

MOBILE PHONE MANUFACTURING SCHEME

CABINET APPROVAL UPDATE | OUTLAY, BENEFITS AND ELIGIBLE SECTORS

BDO India
2026



On 15 July 2026, the Union Cabinet, chaired by the Prime Minister, approved the Mobile Phone Manufacturing Scheme (MPMS) with a fiscal outlay of INR 62,500 crore. With this, MeitY has officially transitioned from the landmark PLI scheme, Large Scale Electronics Manufacturing (LSEM) to its successor framework, MPMS.

This scheme marks a strategic shift from simple device assembly ("Assemble in India") to deep industrial ownership ("Design and Componentise in India") and is expected to significantly increase the cumulative mobile phone production in the country to INR 39 lakh crore during its tenure.



INR 62,500 Cr
OUTLAY



5 Years
PROGRAMME TENURE



60,000
DIRECT JOBS



32 Beneficiaries
LSEM - PROJECTS APPROVED

SALIENT FEATURES OF THE SCHEME

01 Further scale up production, deepen domestic value addition, strengthen supply chain resilience, enhance global competitiveness

02 Build Indian brands to achieve technological sovereignty, capture large economic value and create Indian patents in design and R&D

03 Tenure shall be 5 Years from FY 2026-27 to FY 2030-31



KEY ACHIEVEMENTS UNDER LSEM

01 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

02 India has emerged as the second largest mobile manufacturer in the world

03 The mobile phone production in the country has more than doubled from INR 2.14 lakh crores in FY 2019-20 to INR 5.5 lakh crore in FY 2024-25

04 Mobile phone exports have increased ~eightfold from INR 0.27 lakh crore in FY 2019-20 to INR 2 lakh crore in FY 2024-25

05 From being an importer of mobile phones back in 2014, India has now become a net exporter

06 India has more than 300 mobile manufacturing units operational in the country

07 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

BENEFITS UNDER MPMS

CATEGORY	INDICATIVE BENEFIT
Eligible sales for manufacturing of mobile phones	Incentives ranging from 2.25% to 5% of sales
Domestic sourcing of key components/ Sub-assemblies	Additional incentive of up to 1.5% of sales
Design & R&D – Indian brands	Additional incentive @ 3% of eligible sales

NATURE OF ENTITIES / SECTORS THAT MAY BENEFIT

GLOBAL SMARTPHONE MANUFACTURERS

DOMESTIC MANUFACTURERS – INDIAN BRANDS

SUB-ASSEMBLY AND COMPONENT MANUFACTURERS

HOW BDO CAN SUPPORT YOUR CLAIM JOURNEY

Drawing on experience gained through LSEM incentive claims, **BDO India** can support eligible entities across the full lifecycle of scheme participation:

01

Eligibility assessment & scheme mapping – evaluating fit against MPMS and related state incentive policies

02

Application & Detailed Project Report (DPR) preparation, including financial modelling and CAPEX/OPEX projections

03

Government liaison and single-window clearance facilitation with MeitY and state nodal agencies

04

Structuring and advisory on joint ventures, technology partnerships and cross-border investments into eligible projects

05

Design of internal controls, MIS and documentation frameworks to support incentive disbursement milestones

06

Periodic claim computation, certification support and grant disbursements

07

Ongoing compliance monitoring, condition tracking and government correspondence management

08

Post-disbursement assurance, due diligence and dispute/query resolution support





ABOUT BDO

BDO GLOBAL

BDO is an international network of independent public accounting, tax and advisory firms. We support organisations with an unwavering focus on quality, industry expertise, and the innovative use of technology to deliver impactful solutions. Our commitment to people, clients, and communities is at the core of everything we do. With our people-first culture, we foster an environment where diversity thrives, growth is nurtured, and continuous learning drives lasting progress for a sustainable future.



US\$16 BN
GLOBAL REVENUE



+94,900
PEOPLE



870
OFFICES WORLDWIDE

169
COUNTRIES & TERRITORIES

*AS OF SEPTEMBER 2025

BDO INDIA

BDO India offers Assurance, Tax, Advisory, Technology Products & Solutions, Digital Transformation, and Managed Services & Outsourcing to domestic and international clients across various industries. Bringing together expertise, innovatively driven and delivered through technology, we empower businesses to navigate their unique challenges with transformative, impactful, client-centric solutions. Helping people thrive is at our core, underpinning our commitment to building a sustainable future for our clients, people and communities.



12,500+
STAFF*



14
CITIES



20
OFFICES



350+
PARTNERS
DIRECTORS

*INCLUDES EMPLOYEES FROM BDO RISE AND BDO EDGE

For queries regarding our services, please [get in touch](#) with us
For any other queries or feedback, kindly write to us at marketing@bdo.in

[Ahmedabad](#) | [Bengaluru](#) | [Bhopal](#) | [Chandigarh](#) | [Chennai](#) | [Coimbatore](#) | [Delhi](#) | [Goa](#) | [Hyderabad](#) | [Kochi](#) | [Kolkata](#) | [Mumbai](#) | [Pune](#) | [Vadodara](#)

This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication without obtaining specific professional advice. Please contact BDO India Services Private Limited to discuss these matters in the context of your particular circumstances. BDO India Services Private Limited, its directors, promoters, employees and agents do not accept or assume any responsibility or duty of care in respect of any use of or reliance on this publication, and will deny any liability for any loss arising from any action taken or not taken or decision made by anyone in reliance on this publication or any part of it. Any use of this publication or reliance on it for any purpose or in any context is therefore at your own risk, without any right of recourse against BDO India Services Private Limited or any of its directors, promoters, employees or agents.

BDO India Services Private Limited, a private limited company incorporated in India, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member entities.

BDO is the brand name for the BDO network and for each of the BDO Member Entities

Copyright © 2026 BDO India Services Private Limited. All rights reserved. Published in India.

Visit us at www.bdo.in

