**CERTIFICATE COURSE ON MSME**

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| --- | --- |
| **Sr. No.** | **Important Notifications** |
|  | Master Circular - Guarantees and Co-acceptances |
|  | Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances |
|  | Framework for acceptance of Green Deposits |
|  | Provisioning for standard assets by primary (Urban) co-operative banks - revised norms under four-tiered regulatory framework |
|  | General Credit Card (GCC) Facility - Review |
|  | Master Circular - Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) |
|  | Master Circular - Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs |
|  | Formalisation of Informal Micro Enterprises on Udyam Assist Platform |
|  | Expanding the Scope of Trade Receivables Discounting System |
| 10 | Framework for Compromise Settlements and Technical Write-offs |
| 11 | Increase in ceiling of coverage from `200 lakh to `500 lakh – CGS I under CGTMSE |
| 12 | Udyam Registration Number Mandatory for Guarantee Coverage |
| 13 | MSME Champions Scheme (Erstwhile CLCS-TUS) |

**Master Circular - Guarantees and Co-acceptances**

RBI/2023-24/04
DOR.STR.REC.5/13.07.010/2023-24

April 1, 2023

All Scheduled Commercial Banks
(excluding Payments Banks and RRBs)

Dear Sir / Madam

**Master Circular - Guarantees and Co-acceptances**

Please refer to the [Master Circular DOR.STR.REC.8/13.07.010/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12276) consolidating the instructions / guidelines issued to banks till March 31, 2022, relating to Guarantees and Co-acceptances. This [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12471&Mode=0#MC) consolidates the instructions on the above matter issued up to March 31, 2023.

Yours faithfully

Manoranjan Mishra
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12471&Mode=0>

**Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances**

RBI/2023-24/06
DOR.STR.REC.3/21.04.048/2023-24

April 1, 2023

All Commercial Banks (excluding RRBs)

Madam/Dear Sir

**Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances**

Please refer to the [Master Circular DOR.STR.REC.4/21.04.048/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12281) consolidating instructions / guidelines issued to banks till March 31, 2022 on matters relating to prudential norms on income recognition, asset classification and provisioning pertaining to advances.

2. This [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12472&Mode=0#MC) consolidates instructions on the above matters issued up to March 31, 2023. A list of circulars consolidated in this Master Circular is contained in [Annex 5](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12472&Mode=0#AN5).

Yours faithfully

(Manoranjan Mishra)
Chief General Manager

Encl.: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12472&Mode=0>

**Framework for acceptance of Green Deposits**

RBI/2023-24/14
DOR.SFG.REC.10/30.01.021/2023-24

April 11, 2023

All Scheduled Commercial Banks including Small Finance Banks
(excluding Regional Rural Banks, Local Area Banks and Payments Banks)
All Deposit taking Non-Banking Finance Companies (NBFCs) including Housing Finance Companies (HFCs)

Madam/Dear Sir,

**Framework for acceptance of Green Deposits**

Climate change has been recognised as one of the most critical challenges faced by the global society and economy in the 21st century. The financial sector can play a pivotal role in mobilizing resources and their allocation thereof in green activities/projects. Green finance is also progressively gaining traction in India.

2. Deposits constitute a major source for mobilizing of funds by the Regulated Entities (REs). It is seen that some REs are already offering green deposits for financing green activities and projects. Taking this forward and with a view to fostering and developing green finance ecosystem in the country, it has been decided to put in place the enclosed [Framework for acceptance of Green Deposits](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12487&Mode=0#GD) for the REs.

3.The framework shall come into effect from June 1, 2023.

Yours faithfully,

(Sunil T. S. Nair)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12487&Mode=0>

**Provisioning for standard assets by primary (Urban) co-operative banks – revised norms under four-tiered regulatory framework**

RBI/2023-24/18
DOR.STR.REC.12/21.04.048/2023-24

April 24, 2023

All Primary (Urban) Co-operative Banks,

Madam / Dear Sir,

**Provisioning for standard assets by primary (Urban) co-operative banks – revised norms under four-tiered regulatory framework**

Please refer to [circular DOR.REG.No.84/07.01.000/2022-23 dated December 01, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12416&Mode=0), in terms of which Urban Co-operative Banks (UCBs) have been categorized into four Tiers namely Tier 1, Tier 2, Tier 3 and Tier 4 for regulatory purposes.

