

Memorandum of Understanding

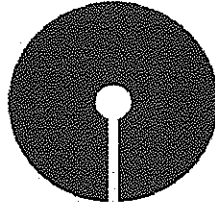
Between



Quality Council of India

(National Monitoring & Implementing Unit of ZED Certification Scheme)

and



State Bank of India

For the implementation of
Financial Support to MSMEs in ZED Certification Scheme



सत्यमेव जयते

**Ministry of Micro, Small & Medium Enterprise
Government of India**

Introduction

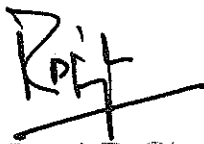
The Ministry of Micro, Small & Medium Enterprises (MSME), Government of India: The Ministry of MSME has launched the "Financial Support to MSMEs in ZED Certification Scheme" for the benefit of MSMEs during the 12th Five-Year Plan. In order to prepare the MSMEs of India to create a value chain for the new regime, it is important that quality and competitiveness of Indian MSME is enhanced over a period of time. It will also provide an opportunity to units to strive to continuously improve its processes thereby aiming to move up the (Zero Defect Zero Effect) ZED maturity assessment model (Bronze-Silver-Gold-Diamond-Platinum). This would also ensure that the larger companies investing in India have a readymade vendor base to support their activities and an expansive base of trained human capital who can contribute to the manufacturing process without much retraining.

It is critical that any scheme is implemented in its true spirit & intent for it to be successful. Keeping this in mind Ministry of MSME have ensured necessary steps are taken to retain the scheme integrity at every stage in the process of ZED. QCI, as the NMIU of this scheme, will be extended arm of Ministry of MSME under the able guidance of the DC-MSME and will create a robust mechanism of assessment, rating & handholding.

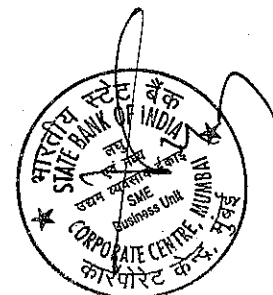
With the active support of the State Governments, Chambers, Industry Associations and other Stakeholders, the Government's intent of making India a sought-after business destination will bear fruit and ZED will have a pivotal role to play.

1st Party:

QCI: The Quality Council of India (QCI) was established as the national body of accreditation on recommendations of expert missions of the European Union after consultations in the inter-Ministerial Task Force, the Committee of Secretaries and the Group of Ministers in 1996. The council came into existence in 1997 through a Cabinet decision as an autonomous non-profit organization. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, is the nodal department for QCI; QCI's role is to establish and operate a national accreditation structure and to promote quality through the National Quality Campaign. It functions through its own resources through fees from accreditations and investments in quality promotion. It plays the role of the National Accreditation Body (NAB) as per the eco-system of quality around the world with the task of creating a mechanism for third-party assessment of products, services and processes. QCI is the National Monitoring & Implementing Unit (NMIU) of the "Financial Support to MSMEs in ZED Certification Scheme" of Ministry of Micro, Small & Medium Enterprises (MSME), Government of India.



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Secretary General
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2nd Party:

SBI: State Bank of India, constituted under the State Bank of India Act 1955 and having its Corporate Office at Madame Cama Road, Mumbai (hereinafter referred to as "SBI/ the Bank", which expression shall, unless it be repugnant to the context or meaning thereof, shall mean and include its successors and assigns) of the Second Part.

Strategic intent

The intent of this Memorandum of Understanding (MOU) between the QCI & State Bank of India is to outline the way in which the two parties will collaborate on the nation-wide propagation of the ZED Campaign and implementation of the ZED Maturity Assessment Model under "Financial Support to MSMEs in ZED Certification Scheme" of **Ministry of MSME, Government of India**".


The endeavour would be to leverage QCI's nationwide established Accreditation System for Accrediting Consultants, Assessors, Rating Agencies etc. and State Bank of India's network and offices/centres for the creation of a Zero Defect, Zero Effect industrial culture in India and adaptation of the ZED Model by MSMEs.

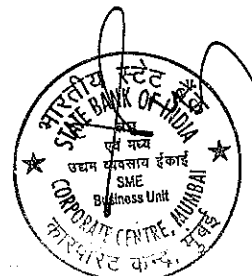
The scope of activities will focus on promoting and enhancing capacities for implementing ZED model across all levels of industries through involvement of various national, regional and sectoral industry bodies. The scope would also look at developing an ecosystem through sensitizing and incentivizing MSMEs to drive the ZED model for continuous improvement.

