Zero Defect Zero Effect (ZED) Certification Scheme Rating Process
## CONTENTS

<table>
<thead>
<tr>
<th>Sl.</th>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>1</td>
<td>Scope</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Objective of the Scheme</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Pre-Certification Process</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Certification Process</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Certification Decision</td>
<td>6</td>
</tr>
<tr>
<td>6</td>
<td>Certification Document</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>Fee Structure</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>Annexure – A (Pre-assessment Flow Chart)</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td>Annexure – B (Certification Flow Chart)</td>
<td>9</td>
</tr>
</tbody>
</table>
0. Introduction

The 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, and expand markets for MSMEs etc.

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), Quality Council of India (QCI) 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)

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

Note: Annexure-1 & 2 referred above are part of Guidelines-ZED-Final published by DC-MSME.

1. Scope

1.1 This document describes the rating process to be followed by the Rating Agencies approved under the ZED Certification Scheme operated by the Quality Council of India.

1.2 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.

1.3 The certification shall be granted by Quality Council of India (QCI) for each MSME unit after due verification of compliance to the prescribed criteria.

2. 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:

   a) Develop an Ecosystem for Zero Defect Manufacturing in MSMEs.
b) Promote adaptation of Quality tools/systems and Energy Efficient manufacturing.
c) Enable MSMEs for manufacturing of quality products.
d) Encourage MSMEs to constantly upgrade their quality standards in products and processes.
e) Drive manufacturing with adoption of Zero Defect production processes and without impacting the environment.
f) Support ‘Make in India’ campaign.
g) Develop professionals in the area of ZED manufacturing and certification.

To maintain uniformity of certification, final certificate for ZED and/or ZED Defence will be issued by QCI based upon the findings and recommendation of the rating agencies.

3. Pre Certification Process

3.1 Registration of MSME

MSME interested to participate in ZED certification process have to register their Unit online by completing the Registration Form available on web portal of ZED http://zed.org.in. There is no fees to be paid by MSME for registration.

4. Certification Process

4.1 Online Self-Assessment:

4.1.1 MSME interested to participate in ZED certification process have to take online self-assessment as a first step through prescribed check list maximum by three chances after registering their Unit online on http://zed.org.in. There is no fees to be paid by MSME for participating in online self-assessment. There will be systems generated report for every online self-assessment attempted by MSME.

4.1.2 The Application Forms shall clearly indicate if any activities covered under the criteria for certification are carried out at any premises other than the plant location to enable covering the same under assessment.

4.2 Desktop Assessment:

4.2.1 QCI shall assign a suitable competent empanelled Desktop Assessor from its pool of approved Desktop Assessors or Rating Agencies for desktop assessment activity..

4.2.2 Applicant MSME shall pay a fee for desktop assessment as per approved fee structure along with the evidences required as per the online self-assessment.

4.2.3 The desktop assessment activity shall be completed with stipulated time as per the norm and the report is finally submitted to applicant MSME in either case, eligible or non-eligible for onsite assessment.

4.2.4 In case an applicant MSME is compliant to criteria, it shall be informed by QCI along with report and the onsite assessment is recommended.
4.3 **Onsite assessment:**

4.3.1 The recommended applicant MSME as per clause 4.2.4 above shall pay a fee for onsite assessment as per approved fee structure and shall be assigned to QCI approved Rating Agency (RA) for onsite assessment based on approved competency of RA.

4.3.2 **Assessment Team Selection:**

The RA shall assign the qualified ZED Assessor team as per the defined competence criteria and type/scope of MSME. The on-site assessment to be conducted with minimum two qualified ZED Assessors, supported by technical experts, if needed. The team selected shall be such, so as to be competent to assess all the applicable parameter opted by MSME (Unit). One of the assessors must have competency in the environmental aspects/ areas. For defence sector scope, the assessor must have minimum of 5 years of work experience in defence field in addition to other competence required.

4.3.3 **On-site Assessment Time:**

The on-site assessment shall be carried out at MSME for minimum 3 man-days in Micro, minimum 4 man-days in Small and minimum 5 man-days in Medium type enterprise. The assessment time includes the on-site time at the organization's location, assessment planning and document reviewing and reporting. The assessment man days are based on 8 hours per day. Adjustments may be required based on local, regional, or national legal requirements. On-site assessment and Desktop assessment reports will be made available to assessment team in advance.

