CENTER OF POLICY RESEARCH & GOVERNANCE

THIS WEEK IN POLICY

Weekly Policy Digest

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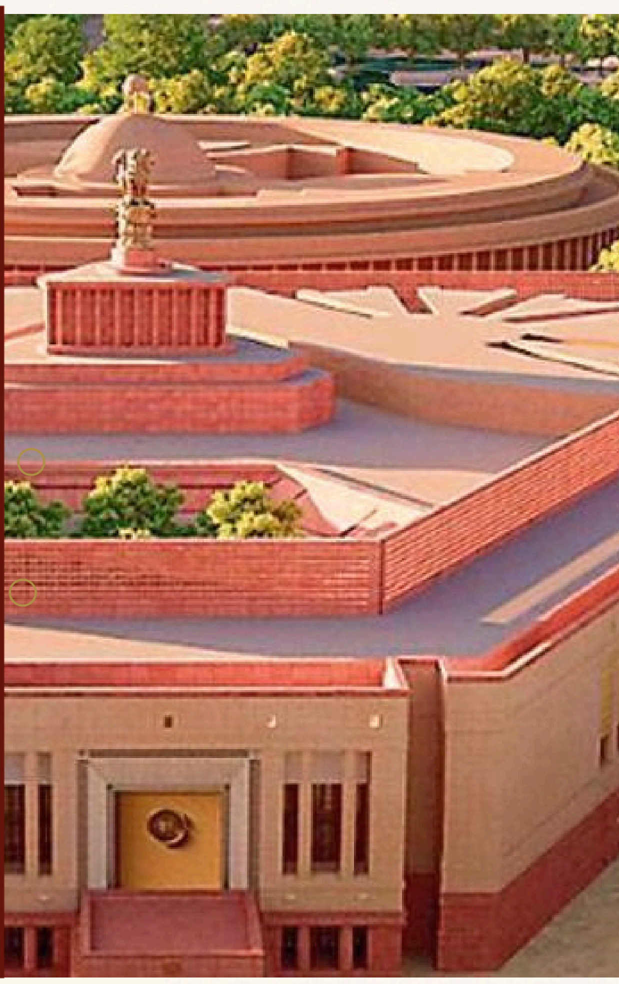
21 AUGUST TO 27 AUGUST, 2026



IN THIS ISSUE

THIS WEEK AT A GLANCE

GOVERNANCE | SUSTAINABILITY | ECONOMY | FOREIGN POLICY | TECHNOLOGY

SPECIAL FEATURE · DIGITAL PUBLIC INFRASTRUCTURE

01 Ten Years of UPI

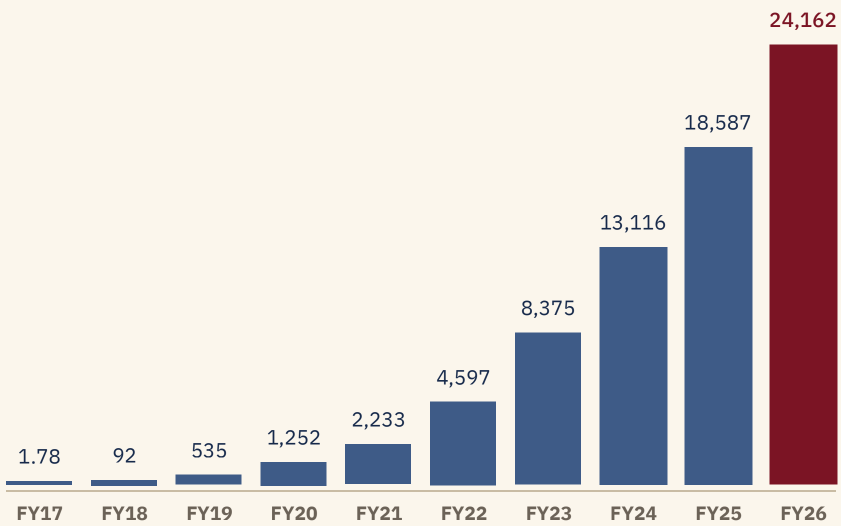
Launched on 25 August 2016 with **21 banks** and **90,000 transactions** in its first month, UPI closed FY 2025-26 at **24,162 crore transactions** worth **₹314 lakh crore**, about **66 crore payments a day**, across **741 banks**, and now carries **49% of the world's real-time payment volume** (IMF, 2025).

