reasonable sample of total certification by QCI with Reports for each half years on trends and other important findings:

To make ZED evaluation system dynamic, uniform and transparent Market Research and Validation of reasonable sample to be decided by SSC between 8 % to10 % of total certifications for each rating agency will be done by QCI with Reports for each half years on trends and other important findings needs to be on board.

2.4 **NMIU Head quarter Charges & Monitoring Cost:**

Grant in Aid/Fund will be given to QCI, the National Monitoring and Implementing Unit (NMIU) for the project, towards Head quarter Charges & Monitoring Cost on Pro-rata basis and MoU signed with O/o DC-MSDME.

2.5 **Promotion & Branding:** 2 activities have been planned under this activity group as briefed below:

a) Print of Newsletters (Quarterly) and Review Report (Yearly):

To popularize, information sharing and review of achievements made under the scheme Printing of Newsletters (Quarterly) and Review Report (Yearly) will be done. These will be done through NMIU (QCI).

b) Advertisement and Brand Promotion:

For popularization of the scheme and Brand Promotion (ZED) wide publicity is needed.

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2.6 At the highest level, SSC will guide, review, monitor and provide overall direction for implementation of the scheme and will be headed by the Development Commissioner (MSME). SSC will have overall responsibility for policy formulation, scheme implementation and monitoring. It will be empowered to take all key decisions related to the scheme and to approve minor modifications / procedural changes in the guidelines for operational expediency. SSC would deliberate on the issues put up by NMIU/IAs. It would lay down the detailed implementation strategy for the NMIU. It would also consider the recommendations of NMIU/IAs on each application.

3.0 The guidelines of the scheme have been approved by the competent authority and are enclosed. These guidelines are also available on the official website of the office of DC (MSME) i.e. www.dcmsme.gov.in.

11/7/2016

(Sanjay Bisariya)
Joint Development Commissioner

Encl: Scheme Guidelines

Copy for information to:-

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2. All Commissioner/Director of Industries (States/UTs)
3. Secretary, Department of Expenditure, North Block, New Delhi
4. Secretary (MSME), Ministry of MSME, Udyog Bhawan, New Delhi
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11/7/2016

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Joint Development Commissioner

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ABBREVIATIONS

DC (MSME)	–	Development Commissioner (MSME)
GOI	–	Government of India
IA	–	Implementing Agency
IFW	–	Integrated Finance Wing
MSME	–	Micro, Small & Medium Enterprises
MSME – DI	–	MSME-Development Institute
NMCC	–	National Manufacturing Competitiveness Council
NMCP	–	National Manufacturing Competitiveness Programme
NMIU	–	National Monitoring and Implementing Unit
SSC	–	Screening and Steering Committee
QCI	_	Quality Council of India

GUIDELINES FOR THE IMPLEMENTATION OF FINANCIAL SUPPORT TO MSMEs IN ZED CERTIFICATION SCHEME

1.0 Introduction:

A Standing Finance Committee (SFC), Memo on "Financial Support to MSMEs in ZED Certification and adopting QMS/QTT & including ISO 9001/14001/HACCP certification Reimbursement Scheme" for holding the meeting of Standing Finance Committee (SFC) on 09.12.2015 was circulated vide O/o DC (MSME) letter File No. 17/2015/ZED/SFC dated 02.12.2015. The SFC met on 09.12.2015 and approved the scheme of 'Financial Support to MSMEs in Zed Certification'.

1.1 The Development Commissioner, Ministry of Micro, Small & Medium Enterprises (DC-MSME), Govt. of India, will implement 'Financial Support to MSMEs in ZED Certification Scheme', for the benefit of Micro, Small & Medium Enterprises (MSMEs) during the 12th Five-year plan. The scheme will be implemented in 22,222 MSMEs during 12th Five Year Plan with the total Project Cost of Rs. 491.00 crore (Govt. of India Contribution amounting to Rs. 365.00 crores and beneficiaries' contribution of Rs 126.00 crores) including expenditure on remaining part of continuing schemes of QMS/QTT under NMCP and scheme of ISO 9001/ISO 14001/HACCP Certification-Reimbursement Scheme for the 12th Five-year Plan. The scheme will converge with PCRA Scheme.

1.2 Government of India has envisioned Make in India and Zero Defect & Zero Effect Manufacturing for which there is need of a policy which will create an ecosystem for competitive, quality and clean manufacturing, promote development of world class products, expand markets for MSMEs etc.

1.3 There are certifications on Systematic Functioning (ISO), Quality Manufacturing (BIS) and Energy Efficiency (CEE/ Star Ratings)etc. but there is no holistic evaluation and certification system to assess MSMEs on Quality, Productivity, Energy Efficiency, Pollution mitigation, Financial Status, Human resource, Design, IPR both in Product and Process etc. in the country. There is an urgent need of a reliable assessment and certification system with sufficient Pull factor for MSMEs to be part of it. In the view of these factors O/o DC (MSME) and Quality Council of India (QCI) with active support of Credit Rating Agencies and industry have evolved the ZED Maturity Assessment Model which consists of 50 parameters (**Annexure-1**) of assessment for a holistic picture of MSMEs. For certification for MSMEs manufacturing items of defence sector, an additional Defence Assessment Model has been evolved which consists of 25 parameters [indicative] (**Annexure-2**).

1.4 The scheme "Financial Support to MSMEs in ZED Certification" is a modification of continuing Scheme of QMS/ QTT under NMCP and merger of scheme of ISO 9000/ISO 14001 Certification-Reimbursement Scheme. The said two schemes (QMS/ QTT under NMCP and ISO 9000/ISO 14001/HACCP Certification-Reimbursement Scheme) are being continued in the 12th Five-year Plan and may continue in next five-year plan depending upon the needs and evaluation.

1.5 The scheme is an extensive drive to create proper awareness in MSMEs about ZED manufacturing and motivate them for assessment of their enterprise for ZED and support them. After ZED assessment and adoption of proper tools, MSMEs can reduce wastages substantially, increase productivity, expand their market as IOPs, become vendors to CPSUs, have more IPRs, develop new products and processes etc.

1.6 Manufacturing has been recognized as the main engine for growth of an economy. The share of manufacturing sector in Indian National GDP over the years has stagnated to 14-15% only. The National Manufacturing Policy of Government of India envisages share of manufacturing to reach the target of 25% of the National GDP by 2022. To achieve a sustained rate of growth, the manufacturing

sector needs to build an ecosystem to face the challenges posed by globalization, environmental issues, etc.

2.0 Objectives of the scheme:

The scheme envisages promotion of Zero Defect and Zero Effect (ZED) manufacturing amongst MSMEs and ZED Assessment for their certification so as to:

- Develop an Ecosystem for Zero Defect Manufacturing in MSMEs.
- Promote adaptation of Quality tools/systems and Energy Efficient manufacturing.
- Enable MSMEs for manufacturing of quality products.
- Encourage MSMEs to constantly upgrade their quality standards in products and processes.
- Drive manufacturing with adoption of Zero Defect production processes and without impacting the environment.
- Support 'Make in India' campaign.
- Develop professionals in the area of ZED manufacturing and certification.

Under the scheme 22,222 MSMEs will be rated & certified under ZED Maturity Assessment Model, 5,000 MSMEs will be rated & certified under the ZED Defence Model, 7368 MSMEs will be supported for Gap Analysis, Handholding, Consultancy for their improving rating, etc.

3.0 Scheme concept:

3.1 The scheme is an extensive drive to create proper awareness in MSMEs about ZED manufacturing and motivate them for assessment of their enterprise for ZED and support them. After ZED assessment, MSMEs can reduce wastages substantially, increase productivity, expand their market as IOPs, become vendors to CPSUs, have more IPRs, develop new products and processes etc.

3.2 The total cost of the project is Rs. 491.00 crores (Government contribution Rs 365.00 crores, Beneficiaries MSMEs contribution Rs 126.00 crores) for 12th Five Year Plan. The activities planned under the scheme are:

3.2.1 **Awareness & Training:** 8 Activities have been planned as briefed below:

a) Industry Awareness Programmes:

Objective: To sensitize MSMEs about the Zero Defect and Zero Effect manufacturing, benefits of ZED certification, QMS/QTT, and their benefits.

Details: One-day Industry Awareness Programmes will be conducted for industry clusters and MSMEs. Every awareness programme will be for MSMEs who wish to join ZED and QMS/QTT initiatives. These programmes will be organised by QCI/NPC/Chambers/MSME-DIs/ Industry Associations/BEE. These programmes will motivate MSMEs to commit to ZED programme apart from riding up the value chain through ZED as a brand. MSME-DIs and QCI are to be involved by organizer(s) in each & every programme. The venue/place of awareness programme will be decided by SSC/Office of DC(MSME). Awareness programmes shall be fixed in consultation with MSME-DIs and Industry Associations.

MSME DIs, Testing Centres, Technology Centres, Design Incubation Centres & IPFC under O/o DC (MSME) who are in regular touch with MSMEs will play an important role in spreading the awareness of ZED rating and its benefits to MSMEs. They will monitor the improvements and encourage the

MSMEs to adopt the design incubation, upgrading the manufacturing facilities and working for safeguarding their Intellectual Property Rights.

Place of Programme: The Place of programme to be organized will be decided by O/o DC-MSME based on the proposal received from NMIU/Implementing Agencies or need of the programme for MSMEs of the area. The list of places where programmes are being organized will be hosted on the e-platform developed by QCI for the scheme.

Deliverables: MSMEs will be motivated to participate in ZED and QMS/QTT initiatives so that a few of MSMEs come forward for ZED certification. A brief report on the programme, documenting evidence of attendance like UAM, the list of participants along with a few photographs and feed back etc. will be uploaded on the e-platform for off-site monitoring. SSC may prescribe some other measure.

Participation Fee: There will be no participation fee.

b) Regional/ State/ National Workshop by QCI/ NPC/Chambers/Industry Associations:

Objective: To evolve strategies for smooth adoption of the scheme, remedies to problems arising while doing ZED maturity assessment by Assessors, hand holding and consultancy for graduation to higher level by Consultants and also to sensitize MSMEs about the Zero Defect and Zero Effect manufacturing, benefits of ZED certification etc. these workshops will be organised.

Details: 2 days Regional/ State/ National Workshops will be conducted for all stakeholders including the state industry department & MSMEs. These workshops will be organised by QCI/ NPC/ Chambers/ Industry Associations/MSME-DIs. MSME-DIs and QCI are to be involved by organiser(s) in each & every workshop. The workshop shall be fixed in consultation with MSME-DIs and Industry Associations.

Place of Programme: The Place of workshop to be organized will be decided by O/o DC-MSME based on the proposal received from NMIU/Implementing Agencies or need of the workshop for MSMEs of the area. The list of places where workshops are being organized will be hosted on the e-platform developed by QCI for the scheme.

Deliverables: During the workshop promotion of scheme, discussions on outcomes of schemes, success stories, discussions on issues related with implementation of schemes, views of stakeholders, latest global developments in the field of ZED/QMS/QTT, experience sharing, adoption of best practices etc. will be discussed. A brief report on the workshop, documenting evidence of attendance like UAM, the list of participants along with a few photographs and feedback etc. will be uploaded on the e-platform for off-site monitoring. SSC may prescribe some other measures.

Participation Fee: There will be no participation fee.

c) Onsite Training for Enterprise Capacity Building for NER, J&K, Industrially backward and remote areas etc.:

Objective: MSMEs of NER and J&K, industrially backward and remote areas need to be thoroughly trained for capacity building in tune with the Zero Defect and Zero Effect manufacturing, benefits of ZED certification and QMS/QTT etc.

Details: MSMEs of NER and J&K, industrially backward and remote areas are normally reluctant to move to other parts of country. Onsite trainings of 5-days duration will be needed to thoroughly train MSMEs of these areas for capacity building. Onsite Training will be conducted by

QCI, Chambers, NPC, & Industry Associations. MSME-DIs and QCI are to be involved by organiser(s) in each & every workshop. In case training is organized for less than 5-days duration, payment will be made on pro-rata basis. Onsite training shall be fixed in consultation with MSME-DIs and Industry Associations.

Place of Programme: The Place of programme to be organized will be decided by O/o DC-MSME based on the proposal received from NMIU/Implementing Agencies or need of the programme for MSMEs of the area. The list of places where programmes are being organized will be hosted on the e-platform developed by QCI for the scheme.