4.3.4 **Opening Meeting:**

A formal opening meeting, shall be held with the MSME’s management and, where appropriate, those responsible for the functions or processes to be assessed. The purpose of the opening meeting, usually conducted by the assessment team leader, is to provide a short explanation of how the assessment activities will be undertaken.

During the opening meeting, the Team leader shall collect information on the situation and on changes concerning MSME, equipment, raw materials, processes and anything else relevant.

4.3.5 **Onsite assessment will be based on specific ZED certification requirements.**

The assessment is app-based and in accordance with check list provided by QCI.

4.3.5.1 During the assessment, the assessment team shall periodically check assessment progress and exchange information. The assessment team leader shall re-assign work as needed between the assessment team members and periodically communicate the progress of the assessment and any concerns to the MSME.

4.3.5.2 When conducting onsite assessment, the assessor shall collect and verify evidence related to performance of various processes/activities of the MSME as per ZED certification module / parameter which includes as a minimum:
Operational control;
— Monitoring measurement and analysis

4.3.5.3 During the assessment, information relevant to the assessment objectives, scope and criteria (including information relating to interfaces between functions, activities and processes) shall be obtained and verified to become assessment evidence.

4.3.5.4 Methods to obtain information shall include, but are not limited to:
   a) interviews;
   b) observation of processes and activities;
   c) review of documentation and records

4.3.6 Safety during assessments

4.3.6.1 The assessment involves risks linked to the need to travel to work environments. Responsibility for risk analysis and the identification of the most suitable means of protection is of the MSME that manages the building or factory.

4.3.6.2 However, assessors must have personal protective equipment which may be reasonably required to run in the security checks. In particular, each assessor must go to the sites to verify with at least:

   a) helmet;
   b) safety shoes;
   c) goggles;
   d) ear protectors;
   e) high visibility vest

4.3.7 Closing Meeting:

A formal closing meeting, where attendance shall be recorded, shall be held with the MSME’s management and, where appropriate, those responsible for the functions or processes assessed. The purpose of the closing meeting, usually conducted by the assessment team leader, is to present the assessment conclusions.

4.4 Site Assessment Report:

4.4.1 The rating agency shall provide a system generated report for onsite assessment to QCI. Ownership of the assessment report shall be maintained by the rating agency.

5. Certification Decision by Rating Committee (RC)

5.1 The submitted report shall be reviewed for decision on certification by Rating Committee of QCI, if found suitable. For any clarification on report, the RA team shall provide further information as required by Rating Committee. For each accepted reports, the RA shall be paid for the onsite assessment conducted as per the fee structure.

6. Certification Document

6.1 Information:
The certificate will be issued by QCI. The certificate shall have the following information:

a) Certificate number  
b) Certification scheme name, MSME Ministry logo and QCI logo  
c) Reference to certification criteria  
d) Name and logo of Rating Agency  
e) Schedule for assessed parameters  
f) Name of MSME (should be a legal entity)  
g) Certified Unit address  
h) Scheme logo  
i) Date of certification  
j) Expiry date

7. Fee Structure

7.1 A fee to be charged to the organization for various activities of the certification scheme, without any discrimination between units, geographical location, size of the unit. The total assessment cost will be fixed irrespective of category of enterprise as assessment parameters are same for Micro or Small or Medium as per the Guidelines of ZED- certification Scheme.

7.2 MSMEs opting for assessments have to pay their contribution in advance to NMIU in two parts; first for preliminary ZED assessment/desktop assessment and second for complete ZED assessment/onsite assessment.

7.3 The assessment cost will be as per the Guidelines of ZED- certification Scheme.
Annexure-A

Pre-Assessment Flow Chart

Pre-assessment Process

Registration

Data collection for OSA

Online Self-assessment (OSA)

Report generated by system giving rating

Payment for DA
Annexure- B
Certification Process Flow

Assessment Process
Additional MSME information & Submission of evidences by MSME

Desktop Assessment
(by QCI or through empanelled individuals as per present ZED Guidelines)

Meets minimum criteria
Report submitted in both cases to MIME by QCI

Does not meet minimum criteria
(recycle criteria and improve as suggested in the report)

Payment by MSME for onsite assessment
(information to MIME by QCI)

Allocation of onsite assessment to RA
(informed to MIME & QCI by RA)

Team selection by RA
(to be completed within 8 weeks from the data of onsite assessment fee submission)

Physical onsite assessment

Report submitted to QCI for review and decision by RC

Report accepted by RC
MSME informed with copy of report by QCI

Rejected
Advice RA for comments or revisit

Payment made to RA by QCI

Certificate issued to MSME by QCI