

Mobile Phone Manufacturing Scheme (MPMS)

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Why in News?

Recently MeitY has notified the Mobile Phone Manufacturing Scheme (MPMS) with a budgetary outlay of ₹62,500 crore.

- **Nodal ministry** - Ministry of Electronics and Information Technology (MeitY)
- **Duration** - 5 years (FY 2026-27 to FY 2030-31).
- **Objective** - Scale up mobile manufacturing, deepen domestic value addition and strengthen supply chains.

India World's 2nd-largest mobile phone manufacturer by volume. Over 99.2% of mobile phones used in India are manufactured domestically.

• Two Target Segments

Segment	Focus	Incentive
TS1	Mobile phone manufacturing	2.25%-5%
TS2	Indian mobile phone brands	5% + 3% for Indian design & R&D (additional)

- **Additional incentive** - Up to 1.5% for domestic sourcing of key components and sub-assemblies.
- Non-fiscal support will also be provided to Indian brands.
- **Indian Brand - Important Conditions** - For TS2, an Indian brand must have:
 - Registration/incorporation in India.
 - More than 51% shareholding with Indian citizens.
 - Management control by Indian citizens.
 - Ownership of IP and trademarks in India.
 - In-house R&D and design capabilities in India.
- **Eligibility**
 - TS1 - Minimum turnover of ₹10,000 crore in FY 2025-26.
 - TS2 - Minimum turnover of ₹1,000 crore in FY 2025-26.
 - EMS providers registered in India can also apply.
 - TS2 applicants may receive a one-year gestation period.
- **Domestic sourcing provisions**

- Additional incentive of up to 1.5% given.
- Localised components must account for at least 25% of total mobile phone units manufactured by the applicant in a financial year.
- It helps localisation, self-reliance and stronger domestic component supply chains.
- **Expected Outcomes**
 - Cumulative production - approximately ₹39 lakh crore.
 - Around 60,000 direct jobs expected.
 - Greater exports and domestic value addition.
- **Significance** - It help strengthening of Indian brands, indigenous IP and product design.

Reference

[DD India| Mobile Phone Manufacturing Scheme \(MPMS\)](#)