Deliverables: Capacity building of MSMEs in ZED and QMS/QTT techniques and to motivate them so that a some of MSMEs come forward for ZED certification. A brief report on the training, documenting evidence of attendance like UAM, the list of participants along with a few photographs and feedback etc. will be uploaded on the e-platform for off-site monitoring. SSC may prescribe some other measure

Participation Fee: There will be no participation fee.

d. Training of officials of MSME- DIs, MSME-Testing Centres, Technology Centres, Design Incubation Centres, IPFC, etc.:

Objective: Officials of MSME-DIs, MSME-Testing Centres, Technology Centres, Design Incubation Centres, IPFC, etc. will play very important role in popularizing the scheme and need to be properly trained to know finer details of ZED maturity model, Zero Defect and Zero Effect manufacturing, benefits of ZED certification etc. and assessment procedure for certification, how to grade under various parameters of ZED and ZED defence etc.

Details: The theoretical as well as participative/practical holistic training programme of 5 days duration will be organised to thoroughly train officials. The training programme will be conducted by QCI & NPC.

Place of Programme: The Place of programme to be organized will be decided by O/o DC-MSME based on the proposal received from NMIU/Implementing Agencies or need of the programme for MSMEs of the area. The list of places where programmes are being organized will be hosted on the e-platform developed by QCI for the scheme.

Deliverables: A standard course curriculum will be developed by NMIU/Implementing Agency, which may be vetted by the SSC and training programmes will be organized as per the approved course curriculum. A brief report on the training, documenting evidence of attendance, the list of participants along with a few photographs and feedback etc. will be uploaded on the e-platform for off-site monitoring. SSC may prescribe some other measure.

Participation Fee: There will be no participation fee.

e, f &g. Consultants Training, Assessors Training & Master Trainers Training:

Objective: Consultants, Assessors and Master Trainers will play pivotal role in ZED assessment & certification, consultancy to MSMEs for their graduation to higher levels & their proper training and creation of trained HR. So their training is a must. This is also needed for maintaining quality and reliable assessment.

Details: The theoretical as well as participative/practical holistic training programme of 5-days duration will be organised to thoroughly train Consultants, Assessors and Master Trainers including examination which shall be a must to pass for Consultants, Assessors and Master Trainers for them to get related work done under the scheme. The training programme will be conducted by QCI & NPC.

Place of Programme: The Place of programme to be organized will be decided by O/o DC-MSME based on the proposal received from NMIU/Implementing Agencies or need of the programme for MSMEs of the area. The list of places where programmes are being organized will be hosted on the e-platform developed by QCI for the scheme.

Deliverables: A standard course curriculum for various target groups viz. Consultants Training, Assessors Training & Master Trainers will be developed by the NMIU, which may be vetted by the SSC and training programmes will be organized as per the approved course curriculum. The training programme will be followed an examination for which pattern will be prepared by QCI. A brief report on the training, documenting evidence of attendance, the list of participants along with a few photographs and feedback etc. will be uploaded on the e-platform for off-site monitoring. SSC may prescribe some other measure.

Participation Fee: There will be no participation fee.

h. International Benchmarking and Learning Best Practices and Foreign Travels/Delegations, International Trainings relating to ZED including QMS/QTT, productivity etc.:

Objective: Adoption of world class practices for ZED, QMS/QTT and productivity is a must for the envisaged scheme aiming at creation of world class ecosystem of continuous improvement to sustain Zero Defect and Zero Effect manufacturing.

Details: The proposal relating to the activity will be prepared by NMIU/IAs/DC(MSME) which will be considered on case to case basis on merit by the Screening and Steering committee. The visiting delegation will comprise of ideally 5 MSMEs (having at least ZED Silver certification), 2 from office of DC(MSME) and one each from NMIU & IAs. Duration: Five-day duration excluding journey time.

Deliverables: The visiting delegation will submit a detailed report regarding visit and make a presentation before the SSC about their findings especially highlighting the gap between world class practices for ZED, QMS/QTT and productivity and prevailing in the MSME sector. The report on the visit, the list of delegates along with a few photographs and feedback etc. will be uploaded on the e-platform.

3.2.2 **Online systems:**

3 activities have been planned under this activity group as briefed below:

a) Initial Development of e-Platform:

Objective: To develop e-platform at NMIU (QCI) both hardware and software for online handling of applications, ZED –assessment etc.

Details: The scheme would be e-enabled and applications of MSMEs will be received online and will be e-processed by NMIU (QCI) for which there is need to develop e-platform (hardware and software). E-Platform for online system may be developed with NIC so that other application of M/o

MSME are interfaced properly and seamlessly. The other activities such as e-learning and data keeping, processing and maintenance also require similar platform. The financial support will be one time only. As development of e-platform is fully funded by O/o DC-MSME, all assets (hard and soft) will be property of O/o DC-MSME.

b) Online service support:

Objective: To maintain e-platform, its hardware & software, to hire cloud services/internet services and other IT services including hiring of manpower etc., recurring financial support to NMIU (QCI) is needed.

Details: Without this activity, the activity proposed at sl. no. a) above will be of no use and extension of support to NMIU is necessary to maintains and run e-platform.

c) Development of Content for Capacity Building (e-learning modules aligned with sectors under Make in India):

Objective: Preparation of e-learning modules is very important to enhance Global competitiveness of MSMEs, developing ecosystem for Zero defect and Zero effect manufacturing, and give impetus to drive "Make in India" through capacity building of MSMEs.

Details: e-learning modules on important verticals of Make in India, ZED, QMS/QTT, emerging global trends will be prepared and will be offered to MSMEs, prospective entrepreneurs and public too, free of cost through an e-enabled LMS (learning management system). As development of e-learning modules is fully funded by O/o DC-MSME, these will be owned by O/o DC-MSME. However, for enhanced public accessibility to MSMEs and public, these modules may be shared with other agencies viz. NI-MSME, MSME- Technology Centres etc. as approved by O/o DC-MSME.

3.2.3 **Accreditation, Assessment & Rating/Re-rating:** 6 activities have been planned as briefed below:

a) Assessment/Rating by empanelled Credit Rating Agencies/other Agencies:

Objective: This is a core activity under the scheme. 22,222 MSMEs will be given financial assistance for opting ZED assessment and certification.

The assessment process consists of three stages as under:

i) Online (e-Platform) self assessment: Nil Fee
ii) Desk Top assessment : Rs 10,000/-per MSME
iii) Complete assessment : (a) Rs 80,000/- for ZED rating per MSME
(b) Rs 40,000/- for additional ZED Defence rating
(c) Rs 40,000/- for Re-rating
Above rating costs will include cost of Rs 10,000/- as certification cost by QCI.
iv) Subsidy for Micro, Small & Medium Enterprises will be 80%, 60% and 50% respectively. However, preference will be given to small enterprises to enable them to grow bigger because of competition and to get reasonable economy of scale. The number of micro enterprises shall not be more than 50%. There will be special emphasis on SC/ST entrepreneurs.
v) MSMEs engaged in production/manufacturing of 358 items reserved under PPP for MSEs procurement may be given preference.

Details: Brief details of ZED assessment and certification methodology are as under:

- There are 50 parameters (as per **Annexure 1** attached) on which the MSME will be assessed and rated under ZED. On need basis these parameters may be reviewed by SSC with the approval of Secretary (MSME).
- The MSME applicant is required to comply with identified 20 essential parameters as highlighted in the **Annexure - 1** at sr. no. 2, 4, 8, 9, 10, 11, 15, 19, 20, 21, 23, 29, 37, 38, 41, 44, 45, 46, 48 & 49 and at least 10 other parameters (as per the MSME's domain competency, i.e. sector of operation and type of industry). Hence, the MSME will be rated on a minimum of 30 parameters.
- MSMEs may seek ZED rating on more than 30 parameters as per the processes and systems available at the MSME.
- Each parameter has 5 levels.
- The Rating is based on a weighted average level.

Rating of each parameter will be done as per the following:

Sl. No.	Level	Marks
1	Struggler	0
2	Beginner	2
3	Organized	3
4	Achiever	4
5	World Class	5

The proposed rating levels are:

Sl. No.	Average score (Total points/ Applicable Levels)	Rating
1	Above 2.2-2.5	Bronze
2	Above 2.5-3.0	Silver
3	Above 3.0-3.5	Gold
4	Above 3.5-4.0	Diamond
5	Above 4.0-5.0	Platinum

An example: Enterprise X is being rated on 35 parameters. Of these 35 parameters, on 18 parameters the MSME is at Level 5, on another 12 parameters it is at Level 4 and on remaining 5 parameters it is at Level 3. Hence the scores will be calculated as follows:

Parameters	Level	Marks
18	5	90
12	4	48
5	3	15
	Total	153

Enterprise X Rating: Total points / Applicable Levels: 153 / 35 = 4.37, hence the MSME **X** is a ZED Platinum Company.

Validity Period for ZED Rating: The rating provided will be valid for a period of 4 Years. Surveillance audit will be carried out by QCI.

Rating Agencies: Assessment/Rating will be carried out by the Credit Rating Agencies empanelled by NSIC and approved by DC MSME and other QCI Accredited Agencies subject to approval of the Screening and Steering committee. These agencies will require to get accredited from QCI at their own for ZED Maturity Model. The Assessors conducting the rating assessments are required to be certified on ZED Model by QCI.

Assessment Cost: The assessment cost will be in three parts:

Free on-line assessment by MSMEs for their enterprise on e-platform developed by QCI. If an MSME finds worthiness, it may go for further paid assessments as given under:

a) Rs. 10,000/- for preliminary ZED assessment. The preliminary assessment would be through desktop assessments by NMIU to check rating worthiness of the applicant MSME.
b) Rs. 80,000/- for complete ZED assessment. If after the preliminary assessment rating worthiness is adequate, then the MSME will be recommended for detailed assessment of ZED Rating by NMIU so that approximately 80% MSME will have a ZED rating.

Payment of beneficiary contribution: MSMEs opting for assessments have to pay their contribution in advance to NMIU in two parts; first for preliminary ZED assessment and second for complete ZED assessment.

Total Assessment cost: The total assessment cost (Rs 0.9 lakh) will be fixed irrespective of category of enterprise as assessment parameters are same for Micro or Small or Medium enterprises.

b) Additional rating for Defence angle i.e. ZED-Defence by empanelled Credit Rating Agencies/ other Agencies:

Objective: There is a need of certification for MSMEs having interest and competencies for becoming defence vendors and Indian Offset Partners (IOPs). Accordingly, interested MSMEs will be given financial support for ZED-Defence assessment and certification.

Details:

Apart from 50 assessment parameters there would additional 25 defence parameters (as per **Anneure -2** attached) for assessing ZED-Defence certification. ZED Defence certification can be additionally acquired by MSMEs if needed.

Validity Period for ZED Rating: The rating provided will be valid for a period of 4 Years. Surveillance audit will be carried out by QCI. NMIU may develop their own mechanism for compliance.

Rating Agencies: Assessment/Rating will be carried out by the Credit Rating Agencies empanelled by NSIC and approved by DC MSME and other QCI Accredited Agencies subject to approval of the Screening and Steering Committee. These agencies will require to get accredited from QCI at their own for ZED Maturity Model. The Assessors conducting the rating assessments are required to be certified on ZED Model by QCI.

Payment of beneficiary contribution: MSMEs opting for assessments have to pay their contribution in advance to NMIU.

Total Assessment cost: The total assessment cost (Rs 0.4 lakh) will be fixed irrespective of category of enterprise as assessment parameters are same for Micro or Small or Medium enterprises.

c) Gap Analysis, Handholding and Consultancy for improving rating of MSMEs:

Objective: For giving pace to the drive of Make in India and Zero defect and Zero effect manufacturing in the country, one of the important parameter is Graduation of MSMEs to higher levels, i.e. MSME with Bronze level to Silver, from Silver to Gold, Gold to Diamond and Diamond to Platinum. Accordingly, interested ZED certified MSMEs will be given financial support for Gap Analysis, Handholding and Consultancy for improving their rating.

