Frequently Asked Questions
(Related to up-scaled ZED Scheme Guidelines)

1) What is the “Financial Support to MSMEs in ZED Certification Scheme”?  
Answer: The Development Commissioner (MSME), Ministry of Micro, Small & Medium Enterprises, Govt. of India, will implement up-scaled ‘Financial Support to MSMEs in ZED Certification Scheme’ for the benefit of manufacturing Micro, Small & Medium Enterprises (MSMEs) for a period of 3 years (for FY 2017-18 to 2019-20) i.e. till the end of the Fourteenth Finance Commission (2019-20) at financial outlay of Rs. 116.94 Cr. with Govt Contribution: Rs. 100.00 Cr. and Pvt. Contribution Rs. 16.94 Cr.  
The scheme is an extensive drive of the Government of India to enhance global competitiveness of MSMEs by providing them financial support in assessment, rating & handholding of its manufacturing processes on quality and environment aspects. The objectives of the scheme include inculcating Zero Defect & Zero Effect practices in manufacturing processes, ensure continuous improvement.  
For more detail about the scheme, please visit: www.dcmsme.gov.in/ www.zed.org.in

2) What is the objective of ZED Certification Scheme?  
Answer: The scheme envisages promotion of Zero Defect and Zero Effect (ZED) manufacturing amongst MSMEs and ZED Assessment for their certification with the following objectives:  
- To promote adaptation of Quality tools/systems and Energy Efficient manufacturing.  
- 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.

3) What are the major activities involved in ZED Certification Scheme?  
Answer: The major activities under the ZED Certification Scheme are:  
- Industry awareness programs, Workshops  
- Training of officials of implementing agencies  
- International Benchmarking, Learning Best Practices, International Trainings relating to ZED including QMS/QTT, productivity, travels related to IAF/PAC foreign visits by delegations etc  
- Training of Master Trainers, Assessors & Consultants.  
- Onsite Training for Enterprise Capacity Building for NER, J&K, Industrially backward and remote areas etc.  
- MIS (Online systems including e-platform for assessment and e-content for awareness & training).  
- Assessment, Rating, Certification and Re-rating:  
  - Desktop Assessment & analysis  
  - Assistance to MSME sector for Consultancy, Gap Analysis, Handholding & to move towards Zero Effect solutions by Consultants through NMIU/IAEs.
- Assistance to MSME sector for pilot-project implementation with available/developed technologies by Central/State Government bodies to move towards zero effect manufacturing and for acquisition of cleaner/efficient technologies to support MSMEs.
- Site Assessment and Rating by QCI accredited and empanelled Rating Agencies, Certification Bodies etc.
- Additional rating for Defence i.e. Assessment by empanelled Rating Agencies, Certifications Bodies etc for ZED-Defence
- Re-Assessment/Re-Rating by QCI accredited empanelled Rating Agencies, Certification Bodies etc.
- Surveillance Assessment
- Reporting of periodic effect on the environment of the MSME after implementation of ZED Scheme
- Market Research and Analysis and validation of reasonable sample of total certification with reports for each half year on trends and other important findings by NMIU

4) What are the benefits to the ZED rated MSMEs?

**Answer:** ZED offers a wide variety of benefits to the MSMEs. This ZED Model is applicable to MSMEs who are seeking to improve their internal management and operational systems.

**Benefit to MSMEs**

**Internal**

- **Improved processes leading to higher revenues:** Adoption of ZED in true spirit will result in superior quality of products manufactured, reduced rejection, reduced waste/scrap and hence resulting in higher revenues & profits.
- **Credible & reliable vendor database:** ZED will ensure that the companies investing in India have a ready-made & reliable vendor-base to support their activities, in the form of ZED rated MSMEs.
- **Reducing negative effect on the environment:** Enhanced environment consciousness will make MSMEs “Responsible Manufacturers”.
- **Awards & Rewards:** High performing ZED units will be recognized nationally by the Ministry of MSME and QCI through an award & reward system which will help them to showcase themselves globally.
- **Aligning with best practices:** MSMEs will get an opportunity to benchmark their systems and processes and learn the best practices across the globe under the ambit of ZED Certification Scheme.
- **Global Competitiveness:** Enhanced competitiveness of MSMEs will improve their visibility in the global marketplace.
- **Visibility & brand recognition:** A “ZED Mark” to enable an MSME to be seen as a company with a leverage over non-rated MSME units

**Benefits by Financial Institutions & State Governments**

- Various State Governments have included ZED in their respective industrial policies.
- Banks are also coming forward to extend benefits to ZED rated MSMEs in the form of concession in interest rates and processing fee.