OFFICE

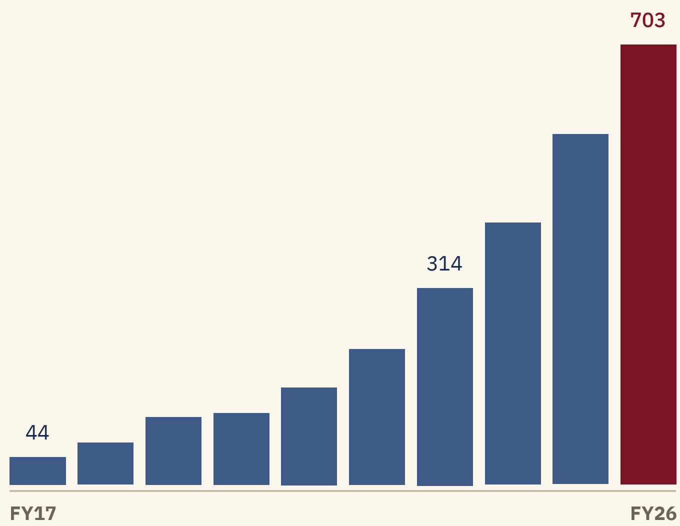
THE DECADE IN NUMBERS

Annual transactions, crore

13,000× IN TEN YEARS



Banks live on UPI



741 by July 2026

HOW INDIA USES IT

SHARE OF VOLUME · FY 2025-26

86% of merchant payments are below Rs 500

Merchant payments 63%

-
p

SHARE OF VALUE · FY 2025-26

Larger transfers move person to person

Merchant payments 29%

-
p

HOW UPI GREW, 2016–2026

2016 Pilot launch with 21 banks; BHIM app

2017 Dynamic QR takes UPI to shop counters

2018 UPI 2.0: mandates, overdraft linking

2019 100 crore transactions in a month (October)

2020 AutoPay brings recurring payments

2021 Bhutan: first cross-border deployment

2022 123PAY and Lite; US$1 tn processed in FY22

2023 Credit lines join bank accounts on UPI

2024 UPI Circle; higher limits for tax, IPOs

2025 Fingerprint and face unlock in place of PIN

2026 Live in 11 countries; 2,366 cr txns in July

THE WORLD STAGE

Merchant acceptance and cross-border remittances are live in 11 countries.

Bhutan · 2021, first | Nepal | Singapore | UAE | France | Sri Lanka | Mauritius | Qatar | Cambodia · 2026 | Greece · 2026 | Maldives · 2026

49%

OF GLOBAL REAL-TIME PAYMENT VOLUME

IMF, JUNE 2025

Sources: Press Information Bureau, Ministry of Finance, 24 August 2026 (Release IDs 2302657 & 2302664); NPCI product statistics.

UNION GOVERNMENT & NATIONAL INSTITUTIONS

At the Centre

02

MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY

MeitY notifies the Mobile Phone Manufacturing Scheme with an outlay of Rs 62,500 crore

The scheme runs for five years from 2026-27 to 2030-31 and has two target segments. Target Segment 1 offers mobile phone manufacturers, including electronics manufacturing services providers, a differentiated incentive of 2.25 to 5 percent, with an eligibility threshold of Rs 10,000 crore turnover in 2025-26. Target Segment 2 offers Indian brands 5 percent and a further 3 percent for Indian design and R&D. Both segments carry an extra 1.5 per cent for domestic component sourcing.

CPRG INSIGHT

The 2020 PLI paid on incremental sales above a 2019-20 base year, at a flat rate whether the phone was built from imported kits or Indian parts. Assembly grew but the components bill stayed foreign. The new scheme changes what earns money as now a firm gets a base rate on turnover, another 1.5 percent if it buys components in India, and an Indian brand doing its own design picks up 3 percent more. The subsidy now follows sourcing and design rather than volume.

03

MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

Government permits duty-free import of 10 lakh tonnes of raw sugar and caps bulk consumer holdings

Retail sugar prices rose from Rs 48.18 per kg on 20 July 2026 to Rs 55.70 per kg on 20 August. Production this season is expected at around 306 lakh tonnes against an initial estimate of 343 lakh tonnes. Alongside the 400-tonne dealer stock limit running from 1 August to 30 November, bulk consumers will not be permitted to hold more than 15 days of consumption from 1 September. States and mills have been advised to begin crushing from 15 October.

CPRG INSIGHT

Raw sugar has been effectively locked out for close to a decade by a prohibitive import duty, so the only lever during a price run-up was leaning on mills and traders. Now 10 lakh tonnes can land duty free before the festival months. The stock cap is equally important as dealers were already capped at 400 tonnes, but large users like biscuit and beverage makers were not. From 1 September they can hold only 15 days' worth, which blocks festival stockpiling.

04

MINISTRY OF DFENCE

Defence Minister approves transfer of technology of all DRDO conventional missile systems to Indian industry

The ministry approved the transfer to the Indian defence industry of DRDO-developed technologies for all conventional missile systems, for production within the country, subject to applicable qualification, certification and regulatory requirements. The Ministry describes the objective as carrying missile systems from development into industrial production, widening participation by Indian firms and micro, small and medium enterprises in the supply chain, cutting import dependence and raising domestic value addition. No financial commitment accompanies the approval.