Details:

a. Services of Consultants through QCI/NPC, BEE, Field formations of O/o DC-MSME viz. MSME-DI, MSME-TC including its autonomous bodies etc. will be hired for the purpose. QCI will empanel Consultants after their training & evaluation.
b. An Individual or a Consultancy Firm (National or International) duly registered with or certified by a reputed certification agency in the field of manufacturing technology, quality control etc., would be an eligible entity to participate in the Scheme as a consultant. NMIU will obtain the approval of the SSC for the criteria for empanelling the Consultants.
c. NMIU will maintain a panel of Consultants duly approved by SSC.
d. MSMEs in consultation with NMIU/Implementing Agency will short list/ recommend the names of suitable Consultants for particular MSME, out of the list of empanelled consultants.
e. Consultants will be selected by NMIU adopting QCBS (Quality & Cost Based Selection) method. NMIU will seek the approval of SSC for selected consultants. If needed in-principle approval may be given by AS&DC(MSME) which will be ratified in ensuing SSC meeting.
f. NMIU will involve MSME-DIs in selection of Consultants and progress monitoring/audits.
g. Consultant would be required to sign a tripartite agreement with NMIU and MSME.
h. The payment to consultant is given in 4 equal instalments on the basis of completion of specific milestones (incremental improvements of selected parameters) described in the Diagnostic Study Report.
    - First MSME will deposit its share of contribution towards consultancy charges to NMIU. NMIU will release payment to consultant.
    - NMIU/Implementing agency will ensure that all milestones described in DSR are achieved fully.
    - The implementation period will be of maximum 6 months in each MSME to complete Diagnostic Study, implement the action plan, verify the incremental stages, submission of final report etc. Performance will be divided into 4 milestones. Each milestone is verified in audit before release of funds to Consultant. First milestone is preparation of DSR and its approval from NMIU.

i. In case the beneficiary MSME or NMIU is not satisfied with the progress of implementation, the tripartite agreement with the consultant will become null and void and the beneficiary MSME may select a new consultant with the approval of SSC.

d) **Re-Assessment/Re-Rating by Credit Rating Agencies & Other Agencies**:

Objective: After Gap Analysis, Handholding, Consultancy for improving rating of MSMEs by Consultants, MSMEs can go for reassessment of their ZED rating. MSMEs can also go for reassessment of their ZED rating without opting for activity Gap Analysis, Handholding and Consultancy for improving rating of MSMEs. MSMEs will be given financial assistance. However in case of no improvement in grading (say if MSME was having no rating and goes for reassessment and does not graduate to Bronze or above level then it will be treated as no improvement.) no financial assistance will be given to the MSME and cost of reassessment i.e. Rs 40,000/- be fully borne by the MSME. NMIU may develop their own mechanism for compliance.

Payment of beneficiary contribution: MSME opting for re-assessments have to pay full cost (Rs. 0.40 lakh) in advance to NMIU. If there is improvement in rating, amount equivalent to subsidy will be returned back to MSME.

e) Certification by QCI:

Objective: To maintain uniformity of certification, final certificate for ZED or ZED Defence will be issued by QCI based upon the findings and recommendation of the rating agencies. The time frame of assessment by QCI may be fixed not more than 8 weeks.

Details:

QCI will not only issue ZED certificates based upon the findings and recommendation of the rating agencies but also do on the spot sample checks so as to ensure that grading given by the rating agencies are as per the prescribed evaluation system.

N.B. Total subsidy for an MSME for all the components of subsidy under the scheme will be restricted for Rs. 3.145 lakh for Micro, 2.405 lakh for Small and Rs. 2.035 lakh for medium for a period of next five years.

f) Market Research and Analysis and validation of reasonable sample of total certification by QCI with Reports for each half years on trends and other important findings:

Objective: To make ZED evaluation system dynamic, uniform and transparent Market Research and Validation of reasonable sample to be decided by SSC between 8 % to10 % of total certifications for each rating agency will be done by QCI with Reports for each half years on trends and other important findings needs to be on board.

Details: The above work will be executed by NMIU (QCI). The finding will provide useful inputs for continuance of the scheme in future. Market Research and Study shall be limited to Rs 50 Lakhs subject to actual expenditure and shall be done with the approval of SSC.

3.2.4 NMIU Headquarter Charges & Monitoring Cost:

Grant in Aid/Fund will be given to QCI, the National Monitoring and Implementing Unit (NMIU) for the project, towards Headquarter Charges & Monitoring Cost on Pro-rata basis and MoU signed with O/o DC-MSDME. The calculation of pro-rata will be as follows:

H.Q. & Monitoring Charges: NMIU Head Quarter Charges of Rs. 8 crores will be for the project cost of Rs. 470 crores (Total Project Cost of Rs. 491 crore less provisions for Left out Activities under QMS/QTT and ISO Certification for Rs. 21 crore). The NMIU Headquarter charges will be calculated on Pro-rata basis on expenditure under the project (excluding for expenditure under QMS/QTT and ISO certification) in proportion to total project cost of Rs. 470 crores for ZED activities. For example, if Rs. X crore is expenditure under the ZED scheme in a financial year then NMIU Headquarter charges would be Rs. X*8/470 crores for that financial year.

The left-out Activities under QMS/QTT and ISO Certification will be following the existing Guidelines for these schemes.

3.2.5 **Promotion & Branding:**

2 activities have been planned under this activity group as briefed below:

a) Print of Newsletters (Quarterly) and Review Report (Yearly):

Objective: To popularize, information sharing and review of achievements made under the scheme Printing of Newsletters (Quarterly) and Review Report (Yearly) will be done. These will be done through NMIU (QCI).

b) Advertisement and Brand Promotion:

Objective: For popularization of the scheme and Brand Promotion (ZED) wide publicity is needed.

Details: The wide publicity through Advertisements and Media Campaigns etc. is required for brand promotion. This work will be done by O/o DC-MSME, Field formation of O/o DC-MSME and NMIU.

3.2.6 **Left out Activities of QMS/QTT in XII FY Plan:**

Scheme is being continued in 12th Plan period as per existing guidelines and may continue in next five year plan depending upon the needs, evaluation.

3.2.7 **Left out Activities of ISO certifications in XII FY Plan:**

Scheme is being continued in 12th Plan period as per existing guidelines and may continue in next five year plan depending upon the needs, evaluation.

3.2.8 **Misc. Expenses and contingencies:**

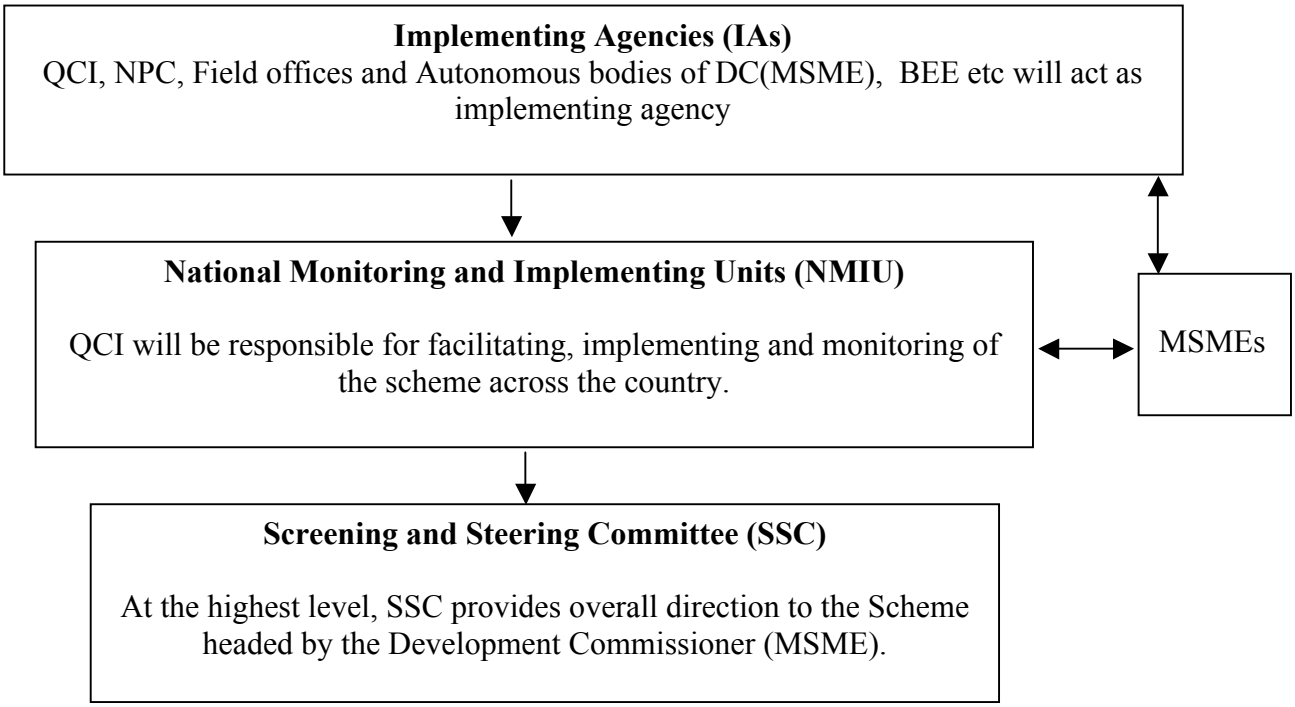
Activities like Independent verification of results, documentation, Admin expenses, printing of guidelines, purchase of office automation equipment, assistance to field formation of O/o DC-MSME for their role in implementing the scheme, etc.

4.0 Implementation Arrangements:

4.1 The scheme will be implemented in MSMEs spread all over the country for all manufacturing sectors. The Scheme will be implemented by National Monitoring and Implementing Unit(s) (NMIU), under the overall directions of DC (MSME) and SSC. National Monitoring and Implementing Unit (NMIU) will be responsible for facilitating, implementing, coordinating and monitoring of the scheme. To begin with, QCI will be the NMIU for the scheme on nomination basis. QCI, National Productivity Council (NPC), field formation of DC-MSME & its autonomous bodies, Bureau of Energy Efficiency (BEE) including NMIU as applicable, etc., will act as the Implementing Agencies (IAs).

4.2 MSMEs who are the beneficiaries will be motivated to make use of the scheme through Industry Awareness Programmes. The focus will be to select MSMEs in clusters/common product verticals. They will be facilitated with pre-assessment and certification assistance through an e-platform. MSMEs for getting benefits apply through the format annexed at **Annexure-3** to NMIUs, thereafter followed by necessary information in prescribed format of NMIUs to participate in the scheme. MSMEs have to deposit their fee for chosen activity as per the fee requirement in advance to NMIU before start of the work.

4.3 A three tier structure is being implemented in the Scheme;



4.4 **Screening and Steering Committee (SSC)** - At the highest level, SSC will guide, review, monitor and provide overall direction for implementation of the scheme and will be headed by the Development Commissioner (MSME). SSC will have overall responsibility for policy formulation, scheme implementation and monitoring. It will be empowered to take all key decisions related to the scheme and to approve minor modifications / procedural changes in the guidelines for operational expediency. SSC would deliberate on the issues put up by NMIU/IAs. It would lay down the detailed implementation strategy for the NMIU. It would also consider the recommendations of NMIU/IAs on each application. The constitution of the SSC will be:

1.	AS & DC, MSME	Chairman
2.	AS & FA /Alternate EA (IFW)	Member
3.	Representative of M/o Skill Development and Entrepreneurship	Member
4.	Representative of DGET	
5.	In-Charge, NMIU (QCI)	Member
6.	JS/Representative of DIPP	Member
7.	Representatives of expert agencies like NPC and rating agency	Member
8.	Representative of concerned IndustryAssociations/chambers	Member
9.	Director of MSME-DI concerned	Member
10.	Nodal officer handling the scheme in O/o DC, MSME	Member-Secretary
11.	Special invitees / experts/ consultants	

The Steering Committee will hold its meetings periodically or as and when required.

4.5 **National Monitoring and Implementation Unit (NMIU):** National Monitoring and Implementing Unit (NMIU) will be responsible for facilitating, implementation, coordination and monitoring of the scheme. To begin with, Quality Council of India (QCI) will act as NMIU for the scheme on nomination basis. Ministry of MSME may engage other NMIU based on recommendation of the SSC, chaired by AS&DC(MSME). NMIU will function as the DC(MSME) outsourced project 'Control Room'. It will monitor every stage of the programme on behalf of the Development Commissioner (MSME) and Government. The suggested Roles of NMIU are as below:

- Monitoring and Implementation Unit of DC (MSME).
- Receive applications for the scheme, examine and put up for the consideration of the SSC along with its recommendations.
- All activities related to issue of ZED/Defence Certification.
- Maintain a panel of Consultants/Assessors/Master Trainers.
- Conducting Industry awareness programmes/Onsite training programmes for MSMEs and associate in the similar programmes organized by the other agencies.
- Training programme for Consultants/ Assessors/Master Trainers/Officials of DC-MSME and Industry Awareness Programmes**,** Notational, Regional workshops, capacity building, etc and associate in the similar programmes organized by the other agencies.
- Creating a pool of qualified Assessors/Consultants/Master Trainers.
- Matching Consultant with MSME in consultation with MSME, IAs etc.
- Seeking request for certification/hand holding/re assessment from MSMEs.
- Creating Benchmark Action Plans.
- Other activities of the scheme.
- Monthly Reviews and Trouble Shooting.
- Screening proposals going to Screening and Steering Committee (SSC).
- Reporting Periodically to SSC and DC (MSME).
- Accepting scheme funds and maintaining separate accounts.
- Managing and keeping centralized accounting for the fund flow.
- Carry out specific activities like publication of newsletter, preparation of book of knowledge, success stores, case studies, etc.
- Maintain interactive dynamic website for the implementation of the scheme.

