

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:2417

ANSWERED ON:31.07.2017

ZED Scheme

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**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether the Government has introduced/proposed to introduce quality standards for auto, food processing, gadgets, textiles, electrical machinery, etc. to make these quality standards a part of 'Make in India' programme and if so, the details thereof and the extent to which this is likely to help to make identified products 'zero defect and zero effect' (ZED);

(b) the details of the total number of MSMEs that have started to follow the manufacturing patterns as provided in the guidelines of the ZEDs scheme;

(c) whether the National Monitoring and Implementation Unit (NMIU) i.e. the Quality Council of India (QCI) been following the guidelines on a consistent basis and if so, the details thereof; and

(d) whether there is any mechanism of reporting the periodic effect of the scheme on the environment and if so, the details thereof and if not, the reasons therefor?

**Answer**

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THE MINISTER OF STATE (INDEPENDENT CHARGE)

OF THE MINISTRY OF COMMERCE & INDUSTRY

(SHRIMATI NIRMALA SITHARAMAN)

(a) & (b): Quality standards are notified from time to time for products in various sectors, including the sectors identified under the "Make in India" programme. These standards are voluntary in nature.

The Ministry of Micro, Small & Medium Enterprises (MSME) has notified a scheme called "Financial Support to MSMEs in ZED Certification Scheme" to encourage MSMEs adopt Zero Defect Zero Effect (ZED) practices in their manufacturing processes. Under this scheme, the MSMEs are assessed & rated on the ZED Maturity Assessment Model, which is aligned with the manufacturing sectors under the Make in India initiative, like Automobile components, Defence manufacturing, Food processing, Chemicals, Pharmaceuticals, Electronic systems, Electrical machinery, Textiles etc. ZED will not only guide & assist MSMEs improve their manufacturing processes & systems, but also enhance their environmental consciousness. While conformity with quality standards may not by itself make products zero defect and zero effect, it inculcates an ecosystem of quality consciousness that will help MSMEs achieve higher ratings under the ZED model.

1344 Micro, 1538 Small and 365 Medium scale units have registered as on 25.7.2017 for obtaining the zero defect and zero effect (ZED) certification. Of these, 1530 MSMEs have started online self-assessment, which is the first step in the process of adopting ZED manufacturing practices. 112 MSMEs have initiated the process for desktop assessment, wherein they upload evidences of their rating worthiness. 14 have also gone ahead with site assessment, where trained and qualified assessors from accredited Rating Agencies visit the manufacturing unit of the applicant MSME and physically check their systems and processes and forward their recommendation to QCI for final rating.

(c): The "Financial Support to MSMEs in ZED Certification" scheme is being implemented by QCI as the National Monitoring and Implementing Unit (NMIU) under the overall directions of Development Commissioner (MSME) and the Screening and Steering Committee (SSC). As NMIU, QCI implements, coordinates and monitors the following components, inter alia, of the guidelines:

â€¢ Industry Awareness Programmes

â€¢ Training Programmes including Master Trainer, Assessor, Consultant, MSME Capacity Building, MSME officials training etc.

â€¢ Content Development for Online Learning

â€¢ Development of Mobile Monitoring Applications for Awareness Programmes and Site-assessments

â€¢ Accreditation & empanelment of rating agencies & consulting organisations

â€¢ Conducting Desktop and site-assessments through accredited agencies

â€¢ Conducting gap analysis and handholding of MSMEs through trained & empanelled Consultants and Consultancy firms

(d): The ZED model is a holistic model with both quality as well as environment disciplines on which the systems and processes of a manufacturing unit are assessed and rated. A re-rating component is available for the MSMEs to know if their processes have improved both on quality & environment. The NMIU will also conduct random sample assessments to ensure the veracity of assessments. Apart from this, the NMIU is creating a robust mechanism of surveillance of rated MSMEs for an effective feedback mechanism.

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