



## **Zero Defect Zero Effect (ZED)**

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

MSME Sustainable (ZED) Certification is an extensive drive to create awareness amongst MSMEs about Zero Defect Zero Effect (ZED) practices and motivate & incentivize them for ZED Certification while also encouraging them to become MSME Champions. Through the journey of ZED Certification, MSMEs can reduce wastage substantially, increase productivity, enhance environmental consciousness, save energy, optimally use natural resources, expand their markets, etc. MSMEs will also be motivated to adopt best practices in work culture, standardization of products, processes, systems etc. in order to enhance their global competitiveness and sustainability. The ZED Certification aims at enhancing the competitiveness of an MSME through assessment, handholding, managerial and technological intervention etc., hence it is not just a Certification.

This Scheme is proposed to be implemented in 2 Phases:

**Phase 1:** For Manufacturing MSMEs with UDYAM Registration. This phase will focus largely on maximizing inclusion of manufacturing MSMEs and taking them through the journey of ZED.

**Phase 2:** Inclusion of Service Sector MSMEs. This phase will also strive to integrate those MSMEs (manufacturing and Service Sectors) who are registered under a State Government protocol/system but not on UDYAM. From this phase onwards, additional information regarding MSME operations/performance may be collected so as to create a National MSME Competitiveness Index.

In phase 2, it is also envisaged to provide funding to the ZED Certified MSMEs to obtain international certifications, as necessary for international market and further, making provisions to align ZED Certification with the international certifications for its global acceptance.

## **OBJECTIVES Of ZED**

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

- Encourage and enable MSMEs for manufacturing of quality products using latest technology, tools & to constantly upgrade their processes for achievement of high quality and high productivity with the least effect on the environment
- Develop an Ecosystem for ZED Manufacturing in MSMEs, for enhancing competitiveness and enabling exports
- Promote adoption of ZED practices and recognizing the efforts of successful MSMEs
- Encourage MSMEs to achieve higher ZED Certification levels through graded incentives

- Increase public awareness on demanding Zero Defect and Zero Effect products through the MSME Sustainable (ZED) Certification
- Identify areas to improve upon, thereby assisting the Government in policy decisions and investment prioritization

## **Components Of the ZED Scheme**

1. **Industry Awareness Programmes/Workshop:** MSMEs will be made aware of the MSME Sustainable (ZED) Certification through nation-wide awareness program (online and/or face-to-face, as appropriate) with the assistance of stakeholders like Industry Associations, Implementing Agencies, MSME-DIs, District Industries Centers (DICs), Large Enterprises/OEMs, BEE.
2. **Training Programmes:** Stakeholders like the MSME Officers, Assessors and Consultants will be trained on the MSME Sustainable (ZED) Certification to enable an effective implementation by partners like QCI, BIS, NPC.
3. **Assessment & Certification:** MSMEs will be assessed (desktop verification, remote assessment, onsite assessment; as applicable) and awarded relevant Certification Level for which they have applied for after fulfilling the requirements of that Level.
4. **Handholding:** MSMEs will be provided handholding to help them achieve higher ZED Certification levels and also towards technology up gradation for moving towards zero effect solutions/pollution control measures/cleaner technology.
5. **Benefits/Incentives:** Graded incentives will be announced by the Ministry of MSME for MSMEs so as to motivate them to achieve higher ZED Certification levels. These incentives will also include assistance to MSMEs in their preparedness & response to COVID-19 pandemic, called MSME KAWACH (Knowledge Acquisition through WASH for an Accelerated COVID-19 Handling) which is based on the WASH (Workplace Assessment for Safety & Hygiene) Standard.
6. **PR campaign, Advertising & Brand Promotion:** For popularizing the MSME Sustainable (ZED) Certification and brand promotion of ZED, a nation-wide publicity will be done.
7. **Digital Platform:** MSME Sustainable (ZED) Certification process will be e-enabled through a single window digital platform and minimum use of paper.