4.6 **Implementing Agencies:** QCI, National Productivity Council (NPC), Field formation of DC-MSME & its autonomous bodies, Bureau of Energy Efficiency (BEE) or any other agency recommended by the SSC and approved by O/o DC(MSME) will act as the implementing agencies. New Implementing agency will be selected by SSC based on recommendation of NMIU. In case of conflict of interest between QCI as IA and other IAs, the SSC/O/o DC(MSME) is empowered to resolve such issue.

4.7 **Credit Rating & other Agencies:** Initially scheme will initiate with Credit Rating Agencies (CRA) empanelled with NSIC under 'Performance & Credit Rating Scheme'. More CRAs/other agencies will be empanelled under scheme by SSC on need basis. These agencies will require to get accredited from QCI at their own for ZED Maturity Model. The Assessors conducting the rating assessments are required to be certified on ZED Model by QCI. The time frame of accreditation by QCI may be fixed not more than 8 weeks.

4.8 **Role of Micro, Small and Medium Enterprises – Development Institutes (MSME-DI):** The MSME-DIs, its branches being the field offices of the Development Commissioner, have important role in implementation of the scheme, which include;

a) To organise Awareness programmes, National Workshops, any other work assigned by DC (MSME)/SSC, etc in coordination with NMIU, Associations, other stakeholders etc. Apart from organizing awareness programmes, the MSME-DIs will motivate the potential MSMEs to avail the benefits of the scheme.

b) Facilitate the beneficiary MSMEs to submit application for availing the scheme.

c) Participate in the Screening and Steering Committee Meetings.

d) To participate in selection of consultants and progress monitoring/audit under the activity of Gap Analysis, Handholding and Consultancy for improving rating of MSMEs, etc.

4.9 **Appellate Committee:** There will be an Appellate Committee to dispose off appeal/complaints of MSMEs relating ZED ratings or on other issues. The committee may comprise of the following:

1.	Addl. Development Commissioner O/o DC, MSME	Chairman
2.	AS & FA /Alternate EA(IFW)	Member
3.	In-Charge, NMIU (QCI)	Member
4.	Representatives of NPC	Member
5.	Director of MSME-DI concerned	Member
6.	Nodal officer handling the scheme in O/o DC, MSME	Member-Secretary

5.0 Coverage and eligibility:

The Scheme is open to all Micro, Small and Medium Manufacturing Enterprises throughout the country. The units should be registered with Ministry of MSME (Udyog Adhar Memorandum), DIC (EM-II) or with any other agency (Industry Association and Govt agency).

6.0 Approval process:

Activities under the scheme approved by SSC/DC(MSME) being implemented as per the scheme guidelines and MoU signed with NMIUs.

7.0 Approved activities and Budget Outlay:

7.1 Total cost of the project is Rs 491 crores (GoI contribution Rs. 365 crores, beneficiary contribution Rs.126 crores), details are as below:

Rs in lakh

Component	**Physical**	**Financial**		
		Beneficiary	**GoI**	**Total**
1.Awareness & Training				
a) Industry Awareness Programmes by QCI/NPC/Chambers/MSME-DIs/MSME-Technology Centers/ Industry Associations/BEE (@ Rs. 70,000/- per programme), one day duration.	2100	0	1470	1470

b) Conduct of Regional/ State/ National Workshop by QCI/ NPC/Chambers/Industry Associations (@ Rs. 5 lakhs per day, per programme). 2 days duration.	6	0	60	60
c) Onsite Training for MSME Capacity Building for NER, J&K Industrially backward and remote areas etc. by QCI/ NPC/Chambers/Industry Associations (@ Rs. 5 lakhs per programme, 5 days duration, charges on pro-rata basis depending upon the no. of days).	30	0	150	150
d) Training of MSME- DIs, MSME-Testing Centres, Technology Centres, Design Incubation Centres, IPFC, etc. by QCI/NPC (@ Rs. 5 lakhs per programme). 5-days duration (residential). charges on pro-rata basis depending upon the no. of days).	12	0	60	60
e) Consultants Training by QCI/NPC (@ Rs. 5 lakhs per programme. 5-days duration. charges on pro-rata basis depending upon the no. of days).	60	0	300	300
f) Assessors Training by QCI/NPC (@ Rs. 5 lakhs per programme. 5-days duration. charges on pro-rata basis depending upon the no. of days).	60	0	300	300
g) Master Trainers Training by QCI/NPC (@ Rs. 5 lakhs per programme. 5-days duration. charges on pro-rata basis depending upon the no. of days)	30	0	150	150
h) International Benchmarking and Learning Best Practices and Foreign Travels/delegations, International Trainings relating to ZED including QMS/QTT, productivity etc.(case to case basis)	LS	0	400	400
Total		**0**	**2890**	**2890**
2. Online systems				
a) Initial Development of e-Platform for on line application having interface with MSME-DIs and MSME- Technology centers etc.	1	0	150	150
b) On line service support	2	0	50	50
c) Development of Content for Capacity Building @ Rs 10 Lakh per module (e-learning modules for Make in India, ZED, QMS/QTT etc.)	30	0	300	300
Total		**0**	**500**	**500**
3. Accreditation, Assessment & Rating/Re-rating				
a) Assessment/Rating by empanelled Credit Rating Agencies/other Agencies valid for 4 years (Ministry of MSME will subsidize* 80% of Micro, 60% of Small, 50% of Medium Enterprises' Certification Fee: average 70% of Fee) (Assessment Fee Rs. 10,000/-& Rs 80,000/- per enterprise respectively for Desktop Assessment and ZED rating	22222	6000	14000	19999.8 @ 20000

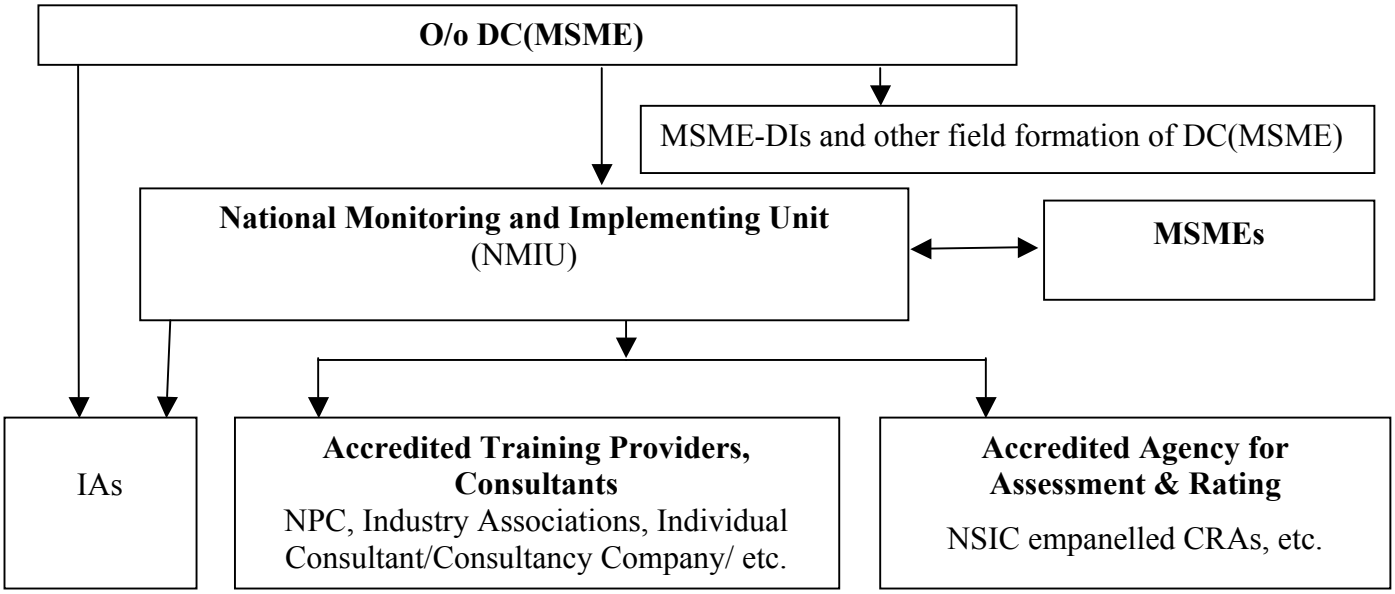
Complete Assessment). Payment to assessors by NMIU/IAs 50% on submission of assessment report and remaining 50% after issuance of QCI certification. Beneficiary contribution to be collected First by IAs.				
b) Additional rating for Defence angle i.e. Defence ZED by empanelled Credit Rating Agencies/other Agencies valid for 4 years (Ministry of MSME will subsidize* 80% of Micro, 60% of Small, 50% of Medium Enterprises' Certification Fee: average 70% of Fee) (Assessment Fee Rs. 40,000/- per enterprise.)	5000	600	1400	2000
c) Gap Analysis, Handholding, Consultancy for improving rating of MSMEs by Consultants through QCI/NPC, Field formations of O/o DC-MSME viz. MSME-DI, MSME-TC including its autonomous bodies, BEE etc. (Ministry of MSME will subsidize* 80% of Micro, 60% of Small, 50% of Medium Enterprises' Consultancy charges: average 70% of Fee) (Hand holding charges Rs. 1.9 Lakh per enterprise whereas in case of MSMEs owned by SC/ST entrepreneurs additional support of Rs 10,000/- will be provided.)	7368	4200	9800	14000
d) Re-Assessment/Re-Rating by Credit Rating Agencies & Other Agencies (Ministry of MSME will subsidize* 80% of Micro, 60% of Small, 50% of Medium Enterprises' Certification Fee: average 70% of Fee) (Assessment Fee Rs. 40000/- per enterprise.)	15000	1800	4200	6000
e) Market Research and Analysis and validation of reasonable sample (8 to 10% sample) of total certification by QCI with Reports for each half years on trends and other important findings.	2	0	50	50
Total		**12600**	**29450**	**42050**
4.NMIU Headquarter Charges &Monitoring Cost -				
a) NMIU Monitoring Cost - Survey/Monitoring/Supervision of Accreditation being granted by Rating Agencies on sample basis and Administration Cost, Project Management, etc.	LS	0	800	800
Total		**0**	**800**	**800**
5. Promotion & Branding				
a) Print of Newsletters (Quarterly) and Review Report (Yearly) by QCI through suitable agencies.	LS	0	60	60

b) Advertisement and Brand Promotion	LS	0	300	300
Total		**0**	**360**	**360**
6. Left out Activities of QMS/QTT in XII FY Plan	LS	**-**	**600**	**600**
7. Left out Activities of ISO certifications reimbursement in XII FY Plan (Financial Assistance to MSMEs for ISO-9000/ISO-14001/HACCP certificate)	LS	**As applicable**	**1500**	**1500**
8. **Misc. Expenses and contingencies** like Independent verification of results, documentation, Admin expenses, printing of guidelines, purchase of office automation equipment, Assistance to field formation of O/o DC-MSME for their role in implementing the scheme etc.	LS	**0**	**400**	**400**
Grand Total		**12600**	**36500**	**49100**

7.2 All amounts are inclusive of all taxes.

7.3 * There shall be an additional subsidy of 5% for MSMEs owned SC/ST/women and MSMEs located in NER and J&K.

8.0 **Modalities of fund transfer:**



8.1 **Fund Transfer to NMIU:** For facilitating the smooth and faster roll out of the Scheme at a National Level, the total amount of grant envisaged under the Scheme would be periodically transferred to NMIU to be kept in a separate account to be opened by NMIU. NMIU could take the funds out of this account against compliance of pre-defined conditions. NMIU would keep and periodically report on the fund status to SSC.