2. The current standard assets provisioning norms for UCBs, consolidated in the [Master Circular DOR.STR.REC.5/21.04.048/2022-23 dated April 01, 2022](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12283), are based on the earlier categorization of UCBs into Tier I and Tier II as defined in para 4 of [circular UBD.CO.LS.Cir.No.66/07.01.000/2008-09 dated May 06, 2009](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=4970&Mode=0), as given below:

|  |  |  |
| --- | --- | --- |
| Sl. No. | Category of Standard Asset | Rate of Provisioning |
| Tier II | Tier I |
| (a) | Direct advances to Agriculture and SME sectors | 0.25% | 0.25% |
| (b) | Commercial Real Estate (CRE) sector | 1.00% | 1.00% |
| (c) | Commercial Real Estate-Residential Housing Sector (CRE-RH) | 0.75% | 0.75% |
| (d) | All other loans and advances not included above | 0.40% | 0.25% |

3. On a review, it has been decided to harmonise the provisioning norms for standard assets applicable to all categories of UCBs, irrespective of their Tier in the revised framework.

4. Accordingly, the standard asset provisioning norms applicable to Tier I, Tier 2, Tier 3 and Tier 4 UCBs under the revised framework shall be as under:

1. Direct advances to agriculture and SME sectors which are standard, shall attract a uniform provisioning requirement of 0.25 percent of the funded outstanding on a portfolio basis.
2. Advances to commercial real estate (CRE) sector which are standard shall attract a uniform provisioning requirement of 1.00 percent of the funded outstanding on a portfolio basis.
3. For advances to commercial real estate - residential housing (CRE-RH) sector, which are standard, the provisioning requirement shall be 0.75 percent
4. For all other advances, banks shall maintain a uniform general standard asset provision of a minimum of 0.40 percent of the funded outstanding on a portfolio basis.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12491&Mode=0>

**General Credit Card (GCC) Facility – Review**

RBI/2023-24/19
FIDD.MSME & NFS.BC.No.06/06.02.31/2023-24

April 25, 2023

The Chairman/Managing Director/ Chief Executive Officer
Scheduled Commercial Banks (excluding Payments Banks) and
Scheduled Urban Co-operative Banks

Dear Sir / Madam

**General Credit Card (GCC) Facility – Review**

Please refer to our [Circular RPCD.MSME & NFS.BC.No.61/06.02.31/2013-14 dated December 02, 2013](https://rbi.org.in/scripts/NotificationUser.aspx?Id=8603&Mode=0) on the Revised General Credit Card (GCC) Scheme.

2. On review of the above, and in the light of the provisions contained in the [Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, dated April 21, 2022](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12300), revised instructions on GCC are as follows:

1. The GCC Scheme shall henceforth be called “General Credit Card (GCC) Facility”.
2. The instructions shall apply to all banks which are eligible to issue credit cards under the above Master Direction.
3. Individuals/entities sanctioned working capital facilities for non-farm entrepreneurial activities which are eligible for classification under the priority sector guidelines, may be issued General Credit Cards.
4. GCC shall be issued in the form of a credit card conforming to the stipulations in the above Master Direction as updated from time to time.
5. The terms and conditions of the credit facilities extended in the form of GCC shall be as per the Board approved policies of the banks, within the overall framework laid down by Reserve Bank. Guidelines on collateral free lending for micro and small units issued from time to time shall apply.
6. Bank shall adhere to the instructions on reporting GCC data as issued by RBI from time to time.

3. These instructions supersede the GCC guidelines issued in December 2013 and come into effect as on the date of this circular. Debit cards, if any, already issued under the circular of 2013 shall remain valid till their expiry/repayment of the existing credit facilities, whichever is earlier.