**Details on these benefits are listed on:** [https://zed.org.in/benefits-to-msmes](https://zed.org.in/benefits-to-msmes)
5) **Who is/are eligible to obtain ZED Certification?**

**Answer:** All MSMEs registered under MSMED Act, 2006 as amended from time to time and also to MSMEs which are included as par executive orders issued by AS&DC(MSME) consistent with MSMED Act from time to time.

6) **Who is/are going to implement the Scheme?**

**Answer:** The ZED Scheme will be implemented nationwide by O/o DC (MSME) through NMIU as per up-scaled ZED scheme guidelines.

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

**Answer:** Site-assessments will be allocated to Rating Agencies which have been accredited by Quality Council of India. The assessments will be carried out by Assessors from these accredited rating agencies, who have undergone and passed a ZED Assessors training programme.

8) **Who will allocate the assessors?**

**Answer:** The NMIU will allocate assessors to MSMEs for site-assessments and will closely monitor their activities.

9) **Who will issue ZED certificate?**

**Answer:** The ZED certification will be issued by Quality Council of India after reviewing the site-assessment report.

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

**Answer:** The Gap analysis and handholding activity in the scheme will be allocated to Consulting Organizations which have been empanelled by Quality Council of India. The handholding will be carried out by Consultants from these empanelled Organisations, who have undergone and passed a ZED Consultant training Programme.

11) **Who will select/nominate the consultants?**

**Answer:** The shortlisting of a Consulting Organization will be done by NMIU in consultation with the applicant MSME and the concerned MSME-DI, only from the list of empanelled consulting organizations.

12) **How is the ZED Scheme governed?**

**Answer:** The ZED Scheme is being governed by a Programme Monitoring and Advisory Committee (PMAC), which provides an overall guidance & direction. At the highest level, PMAC provides overall direction to the Scheme headed by the Development Commissioner (MSME). NMIU will be responsible for facilitating, implementing and monitoring of the scheme across the country. QCI, NPC, Field Offices & Autonomous Bodies of DC (MSME), Central Govt, State Govts, and their institutions, Industry Chambers and Associations will act as Implementing Agency.
13) Who is the NMIU of ZED Scheme?

Answer: A National Monitoring and Implementing Unit (NMIU) shall be setup in the O/o DC (MSME) to take care of facilitation, implementation and monitoring of the scheme, involving implementing agencies in accordance with established procedure.

14) What are the maturity levels in the model?

Answer: Each parameter has 5 maturity levels. Each level corresponds to the existing state of systems and processes in the manufacturing unit which is being assessed. These levels range from Learner which is level 1, to Beginner, Organized and Achiever that correspond to level 2, 3 & 4 respectively. The topmost level is World Class at level 5.

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

Answer: The ratings provided in the maturity model are:
- If the MSME’s score is above 2.2 and up to 2.5, then the rating is Bronze
- If the MSME’s score is above 2.5 and up to 3.0, then the rating is Silver
- If the MSME’s score is above 3.0 and up to 3.5, then the rating is Gold
- If the MSME’s score is above 3.5 and up to 4.0, then the rating is Diamond
- If the MSME’s score is above 4.0 and up to 5.0, then the rating is Platinum
- In case an MSME scores 2.2 or lower, then No Rating is provided

16) What are the disciplines under which evaluation is done?

Answer: ZED Maturity Assessment Model will evaluate an MSME’s manufacturing unit on process based enablers and performance based outcome parameters at the operational level, within the following disciplines:
- Quality Management
- Production Management
- Environment Management
- Energy Management
- Safety Management
- Natural Resource Management
- Intellectual Property Management
- Human Resource Management
- Design Management
- Overall Company Performance (Financial)

For more details on ZED parameters please visit www.zed.org.in/www.dcmsme.gov.in

17) What is the ZED Scheme Process Flow?