Annexure – 1 ZED MATURITY ASSESSMENT MODEL

	Sl. No.	Category	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
1.	A-1	Process Design for Quality	Technology selection & continual Up gradation	- Old set up / machines based on technology as available and no efforts or initiatives taken for improving it.	- Machines upgraded to meet the specifications. However, machine setting and monitoring is manual.	- 30 to 60% of the machines / process equipment are PLC, CNC controlled - Monitoring is enabled through triggers on display panels and cut-offs (Andon System)	- 60 to 90% of the machines / processss equipment are PLC, CNC controlled, with self-monitoring triggers /alarms/corrections.	- 90% or more of the machines / process equipment are PLC, CNC controlled, with self-monitoring triggers /alarms /corrections.
2.	***A-2***	***Process Design for Quality***	***Process Capability Assessment & Enhancement***	***- No concept of process capability / process performance assessment e.g. no control charts***	***- Process performance for a 25%-50% of processes is monitored through control charts but no action***	***- Process performance for 50%-75% of processes is monitored through control charts but no action***	***- Process performance for 75%-90% of processes is monitored through control charts - Results are used for process corrections/ improvements in certain cases***	***- Process performance for 90% or more of processes is monitored through control charts - Results are used for process corrections/ improvements in all cases***
3.	A-3	Process Design for Quality	Low Cost Automation	- There is no emphasis or awareness on low cost automation	- Low cost automation is done to improve productivity primarily by Management	- Concept of low cost automation is brought into small group activity and the group uses various tools (eg. Kaizen sheets, one point lessons)	- Productivity (Production per FTE) is measured and have improved to the extent of 50% or more of internal targets	- Productivity (Production per FTE) is measured and have improved by upto 80% or more of internal targets - Continuous exercise undertaken for identification and implementation of opportunities for productivity improvement

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4.	***A-4***	***Process Design for Quality***	***Waste Management***	***- No awareness on waste & its effect on profitability or customer***	***- Awareness on waste & its effect on profitability - Preliminary measures of waste reduction implemented with no tracking mechanism in place***	***- Value analysis of manufacturing activities for waste elimination is done through group activity and detailed action plans are in place along with targets and review cadence - Project is meeting targets of 50%-70%and improvement measures are initiated***	***- Waste reduction project is meeting atleast 70%-90% of its targets and is showing continuous improvement since inception***	***- Waste reduction project is meeting targets by ~90% or more***
5.	***A-5***	***Process Design for Quality***	***Safe working environment***	***- No formal Safety Policy in place - No specific system for investigation of accidents/incidents***	***- Safety issues mentioned briefly in overall company objectives/policy - No specific periodicity of review of safety performance with reviews done on adhoc basis - Major incidents investigated and preventive/corrective action is undertaken***	***- Formal Safety Policy addresses issues related to employees and contract workers - Policy communicated through periodic safety training of employees and posters - Detailed review of safety performance information on periodic basis***	***- Policy communicated through comprehensive means (display in notice boards, employee handbook etc.) - Detailed review of safety performance information results in identification and implementation of corrective/prevention action - All incidents investigated and root cause analysis undertaken for preventive/corrective action. Systematic implementation of actions is ensured***	***- Formal Safety Policy is comprehensive and additionally addresses issues related to suppliers and community around - Well established system of HIRA (Hazard Identification & Risk Assessment) for all processes which are documented, reviewed and measures are implemented - Organisation is OHSAS 18001 certified***
6.	B-1	Pre-	Process	- No system to	- Processes are	- Processes are	- Validation process	- Systematic

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		production (startup activities)	validation	validate that process is meeting specification and quality requirements	documented but no validation processes in place	documented and followed and process validation undertaken for critical/key processes	such as Proto type manufacturing, First piece validation or Pilot manufacturing is in place and is undertaken for all processes	Process Validation undertaken for all processes with 100% control over the atleast 80% of the process and atleast 80% of the finished products
7.	B-2	Pre-production (startup activities)	Supplier development	- No systematic vendor selection process in place (Purchases are made based on day to day requirements without any system, may result in stock-outs/firefighting)	- Suppliers are evaluated and approved based on a systematic process	- Performance management systems for vendor evaluation in place	- System in place to help suppliers improve their capabilities	- Performance management is used for business allocation
8.	***C-1***	***Production and maintenance activities***	***Swachh workplace (5S)***	***- Unclean work area with clutter all around (scrap material, tools etc.) and floor space unclean with oil, grime, etc.*** ***- No idea on its effect on safety and productivity***	***- 5 S seen as an improvement tool. Trainings /awareness created at all levels*** ***- Initiatives for 1S (Sort) is being implemented i.e. differentiating between the necessary and unnecessary to discard the unnecessary tools, parts, tools, machinery;***	***- Visual management is in place*** ***- Initiatives for 2S (ensuring everything has a designated place and the items are is in place) and 3S (ensuring workplace is clean and organized) are implemented across the company***	***- Standardization of the 5S procedures have been undertaken using various tools eg. job cycle charts, visual cues (e.g., signs, placards, display scoreboards),check lists***	***- '5 min' '5 S' activity is a routine*** ***- Continual Improvement in productivity and motivation is measured for PDCA***

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					defective products etc.			
9.	*C-2*	*Production and maintenance activities*	*Daily works management*	*- Targets are set by fire fighting on day to day basis* *- QCD (Quality, Cost, Delivery) requirements are not set*	*- Factory has been divided into zone and leaders identified for DWM* *- Workers participation in DWM for problem resolution* *- DWM boards are in place*	*- QCD (Quality, Cost, Delivery) targets are met 70 - 80%* *- Systematic analysis of losses with appropriate initiatives identified and implemented with suitable action plan* *- PDCA cycle concept started for problem solving*	*- QCD (Quality, Cost, Delivery) targets are met ~80 - 95%* *- Information on Plan, Action and critical issues is displayed by Visual management* *- Workers participation in day to day basis increased by SGA/QC/ suggestions / schemes/ simplification*	*- QCD (Quality, Cost, Delivery) targets are met 95% or more* *- Continual improvement on SOPs, reduction in variability and OEE improvement*
10.	*C-3*	*Production and maintenance activities*	*Planned maintenance*	*- No system of planned maintenance. Equipment are repaired as and when breakdown occurs*	*- Planned maintenance system in place.*	*- Planned maintenance system in place. Adherence to schedule is 50%-80%* *- Step 1, 2 & 3 of autonomous maintenance are implemented and are taking place regularly in the organisation*	*- Planned maintenance system in place. Adherence to schedule is 80-95%* *- Measures undertaken to eliminate repeat failures* *- Step 4 & 5 of autonomous maintenance are implemented in the organisation*	*- Planned maintenance system in place. Adherence to schedule is >95%* *- Machine breakdowns have been reduced by 5% in the last one year* *- Step 6 & 7 of autonomous maintenance are implemented in the organisation*
11.	*C-4*	*Production and maintenance*	*Process Control*	*- Process Quality Plan (Control Plan) does not exist.*	*- Process Quality plan (control plan) in the making/ quality plan exists*	*- Process Quality Plan (control plan) followed but only for ~30% of the processes or less .*	*- Critical processes identified and process Quality Plan (control plan) followed for all*	*- Process Quality Plan (Control plan) followed for all process.*

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		activities			***but is not followed***		***critical process***	
12.	D-1	Product Design for Quality	Design capability	- Not aware of how to evaluate Design capability	- Design capability is assessed on a reactive basis eg. an index of customer complaints and extent of failures found during manufacturing. - Design capability is improved by design modification as necessitated by customer complaints or internal failures.	- Design capability is proactively assessed eg. based on variation in product performance and analysis between actual and target performance - Risk analysis carried out and high risk area identified & DFMEA conducted - Causes are investigated and actions taken to improve RPN - Design capability improvement through DOE is also carried out whenever found necessary	- Capability is assessed systematically and regularly with necessary action taken to raise levels - All possible reasons for low capability are investigated using several tools/techniques- eg. seven tools, FMEA and DOE - Capability levels are monitored to maintain high level of capability	- Product design capability is assessed in sigma level through a comprehensive score card incorporating several elements including parts, processes and performance - Capability is improved by analyzing and improving characteristics on each aspect in low capability areas.
13.	D-2	Product Design for Quality	Design process & methodologies	- There is no design process . - Designs are from OEMs or standard available designs	- Design activity is unilateral-one man show- Design inputs are decided based on engineering knowledge with few customer inputs- Designs are reviewed unilaterally and errors found are corrected- No prototype or trial runs made before release - No records of errors found subsequently and	- Design group in place to develop own designs based on engineering knowledge with few customer inputs - Designs are reviewed by an internal engineering group.- Prototype or trial runs are made before release of design.- Records of error founds are maintained- Design review and verifications are carried out.- Customer complaints are maintained with reasons	- Research and development group in place to develop new designs to cater present and future requirements of customers. - Customer inputs as received from marketing /customer visits are incorporated into Design- Complete design process (control, verification and validation) in place along with development of prototypes. -	- Market research undertaken to predict future product specifications - Undertakes end-to-end development from developement of proto types to final project delivery and validation with use of intensive softwares at all stages - Designs are optimized for robustness using QE

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					action taken- Customer complaints are not maintained	for failures investigated & suitable actions taken for prevention	Designs are reviewed by cross function team before release.- Changes/ Modifications in designs are proactive.	techniques as suggested in ISO 16336 on RPD (Robust Parameter Design)- Takes IPR for designs.
14.	E-1	Post production activities	Transportation and storage	- No awareness on the appropriate conditions for transportation or storage of products based on the type of product	- Appropriate conditions for transportation or storage of products based on the type of product are documented but are not followed	- Facilities are partially available for the storage/transportation of products under appropriate conditions.	- Facilities are available for the storage/transportation of products under appropriate conditions but on exceptional basis are not followed	- Facilities are available for the storage/transportation of products under appropriate conditions and is followed 100% - No customer complaints with respect to transportation/storage
15.	***E-2***	***Post production activities***	***Timely delivery***	***- No process in place to ensure adherence to delivery timelines***	***- Process in place to ensure adherence to delivery timelines but not followed***	***- Process in place to ensure adherence to delivery timelines and followed upto ~50% cases***	***- Adherence to delivery timelines in upto ~70% cases***	***- Adherence to delivery timelines in upto >85% cases***
16.	E-3	Post production activities	Customer Education for product usage Maintenance and service	- No defined process for customer training or dedicated team for product demonstrations	- Defined process for customer training partially in place. - Small team in place for product demonstrations and customer training but team does not use any tools for training	-Defined processes and appropriately sized teams for product demonstrations and customer training. - Usage of traditional mediums like user manuals for educating customers about proper usage of the product during its life cycle.	- Usage of videos and other mediums (white papers, eBooks and newsletters etc.) for product demonstration/installation to customers - But no other forums to solve customer pain points on real time basis.	- Dedicated and skilled team for product demo to the customers at the time of delivery &installation. - Uses technologies (webinars, eBooks, e-learning courses) to highlight and solve customer pain points and educate

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								customers.
17.	E-4	Post production activities	Customer Servicing	- No defined plan/process for customer servicing.	- Defined plan/process for customer servicing partially in place and are being followed	'- Comprehensive plan/process defined for customer servicing and is implemented - Targets as laid out in the plan are being met at least 50%-70%	- Targets as laid out in the plan are being met at least 70-90% - Defined service levels are reviewed on a consistent basis and initiatives are undertaken to improve it	- Targets as laid out in the plan are being met at least >90% - Defined service levels are reviewed on a consistent basis and initiatives are undertaken to optimise processes
18.	F-1	Process Design for Environmental Management	Technology selection & continual up-gradation	- Environmental aspects are not considered while selecting/developing technology or sourcing a process for the product.	- Policy in place to consider environmental aspects while selecting/developing technology or or sourcing a process for the product but not implemented	- Policy in place to consider environmental aspects while selecting/developing new technology or or sourcing a process for the product and is implemented - However, Investment and operating costs are the main consideration in selecting technology for a product while environmental performance is also kept in view.	- The organization creates an up-gradation plan for technology over short/ medium term for environmental performance enhancement and reviews the plan on periodic basis	- Continuous monitoring and review of processes with respect to technological up-gradation and reduction in environmental impact.
19.	***F-2***	***Process Design for Environmental Management***	***Systems for abatement of effluent, emissions and wastes***	***- No system of pro-active checking of compliance. - Reacts to complaints and fixes problems as and when they occur.***	***- System in place for periodic checking of environmental compliance . No action undertaken on variances***	***- System in place for periodic checking of environmental compliance . 50%-70% action undertaken on variances***	***- System in place for periodic checking of environmental compliance . >90% action on variances***	***- Environmental metrics show improvement and are beyond regulatory norms - Mechanism for their monitoring, measurement and continual improvement are in***

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								place. *- Regular environmental audits are carried out and technology is upgraded to meet the requirements.*
20.	*F-3*	*Process Design for Environmental Management*	*Systems for energy efficiency*	*- No concept of energy saving equipment exists.* *- Installed Meters are either not working or not used for internal controls and inferences.*	*- People are trained on energy conservation* *- Limited initiatives to minimise energy losses* *- eg. Some basic equipment such as power capacitors installed.* *Separate meters are installed in high energy consumption areas and logs maintained.*	*- All potential areas for energy savings identified and initiatives with high impact are being implemented and tracked* *- eg. Variable Frequency Drives and Power capacitor banks installed to reduce energy consumption.* *Some Energy Meters, Load Cells, Chilled water, TR Meters, are installed and used to derive daily Efficiencies.* *- All measuring equipments are calibrated.*	*- Energy metering is carried out for each segment independently.* *- Clear focus on Energy Efficient Purchases.* *- All energy conservation and measuring equipment are under proper maintenance and calibration control with more than 95 % uptime.*	*- Energy performance indicators are linked to Business Performance.* *- 2-5% of the energy requirements are met through renewal sources of energy eg. solar*
21.	*F-4*	*Process Design for Environmental Management*	*Systems for natural resource conservation*	*- No focus on natural resource conservation*	*- Ad-hoc low cost measures for natural resource conservation developed eg. natural lighting, paper re-use, water*	*- Identified important areas of resource conservation such as (as applicable) heat exchangers, solar water heating / P V panels, investments in hydro /*	*- Implemented plans for natural resource conservation achieve 60-90% of its target* *- Progress regularly reviewed by top management*	*- Plans implemented achieve >90% of the target* *'- Processes including raw materials are*

