

THIS WEEK IN POLICY

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At the Centre

01

Cabinet approves ₹52,878-crore sale of 60.72% stake in IDBI Bank to Fairfax

The Cabinet Committee on Economic Affairs approved the sale of a 60.72% stake in IDBI Bank to Canada's Fairfax Financial Holdings for ₹52,878 crore. The transaction comprises 30.48% held by the Centre and 30.24% by LIC, reducing their respective holdings to 15% and 19%. Fairfax's winning bid of ₹81 per share exceeded the independently assessed benchmark of ₹75.99. The transaction remains subject to RBI regulatory approval and, once completed, will constitute India's largest foreign direct investment in the financial sector.

CPRG INSIGHT

IDBI Bank's sale marks an important step in India's long-running disinvestment programme. Following years of financial stress, government and LIC support helped bring its gross bad loans down from nearly 32% in 2018 to 2.3% in June 2026. The sale therefore comes after the bank's financial recovery, allowing the government to realise value from a stronger asset rather than selling a distressed institution. It also marks a shift towards private management and commercial decision-making. How the bank performs under its new ownership could offer useful lessons for future strategic disinvestments.

02

Centre approves India's accession to the Southern Indian Ocean Fisheries Agreement

The Central Government has approved India's accession to the Southern Indian Ocean Fisheries Agreement (SIOFA), a legally binding agreement signed in 2006 and operational since 2012. It governs non-tuna fisheries in the high seas of the Southern Indian Ocean, covering resources such as squid, toothfish and crustaceans. Member countries jointly establish conservation measures covering fishing authorisations, catch reporting, vessel monitoring and illegal fishing. India, a cooperating non-contracting party since 2022, will gain full participation in fisheries management and compliance decisions upon completing accession.

CPRG INSIGHT

India's accession enables Indian-flagged vessels to pursue authorised fishing for species such as squid, toothfish and alfonso, while committing the country to conservation measures and monitoring obligations. As a Contracting Party, India will gain fuller participation in SIOFA's scientific and compliance bodies, along with access to research, stock assessments and decision-making processes. The move fits India's wider Blue Economy agenda, which seeks to harness ocean resources for growth, jobs and food security while keeping marine ecosystems healthy. Deep-sea fishing opens new avenues for fishers, entrepreneurs and allied sectors such as processing, cold chains, ports and research.

03

Centre launches National Strategic Trade Command Centre for trade monitoring

The Commerce Ministry launched the National Strategic Trade Command Centre (NSTCC) to integrate trade intelligence, export performance and regulatory monitoring. Developed by the Department of Commerce, it brings together dashboards covering Importer Exporter Codes, Advance Authorisation, EPCG, Certificates of Origin, SCOMET approvals and restricted trade. Officials can track application pendency, processing timelines, scheme utilisation and export trends across products and markets. The platform will progressively integrate data from other agencies and extend access to states and export promotion bodies.

CPRG INSIGHT

India already has the NIRYAT portal for tracking exports and Trade Connect for helping businesses access international markets. The new centre focuses on how efficiently the government processes trade. Data often arrives with a lag, slowing responses to changing market conditions. With India signing more FTAs, timely information is increasingly important for tracking their utilisation, identifying import pressures and considering trade remedies. The backlog in SCOMET applications illustrates this problem, as sensitive exports require clearances across ministries, where delays can hold up business. Comparing processing times across offices can reveal coordination gaps, but better monitoring must translate into faster decisions without compromising necessary security checks.

04

NITI Aayog releases framework to assess data-centre investments and sustainability

NITI Aayog's Frontier Tech Hub released the Data Centre Evaluation Framework to guide state governments in assessing investment proposals. It covers five areas: energy, water and cooling, location and environmental sustainability, economic value, and governance. The framework recommends assessing grid capacity, water stress, renewable energy availability, waste management and local infrastructure before approving projects. It also advises states to link incentives to measurable economic outcomes and distinguish between basic data-storage facilities and advanced computing infrastructure.

CPRG INSIGHT

The size of a data-centre investment does not always reflect its wider contribution to the economy. These facilities require substantial electricity, cooling water and grid infrastructure, but create relatively few permanent jobs. Ireland has already faced grid constraints from data-centre growth and now links new projects to additional power generation. NITI Aayog's framework addresses a similar risk by asking states to weigh the public infrastructure and incentives required against the actual economic value generated. Linking approvals and subsidies to verified infrastructure capacity and measurable outcomes could ensure that the costs of attracting investment do not outweigh its wider benefits.

05

Cabinet extends National Social Assistance Programme with ₹53,428-crore outlay

The Union Cabinet approved continuation of the National Social Assistance Programme, renamed Pradhan Mantri Samajik Sahayata Yojana, for 2026–27 to 2030–31 with an outlay of ₹53,428 crore. Disability pension eligibility has been expanded from persons with at least 80% disability to those with 40%, while the minimum age requirement has been removed. Central assistance will rise to ₹375 per month for beneficiaries below 80 and ₹625 for those aged 80 and above. Old-age, widow and family-benefit schemes will continue unchanged.