Answer: SCHEME PROCESS FLOW:

a) Online ZED Registration
b) Online Self-Assessment
c) Desktop Assessment & Analysis:
d) Site-Assessment and Rating/Certification OR
   Gap Analysis, Handholding & assistance in moving towards Zero Effect manufacturing
e) Re-Assessment
Note: After Desktop Analysis, the MSME will have an option for either Site-assessment/Rating or for Consultancy (gap analysis and handholding). The MSME will also be provided financial support for adopting Zero Effect technologies.

18) How can I access detail guideline of ZED Scheme?

Answer: To access detail guidelines of the scheme follow or click on: www.dcmsme.gov.in/ www.zed.org.in

19) What is the web address from where information about the ZED Scheme can be obtained?

Answer: Please follow or click on: www.zed.org.in

20) Is ZED Certification mandatory?

Answer: ZED Certification is not mandatory by the Government; it is a voluntary scheme which will provide the MSMEs a roadmap to global competitiveness.

21) Does the ZED Certification Scheme cover all MSME sectors?

Answer: The ZED Certification Scheme covers only, the MSME sectors belonging to all manufacturing.

22) Are parameters related to safety of processes covered in the ZED Maturity Assessment Model?

Answer: Yes. The parameters related to safety of processes are covered in the ZED Maturity Model. For more details please visit www.zed.org.in.

23) When will the assessor (s) visit the MSMEs site for assessment?

Answer: After the desktop assessment, ZED assessor(s) from an accredited rating agency will be appointed to conduct a site-assessment of the MSME that has applied. The MSME unit will be informed well in time for a site-assessment date.

24) When will the consultants visit the MSME's site?

Answer: The MSME units will have the option to avail the services of a ZED certified consultant after Desktop Assessment. The NMIU will allocate a consultant to the MSME and the handholding process will commence. This process will typically be for about 6 months.

25) How will the confidentiality of data & other processes of the MSME be maintained during the entire ZED Certification process?

Answer: The NMIU has taken steps to ensure the confidentiality of the entire process. A Non-Disclosure Agreement will be signed between the parties involved. All data is stored on a secure server with limited access.
26) Do ISO etc. certified companies need to go for ZED Certification?

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

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

**Answer:** Yes. All MSMEs which are registered with Ministry of MSME (UAM/EM-II) can avail scheme benefits irrespective of the certifications they may have.

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

**Answer:** ZED Certification is independent of Certifications like ISO etc. MSMEs are free to obtain any other certifications simultaneously, however, it may be noted that merely having any such certificate will have no bearing or impact on the outcome of the ZED site assessment process. Though, an MSME which has implemented a quality or an environment management system or any other tool or intervention in its true spirit, does have a chance to score higher on the ZED Maturity Model.

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

**Answer:** The office of DC (MSME) along with QCI are actively pursuing this and discussions are in process to establish recognition/preference to ZED certified units among CPSUs, OEMs, Large buyers etc. A few OEMs/Large Enterprises in India have already commenced integration of ZED in their supply chain.

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

**Answer:** Typically, an MSME can apply for re-rating/re-certification after 6 months of initial certification. However, the subsidy on the cost of the re-certification component will be given to those MSMEs only which achieve a higher level in rating from the initial/previous rating. For example, if the previous rating of an MSME unit was Bronze, then subsidy will be extended only if re-certification rating of that MSME unit is minimum Silver.

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

**Answer:** NMIU has developed an exhaustive training module for the eligible assessors. As per the scheme guidelines, all the assessors will be trained and certified on the ZED Maturity Assessment Model. Further, efforts have been made to minimize subjectivity in assessment. The assessment is being done using the latest technology and zero use of paper. This is expected to enhance accuracy and ensure uniformity among assessments by different assessors.
32) There are already many certification systems. Will the ZED certification be another burden on MSMEs?

Answer: ZED certification provides roadmap for enhancing business and greatly cutting down the cost. Though this is a voluntary scheme, the implementation of ZED will not be a burden but a boon to the MSMEs. The Government of India will be providing financial support on various components of the scheme.

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

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

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

Answer: Yes. A UAM registered MSME, irrespective of any other Certification, can avail the subsidies as applicable in the ZED Scheme guidelines provided they undergo all applicable steps & processes as mentioned in the Scheme.