Yours faithfully

(Nisha Nambiar)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12492&Mode=0>

**Master Circular – Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)**

RBI/2023-24/20
FIDD.GSSD.CO.BC.No.07/09.01.003/2023-24

April 26, 2023

The Chairman/Managing Director & CEO
Public Sector Banks,
Private Sector Banks (including Small Finance Banks)

Madam/Dear Sir,

**Master Circular – Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)**

Please refer to the [Master Circular FIDD.GSSD.CO.BC.No.09/09.01.003/2022-23 dated July 20, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12360) on Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM).

2. The enclosed [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12493&Mode=0#MC) consolidates and updates all the instructions/guidelines on the subject issued till date and replaces the earlier Master Circular issued on the subject.

Yours faithfully,

(Nisha Nambiar)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12493&Mode=0>

**Master Circular - Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs**

RBI/2023-24/26
DOR.STR.REC.14/21.04.048/2023-24

May 08, 2023

The Chief Executive Officers
All Primary (Urban) Co-operative Banks

Madam / Dear Sir,

**Master Circular - Income Recognition, Asset Classification, Provisioning and Other Related Matters - UCBs**

Please refer to our [Master Circular DOR.STR.REC.5/21.04.048/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12283) on the captioned subject. The enclosed [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12499&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued till date as listed in the [Annex 9](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12499&Mode=0#AN9).

Yours faithfully

(Manoranjan Mishra)
Chief General Manager

Encl: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12499&Mode=0>

**Formalisation of Informal Micro Enterprises on Udyam Assist Platform**

RBI/2023-24/27
FIDD.MSME & NFS.BC.No.09/06.02.31/2023-24

May 09, 2023

The Chairman/ Managing Director/Chief Executive Officer
All Commercial Banks
(including Small Finance Banks, Local Area Banks and Regional Rural Banks)
All Primary (Urban) Co-operative Banks/State Co-operative Banks
/ District Central Co-operative Banks
All-India Financial Institutions
All Non-Banking Financial Companies

Dear Sir / Madam

**Formalisation of Informal Micro Enterprises on Udyam Assist Platform**

Please refer to the [Circular FIDD.MSME & NFS.BC.No.4/06.02.31/2020-21 dated August 21, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11951&Mode=0) on ‘New Definition of Micro, Small and Medium Enterprises – clarifications’ wherein all lenders were advised to obtain ‘Udyam Registration Certificate’ for classification of entities as MSME.

2. The Ministry of Micro, Small and Medium Enterprises (‘MSME’), Government of India has launched the Udyam Assist Platform (UAP) to facilitate formalisation of Informal Micro Enterprises (IMEs) through online generation of Udyam Assist Certificate. Registration on the platform is done with the assistance of Designated Agencies which are RBI regulated entities (including scheduled commercial banks, non-banking financial companies, etc.).

3. The Government of India, vide [Gazette Notification S.O. 1296(E) dated March 20, 2023](https://rbidocs.rbi.org.in/rdocs/content/pdfs/IndianGazzate20032023.pdf), has specified that the certificate issued on the UAP to IMEs shall be treated at par with Udyam Registration Certificate for the purpose of availing Priority Sector Lending (PSL) benefits.

4. Government of India has clarified to RBI that IMEs are those enterprises which are unable to get registered on the Udyam Registration Portal (URP) due to lack of mandatory required documents such as Permanent Account Number (PAN) or Goods and Services Tax Identification Number (GSTIN). Hence such enterprises are unable to avail the benefits of Government schemes or programmes. Further, it has been clarified that the turnover of enterprises exempted from filing returns under the provisions of the Central Goods and Services Tax Act, 2017 shall be the sole criterion to be defined as IMEs for the purpose of UAP. Accordingly, IMEs are those enterprises that are not covered in the Goods and Services Tax regime.

5. An interface has been created between the UAP and Udyam Registration Portal (URP) to enable the transition and migration of the IMEs from UAP to URP, once IMEs obtain the mandatorily required documents.

