



Cabinet approves Mobile Phone Manufacturing Scheme (MPMS)

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the Mobile Phone Manufacturing Scheme (MPMS) with a budgetary outlay of Rs 62,500 crore (Rupees Sixty-Two Thousand Five Hundred Crore Only).

Salient Features:

- To further scale up the production, deepen domestic value addition, strengthen supply chain resilience, enhance global competitiveness, the Government has launched the Mobile Phone Manufacturing Scheme (MPMS).
- MPMS scheme also aims at building Indian brands to achieve technological sovereignty, capture large economic value and create Indian patents in design and R&D.
- The scheme tenure shall be 5 Years i.e. from FY 2026-27 to FY 2030-31.
- The scheme provides incentive support on eligible sales for manufacturing of mobile phones in India at differentiated rates ranging from 2.25% to 5%. Scheme also provides additional incentive of up to 1.5% linked to domestic sourcing of key components/ sub-assemblies. For building Indian brands, an additional incentive @3% on Eligible Sales for design and R&D of the product.

Expected Outcomes:

During the scheme tenure, the cumulative mobile phone production in the country is expected to reach approximately Rs 39,00,000 crore with significant increase in exports of mobile phones. The Scheme is also expected to generate around 60,000 direct jobs thereby contributing to economic growth, employment generation and strengthening India's position in global electronics manufacturing hub.

Context:

- Prime Minister's Make in India vision has propelled electronics manufacturing to grow 7 times and exports to grow 11 times since FY 2014-15. Electronics manufacturing sector

has also emerged as a major employer, especially for young men and women from far flung villages, with a few plant employing more than 5,000 employees at a single location.

- Mobile phone manufacturing has been the key driver of this growth and has emerged as the anchor of India's electronics manufacturing ecosystem. India is now the world's second-largest mobile phone manufacturer by volume, with 99.2% of mobile phones used in India being manufactured domestically.
- Smartphones have emerged as the single largest exported product category from India in 2025, surpassing traditional leading export items such as diesel fuel and cut diamonds. Mobile phones now constitute a major share of India's electronics production and exports and are playing a critical role in strengthening India's position in global value chains.
- The Production Linked Incentive Scheme for Large Scale Electronics Manufacturing (PLI-LSEM) has played a transformative role in establishing India as a global hub for mobile manufacturing and exports. The tenure of PLI-LSEM ended on 31st March 2026.

MJPS

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