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					wastage prevention etc. ***- People are trained on conservation***	***wind projects*** ***- Plans drawn up for gradually use renewable resources, water recycling, plantation to make up for use of wood, if applicable*** ***- Plans are implemented and review mechanism is in place***		***continually reviewed to maximize conservation of natural resources***
22.	G-1	Pre-production (startup activities) for environmental Management	Installation of environmental protection and measuring equipment	- Main focus on production plants with Plant & equipment for environmental protection not mapped. - No system of measuring environmental discharges and compliance	- Installation of selective environmental management equipment taken up simultaneously with the production units. - But commissioning of production units not held up if control systems are not ready.	- Necessary environmental management equipment, measuring devices and production units form total package of the project. - Work taken up simultaneously on all items though focus is for the production units. - Commissioning of complex ones are proceeded with if key control devices are ready, without waiting for the balance control and measuring systems to be completed.	- Installation of all production units and environmental management & measuring systems are completed before taking up commissioning activities. - Satisfactory dry trial runs of all units and systems are completed before commissioning of the complex	- Environmental management systems backed by highly intelligent measurement systems are fully integrated with the production process and are in place prior to commissioning of the complex.
23.	***H-1***	***Production and maintenance activities***	***Planned maintenance of Environmen-tal managem***	***- No system of planned maintenance of environmental management systems-***	***- Planned maintenance system in place.***	***- Planned maintenance system in place. Adherence to schedule is 50%-80%***	***- Planned maintenance system in place. Adherence to schedule is 80-95%- Measures undertaken to eliminate repeat***	***- Planned maintenance system in place. Adherence to schedule is >95%- Machine***

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			ent systems	***Equipment are repaired as and when breakdown occurs***			***failures***	***breakdowns have been reduced by 5% in the last one year***
24.	H-2	Production and maintenance activities	Planned maintenance of energy control systems	- No system of planned maintenance of energy control systems - Equipment are repaired as and when breakdown occurs	- Planned maintenance system in place.	- Planned maintenance system in place. Adherence to schedule is 50%-80%	- Planned maintenance system in place. Adherence to schedule is 80-95% - Measures undertaken to eliminate repeat failures	- Planned maintenance system in place. Adherence to schedule is >95% - Machine breakdowns have been reduced by 5% in the last one year
25.	I-1	Product Design for Environment	Design compliance with regulatory requirements	- No consideration of environmental aspects while developing and designing a product	- While the final product is designed to meet environmental regulatory requirements, environment considerations are not factored in the process of developing the same	- Products are designed to meet environmental regulations and the process of developing the same is also kept environment friendly in upto ~50% of the cases	- System in place integrating environmental regulatory requirements while designing and developing products and is followed 100%	- Proactive approach in developing environment friendly products using environment friendly raw materials which go beyond the regulatory environmental considerations
26.	J-1	Post production activities	Disposal after use	- No instructions on environmentally safe disposal of its products after use	- Only basic information on use, storage and safe disposal of its products after use mentioned in packaging.	- Detailed instructions on its use, storage and safe disposal mentioned on the packaging. No initiative to educate the customers	- Complete information on safe disposal of its products after use printed on packaging including in local languages.	- As a policy, reviews the potential negative impacts of its products after use and adopts state-of-the-art technology including use of alternate raw materials to reduce such impacts.

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27.	K-1	Facility	Plant layout	- Machines/equipments are laid out as per availability of space - There is no consideration of process flow as part of plant layout decisions.	- Wastes attributed to unplanned layout are identified. People are trained and teams are formed for improvements. - Efforts are to ensure layout conducive to linear material flow	- Layout considers flow from raw material receipt to dispatch point with straight line pathways. - Layout supports accessibility of machines from point of maintainability - Layout supports full segregation of material based on grades and types, rework, reject status on the shop floor	- Visual management of total flow and plant layout exist - Reduction in material distance, time and manpower is measured and reviewed for continual improvement	- Regular monitoring of benefits of improved layout is done for PDCA
28.	K- 2	Facility	Materials Management	- Storage activities are seen as a transient point - Higher inventory levels are maintained to ensure there are no stock-outs.	- Stores department is seen as part of materials management. - Materials management team analyses demand consumption pattern to decide the stock levels - Activities between stores and purchase are synchronized	- Segmentation of stores carried out based on various factors - Storage systems ensuring ease of handling; FIFO, Indexing and binning are in place. - The decided stock levels are maintained and reviewed to ensure reduction in inventory	- Based on the segmentation of stores the layout of store is decided. - Concept of de-centralization of stores with a view to minimize the non-value added activities is discussed and finalized. - Visual Management with color coding in place. - The reduction in inventory at all stages such as raw material , WIP, Finished good, etc. is measured and reviewed for improvement	- The reduction in inventory has led to improved Inventory Turnover ratio consistently on year to year basis. - The visual management ensures instant material irretrievability by anybody.
29.	***K-3***	***Facility***	***Material handling***	***- Material handling is***	***- Material handling is taken as***	***- Quality defects /damages attributed to***	***- Material handling systems have been***	***- Automated storage/retrieval***

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			systems	***predominantly manual*** ***- Not seen as activity that can improve productivity and quality***	***management focus area to reduce cost, eliminate movement related quality issues*** ***- Team organized to identify handling issues each stage i.e. eg. Material receipt , Inspection/acceptance, Storage etc.***	***handling are identified and corrective actions taken*** ***- Improvement goals and plans are made with the team after awareness training and participation***	***designed commensurate with products sensitivity and incidence of handling defects*** ***Benefits are being measured in terms of :*** ***- Response and retrieval time*** ***- Productivity of inventory*** ***- Elimination of unnecessary operations*** ***- Maximized floor space utility*** ***- Security and safety*** ***- Good house keeping***	***system in place*** ***- Continual PDCA for sustaining and improvements***
30.	L- 1	Human Resource	People development plan	- No system/process for creating people development plans or concept of defining competencies for skills development. - People deployment takes place on perceived skills on ad-hoc basis.	- Basic skill mapping system in place backed with planned training and coaching.	- Comprehensive employee development plans are created for employees - Implementation commenced for upto 50% of the people	- People development plans rolled out and is operational for 50%-80% of the employees - Competencies extend to soft skills, environmental, safety, energy conservation areas	- People development plans rolled out and is operational for >80% of the employees - Regular feedback from employees used to improve initiatives for employee development

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31.	L-2	Human Resource	Employee involvement activity	- No involvement of employees in decision making, improvement or change as all decisions are taken by top management and issued for compliance	- Employees involved activity is very limited to a few areas - eg. Shop- floor level empowerment given to managers /supervisors Employees' involvement in local area improvements such as clean work place.	- Employee engagement programmes such as Kaizen / quality circles / suggestion schemes in place - Concept of team based working introduced.	- Business plans & performance shared with all employees with targets at all levels are drawn in consultative mode. - Teams empowered to manage their work areas, with manager playing facilitators' role. - Incentives include non- financial rewards & recognitions	- High level of employee engagement with employee led innovations and proactive involvement of large employee pool epitomizing this culture.
32.	M-1	Outsourced activities	Outsourced activities : Selection, control and improvement	- No formal selection process in place to select vendors for outsourcing. - Work outsourced without any evaluation of skills and resources.	- Defined selection process in place but not followed effectively. - The performance of only key vendors is reviewed.	- Basic outsourcing strategy in place that aids identifying areas for outsourcing - A formal selection and evaluation process for vendors exists and periodic evaluation as per the evaluation process is done - Service level agreements are in place.	- Vendor considered as Partners and works with them to evaluate the current processes to identify improvement opportunities such as technology changes etc. - Frequent dialogue and collaborative discussions for product / service improvements and sharing of knowledge	- Highly mature outsourcing strategy and implementation framework - The strengths of outsourcing partners used for innovation in products.Value addition to the organisation in terms of technology, process enhancement and competitiveness by knowledge sharing.
33.	N-1	Innovation and creativity - Safeguarding	Trademark	- Don't Know about IPRs, may violate intellectual property rights of others.	- Knowledge about IPRs, is available - Trademark for the Industry registered	- Trademark have been registered for the Industry and also for < 50% of the products.	- Trademark is used as a branding tool and <75% of the products are registered	- The company and the products are considered as national as well as international brands with all products being registered

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34.	N-2	Innovation and creativity - Safeguarding	Industrial Design	- Don't Know about IPRs, and may be violating clauses on industrial design.	- Knowledge about IPR clauses on Industrial Design, is available on one products	- <50% products are registered for industrial Design in the name of company.	- Upto 75% of the products are registered for industrial Design in the name of company.	- All products are registered for industrial Design in the name of company and enjoy market acceptability at national and international level
35.	N-3	Innovation and creativity - Safeguarding	Copyright	- Don't Know about IPRs, and may be violating clauses on Copyright.	- Knowledge about IPR clauses on Copyright, is available on one product and process	- <50% products and process are registered for Copyrights in the name of company.	- Upto 75% of all products and process are registered for Copyrights in the name of company.	- All products and process are registered for Copyrights in the name of company. And enjoy market acceptability at national and international level
36.	N-4	Innovation and creativity - Safeguarding	Patent	- Don't Know about IPRs, and may violate clauses on patents.	- Knowledge about IPRs, but do not own any patent, currently using old technology without legal complexity.	- Has filed for a patent for product/ process/ technology	- Owns domestic patents for indigenous product/process/technology	- Owns international patents for indigenous product/process/technology
37.	***O-1***	***Outcomes for Quality Performance***	***Outgoing (at customer end) quality performance level***	***- Outgoing quality level is 2% or more***	***- Outgoing quality level is less than 2%***	***- Outgoing quality level is 5000 ppm or less or >50% customers rate the organisation as meeting their expectations***	***- Outgoing quality level is 1000ppm or less or >50% customers rate the organisation as top quartile***	***- Outgoing quality level is 100ppm or less or >50% customers rate the organisation as top decile***
38.	***O-2***	***Outcomes for Quality Performance***	***In-house quality performance level (first pass)***	***- In process manufacturing quality level is 5% or more***	***- In process manufacturing quality level is less than 5%***	***- In process manufacturing quality level is 2% or less.***	***- In process manufacturing quality level is 0.5% or less.***	***- In process manufacturing quality level is 0.1% or less***

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39.	O-3	Outcomes for Quality Performance	Field performance level (based on customer defined targets for field performance)	- <30%	- >= 30%	- 50%	- 75%.	>90%
40.	P -1	Outcomes for Process Performance	Total Employee Involvement (TEI)	- The company has no criteria for measuring TEI.	- Company has identified measures for TEI such and has started measuring it	- <50% employees have participated in one or more improvement initiatives	- <70% employees have participated in one or more improvement initiatives - Unauthorized Absenteeism is measured and is less than 7%	- >80% employees have participated in one or more improvement initiatives
41.	***P -2***	***Outcomes for Process Performance***	***Scrap (as a % of gross sales)***	***>2%***	***<=2%***	***<0.75%***	***<0.5%***	***<0.2%***
42.	P -3	Outcomes for Process Performance	Process Capability (Cp/ Cpk)	- No data of process capability is maintained.	- Company has stared measuring (Cp/Cpk) values.	- 50% of critical processes Cpk exceeds or is equal to 1.00	- 75% of critical processes Cpk exceeds or is equal to 1.00	- All critical processes Cpk exceeds or is equal to 1.33
43.	P -4	Outcomes for Process Performance	Overall Equipment Effectiveness	Less than 30%	30-60%	60-65 %	65-85%	>85 %
44.	***Q -1***	***Outcomes for Environmental***	***Optimal use of natural resources***	***- No data maintained***	***- Measurement of Natural Resource use parameters has commenced***	***- As applicable, one or more of the following - - 25 % conversion from fossil fuels to***	***- As applicable, one or more of the following - - 50 % conversion***	***- As applicable, one or more of the following - - 80% conversion***

