November 13, 2026

MEITY

ECMS Segment D units must stay in production for at least 3 years

MeitY's second ECMS guidelines amendment requires Segment D units to stay in production for at least 3 years, changes baseline sales and clarifies Segment D.

THE MINISTRY OF Electronics and Information Technology (MeitY), IPHW Division, issued "Addendum/ Amendment/ Clarification - 2 to Electronics Component Manufacturing Scheme (ECMS) Guidelines", dated November 13, 2026, under File No. W-51/28/2025-IPHW. It adds to the ECMS Guidelines dated April 26, 2025, which were first amended on July 7, 2025; the scheme itself was notified in Gazette No. CG-DL-E-08042025-262341, dated April 8, 2025. It is issued with the approval of the Minister of Electronics and Information Technology and signed by Sushil Pal, Joint Secretary.

KEY FACTS

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First, a new rule for Target Segment D (Supply Chain Ecosystem and Capital Equipment). A unit that receives an incentive under Segment D must stay in commercial production for at least 3 years from the date it began commercial production, or 1 year from the date it received its last incentive, whichever is later. The applicant must give an undertaking to this effect in the prescribed format. If the unit defaults or closes before the period ends, the applicant must refund the incentive paid under the scheme; if it doesn't, recovery follows the prescribed procedures.

Second, an amendment on baseline sales, the figure used to work out eligible incremental sales. It applies to applicants under Target Segments A, B, C and E whose manufacturing capacity for the same target segment product was already incentivized under SPECS or M-SIPS. For them, baseline sales are the higher of two figures: the sales value matching 75% use of the existing manufacturing capacity, including the capacity funded under SPECS or M-SIPS, or the actual sales of the product in the base year. This applies provided the applicant's sales volume of the product exceeds the original rated annual production capacity approved under SPECS or M-SIPS.

Third, a clarification on what Segment D covers. Applications to make parts, components, raw materials and capital goods, including their sub-assemblies and components, that have applications in the electronics sector "but not limited to exclusive use in the electronics sector" are eligible, subject to the scheme's other eligibility criteria and conditions. The guidelines of April 26, 2025 are to be read with these changes, and all other terms stay unchanged. The document gives no date from which the changes apply and does not include the format for the undertaking.

Issued by	Ministry of Electronics and Information Technology (MeitY), IPHW Division
Document	Addendum/ Amendment/ Clarification - 2 to ECMS Guidelines
File	File No. W-51/28/2025-IPHW
Dated	November 13, 2026

Amends	ECMS Guidelines dated April 26, 2025, as amended on July 7, 2025 (Addendum/Amendment - 1)
Scheme notified	Gazette No. CG-DL-E-08042025-262341, April 8, 2025
Segment D production period	At least 3 years from start of commercial production, or 1 year from receipt of the last incentive, whichever is later; undertaking required
If the unit defaults or closes early	Refund of the incentive paid, failing which recovery under the prescribed procedures
Baseline sales (Segments A, B, C and E, capacity already funded under SPECS or M-SIPS)	Higher of sales value at 75% use of existing capacity, or actual base-year sales; if sales volume exceeds the original rated annual capacity approved under SPECS or M-SIPS
Segment D scope	Parts, components, raw materials and capital goods with applications in electronics, not limited to exclusive use in electronics
Approved by	Minister of Electronics and Information Technology
Signed by	Sushil Pal, Joint Secretary

The addendum/ amendment/ clarification to scheme guidelines (PDF, 3.7 MB)

Source: MeitY's own copy.

Checked against the official copy on November 17, 2026.

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