# MSME Champions Scheme

## About the scheme:

Ministry of MSME had 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 5 years 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:

1) MSME-Sustainable (ZED)
2) MSME-Innovative(for Incubation, IPR, Design)
3) MSME-Competitive (Lean)
4) Digital MSME Yet to be launched.

(The Digital MSME will be interlinked with all the other components of the MSME Champions Scheme.)

# 1) 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 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.**



## Key Benefits:

- **Cost of Certification**
  - **Certification Level 1: BRONZE: Rs. 8,000/-**
  - **Certification Level 2: SILVER: Rs. 32,000/-**
  - **Certification Level 3: GOLD: Rs. 72,000/-**
- **Subsidy on cost of ZED certification:**
  - **Joining Reward of Rs. 10,000/- (Bronze will become free if availed)**
  - **80%-60%-50% for Micro, Small & Medium Enterprises**
  - **100% subsidy for women-owned MSMEs**

- **Additional subsidy:**
  - **10% for 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 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.**

- **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.**



## Scheme applicable for:

- **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.**

**Detailed Information:**

- **MSME Sustainable (ZED) Certification is an extensive drive to create awareness amongst MSMEs about Zero Defect Zero Effect (ZED) practices and motivate and incentivize them for ZED Certification while also encouraging them to become MSME Champions. Through the journey of ZED Certification, MSMEs can reduce wastages 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 and systems etc. in order to enhance their global competitiveness and sustainability. The ZED Certification aims at enhancing the competitiveness of an MSME by assessment, modification through guidance, handholding, managerial and technological intervention – not just certification.**

**How to apply:**

- **Eligible MSMEs shall apply through online portal www.zed.msme.gov.in**



# 2) MSME - Innovative (Incubation, IPR and Design)



**Objective:**

- To promote all forms of innovations in the complete value chain from developing ideas into innovative applications through incubation and design interventions.
- To provide appropriate facilities and support for development of concept to market, design competitiveness and protection & commercialization of Intellectual creations of MSME sector.
- To promote a culture of innovation and creative problem solving through knowledge sharing and collaboration amongst industry, academia, government institutions, research laboratories etc.
- To serve as a connecting link between industrial/academia leaders and innovators, in order to encourage new product development and hand-holding.
- To focus on developing affordable innovations that can benefit a large number of people and at the same time being commercially viable and sustainable.



**Key Benefits:**

- **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:** For the design projects approved for any MSME, 75% (Micro) and 60% (Small & Medium) of the total project cost will be contributed by GoI up to a maximum of Rs. 40 lakh and the remaining project cost will be borne by MSMEs and deposited to the IA.

- **Student Project:** 75% of the total project cost will be contributed by GoI up to a maximum of Rs. 2.5 lakhs.

- 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:

| S. No. | Item | Maximum Financial Assistance |
|---|---|---|
| i. | Foreign Patent | Rs. 5.00 lakhs |
| ii. | Domestic Patent | Rs. 1.00 lakhs |
| iii. | GI Registration | Rs. 2.00 lakhs |
| iv. | Design Registration | Rs. 0.15 lakhs |
| v. | Trademark | Rs. 0.10 lakhs |



## Scheme applicable for:

- 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 UDYAM Registration.



## Detailed Information:

- MSME Innovative is a holistic approach to unify, synergize and converge 3 sub- schemes and interventions with a single purpose. 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.

## How to apply:

- The eligible applicants may apply at the MIS portal (https://innovative.msme.gov.in).



# 3) MSME COMPETITIVE (LEAN) SCHEME



**Objective:**

- **The objective of the scheme is to enhance the Domestic and Global Competitiveness of MSMEs through the application of various Lean Techniques That inter-alia includes:**
  - **Reduction in:**
    - **Rejection Rates**
    - **Product and Raw Material Movements**
    - **Product Cost**
  - **Optimization of:**
    - **Space Utilization**
    - **Resources like Water, Energy, Natural Resources Etc.**
  - **Enhancement of:**
    - **Quality of Products and Process**
    - **Production & Export Capabilities**
    - **Workplace Safety**
    - **Knowledge & Skill Set**
    - **Innovative Work Culture**
    - **Social & Environmental Accountability**
    - **Profitability**
    - **Introduction & Awareness to Industry 4.0**
    - **Digital Empowerment**



**Key Benefits:**

- **Implementation Cost (Max. per unit)**
  - **Basic Level: Free**
  - **Intermediate Level: ₹ 1,20,000 + Taxes**
  - **Advanced Level: ₹ 2,40,000 + Taxes**

- **Beneficiary Contribution:**
  - Basic - NA
  - Intermediate Level: 10% of total cost of implementation i.e., up-to Rs. 12,000/- + Taxes per unit (Max.)
  - Advanced Level: 10% of total cost of implementation i.e., up-to Rs. 24,000/- + Taxes per unit (Max.)
- **GoI Contribution:**
  - Basic - NA
  - Intermediate Level: MSME Unit will be entitled for up-to Rs. 1,08,000/- (max.) towards the implementation cost (Taxes extra)
  - Advanced Level: MSME Unit will be entitled for up-to Rs. 2,16,000/- (max.) towards the implementation cost (Taxes extra)
- **Additional Benefit:**
  - Basic - NA
  - Intermediate Level & Advanced Level:
    a) Additional 5% GOI contribution for MSMEs which are part of SFURTI Clusters, Woman/SC/ ST owned, NER located MSMEs.
    b) OEM/ Industry Association route
      - Additional 5% GoI contribution shall be given to the MSMEs registering through Industry Association/ OEM after completion of all levels.
      - Rs. 5000/ per MSME shall be given to OEM/ Association after completing all stages of lean intervention.
      - For availing this benefit MSME unit need to mention on while applying – Applying under Original Equipment Manufacturer (OEM) or Applying under Industry Association (IA)



## Scheme applicable for:

- All MSMEs registered with the UDYAM registration portal (of the MoMSME) will be eligible to participate in MSME Competitive (Lean) Scheme and avail related benefits/ incentives.

- Scheme is also open to Common Facilities Centers (CFCs) under SFURTI (Scheme of Fund for Regeneration of Traditional Industries) and Micro & Small Enterprises - Cluster Development Program (MSE-CDP) Schemes.

## Detailed Information:

- Ministry of Micro, Small & Medium Enterprises, Government of India, aims to implement the MSME Competitive (Lean) Scheme for MSMEs with an objective to enhance their productivity, efficiency, and competitiveness by reduction of wastages in processes, inventory management, space management, energy consumption, etc.

## How to apply:

- Eligible MSMEs shall apply through online portal https://lean.msme.gov.in/