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		Performance				*clean fuel* *- Apart from evaporation, 50 % water recycled* *- 50% own plantation and no virgin forest is cut where wood is a consumable*	*from fossil fuels to clean fuel* *- Apart from evaporation, 75% water recycled* *- Rain water harvesting and recharging of ground water is practiced* *- 100% own plantation and no virgin forest is cut (where wood is a consumable)*	*from fossil fuels to clean fuel* *- Apart from evaporation, 90% water recycled* *- Organization is water positive through rain water harvesting, recharging of ground water* *- Net positive contributor to plantation (where wood is a consumable)* *- Organization uses renewable sources of energy in non-critical areas*
45.	*Q -2*	*Outcomes for Environmental Performance*	*Energy performance*	*- Energy performance indicators are not fully defined*	*- Important energy performance indicators are defined and monitored for compliance.* *- Sets yearly targets for reduction in specific energy consumptions and achieves these up to 50%*	*- All energy performance indicators are monitored* *- Achieves 5% reduction over previous year in specific energy consumption for the products*	*- Achieves over 5% and up to 10% reduction over previous year in specific energy consumption for the products*	*- Achieves over 10% reduction over previous year in specific energy consumption for the products*
46.	*Q -3*	*Outcomes for*	*Environmental*	*- Compliance of the*	*- Critical environmental*	*- All environmental performance indicators*	*- Compliance of all environmental*	*- Achieves up to 5% beyond*

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		Environmental Performance	***performance – air/effluent / solid wastes***	***environmental performance parameters are not monitored.***	***performance indicators are monitored occasionally***	***are monitored regularly - Compliance of the critical environmental performance parameters up to 75% of time***	***performance parameters up to 100 % of time***	***regulatory norms in environmental performance at all times.***
47.	R -1	Outcomes for overall Company performance	Turnover growth	- Stagnant turnover. No growth or decline.	- Growth over last financial year by 5%	- Consistent Growth YOY 5% and more over last 3 financial years.	- Consistent Growth YOY 10% and more over last 3 financial years.	- Consistent Growth YOY 15% and more over last 3 financial years.
48.	***R -2***	***Outcomes for overall Company performance***	***Operating profit/ % improvement (Measured as Gross Profit)***	***- Stagnant Operating Profit. No improvement.***	***- Operating Profit Growth over last financial year by 5%.***	***- Consistent operating Profit Growth YOY 5% and more over last 3 financial years.***	***- Consistent operation Profit Growth YOY 10% and more over last 3 financial years.***	***- Consistent Operating Profit Growth YOY 15% and more over last 3 financial years.***
49.	R -3	Outcomes for overall Company performance	Safety Score	- Measurement of safety parameter such as man-hours lost , near misses, disability and fatality is not being done	- 10 % decrease in man-hours lost due to accidents wrt to last year. - Corrective action on accidents reported have been taken	- No fatal accidents or temporary disabilities in the last 1 year. - 20 % decrease in man-hours lost due to accidents wrt to last year. - Action on all near misses reported have been taken and implemented	- No fatality or temporary disability over last 3 years - Man-hour lost due to industry accidents is less than 0.1%.	- No fatality or permanent disability over last 3 years - Zero hour lost due to industry accidents
50.	R -4	Outcomes for overall Company performance	Inventory turnover (ITR)	- ITR is not measured.	<10	10-25	15-20	>20

Annexure – 2 ZED MATURITY ASSESSMENT MODEL ADDITIONAL FOR DEFENCE

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
A	Defense Outreach					
1	Supplier to Indian Defence Organisation	The company has not supplied to any of the Defense organization or supplier to such organizations.	The company has supplied to at least one of the following organizations or Company has experience of 10 plus years in the simliar product line Even in non defense	The company has supplied to any one of the following organizations	The company has supplied to any one of (a) and (b) of the following organizations Plus (c)	The company has supplied to any one of (a) and (b) of the following organizations Plus (c)
				Tier 2, Tier 3, Tier 4 Supplier to an Indian company where the end user is an Indian defence organization/ Defense PSU	Indian Govt Defence Organization; PSU in the Defence sector	Indian Govt Defence Organization; Indian PSU in the Defence sector
					Tier 2,Tier 3 or Tier 4 Supplier to an Indian company where the end user is an Indian defence organization	Tier 2,Tier 3 or Tier 4 Supplier to an Indian company where the end user is an Indian defence organization;

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
					(c)The company should have Purchase Orders (POs) of minimum Rs 20 Lakhs from categories of customers listed above in the past three years and supplying consistantly for last 2 years	(c)The company should have Purchase Orders (POs) of minimum Rs 50 lakhs from categories of customers listed above in the past three years and supplying consistantly for last 5 years
2	International Operations	The Company does not have international approach.	The company has received one international order so far and the same is under execution or Company has 5 plus years export experience for similar product in non defense category	The company has received one international order so far and the same is executed successfully	The company has rreceived two or more international order so far and the same have been executed successfully	The company has received two or more international order from more than 2 international customersl so far and the same have been executed successfully
3	Registered Supplier to Defence Establishments in India	The company is not a registered supplier to any defence establishment in India	The company is a registered supplier to at least one of the following: Indian Army; Indian Air Force; Indian Navy;	The company is a registered supplier to three of the following: Indian Army; Indian Air Force; Indian Navy; DRDO;	The company is a registered supplier to four of the following: Indian Army; Indian Air Force; Indian Navy; DRDO;	The company is a registered supplier any five of the following: Indian Army; Indian Air Force; Indian Navy; DRDO;

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
			DRDO; Indian Defence PSU	Indian Defence PSU Other Private companies	Indian Defence PSU Other Private companies	Indian Defence PSU Other Private companies
B. TECHNOLOGY SPECIFIC TO DEFENSE						
4	Developing Technology for defence	None of the following: Govt R&D certification MOU/MOA with Govt/Private research organizations/universities or TOT for licensed production Co-development of technology with external sources	Co-development of technology with external sources	Co-development of technology with external sources MOU/MOA with Govt/Private research organizations/universities or TOT for licensed production	Co-development of technology with external sources MOU/MOA with Govt/Private research organizations/universities or TOT for licensed production Govt R & D Certification In house technology development and successfully developed minimum one technology duly approved by Defense.	Co-development of technology with external sources MOU/MOA with Govt/Private research organizations/universities or TOT for licensed production Govt R & D Certification In house technology development and successfully developed minimum two technology duly approved by Defense. Patent (minimum one)

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
		No Focus on technology development.				
5	Technology Spread	No exposure to technology.	Technology exposure confined to one domain and multiple product lines (Electronics & Communication /IT/Civil /Electrical /Mechanical /Chemical /Agricultural etc)	Technology exposures confined to minimum Two domains (Electronics & Communications /IT /Civil /Electrical /Mechanical/Chemical /Agriculture etc) and multiple product lines	Technology exposures confined to minimum three domains (Electronics & Communications /IT /Civil /Electrical /Mechanical/Chemical /Agriculture) and multiple product lines	Technology exposures confined to minimum four domains (Electronics & Communications /IT /Civil /Electrical /Mechanical/Chemical /Agriculture) and multiple product lines
C Risk Assessment						
6	Risk Assessment	The company does not have any risk assessment plan.	The company has a comprehensive risk assessment plan but the same is not reviewed periodically	The company has a dynamic risk assessment plan which is analysed and action taken.	The company has a well defined Risk strategy at Management level.	The company has a well defined Risk strategy with Risk Assessment being carried out for each project separately and the same being implemented in all business processes.
				The company is member of Local level Industry association to mitigate policy issues (duly accredited by National Body)	The company is member of State/ Business sectorl level Industry association to mitigate policy issues (duly accredited by	The company is member of National/ Business sectorl level Industry association to mitigate policy issues (duly accredited by National Body)

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
					National Body)	
D DEFENCE QUALITY SYSTEM						
7	Defence Quality Standards	Company has no understanding of defence quality stds.	Company has established workmanship standards like IS, IPC, NADCAP, IEC, ASTM etc. and partially follow them whereever applicable.	Company has established workmanship standards like IS, IPC, NADCAP, IEC, ASTM etc. and follow them completely whereever applicable as per the customer requirement. Company is also certified for the applicable defence standards.	Company has established workmanship standards like IS, IPC, NADCAP, IEC, ASTM etc. and follow them whereever applicable, as per the customer requirement. Company is also certified for the applicable defence standards and provides training to its employees on regular interval.	Company has established workmanship standards like IS, IPC, NADCAP, IEC, ASTM etc. and strongly follow them whereever applicable irrespective of customer requirement. Company is also certified for the applicable defence standards and provides training to its employees on regular interval. Company has a regular monitoring system for the implementation of the latest applicable defence standards for product design, development, manufacturing etc. of the product.
8	Organizaton and leadership mindset for quality	(i) Values and ethics are not fully emphasised by the MSME	(i) Values and ethics are adopted, emphasised and communicted by the	(i) Values and ethics are adopted, emphasised and communicted by the	(i) Values and ethics are adopted, emphasised and communicted by the	(i) Values and ethics are adopted, emphasised and communicted by the MSME leadership

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
		leadership (ii) No separate quality organization for quality control and assurance	MSME leadership (ii)Separate quality organization for quality control and assurance	MSME leadership (ii) Separate quality organization for quality control and assurance with Management Representative who shares responsibilities.	MSME leadership (ii) Separate quality organization for quality control & assurance with dedicated Management Representative.	(ii) Separate quality organization for quality control and assurance with dedicated Senior Management Representative.
9	Quality Management Processes	Quality control process is not defined .	Quality Control process defined. Quality Manual available	Quality Control process defined. Quality Manual available	Quality Control process defined. Quality Manual available	Quality Control process defined. Quality Manual available
		No evidence of implementation of quality control procedures	Adherence to the Quality procedures and work standards defined for product realization.	Adherence to the Quality procedures and work standards defined for product realization along with periodic audits and reviews.	Adherence to the Quality procedures and work standards defined for product realization with complete documentation and periodic audits and reviews.	Adherence to the Quality procedures and work standards defined for product realization with complete documentation and periodic audits and reviews.Organization has relevant QMS certification.
10	Testing Facility (Defence	Industrial grade infrastructure is not available	Limited testing facility available for environmental testing	Full ESS suite available in-house for testing related to temperature,	Full ESS suite available in-house for testing related to temperature,	Full ESS suite available in-house for testing related to temperature, temperature cycling, dust, vibration,

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
	Specific)	or No mechanism exists to test products/materia ls outsie	as per JSS55555 Or Has conracts signed with other facilities with JSS55555	temperature cycling, dust, vibration, humidity salt spray and altitude. Or Contracts/ MoU present to access other testing facility with full ESS suite	temperature cycling, dust, vibration, humidity salt spray and altitude with in house testing capability for pre compliance for EMI testing. Or Contracts/ MoU present to access other testing facility with full ESS suite	humidity salt spray and altitude.Full EMI testing facility available. Or (i) Contracts/ MoU present to access other testing facility with full ESS suite (ii) Can access on need basis Full EMI testing facility outside
11	Control of Monitoring, Measuring & Testing Equipment	The process not defined for control of monitoring & measuring equipment	The process is satisfactorily defined for control of monitoring & measuring equipment The implementation part is good for control of monitoring & measuring equipment. Process is well documented	The company has made arrangement for alternate sourcing of services of some test facilities in case of failure of primary test equipment.	Master Reference Standards are traceable to National/ International Standards or equivalent; however some are specified by manufacturer. System is available and implemented to trace and address all critical items/ components tested and passed by instruments/ equipment found later	All Master Reference Standards traceable to National/ International Standards or equivalent System is available and implemented to trace and address all critical items/ components tested and passed by instruments/ equipment found later on out of calibration and addressed all such cases in the past.