35) Can MSMEs have the choice to select a Rating Agency?

Answer: No, as of now the site-assessment allocation will be done by the NMIU through a pre-defined process.

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

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

37) Is there any provision to change the consulting organisation during the consultancy period?

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

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

Answer: The applicant MSME will select the optional parameters for site-assessment. Necessary assistance will be provided if needed.

39) Who can participate under the ZED Certification Scheme?

Answer: The scheme is designed to assess, rate, and handhold Indian MSMEs involved in manufacturing. To avail applicable financial support, an MSME needs to be registered under the Udyog Aadhaar Memorandum (UAM).

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

Answer: No, at present this scheme is designed only for the manufacturing MSMEs in India.
41) Are the MSMEs not registered on UAM also eligible to participate in this Scheme?

**Answer:** Only, UAM registered MSMEs can avail financial support under this scheme. UAM registrations can be done by visiting [http://udyogaadhaar.gov.in/UA/UdyogAadhar-New.aspx](http://udyogaadhaar.gov.in/UA/UdyogAadhar-New.aspx). MSMEs which are not registered in UAM will not be eligible to avail any financial support and will have to pay the fee in full.

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

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

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

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

The detailed fee structure will be as:

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<tr>
<th>S. No.</th>
<th>Total Cost (Component Wise)</th>
<th>Cost to MSMEs according to its Size (in Rs.)</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Micro</td>
</tr>
<tr>
<td>1</td>
<td>Registration &amp; Online Self-assessment</td>
<td>No Cost</td>
</tr>
<tr>
<td>2</td>
<td>Desktop assessment Rs. 10,000/-</td>
<td>2000/-</td>
</tr>
<tr>
<td>3</td>
<td>Site assessment Rs. 80,000/-</td>
<td>16,000/-</td>
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<tr>
<td>4</td>
<td>Additional Defence Rating Rs. 40,000/-</td>
<td>8000/-</td>
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<tr>
<td>5</td>
<td>Gap analysis &amp; handholding (optional) Rs. 1,90,000/-</td>
<td>38,000/-</td>
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<tr>
<td>6</td>
<td>Re-assessment/Re-rating Rs. 40,000/-</td>
<td>8000/-</td>
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For more detail about the scheme you can download the guidelines of the scheme by following this link: [www.dcmsme.gov.in](http://www.dcmsme.gov.in).

44) Does an MSME have to pay the full amount for assessment or hand-holding?

**Answer:** No. Only applicable beneficiary contribution needs to be paid by the applicant MSME.

45) Can I make cash payment for ZED Certification scheme?

**Answer:** No. All payments are online and only through the ZED portal at [www.zed.org.in](http://www.zed.org.in). You will be guided accordingly after you register.

46) How can I apply for the ZED Rating?

**Answer:** To apply, an MSME first needs to register and then undertake Online Self-Assessment through the website. Registration process is very simple and takes only a few minutes. Please visit [www.zed.org.in](http://www.zed.org.in) and click on “REGISTER NOW”.
47) **What information/details/items are required to register?**

**Answer:** Please keep the following ready when registering for ZED certification:

i) Valid email and mobile number

ii) Address and registration number of the unit

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

**Answer:** Online registrations are open round the year. Please visit [www.zed.org.in](http://www.zed.org.in)

49) **What is the ZED Maturity Assessment Model?**

**Answer:** The ZED Maturity Assessment Model has been conceived and structured to offer graded benchmark levels of an MSME’s performance through a set of standard enablers and outcomes focused on quality and environmental performances.

- There are various parameters on which the MSME will be assessed and certified. The composition of parameters may change as per sector of operation of the applicant MSME. In addition to 50 assessment parameters there would be additional 25 parameters for obtaining ZED-Defence Certification. Complete details of all ZED parameters will be made available on [www.dcmsme.gov.in](http://www.dcmsme.gov.in) / [www.zed.org.in](http://www.zed.org.in).
- The MSME applicant is required to be assessed on identified 20 mandatory parameters and at least 10 other parameters (as per the MSME’s NIC Code, 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 maturity levels.

50) **Whom to contact for any quarry regarding ZED Scheme?**

For queries, please contact:

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