6. In view of the aforementioned notification and clarification, IMEs with an Udyam Assist Certificate shall be treated as Micro Enterprises under MSME for the purposes of PSL classification.

Yours faithfully

(Nisha Nambiar)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12500&Mode=0>

**Expanding the Scope of Trade Receivables Discounting System**

RBI/2023-24/37
CO.DPSS.POLC.No.S-258/02-01-010/2023-24

June 7, 2023

The Trade Receivables Discounting System Platform Operators and Participants /
National Payments Corporation of India (NPCI)

Madam / Dear Sir,

**Expanding the Scope of Trade Receivables Discounting System**

To ease constraints faced by Micro, Small and Medium Enterprises (MSMEs) in converting their trade receivables to liquid funds, the Reserve Bank of India (RBI) had issued the ‘[Guidelines for the Trade Receivables Discounting System (TReDS)](https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?Id=3504)’ (updated as on July 2, 2018). The guidelines allow financing / discounting of MSME receivables on “without recourse” basis by permitted financiers. Currently, three entities operate TReDS platforms in the country; one more entity has also been given in-principle authorisation to operate such platform.

2. Based on the experience gained, and as announced in the [Statement on Developmental and Regulatory Policies dated February 8, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55179), it has been decided to make the following enhancements to the TReDS guidelines :

a) Facilitate insurance for transactions : Financiers place their bids on the TReDS platforms keeping in view the credit rating of buyers. They are generally not inclined to bid for payables of low rated buyers. To overcome this, insurance facility is being permitted for TReDS transactions, which would aid financiers to hedge default risks, subject to the following:

1. Apart from MSME sellers, buyers and financiers, insurance companies are permitted to participate as “fourth participant” in TReDS.
2. In their business / operational rules, the TReDS platform operators may specify the stage at which insurance facility can be availed.
3. Premium for insurance shall not be levied on the MSME seller.
4. Collection of premium and related activities could be enabled through National Automated Clearing House (NACH) system used for settlement of TReDS transactions.
5. Based on consent received from financiers and insurance companies, TReDS platforms could facilitate automated processing of insurance claims and specify timelines for their settlement through the NACH system.
6. As of now, the credit insurance shall not be treated as a Credit Risk Mitigant (CRM) to avail any prudential benefits.

b) Expand the pool of financiers : TReDS transactions fall under the ambit of “factoring business”, and banks, NBFC-Factors and other financial institutions (as permitted by RBI) can presently participate as financiers in TReDS. The Factoring Regulation Act, 2011 (FRA) allows certain other entities / institutions to undertake factoring transactions. Accordingly, all entities / institutions allowed to undertake factoring business under FRA and the rules / regulations made thereunder, are now permitted to participate as financiers in TReDS. This would augment availability of financiers on TReDS platforms.

Yours faithfully,

(P. Vasudevan)
Chief General Manager-in-Charge

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12510&Mode=0>

**Framework for Compromise Settlements and Technical Write-offs**

RBI/2023-24/40
DOR.STR.REC.20/21.04.048/2023-24

June 08, 2023

Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks)
Primary (Urban) Co-operative Banks/State Co-operative Banks/ Central Co-operative Banks
All-India Financial Institutions
Non-Banking Financial Companies (including Housing Finance Companies)

Madam/Dear Sir,

**Framework for Compromise Settlements and Technical Write-offs**

The Reserve Bank of India has issued various instructions to regulated entities (REs) regarding compromise settlements in respect of stressed accounts from time to time, including the [Prudential Framework for Resolution of Stressed Assets dated June 7, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11580&Mode=0) (“Prudential Framework”), which recognises compromise settlements as a valid resolution plan. With a view to provide further impetus to resolution of stressed assets in the system as well as to rationalise and harmonise the instructions across all REs, as announced in the [Statement on Developmental and Regulatory Policies released on June 8, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55815), it has been decided to issue a comprehensive regulatory framework governing compromise settlements and technical write-offs covering all the REs, as detailed in the [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12513&Mode=0#AN).