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
					on out of calibration	
12	Documentation practices for traceability of Raw materials, In Process and Final Product	(i) The process not defined for Raw materials, In Process and Final Product. (ii) No standard practices on document and records generation, storage, retrieval and disposal	(i) The process is defined for Raw materials, In Process and Final Product The implementation reasonable for critical Raw materials, In Process and Final Products (ii) Records of incoming inspection are traceable for the lifetime of the product to prove products are checked and meet all requirements (iii) Basic process on document generation, version control and retrival in place	(i) The process is defined and documented for Raw materials, In Process and Final Product The implementation is reasonable for all Raw materials, In Process and Final product (ii) Traceability to task performer is available for critical to quality processes (iii) End to end process on document generation, version control and retrival is defined and implementation is started	(i) Traceability standards are extended to critical vendors and sub contactors. Most Master Reference Standards are traceable to National/ International Standards or equivalent; however some are specified by manufacturer. (ii) End to end process on document generation, version control and retrival is defined and fully implemented	(i) Traceability to task performer is available for critical to quality and all special processes. Traceability standards are extended to all vendors and sub contactors All Master Reference Standards traceable to National/ International Standards or equivalent (iii) End to end process on document generation, version control and retrival is defined and implementation is started

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
13	Incoming Inspections	Only visual inspection of raw materials for conformance to approval samples or written specifications. Proper documentary evidence not available for the same.	Evidence available for all adequate measures to assure raw materials conformance to approval samples or written specifications . Adequate staff for quality inspection and lab facility is available. Records of incoming inspection are traceable for the lifetime of the product to prove products are checked and meet all requirements	Inspection process clearly defined for emergency situations when normal inspection timelines can't be followed.	Adequate written inspection guidelines are available in the vernacular language. The quality dept is adequately equipped to check the physical, chemical & mechanical properties of raw material. CAPA is done for rejections. Procedure of in-warding of material and documentation ensures thorough coverage of goods received at all times of a day.	Supplier is fully responsible for the quality of Raw material. No or very small inspection is carried out at inward stage. Supplier Audit, Supplier rating are the main tools to control the quality of inward items. Concept of Material Review Board exists.
14	In-Process Quality Control	Regular line audits not done by quality team to monitor the compliance of the product to meet quality control standards	Regular line audits, on ongoing basis by quality team to monitor the compliance of the product to meet quality control standards	Adequate approved limit samples are available in all the critical and important areas to give inspectors or workers a guideline All Critical to Quality processes are carried out by trained and certified (by Nationall Accredited body) task	Quality tools like fish bone, root cause analysis etc are employed in problem solving. All Critical to Quality processes are carried out by trained and certified (by Nationall Accredited body) task performers	Six Sigma approach is evident in process quality control. All Critical to Quality processes are carried out by trained and certified (by Nationall Accredited body) task performers

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
				performers		
15	Product Testing and Final Inspection	The Company does not have a system wherein customer specifications are tallied with factory specs and additional tests are carried out in case necessary as per customer requirement/ specifications.	The Company has a system wherein customer specifications are tallied with factory specs and additional tests are carried out in case necessary as per customer requirement/ specifications.	Customer drawings/ specifications are readily available and reviewed as when required by concerned team and form part of control document.	The product has traceability for inspection records backwards in case of field failures and unique identification number is allocated to each product	The process failures/ product rejections (within factory, field failures) are recorded , analyzed and reported back to design, production team for corrective mechanism
		The Company does not perform a final inspection on finished products for performance, aesthetics and specifications on sample basis	The Company performs a final inspection on finished products for performance, aesthetics and specifications on 100% basis			
16	Quality Improvement, performance feedback and Six Sigma approach	(i) Quality improvement are on ad- hoc basis (ii) No mechanism to get feedback from OEMs on product quality	(i) Kaizen and small group workmen activities like Quality Circles etc are in place to address some quality issues. (ii) Only customer/OEM complaints on quality	(i) Kaizen and small group workmen activities like Quality Circles etc are in place to address quality issues pertaing to processess,	(i) Kaizen and small group workmen activities like Quality Circles etc are in place to address quality issues pertaing to processess,	(i) Kaizen and small group workmen activities like Quality Circles etc are in place to address quality issues pertaing to processess, maintenace and safety in all areas with more than 80% involement

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
		or the equipment field success	are captured in continous improvmemet process	maintenace and safety with up to 50% involement of employees Six Sigma or other Approach is deployed to achieve in process quality within Green zone (within plus and minus 40% of tolerance band)for at least 50% of Critical to Quality Processes (ii) Mechanism exists to capture customer feedback (both postivie and negative) on product qaulity and incorporate it in continuous improevement cycle	maintenace and safety in all areas with up to 70% involement of employees Six Sigma or other Approach is deployed to achieve in process quality within Green zone (within plus and minus 40% of tolerance band)for all Critical to Quality Processes (ii) Proactively reaches OEMs nd customers to get product quality an field success feedback and integrates in continuous improvement cycle	of employees (ii) Six Sigma or other Approach is deployed to achieve in process quality within Green zone (within plus and minus 30% of tolerance band)for all Critical to Quality Processes (iii) Proactively reaches OEMs nd customers to get product quality an field success feedback and integrates in continuous improvement cycle
E FINANCIAL DISCIPLINE						
17	Financial Discipline and purdence	(i) The Company has defaulted on its loans or other statutory obligations and is classified as a non performing asset by its	(i) The Company had earlier defaulted on its loans or other statutory obligations in the last three years, however, it is currently able to meet its dues	Either (i) The Company has never defaulted on its loans or other statutory obligations in the last three years, however, it has	The Company has never defaulted on its loans or other statutory obligations in the last three years and never	The promoters/directors/group Companies have a debt servicing schedule that is presented and a policy of meeting debt servicing requirements through infusion of funds where

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
		creditors/lenders . (ii) Names of the promoters and/or directors' names appear on the defaulters' list.	(ii) None of the promoters' and/or directors' names appear on the defaulters' list	rescheduled some of its commitments. Or	rescheduled any of its commitments. And	necessary And
		(ii) Company has inadequate asset coverage ratio of less than 1.5	(iii) Company has bare minimum asset coverage of 1.5.	(ii) Company has healthy asset coverage ratio in range of 1.5-2	Company has healthy asset coverage ratio in range of 1.5-2	Company has aset coverage ratio in the range of 2-2.25
18	Funding Flexibility and rotation	(i) Funding flexibility is minimal from both own sources and other sources of funds	(i)Funding flexibility is limited with own sources of funds being limited.	(i) Funding flexibility is available in terms of promoters'/investor funds as well as debt. (ii) The Company has moderate leverage and hence may rely more on its promoter's funds	(i) The Company has low leverage and hence can rely on both sources of funds. And	(i) The Company has low leverage and hence can rely on both sources of funds. And
		(ii) Company has a slow cash-cash trading cycle of less than 1	(ii) The Company has certain unutilised limits for facilities provided by Banks and are on good terms with their financiers. And	(iii) Lenders have shown willingness to sanction more loans/facilities to the Company in line with its growth plan. And	(ii) Company has a rapid cash-cash trading cycle of 3 and above	(ii) Company has a rapid cash-cash trading cycle of 4 and above
			(iii) Company has a slow cash-cash trading	(iii) Company has a moderate cash-cash		

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
			cycle of 1.5-2	**trading cycle of 2-3**		
F. SECURITY, SAFETY AND CONFIDENTIALITY						
19	**Physical, Environmental and Employee Security**	(i) Securing of access points (ii) Basic systems and checks for protection against fire and flood (iii) No Checks or confidentiality agreements with employees prior to, during or post exit from the job	(i) Securing of access points and perimeter walls (ii) Adequate systems and SoPs for protection against fire and flood (iii) updation of access rights etc. on termination	(i) Securing of access points and perimeter walls through exclusive registered security agencies certified by PSRA (ii) Adequate systems and SoPs for protection against fire and flood (iii) Employment history check prior to employment, confidentiality clause during employment and updation of access rights etc. on termination	(i) Securing the perimeter walls, gates, lighting, access control system of entry, protection of vital stores and designating restricted areas (ii) Robust systems and SoPs for protection against fire, flood, earthquake (iii) Employment history check prior to employment, defined access protocols and confidentiality clause during employment and updation of access rights etc. on termination	(i) Comprehensive visitor management system to ensure that no visitor has access to facility or information to which he is not entitled. Installation of metal detectors, CCTV and vehicle search mirror, as required (ii) Robust systems with redundancy, SoPs for protection against fire, flood, earthquake, bombs (iii) Employment history check prior to employment, defined access protocols and confidentiality clause during employment and updation of access rights etc. on termination
20	**Information asset management**	(i) No process to classify of information, no protocol for information dissemination (e.g. Media) and no direct control on access to	(i) Basic classification of information and installation of security systems for information assets (ii) defined access control policy for various levels of organization to	(i) Process for classification of information and installation of security systems for information assets. Redundancy and duplication mechanisms built in for	(i) Process for classification and installation of security systems for information assets. Redundancy and duplication mechanisms built in for information assets	(i) Certified for ISO/IEC 27002 with robust classification , installation of security systems for information assets and redundancy and duplication mechanisms (ii) protocols and dedicated

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
		information at any organization level	information assets	information assets (ii) defined access control policy for various levels of organization to information assets	(ii) protocols and dedicated information manager for access and dissemination of information outside of the organization (e.g. media)	information manager for access and dissemination of information outside of the organization (e.g. media)
21	**Safety management (Man &Machinary)**	Safety equipments are not adequate w.r.t the size of the plant and the no. of machines/ nature of production. Safety procedures are not practiced in the factory	Standard safety procedures and adequate no. of equipments are available in manufacturing area only.	Standard safety procedures are practiced in facility and are adequate including safety equipments. Safety related records are maintained	Standard safety procedures are practiced in facility and are adequate including safety equipments. Employees are provided awareness training on safety. A dedicated safety officer is appointed. Safety records are up to date and demonstrate very safe condition of operations	The company practices occupational health and safety management system (OHSMS) and is certified as per OHSAS 18001:2007. The management places safety among its top priorities and practices comprehensive safety procedures covering the entire facility- machinery, manpower and processes.
G POST DELIVERY SUPPORT AND CUSTOMER FEEDBACK						
22	**Post Delivery Support (Expertise and Spares)**	(i) There is no Exclusive Post delivery support team	(i) Support to the customer after sales available only ex works (ii) Spares are classified	(i) Post delivery customer support onsite and ex works depending on requirement (ii) Spares are	(i) Post delivery customer support onsite and ex works depending on requirement • Collection and	(i) Post Delivery Support shall provide as applicable for the • Collection and analysis of in-service data for

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
		(ii) No classification of spare parts by criticality exist and no timely assurance of spare parts	and A type (most critical) are avaialble within 48 hours	classified and A type (most critical) are avaialble within 24 hours	analysis of in-service data for improvement Obligations towards warranty/AMC obligations are fully met (ii) Spares are classified and A type (most critical) are avaialble all the time hours while others within 48 hours	improvement • Obligations towards warranty/AMC obligations are fully met • Three tier structured through telephone, mails and letters for immediate response (ii) Spares are classified and A type (most critical) are avaialble all the time hours while others within 48 hours
23	**Customer feedback and Improvement Process**	Customer feedback is not documented Customer feedback is not related to actions for improvement	Customer feedback is documented Customer feedback is taken for process improvement	Customer feedback rating improved by 5 % over previous year in the following parameters • Product performance • Delivery performance	Customer feedback rating improved by 7 % YOY over previous 2year in the following parameters • Product performance • Delivery performance • Responsiveness • Technical	Customer feedback rating improved by 10 % YOY over previous 2year in the following parameters • Product performance • Delivery performance • Responsiveness • Technical competence OR

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
					competence OR All rating are above 80% measured on a 5 point scale	All rating are above 90% measured on a 5 point scale. Customer feedback is taken on regular intervals and analyzed for improvement. Receipt of appreciation letters for the product/services.
H DESIGN DISCIPLINE						
24	**Design (includes packaging) for reliability and regulatory adherence**	(i) No design activity is present. Customer provides specification and design.	(i) Design is limited to low value/low complexity compontent and process. Design done by working closely with customers/OEM design team	(i) Separate design unit/resources avaialable. Design norms are defined and customer requirements are included in all stages of design.	(i) The design norms present to include asset reliability, maintainability during asset life and extreme operating conditions. Design is checked for regulatory adherence and approved by customers	(i) Design norms present to include asset reliability, maintainability during asset life and extreme operating conditions. Dedicated resources to check Regulatory adherence and manage end-end design cycle from conceptual design phase till production part approval
		(ii) No specific norms for packaging exit. Standard bubble packaging is used	(iii) Packaging done based on customer defined norms,	(ii) Process for packaging design present. separate packaging control department exists	(ii) Packagign design cutomised for each product class and shipment location Packaging control mechanism based on continous feedback from customers	(ii) Packagign design cutomised for each product class and shipment location Packaging control mechanism based on continous feedback from customers

No.	Aspect	Level 1 Struggler	Level 2 Beginner	Level 3 Organized	Level 4 Achiever	Level 5 World Class
25	**Planning and audit of configurtion management system**	(i) No process exist for configuration management	(i) Configuration identification and change control mechanism is present. Configuration changes approved by customers	(i) Dedicated team/resources for configuration identification and change control. Configuration changes approved by customers	(i) Detailed plan avaialble for all product categories on for configuration identification and change control. Mechansism exists for physical configuration audit.	(i) Comprehensive program exists for configuration identification, change control, statusaccounting and audit. Custoemr feedback on configuration changes are incoporated in the asset lifecyle

Annexure – 3

FORMAT FOR MSME APPLICANT

Application Format for Participation in Financial Support to MSMEs in ZED Certification Scheme of Office of the Development Commissioner (MSME), Nirman Bhawan, New Delhi-110108

Subject: Application for Participation in the Financial Support to MSMEs in ZED Certification Scheme.

Sir,

I/We, the undersigned wish to avail the benefits of the Financial Support to MSMEs in ZED Certification Scheme for our enterprise. I/We have gone through the guidelines of the Scheme. The details of the enterprise are as follows:

Enterprise Name	
Name of the proprietor/partners	
Address of the company	
Udyog Aadhar /EM-II/Other Registration Number with date of registration	
Telephone no./Mb No.	
e-mail	

2. This is to certify that as on date the enterprise is Micro/Small/Medium ……...

Date : .....

Yours Sincerely,
(Signature)
Name of the Authorized Signatory

To,

NMIU/Concerned MSME-DIs