## **Eligibility**

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

**For availing Zed Certificate, please**

**contact:-**

**SGM Consultancy Services**

**(ISO 9001:2015 Certified)**

**2<sup>nd</sup> Floor, Above PNB building**

**Bharalumukh, Guwahati – 09**

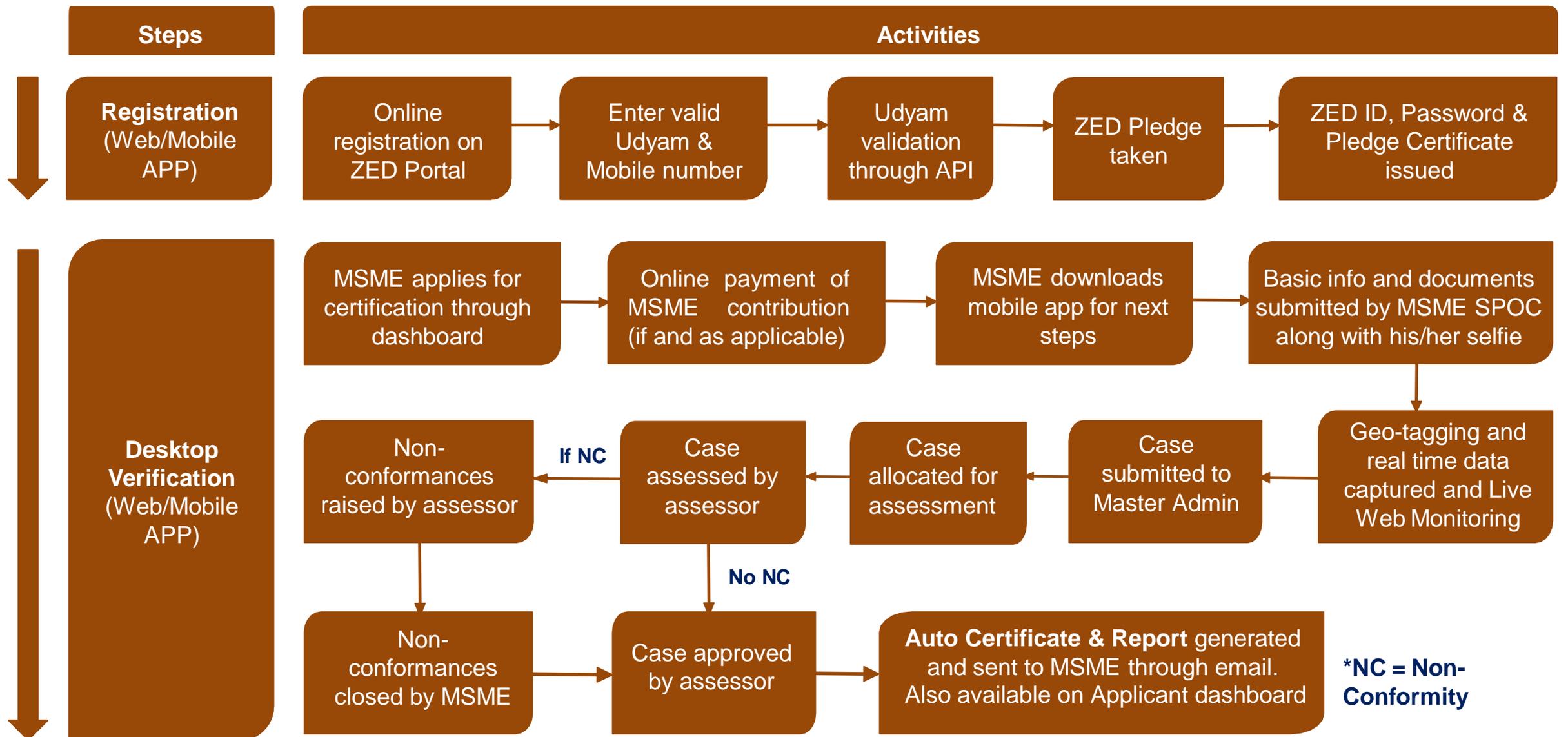
**Phone number: 9707497047 / 7002784696**