> ***CPRG INSIGHT***
> Earlier, DRDO could hand over a missile technology to industry only after that particular system was cleared for transfer, one at a time. Most of the actual manufacturing stayed with government-owned defence companies, while private firms mainly supplied parts. Now the approval covers all conventional missile systems together, so a company does not have to wait for a separate decision each time. But no funding comes with it, so firms have to spend their own money on setting up the plant and testing before they can produce anything

STATE POLICY & GOVERNANCE

Across the States

05

Uttar Pradesh Cabinet approves lifelong free bus travel for women aged 60 and above

The Cabinet cleared the Lokmata Ahilyabai Matrushakti Yojana, under which women aged 60 and above who are residents of Uttar Pradesh can travel free for life on all general buses run by the Uttar Pradesh State Road Transport Corporation. More than one crore women are covered, with about 88,438 expected to use it daily, and the government has estimated an additional cost of Rs 22.55 crore a month. UPSRTC will issue smart cards, and Aadhaar or Voter ID can be shown while boarding. The Cabinet also approved 250 air-conditioned electric buses for 2026-27 at a cost of Rs 400 crore.

CPRG INSIGHT

Until now, free bus travel for women in Uttar Pradesh came only around Raksha Bandhan, for two or three days, and ended after that. An older woman going for a hospital check-up or to visit family paid the usual fare on every other day of the year. Now women above 60 can travel free whenever they need to. For the state, this becomes a regular expense of about Rs 22.55 crore a month instead of a one-time festival announcement.

06

Puducherry presents Rs 14,300 crore Budget for 2026-27

Puducherry presented a Rs 14,300 crore Budget for 2026-27, comprising Rs 12,115 crore in revenue expenditure and Rs 2,185 crore in capital expenditure. It allocates Rs 2,202 crore to major welfare schemes, provides Rs 16.25 crore for tablets for 16,250 Class 9-10 students, and raises several marriage-assistance rates, including BPL-family support from Rs 35,000 to Rs 75,000.

CPRG INSIGHT

In last year's budget, salaries, pensions, loan repayment and power purchase alone came to about 63 percent of the total, which is why little is left for anything new. The same pattern holds this year. Revenue spending is Rs 12,115 crore of the Rs 14,300 crore outlay, about 85 percent, leaving Rs 2,185 crore for capital works. Raising BPL marriage assistance from Rs 35,000 to Rs 75,000 helps those families, but it is a one-time payment.

07

Goa Cabinet approves anti-conversion Bill for introduction

The Goa Cabinet approved the Goa Prohibition of Unlawful Conversions of Religion Bill, 2026 on 26 August 2026. The legislation proposes life imprisonment and a minimum Rs 50,000 fine for conversions involving force, coercion, or allurement. The Bill explicitly mandates that marriages conducted solely for religious conversion will be declared legally void. Furthermore, unlawful conversion of minors, women, or individuals from Scheduled Castes and Scheduled Tribes will attract rigorous imprisonment of 5 to 14 years

CPRG INSIGHT

Complaints of forced conversion in Goa have so far been handled under general criminal provisions on cheating, coercion or intimidation. Those cases turn on proving intent, and a marriage connected to a conversion continued to stand unless someone challenged it separately in a civil court. The Bill sets out conversion as its own offence with fixed minimum punishments and declares such marriages void. That gives police a specific section to act under instead of fitting the facts into a broader charge.

08

Assam brings the 2026 hydrocarbon policy into force

The Assam Hydrocarbon Exploration, Production and Upstream Ecosystem Development Policy, 2026 came into force on 21 August for 10 years, unless modified earlier. It establishes a standing investor framework to facilitate clearances, reduce procedural hurdles and encourage advanced exploration technologies across oil and gas exploration, production and related upstream services.

CPRG INSIGHT

Oil blocks in Assam are given out by the Centre, but the land, forest and local permissions come from the state, and that is where most delays happen. Very little new exploration has taken place in Assam for years, and production has stayed around 4 million tonnes of crude. The policy now sets the state's rules for ten years, so companies know what to expect before they start, and offers some support for drilling in places where oil is likely but not yet found.

09

Uttarakhand approves the State Cooperative Policy 2026

The Cabinet cleared a cooperative policy running in three phases from 2026 to 2036, drawn up to fit the National Cooperative Policy 2025 to a hill economy of small holdings and out-migration. Primary Agricultural Credit Societies are to work as multipurpose rural service centres covering dairy, horticulture, fisheries, storage, cold chains, insurance and digital banking. The policy opens cooperatives to tourism, homestays, AYUSH and renewable energy, and provides for member-owned transport under a Sahkar Taxi scheme.