2. The provisions of this framework shall be applicable to all REs to which this circular is addressed and shall be without prejudice to the provisions of the Prudential Framework, or any other guidelines applicable to the REs on resolution of stressed assets.

3. These instructions on operationalising the framework have been issued in exercise of the powers conferred by the Sections 21 and 35A of the Banking Regulation Act, 1949 read with Section 56 of the Banking Regulation Act, 1949; Chapter IIIB of the Reserve Bank of India Act, 1934 and Sections 30A, 32 and 33 of the National Housing Bank Act, 1987. They shall come into force with immediate effect and REs shall take necessary steps to ensure compliance with these instructions.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12513&Mode=0>

Ref. No. CGTMSE /44/ 293 March 31, 2023

All Public Sector Banks, Private Sector Banks, Member FIs, Foreign Banks

**Circular No.220 / 2022 – 23**

Madam / Dear Sir,

**Increase in ceiling of coverage from `200 lakh to `500 lakh – CGS I**

As you are aware, presently the ceiling for availing credit guarantee for CGTMSE under CGS-I is `200 lakh. In view of the request received from banks, the matter has been reviewed. Accordingly, we are glad to inform that it has been decided to increase the ceiling for coverage under the CGS -I from `200 lakh to `500 lakh per borrower for the credit facilities extended by eligible MLIs to the Micro and Small Enterprises (MSEs). The extent of coverage is given in the table below:



The above modifications shall be applicable for all guarantees approved on or after April 01, 2023 including enhancement in Working Capital of existing covered accounts. All other Terms and conditions of the Scheme shall remain unchanged. The contents of this circular may please be brought to the notice of all your offices.

 Yours faithfully, Sd/-

 (Dhiraj Kumar)

 Asst General Manager

More details can be referred to in the below link.

Reference Link: <https://www.cgtmse.in/Default/ViewFile/?id=1680774247788_Circular%20No.%20220_Increase%20in%20ceiling%20of%20Coverage_REV.pdf&path=Circular>

Ref. No. CGTMSE /44/ 113 August 25, 2023

All Member Lending Institutions (MLIs) of CGTMSE

**Circular No. 229 / 2023 – 24**

Madam / Dear Sir,

**Udyam Registration Number Mandatory for Guarantee Coverage**

Please refer to our Circular No.206/2022-23 dated October 17, 2022 informing that Udyam Registration Number (URN) is mandatory for getting guarantee coverage under Credit Guarantee Scheme from January 16, 2023 onwards. As you are aware, Udyam Registration Portal is made simple and is a transparent system which provides number of benefits to the enterprises registered as MSEs. In this regard, we reiterate that obtaining URN of each beneficiary has been made mandatory while submitting application for coverage under the Scheme to extend the guarantee coverage.

Further, all MLIs are requested to obtain URN for the existing beneficiaries covered under Credit Guarantee Scheme of CGTMSE and update it in our portal using path: Member Login >> Guarantee maintenance >> Modify borrower details >> provide CGPAN and update URN.

The contents of the Circular may please be brought to the notice of all your office.

 Yours faithfully,

 Sd/-

 (Dhiraj Kumar)

 Deputy General Manager

More details can be referred to in the below link.

Reference Link: <https://www.cgtmse.in/Default/ViewFile/?id=1693235486130_Circular%20no.%20229%20-%20UAM%20Mandatory.pdf&path=Circular>