**Email: [Sgmconsultancy.assam@gmail.com](mailto:Sgmconsultancy.assam@gmail.com)**

**Website: [www.expertforsure.com](http://www.expertforsure.com)**



## Zed Bronze Certification Process Flow



For availing Zed Certificate, please contact:

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# Features of the ZED scheme



**01** Three (03)  
Certification Levels:  
Bronze, Silver & Gold

**02** Conformity Model. No weighted average. MSMEs would need to comply with the requirements of the Certification level applied for

**03** MSMEs can apply for any Certification level

**04** Easy to understand Model, 20 parameters

**05** Few parameters exempted from assessment for identified certifications like ISO, Lean etc.

**06** All MSMEs take ZED Pledge after Registration

**07** More Benefits and incentives

**08** Concept of Virtual Awareness & Training and Remote Assessment

**ALL SYSTEMS & PROCESSES IN ZED CERTIFICATION ARE END TO END DIGITALIZED**

# Certification Levels



1

Register  
& take ZED Pledge

2

After taking the ZED Pledge, the MSME can apply for any Certification Level if it feels that it can fulfil the requirements mentioned in each level



Certification on WASH Standard & other capacity building measures through MSME KAWACH will be available to MSMEs immediately after taking ZED Pledge

## BRIEF DESCRIPTION OF ZED PARAMETERS

01

### LEADERSHIP

Commitment to the ZED values can be demonstrated by taking accountability of the effectiveness of the system, reviewing the performance of ZED parameters and promoting improvement

02

### SWACHH WORKPLACE

A Swachh workplace not only enhances the image of the organization in the eyes of stakeholders including the customers, but also boosts the morale of the people working in the organization as well.

03

### OCCUPATIONAL (WORKPLACE) SAFETY

To create a safe working place, an organization should create a Safety Policy and comprehensive action plans to address the safety concerns of all stakeholders including (but not limited to) employees, contract workers, supply chain and community

04

### MEASUREMENT OF TIMELY DELIVERY

This parameter assesses the ability of various activities to deliver on time in terms of “on- time full delivery” which indicates how many deliveries are supplied On Time, In Full (OTIF)

## BRIEF DESCRIPTION OF ZED PARAMETERS

05

### QUALITY MANAGEMENT

Quality Management is key for any organisation to sustain and stay ahead of the competition. The organisation should define its Quality management system covering all products and processes across the organisation and supply chain

06

### HUMAN RESOURCE MANAGEMENT

In order to systematically develop the skills of its people, the organizations must understand their competence or skill levels, identify training & skill development needs and gaps to design effective people development plans at all levels to enhance the skills of the workforce.

07

### DAILY WORKS MANAGEMENT

Daily Works Management (DWM) is the system that provides the ability to manage departments and functions wherein processes are defined, standardized, controlled, and improved by the process owners

08

### PLANNED MAINTENANCE & CALIBRATION

Planned maintenance means that there is a system of identifying the maintenance requirements (including calibration) of the machines, equipment & devices to create a schedule of maintenance so that they do not breakdown unexpectedly

## BRIEF DESCRIPTION OF ZED PARAMETERS

09

### PROCESS CONTROL

A robust Process Control means active changing/ adjustment/ correction of the process, based on the results of process monitoring.

10

### PRODUCT QUALITY & SAFETY (TESTING/CERTIFICATION)

The organisation is required to identify and ensure relevant testing and certification requirements for the products & processes (as applicable)

11

### MATERIAL MANAGEMENT

The fundamental objectives of the Material Management function, often called the famous 5 Rs of Materials Management, are acquisition of materials and services of the right quality, in the right quantity, at the right time, from the right source, at the right price

12

### ENERGY MANAGEMENT

Robust Systems for Energy efficiency is an indicator of responsible manufacturing as it not only conserves essential resources but also reduces carbon footprint. Energy in this parameter includes electrical energy, fossil fuel & renewable energy

## BRIEF DESCRIPTION OF ZED PARAMETERS

13

### ENVIRONMENT MANAGEMENT

The organisation is required to ensure that it meets the regulatory requirements and should have implemented relevant processes to monitor and enhance compliance

14

### MEASUREMENT & ANALYSIS

To objectively evaluate the performance of the organisation, the Senior management must identify and measure the key processes with an aim to improve them

15

### SUPPLY CHAIN MANAGEMENT

A strong collaborative relationship between the organization & its suppliers increases the speed to market and shortens the development cycle. This also includes outsourced partners.

