



Government Notifies ₹62,500 Cr Mobile Phone Manufacturing Scheme to Boost Global Competitiveness and Deepen Domestic Value Addition

India Poised to See First Strong Indigenous Mobile Brand by Mid-2027: Ashwini Vaishnaw

Mobile Phone Manufacturing Scheme to Generate Around 60,000 Direct Jobs and Drive Cumulative Production of Approximately ₹39 Lakh Crore

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The Ministry of Electronics and Information Technology (MeitY) has notified the Mobile Phone Manufacturing Scheme (MPMS), with a budgetary outlay of Rs 62,500 crore. The Scheme aims to increase global competitiveness by further enhancing scale, deepening the mobile manufacturing supply chain through higher Domestic Value Addition (DVA), and strengthening domestic manufacturing capabilities. MPMS will also support Indian mobile phone brands to achieve technological sovereignty, capture greater economic value, and encourage Indian patents in design and R&D, while generating employment.



Union Minister for Electronics and Information Technology Shri Ashwini Vaishnaw said that the Mobile Phone Manufacturing Scheme will provide a significant impetus to the development of Indian-owned mobile brands, intellectual property and design. Emphasising the importance of genuine Indian ownership, the Union Minister said that the design, intellectual property and brand must be Indian-owned and capable of competing with the best products in the respective market segment. He further stated that the Government will undertake a meticulous evaluation to ensure that the intellectual property is genuinely Indian-owned, while non-fiscal and other support measures will be developed in consultation with the industry.

Background

The Prime Minister's Make in India vision has propelled electronics manufacturing to grow seven-fold and exports eleven-fold since FY 2014-15. The electronics manufacturing sector has emerged as a major employer, especially for young men and women from far-flung villages, with several manufacturing plants employing more than 5,000 people at a single location, and employment at some facilities reaching 20,000. This growth has been primarily driven by mobile phone manufacturing, with mobile phones now constituting a major share of India's electronics production and exports and playing a critical role in strengthening India's position in global value chains.



India is now the world's 2nd largest mobile phones manufacturer by volume, with 99.2% of the mobile phones being used in India being Made in India today. Smartphone's emerged as India's single largest exported product category in 2025, surpassing traditional leading export items such as diesel fuel and cut diamonds.

The Production Linked Incentive Scheme for Large Scale Electronics Manufacturing (PLI-LSEM), one of the most successful PLI Schemes, played a catalytic role in establishing India as a global hub for mobile phone manufacturing and exports; its tenure ended on 31st March 2026. To sustain this growth momentum and further scale up production of mobile phones, the Government has now notified the Mobile Phone Manufacturing Scheme (MPMS).

Salient Features of MPMS

The Scheme has two Target Segments:

- Target Segment 1 (TS1): Incentivizing mobile phone manufacturing
- Target Segment 2 (TS2): Supporting Indian mobile phone brands

The Scheme tenure shall be 5 years, i.e. from FY 2026-27 to FY 2030-31. Applicants under TS2 may be granted a gestation period of 1 year. For TS1, the Scheme provides a differentiated incentive ranging from 2.25% to 5%. For TS2, the Scheme provides incentive @5% for Indian Brands and an additional incentive of 3% for Indian design and R&D. Moreover, the Scheme provides non-fiscal support to Indian Brands.

Further, an additional incentive of up to 1.5% shall be provided for domestic sourcing of key components/sub-assemblies for both the target segments under the Scheme. Applicants under the Scheme shall be mobile phone manufacturers, including Electronics Manufacturing Services (EMS) providers which are registered in India. The sales and incentives payable to the applicant shall be computed on a brand-wise basis.

Eligibility Criteria

Eligibility under TS1 extends to mobile phone manufacturers, including Electronics Manufacturing Services (EMS) companies, registered in India with a minimum turnover of Rs 10,000 crore in FY 2025-26. Existing brands must meet an annual threshold of Rs 5,000 crore every year over and above FY 2025-26 sales. A new brand becomes eligible only after achieving total annual sales of Rs 10,000 crore in India, and must thereafter meet the year-on-year threshold sales requirement of Rs 5,000 crore.

Eligibility under TS2 extends to mobile phone manufacturers, including EMS companies, registered in India with a minimum turnover of Rs 1,000 crore in FY 2025-26, and satisfying all criteria of an 'Indian Brand' , registered/incorporated in India; IP and trademark held within India; management control with Indian citizens; more than 51% shareholding held by Indian citizens; and in-house R&D and design capabilities in India.

Additional Incentive on Domestic Sourcing

To further accelerate domestic manufacturing and ensure Atmanirbharta in the Indian mobile phone manufacturing ecosystem, the Scheme provides an additional incentive of up to 1.5% for the domestic sourcing of key components and sub-assemblies provided such components are localised for a minimum of 25% of total mobile phone units manufactured in a financial year. This additional incentive is designed to reward and reinforce genuine, deep-rooted domestic manufacturing.

Expected Outcomes

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

Vinod Kumar / Kanishk Sharma / Vanshita Jaiswal

(रिलीज़ आईडी: 2302098) आगंतुक पटल : 2490

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