CPRG INSIGHT

The exclusion of people with 40–79% disability was a longstanding gap. A government committee recommended lowering the 80% threshold as early as 2012, but the requirement remained unchanged even after the 2016 disability law recognised 40% as the benchmark. The revision addresses this gap and extends support to children with disabilities for the first time. However, wider eligibility does not necessarily mean adequate financial support. Central assistance will still be ₹375 per month for beneficiaries below 80, making state contributions important in determining the actual support they receive.

DIPLOMACY & EXTERNAL AFFAIRS

India & the World

06

First BIMSTEC Home Ministers' Meeting adopts Delhi Declaration

The first BIMSTEC Home Ministers' Meeting, held on 13 October, brought together Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand. The Delhi Declaration sets out a common framework to combat terrorism, organised crime, trafficking, cybercrime and illicit financing through legal cooperation, information sharing and training. Ministers also approved a convention against human trafficking, action plans on drug control, illicit financial flows and disaster preparedness, and an MoU on combating money laundering and terror financing. The declaration calls for finalising extradition arrangements and implementing existing security agreements.

CPRG INSIGHT

With SAARC summits stalled since 2014, BIMSTEC has become an important platform for India's regional security cooperation. Its relevance is particularly evident along India's border with Myanmar, which overtook Afghanistan as the world's largest opium producer in 2023. Alleged drug trafficking from Myanmar also affects Manipur and Mizoram. The threat extends beyond narcotics: in March 2025, India repatriated 549 nationals trapped in cyber-scam centres along the Myanmar–Thailand border. By recognising forced cybercrime as a form of trafficking and calling for cooperation among countries of origin, transit and destination, the Delhi Declaration addresses a growing cross-border problem. Its effectiveness will depend on stronger intelligence sharing, extradition arrangements and victim repatriation.

07

India and UK hold first Joint Economic and Trade Committee meeting since CETA

India and the UK held their 16th Joint Economic and Trade Committee meeting in New Delhi, agreeing to establish committees and working groups for implementation of their Comprehensive Economic and Trade Agreement. Both sides will exchange annual data on preferential tariff utilisation and strengthen cooperation in services, innovation and government procurement. At the eighth Science and Innovation Council meeting, they also inaugurated the BRIC-CDFD–Oxford Nanopore Technologies Genomics Centre of Excellence and reviewed collaborative research in AI, quantum technologies, biotechnology and advanced manufacturing.

CPRG INSIGHT

The India–UK trade agreement, which came into force in July 2026, provides duty-free access for nearly 99% of Indian exports to the UK. However, these concessions benefit exporters only when they meet rules of origin and claim the available preferences, which can be difficult for smaller businesses. The new monitoring mechanism will help identify which sectors are actually using the agreement and where barriers remain. The parallel science cooperation could also extend the partnership beyond trade by connecting research institutions with industry and supporting the commercial use of new technologies.

08

India operationalises its first resident diplomatic mission in Costa Rica

India operationalised its new resident diplomatic mission in San José, Costa Rica, with effect from 10 October 2026. The mission will support closer political engagement, bilateral trade, investment, economic cooperation and relations with Central America. It will also provide consular assistance to Indian nationals and strengthen people-to-people exchanges. The embassy is initially operating from a camp office in San José, establishing a permanent diplomatic presence in a country previously served through non-resident accreditation.

CPRG INSIGHT

Costa Rica opened its embassy in New Delhi in 2010, while India's diplomatic representation continued through its embassy in Panama. The new resident mission addresses this imbalance and allows more direct engagement with local businesses and authorities. Bilateral trade reached approximately US\$391 million in 2025–26, with opportunities in pharmaceuticals, technology and advanced manufacturing. A permanent presence could help businesses resolve regulatory issues and identify partners locally, while also improving consular access for Indians in the country.

09

India expands cooperation with Ghana, Côte d'Ivoire and Ethiopia

External Affairs Minister S. Jaishankar visited Ghana, Côte d'Ivoire and Ethiopia from 6–10 October. India and Ghana signed two MoUs covering scientific research, biodiversity and agricultural research and education, involving the Zoological Survey of India, University of Ghana, ICAR and Ghana's Crops Research Institute. Discussions with Côte d'Ivoire focused on trade, local manufacturing, healthcare and infrastructure. In Ethiopia, India announced another Jaipur Artificial Limb Fitment Camp and specialised training for officials in forensic science, women and child development, and media governance.

CPRG INSIGHT

India's development partnership with Africa has traditionally included major infrastructure projects, such as Ghana's Tema–Mpakadan railway, alongside technical assistance and training. The new research agreements strengthen the latter approach by connecting institutions directly. Agricultural cooperation is particularly relevant to Ghana's efforts to improve food security and increase local value addition, while biodiversity research can strengthen scientific capacity. Ethiopia's prosthetics and training initiatives follow a similar model of sharing specialised expertise.