16

### RISK MANAGEMENT

Every organization faces several risks which may severely impact the overall well-being of the organization. This parameter aims to assess how well the organization is prepared to manage the risks and ensure Business Continuity

## BRIEF DESCRIPTION OF ZED PARAMETERS

17

### WASTE MANAGEMENT

Waste is broadly defined as anything that adds to the cost of the product without adding value to it. Wastes can be broadly classified into Muda, Mura & Muri.

18

### TECHNOLOGY SELECTION & UPGRADATION

Adoption of the Best Available Technologies (BAT) including Internet of Things (IoT), sensors, Cloud computing, Artificial Intelligence (AI), etc. in a planned manner will help the organization produce superior products, enhance efficiencies and stay competitive. This may also include adoption of relevant developments like Industry 4.0

19

### NATURAL RESOURCE CONSERVATION

This parameter deals with the Organisation's understanding of renewable and non-renewable resources and the approach followed by it towards conservation of non-renewable natural resources and optimal use of renewable resources

20

### CORPORATE SOCIAL RESPONSIBILITY

Through Corporate Social Responsibility, organisations integrate social and environmental concerns in their business operations and interactions with their stakeholders

## Actual Cost of Certification



**Rs 10,000/-**



**Rs. 40,000/-**



**Rs. 90,000/-**

## Incentives

Subsidy on Cost of Certification

**80%**

**Micro Enterprises**

**60%**

**Small Enterprises**

**50%**

**Medium Enterprises**



**Additional Subsidy**

A limited-purpose joining reward of Rs. 10,000/- valid for 1 year after taking ZED Pledge which may be adjusted against any Certification

5% to MSMEs which are also a part of the SFURTI OR Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of the Ministry

10% to MSMEs owned by Women/SC/ST Entrepreneurs OR MSMEs in NER/ Himalayan/ LWE/ Island territories/ aspirational districts



## MSME KAWACH

After taking ZED Pledge, MSMEs can avail support for their preparedness to mitigate COVID 19 risks after obtaining Certification based on WASH Standard



## Graded Incentives

Graded incentives as prescribed by States, Financial Institutions, other Ministry/Depts etc., for the three ZED Certification Levels



## Financial Assistance

- Subsidy on Certification
- Financial support for Testing/Systems/Product Certification
- Subsidy on Handholding
- Subsidy on technology upgradation for Zero Effect Solutions

### **Financial Assistance in Testing/Systems/Product Certification**

- Up to 75% of the total cost of Certification, with the maximum ceiling of subsidy being Rs. 50,000/-

### **Handholding Support**

- Up-to Rs.2 lakhs for consultancy for all ZED certified MSMEs

### **Support in Technology Upgradation for Zero Effect Solutions**

- Up-to Rs. 3 lakhs for all ZED certified MSMEs

## International Cooperation (IC) Scheme

### Stall Charges:

- 3.00 + 0.50 Lakh for Bronze ZED certified MSMEs
- 3.00 + 1.00 Lakh for Silver & Gold ZED certified MSMEs

### Air Fare:

- 1.50 + 0.25 Lakh for Bronze ZED certified MSMEs
- 1.50 + 0.50 Lakh for Silver ZED certified MSMEs
- 1.50 + 0.75 Lakh for Gold ZED certified MSMEs

### Freight Charges:

- Existing + 10000 for Bronze ZED certified MSMEs
- Existing + 15000 for Silver ZED certified MSMEs
- Existing + 25000 for Gold ZED certified MSMEs  
(Rs. 75000/- for Latin American countries and rest of the countries Rs. 50000/-)

