Mobile Phone Manufacturing Scheme (MPMS)

Prelims: *Current events of national and international importance | Government policies and interventions*

Why in News?

The Union Cabinet has recently approved the Mobile Phone Manufacturing Scheme (MPMS) with a budgetary outlay of Rs 62,500 crore.

- The tenure of the highly successful *Production Linked Incentive Scheme for Large Scale Electronics Manufacturing (PLI-LSEM)* ended on March 31, 2026.
- Following the sunset of PLI-LSEM, the Cabinet Committee on Economic Affairs (CCEA) cleared the Mobile Phone Manufacturing Scheme (MPMS).

Salient Features of the MPMS

- **Tenure -** The scheme will run for a duration of ***5 Years***, spanning from FY 2026-27 to FY 2030-31.
- **Nodal Ministry -** Ministry of Electronics and Information Technology (MeitY).
- **Core Incentive Support-** Differentiated incentives ranging from ***2.25% to 5%*** will be provided on eligible sales of mobile phones manufactured in India.
- **Domestic Component Sourcing Surcharge -** An additional incentive of up to 1.5% is linked directly to the domestic sourcing of key sub-assemblies and core components.
- **Promoting Indian IP & Brands -** An additional incentive of 3% on eligible sales is reserved specifically for the design, research, and development (R&D) of products.
- **Technological Sovereignty-** A prime focus of MPMS is to secure Indian patents, capture high-value economic segments, and strengthen domestic R&D capabilities.

Reference

[PIB | Mobile Phone Manufacturing Scheme (MPMS)]

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