> ***CPRG INSIGHT***
> Primary Agricultural Credit Societies were built around crop lending. That is a limited business in Uttarakhand's hills, where farms are small, cultivation is often part-time and many working-age residents have moved away. A cold store, homestay booking desk or taxi service could provide income even when demand for farm credit is low. The harder part is execution as many village societies may not yet have the staff or business skills to run these services.

DIPLOMACY & EXTERNAL AFFAIRS

India & the World

10

India and Brazil sign a Memorandum of Understanding on telecommunications and ICT cooperation

The MoU establishes a framework for exchange of information, experience and best practices covering telecom policy and regulation, artificial intelligence, 5G and 6G, Open RAN, the Internet of Things, direct-to-device connectivity, low earth orbit satellites and non-terrestrial networks, spectrum and satellite orbit management, optical fibre, submarine cables, cybersecurity and consumer protection

> ***CPRG INSIGHT***
> India and Brazil have discussed telecom matters at BRICS meetings for years, but there was no written agreement between the two communications ministries. Officials on either side had no fixed point of contact and cooperation depended on who was in office. The MoU sets that channel down on paper and lists the subjects it covers. What it does not do is commit either country to money or projects, so for now it mainly makes regular exchange easier to arrange.

11

BRICS Science Ministers adopt the Chennai Declaration on science, technology and innovation cooperation

Adopted unanimously at the closing session of the 14th BRICS Science Ministerial under India's Chairship. The declaration welcomes the Action Plan and Terms of Reference for the Task Force of the Working Group on Research Infrastructures and Mega-science Projects, records progress towards operationalising the BRICS Global Research Advanced Infrastructure Network, welcomes a draft framework for a BRICS Science and Research Repository, and endorses the STI Calendar of Activities for 2026-27.

CPRG INSIGHT

BRICS members already have a shared platform that lists research facilities across the group. But a researcher who wants time on a facility in another member country still applies to that country directly and follows its rules and calendar. The declaration does not change that. It sets up a task force with agreed terms and an action plan to work out common rules for access and researcher movement. Until those rules exist, the application process for scientists stays the same

12

India and Morocco agree to a Joint Working Group on a preferential trade agreement at the 7th Joint Commission

At the seventh session of the India-Morocco Joint Commission, held during the Minister of State's visit on 24 and 25 August, the two sides agreed to establish a joint working group to explore trade opportunities and the feasibility of a preferential trade agreement, and to examine tariff and non-tariff barriers and market access in goods and services. They set a target of doubling bilateral trade, about $4 billion in 2025, within five years.

CPRG INSIGHT

India and Morocco trade under normal tariffs, with no preferential arrangement between them. India buys mostly fertilisers and phosphates from Morocco and sells petroleum products, vehicles, medicines and food items. A preferential agreement would lower duties on some of these lines, but the two sides have only agreed to set up a working group to study whether one is feasible. That study comes before negotiations, and negotiations take years, so the $8 billion target rests on very early groundwork.

13

Prime Minister to visit Uzbekistan on a State Visit before the SCO Summit in Bishkek

The Prime Minister will be in Tashkent from 29 to 30 August at the invitation of President Shavkat Mirziyoyev, his fourth visit to Uzbekistan, and will then travel to Bishkek for the 26th SCO Summit from 31 August to 1 September. Delegation-level talks in Tashkent are expected to cover trade and investment, defence, digital connectivity, energy and education, and to take up the two countries' development plans, Viksit Bharat 2047 and Uzbekistan-2030. The Ministry of External Affairs said India is among Uzbekistan's top ten trading partners, with trade and investment together close to $1 billion.

> ***CPRG INSIGHT***
> India and Uzbekistan already have a Bilateral Investment Treaty and meet often at the ministerial level, yet trade and investment together are still only about $1 billion. The reason is mostly geography. Uzbekistan is landlocked and the short land route runs through Pakistan, which is closed to Indian goods, so cargo has to take the longer way through Iran's Chabahar port. That is why Chabahar comes up at nearly every meeting.

REFERENCES

Sources

02 PIB - Mobile Manufacturing Scheme
03 PIB - Duty Free Import of Sugar
04 Tech Transfer of DRDO conventional missile systems
05 UP Free Bus Travel for Women above 60
06 Puducherry Budget 2026-27
07 Goa Anti Conversion Bill
00 Assam Hydrocarbon Policy
09 Uttrakhand State Cooperative Policy
10 India Brazil MOU
11 BRICS Chennai Declaration
12 India Morocco Joint Working Group
13 PM Visit Uzbekistan

End of Volume 11

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