## Digital MSME Scheme

- Access to MSME Digital Bronze Subscription for Bronze ZED certified MSMEs
- Access to MSME Digital Silver Subscription for Silver ZED certified MSMEs
- Access to MSME Digital Gold Subscription for Gold ZED certified MSMEs

Vikash K Agarwal

+91 70023 08735

# SGM<sup>TM</sup> CONSULTANCY SERVICES

(ISO 9001:2015 Certified)



## WHY US

- 150+ Clients
- 7 Years experience in the field
- Team of experienced persons
- Collaborations with experts of other fields
- 23 Years personal experience of management

## OUR SERVICES

- Incentives related works
- Licenses & registration & its compliances
- Plastic waste management related work
- Pollution department related work
- Enviromental Clearance Related Work
- Central ground water NOC
- HR solutions & management



Head Office: 2<sup>nd</sup> Floor, Above PNB, Bharalumukh, Guwahati- 781009

Branches: Near Hazarika Masjid, Royal Road, Jorhat-785001

3<sup>rd</sup> Floor, Legi Complex, Sector A, Naharlagun- 791110



+91 97074 97047



[sgmconsultancy.assam@gmail.com](mailto:sgmconsultancy.assam@gmail.com)



[www.expertforsure.com](http://www.expertforsure.com)

## Services that we offer

1. **Incentives related work:** We help clients identify and apply for various incentives, grants, and subsidies offered by government of India like NEIDS etc and GOA & other agencies to promote economic development and growth.
2. **MSME schemes and certifications:** UDYAM and ZED certificate.
3. **Licenses and registration & its compliances:** We ensure that clients obtain the necessary permits and licenses to operate legally and also provide support in complying with regulatory requirements.
4. **Plastic waste management related work:** We assist clients in developing sustainable strategies for managing plastic waste, including recycling, disposal, collection and compliance with environmental regulations.
5. **Pollution department related work:** Clients seeking assistance with pollution control and compliance may turn to us. We offer guidance on Consent to Establish (CTE) & Consent to Operate (CTO) including Hazardous waste management.
6. **Environmental clearance related work:** This service involves assisting clients in obtaining environmental clearances for their projects. We navigate the regulatory landscape to secure the necessary approvals for environmentally sensitive initiatives.
7. **Central Ground Water NOC:** We specialize in securing No Objection Certificates (NOC) from the Central Ground Water Authority. This service is crucial for businesses that require access to groundwater for their operations while ensuring compliance with regulations.
8. **HR solutions and management:** Beyond regulatory and environmental services and in addition to the existing suite of services that we offer, we also provide services such as-
  - a **EPFO/ESIC REGISTRATION:** We assist you in registering your organization with the Employees' Provident Fund Organization (EPFO) and the Employees' State Insurance Corporation (ESIC), ensuring that you comply with the necessary social security provisions for your employees.
  - b **CLRA REGISTRATION:** If your business engages contract labour, we can facilitate the registration process for the Contract Labor Regulation and Abolition Act (CLRA), ensuring legal compliance and minimizing operational risks.

- c **FACTORY LICENSE REGISTRATION:** We streamline the process of obtaining the necessary licenses and permits for your manufacturing or industrial establishment, ensuring adherence to local regulations.
- d **LABOR LICENSE REGISTRATION:** Our team ensures that you obtain the requisite labour licenses to operate your business, helping you navigate the complexities of labour laws effectively.
- e **EMPLOYMENT CERTIFICATE AS PER ASSAM INDUSTRIAL POLICY:** We provide support in obtaining employment certificates in line with the Assam Industrial Policy, allowing you to take advantage of incentives and benefits offered by the government.



**For more details, please contact:**

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Email: [Sgmconsultancy.assam@gmail.com](mailto:Sgmconsultancy.assam@gmail.com)

[Sgmconsultancy.hr@gmail.com](mailto:Sgmconsultancy.hr@gmail.com)

Website: [www.expertforsure.com](http://www.expertforsure.com)