# Technology Upgradation and Quality Certification

# 1.3. MSME Champions Scheme

## 1.3.1. MSME Champions Scheme (Erstwhile CLCS-TUS)

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| Related Scheme | MSME Champions Scheme (Erstwhile CLCS-TUS) |
| Objective | Ministry of MSME has been implementing Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS) for promoting competitiveness amongst Micro, Small and Medium Enterprises (MSMEs) by the way of wastage reduction through Lean Manufacturing, support for Design improvement, building awareness on Intellectual Property Rights, Zero Defect Zero Effect (ZED) Scheme, digitally empowerment of MSME through Digital MSME and to promote & support untapped creativity of individual and to promote adoption of latest technologies in manufacturing as well as knowledge based innovation MSMEs through Incubation across India.MSME Champions scheme has been formulated through Standing Finance Committee (SFC) by merging all 6 components of erstwhile Technology Upgradation Scheme (TUS) for a period of 5years i.e 2021-22 to 2025-26. It is a Holistic Approach to unify, synergize and converge various schemes and Interventions with a single purpose. The end objective is to pick up clusters and enterprises and modernize their processes, reduce wastages, sharpen business competitiveness and facilitate their National and Global reach and excellence. There are 3 components under the new MSME Champions scheme, the details of which are as below: |
| Who can apply? | Any MSE unit |
| 1. | MSME-Sustainable (ZED) |
| 2. | MSME-Competitive (Lean) |
| 3. | MSME-Innovative(for Incubation, IPR, Design and Digital MSME) |
|  | **The Digital MSME will be interlinked with all the other components of the MSME Champions Scheme.** |
| [Download Scheme Guidelines](https://msme.gov.in/sites/default/files/CreditLinkCapitalSubsidyScheme%282%29%282%29.pdf) |

# 1.3.2 MSME SUSTAINABLE (ZED) CERTIFICATION

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| --- | --- |
| Related Scheme | MSME SUSTAINABLE (ZED) CERTIFICATION |
| Objective | 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 recognising 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 |
| Nature of assistance | Cost of Certificationa) a) Certification Level 1: BRONZE: Rs. 10,000/-b) b) Certification Level 2: SILVER: Rs. 40,000/-c) c) Certification Level 3: GOLD: Rs. 90,000/- |
| **Subsidy on cost of ZED certification:** | • Joining Reward of Rs. 10,000/- (Bronze will become free if availed)• 80-60-50% for Bronze, Silver & Gold ZED certified MSMEs |
| **Additional subsidy:** | • 10% for Women/SC/ST owned MSMEs OR MSMEs in NER/Himalayan/LWE/Island territories/aspirational districts.• 5% for MSMEs which are also a part of the SFURTI OR Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of the Ministry. |
| **Financial Assistance in Testing/Quality/Product Certification:** | • Up to 75% of the total cost of Testing/Certification, with the maximum ceiling of subsidy being Rs. 50,000/- |
| **Handholding/Consultancy Support :** | Up-to Rs.2 lakh for handholding/Consultancy in order to achieve the next Certification Level. |
| **Support in Technology Upgradation for Zero Effect Solutions:** | • Up-to Rs. 3 lakhs for moving towards zero effect solutions/pollution control measures/cleaner technology |
| **MSME KAWACH (Knowledge Acquisition through WASH for an Accelerated COVID-19 Handling) Certification:** | After taking ZED Pledge, MSMEs can self certify their preparedness on Covid 19 risk. |
| **Graded incentives:** | MSMEs can avail graded incentives as prescribed for the three ZED Certification Levels. Wherever possible, the incentives provided by States will be linked through API integration with the ZED portal to ensure interoperability. |
| **Eligibility/ Applicability:** | All MSMEs registered with the UDYAM registration portal (of the MoMSME) will be eligible to participate in MSME Sustainable (ZED) Certification and avail related benefits/incentives. |
| How to Apply: | Eligible MSMEs shall apply through online portalEmail: <https://zed.msme.gov.in/>Phone no: 011-23708371The guidelines of ZED scheme is available on <https://zed.msme.gov.in/> |
| Contact: | Office of Development Commissioner (MSME), Ministry of MSME, Nirman Bhawan, New Delhi. <https://zed.msme.gov.in/> |
|  | Quality Council of India (QCI) is the Implementing Agency of the Scheme. |
| [Download Scheme Guidelines](https://zed.msme.gov.in/uploads/Guideline_Book.pdf) |