Framework: Scope, Roles & Responsibilities

Screening & Steering Committee (SSC): At the highest level, the SSC will guide, review, monitor and provide overall direction for implementation of the scheme and will be headed by the Development Commissioner (MSME). SSC will have the overall responsibility for policy formulation, scheme implementation and monitoring. It will be empowered to take all key decisions related to the scheme and approve minor modifications/procedural changes in the guidelines for operational expediency. SSC would deliberate on the issues put up by NMIU/IAs. It would lay down the detailed implementation strategy for the NMIU. It would also consider the recommendations of the NMIU/IAs on each platform. The SSC comprises of the following members as on date:

1. AS & DC, MSME (Chairman)
2. AS & FA /Alternate EA (IFW) (Member)
3. Representative of M/o Skill Development and Entrepreneurship (Member)
4. Representative of DGET (Member)
5. In-Charge, NMIU (QCI) (Member)
6. JS/Representative of DIPP (Member)


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7. Representatives of expert agencies like NPC and rating agency (Member)
8. Representative of concerned Industry Associations/Chambers (Member)
9. Director of MSME-DI concerned (Member)
10. Nodal officer handling the scheme in O/o DC, MSME (Member Secretary)
11. Special invitees / experts/ consultants

To provide an operating framework to this agreement, the following MoU has been agreed upon on 18-09-2018:


1. This MoU shall be operated by ZED, QCI, which is the NMIU of the ZED Certification Scheme of Ministry of MSME, Government of India.
2. The initial scope of this alliance will cover activities related to, but not limited to, the areas outlined below.

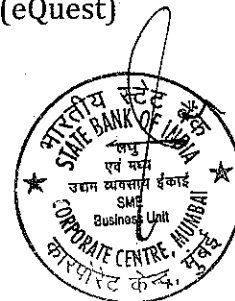
QCI would be responsible for:

- a. Facilitating, implementation and monitoring of the ZED Maturity Assessment Model programme
- b. Assessing applicant MSMEs and Awarding ZED rating to MSMEs
- c. Providing accreditation to Rating & Other agencies and empanelling Consultants & Consulting Organisations
- d. Providing training to the initial batch of master trainers, assessors & consultants
- e. Creation of content and training material for awareness as well as training programmes
- f. Providing assistance with branding and marketing of ZED
- g. As per the scheme guidelines, QCI will ensure that respective MSME-DI is to be involved in each and every industry awareness programme & Regional/State/National Workshop being organised by the Implementing Agency
- h. Logo of Ministry of MSME is to be invariably used in all the programmes being organised by QCI (NMIU) under the ZED Scheme

State Bank of India will be responsible for:

- a. Considering creation of exclusive/customised products and incentives for ZED rated MSMEs
- b. Exploring inclusion of ZED in bank's policies/initiatives for ZED certified MSMEs
- c. Propagating ZED at all relevant forums and platforms
- d. Conducting awareness programmes for MSMEs in collaboration with QCI
- e. Assisting in enrolling MSMEs for ZED assessment as per requirements of QCI
- f. Assisting in providing Subject Matter Experts (SBI Officials) for developing relevant content for QCI's e-learning program (eQuest)


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Governance and Management of MoU

To maintain focus on fulfillment of its objectives:

A designated nodal officer would be identified each from SBI & QCI, who would be the single point of contact for all matters related with implementation of the ZED Scheme.

Validity of the relationship

The framework of the agreement would be initially valid for a period of 3 years & would be renewed after mutual review of progress. This agreement can be extended by means of an addendum referring to this agreement as the base agreement to set the revised period and terms if any.

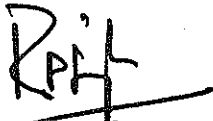
Termination clause

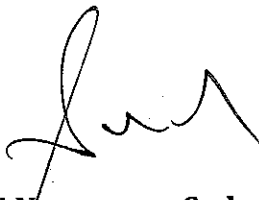
The MOU can be terminated from either end, with 60-days prior notice based on mutual consensus on completion of pending engagements and fulfillment of all commercial obligations.

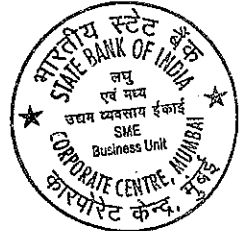
Non-compete / Non-conflict / Engagement Protocol

QCI and State Bank of India agree not to mutually compete or conflict for each other's resources and follow an engagement protocol that is ethical and professional during the delivery of the programs covered under this MOU.


Authorized Signatory:


Dr. R. P. Singh
Secretary General
Quality Council of India
2nd Floor, Institution of Engineers Bldg.
Bahadur Shah Zafar Marg,
New Delhi-110002 (INDIA)
Date: 18/9/18
Place:



Shri Narayanan Sadanandan
Chief General Manager
State Bank of India
Date: 18/9/18
Place:



Witness:


Quality Council of India
(Dr. A. Ray)
Sr. Director
18/9/18

Witness:


State Bank of India
(K. N. Prabodh)