# 1.3.3. MSME-COMPETITIVE (LEAN)(A component of MSME Champions scheme)

|  |  |
| --- | --- |
| Related Scheme | Lean Manufacturing Competitiveness for MSMEs |
| Objective | MSME Competitive (Lean) Scheme is an extensive drive on the part of Ministry of Micro, Small and Medium Enterprises for enhancing the competitiveness of MSME Sectors through implementation of Lean Tools and Techniques. Lean Tools and Techniques are a tested and proven methodology for improving the competitiveness of MSME sector. |
| Nature of assistance | **Cost of Implementation:** Basic-Free; Intermediate- Rs. 1,20,000/-; Advance- Rs. 2,40,000/-Financial Assistance to group of MSME Units for adoption of Lean tools/techniquesSubsidy on cost of Implementation: 90% of Total Cost of Implementation |
| **Eligibility/ Applicability:** | All MSMEs registered with the UDYAM registration portal (of the MoMSME) will be eligible to participate in MSME-COMPETITIVE (LEAN) and avail related benefits/incentives. |
| How to apply? | Eligible MSMEs shall apply through online portal. |
| Contact | Office of Development Commissioner (MSME), Ministry of MSME, Nirman Bhawan, New Delhi. [http://www.dcmsme.gov.in](http://www.dcmsme.gov.in/) |
|  | Quality Council of India (QCI) & National Productivity Council (NPC) are Implementing Agencies. |
| [Download Scheme Guidelines](http://www.dcmsme.gov.in/schemes/leanmanfucturing10.pdf) |

# 1.3.4. MSME- Innovative (Incubation, IPR, Design and Digital MSME)(A component of MSME Champions scheme)

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| Related Scheme | MSME- Innovative (Incubation, IPR, Design and Digital MSME) |
| Objective | MSME Innovative is a new concept for MSMEs with a combination of innovation in incubation, design intervention and by protecting IPR in a single mode approach to create awareness amongst MSMEs about India’s innovation and motivate them to become MSME Champions. This will act as a hub for innovation activities facilitating and guiding development of ideas into viable business proposition that can benefit society directly and can be marketed successfully. |
| Nature of assistance | **Incubation**• Financial Assistance to HI for developing and nurturing the ideas- shall be provided up to maximum of Rs. 15 lakh per idea to HI.• Financial assistance for Plant and Machinery to HI up to Rs. 1.00 cr. (max) - shall be provided for procurement and installation of relevant plant and machines including hardware and software etc. in BI for R&D activities and common facilities for incubatees of BI.**Design**• **Design Project**: 75% of the total project cost will be contributed by GoI up to a maximum of Rs. 40 lakh• **Student Project**: 75% of the total project cost will be contributed by GoI up to a maximum of Rs. 2.5 lakh**IPR**• A Grant of up to Rs. 1 crore would be provided to an IPFC in milestone-based (three or more) installments• **Reimbursement for registration of Patent, Trademark, Geographical Indications (G.I.), Design**: The maximum financial assistance to the eligible applicants under the IPR component is as follows: |
| **Item**i. Foreign Patentii. Domestic Patentiii. GI Registrationiv. Design Registrationv. Trademark | **Maximum Financial Assistance**Rs. 5.00 lakhRs. 1.00 lakhRs. 2.00 lakhRs. 0.15 lakhRs. 0.10 lakh |
| **Eligibility/ Applicability:** | • **Incubation**: MSMEs, Individuals, Students who want to develop their innovative ideas can apply through registered HIs.• **Design**: The beneficiary unit(s) must typically be a registered micro, small or medium enterprises as per the definition in MSMED Act and should have a valid UAM or Udyam Registration.• **IPR**: For Manufacturing MSMEs with UAM/UDYAM Registration. |
| How to apply? | The eligible applicants may apply at the MIS portal [https://innovative.msme.gov.in](https://innovative.msme.gov.in/) |
| Contact | Office of Development Commissioner (MSME), Ministry of MSME, Nirman Bhawan, New Delhi.[http://www.dcmsme.gov.in](http://www.dcmsme.gov.in/) |

More details can be referred to in the below link.

Reference Link: <https://msme.gov.in/technology-upgradation-and-quality-certification>