STATE POLICY & GOVERNANCE

Across the States

10

Delhi approves ₹1,000-crore Industrial Policy 2026 for high-value industries

The Delhi Cabinet approved the ten-year Industrial Policy 2026, allocating ₹1,000 crore under the Mukhyamantri Udyamshree Yojana for 2026–31. The policy targets ten sectors, including IT, global capability centres, data centres, healthcare, precision manufacturing and MSME modernisation. It offers investment, rental, recruitment and technology-upgradation incentives, with higher ceilings for women-led enterprises. Global capability centres can receive up to ₹50 crore, rising to ₹60 crore for women-led firms. Invest Delhi will facilitate approvals and incentive disbursement.

CPRG INSIGHT

Delhi's industrial landscape has been shaped by the relocation of polluting industries since the 1990s. The new policy is therefore less about bringing traditional manufacturing back and more about creating jobs in sectors that can operate within the capital's land and environmental constraints. It also puts Delhi in competition with neighbouring Gurugram and Noida for high-value investments. Financial incentives may help, but affordable commercial space, reliable infrastructure and easier approvals will remain important in attracting businesses.

11

Delhi notifies establishment of DITI as its new state policy think tank

The Delhi government notified the establishment of the Delhi Institute for Transformation and Innovation (DITI), modelled on NITI Aayog. Chaired by the Chief Minister, it will prepare Vision Delhi 2047, conduct policy research, evaluate government schemes and recommend administrative reforms. Its Governing Board includes representatives from DDA, MCD and NDMC, while an Executive Committee headed by the Chief Secretary will coordinate its work. Guru Gobind Singh Indraprastha University will serve as the lead knowledge institution, alongside invited national and international experts.

CPRG INSIGHT

Delhi previously had the Dialogue and Development Commission, established in 2015, whose functioning was disrupted in 2024. DITI also follows a wider national shift towards state-level policy institutions, with NITI Aayog's latest annual report listing 32 such bodies across states and UTs. Maharashtra's MITRA and Gujarat's GRIT are examples. Delhi's new institution places senior administrators at its core, which could help turn policy recommendations into departmental action.

12

Uttar Pradesh approves Sustainable Aviation Fuel Policy 2026

The Uttar Pradesh Cabinet approved the Sustainable Aviation Fuel Manufacturing Promotion Policy 2026 for five years. It supports production from agricultural residues, municipal waste and non-edible oilseeds. Projects are classified as large (₹200–500 crore), mega (₹500–1,500 crore) and ultra-mega (above ₹1,500 crore). Incentives include stamp-duty relief, SGST reimbursement, interest subsidies and electricity-duty exemption for up to ten years. The Uttar Pradesh New and Renewable Energy Development Agency will serve as the nodal agency.

CPRG INSIGHT

India has set indicative SAF blending targets of 1% by 2027 and 5% by 2030 for international flights, creating a potential market for domestic producers. However, SAF costs at least twice as much as conventional jet fuel globally, making commercial production difficult without support. Uttar Pradesh's agricultural residue base offers an advantage, but these materials also have competing uses in existing bioenergy industries. The challenge is securing affordable, consistent feedstock and producing certified aviation fuel at a price airlines can bear.

13

Uttar Pradesh approves AI Mission for governance and employment

The Uttar Pradesh Cabinet approved the UP Artificial Intelligence Mission, with ₹225 crore provided in the 2026–27 budget. It aims to train five lakh youth, support at least 100 AI startups and develop over 100 AI use cases, with 25–30 intended for wider departmental adoption. The mission proposes district AI centres across all 75 districts, over 200 AI Kaushal Labs and a shared UP AI Stack for computing and secure data exchange. It also provides for audits of high-impact public-facing AI systems.

CPRG INSIGHT

Around a dozen Indian states have announced AI-related policies or plans, although fewer have dedicated missions. Tamil Nadu established its AI Mission in 2024 with ₹13.93 crore, while Kerala's 2026 policy targets 50 AI applications in government. Uttar Pradesh's distinguishing feature is its district-level approach, proposing an AI centre and a dedicated AI Fellow in each of its 75 districts. Combined with a shared computing and data platform, this could help districts adopt common solutions rather than develop separate systems. The real test will be whether the planned 25–30 applications can be deployed across departments and improve public service delivery.

14

Kerala introduces Senior Citizens Care and Protection of Rights Bill 2026

The Kerala government introduced the Senior Citizens (Care and Protection of Rights) Bill, 2026, in the Legislative Assembly. The proposed legislation recognises ageing at home, access to affordable care and living wills, while requiring registration of elder-care institutions and caregivers. It establishes certification and background-verification requirements, district protection mechanisms and safeguards against abuse, exploitation and cyber fraud. Certain violations may attract imprisonment of up to three years. The Bill has been referred to the Assembly's subject committee.

CPRG INSIGHT

India's 2007 law already provides for maintenance of senior citizens by their families and basic welfare protections, while Kerala established a dedicated Elderly Commission in 2025. The new Bill goes further by regulating professional caregivers and care institutions and recognising the right to age at home. Similar approaches exist internationally. Australia's Aged Care Act, effective from 2025, establishes rights-based care and mandatory provider standards. Kerala's Bill brings these protections together within a state-level legal framework, potentially offering a model for other states as India's elderly population grows.

15

Tamil Nadu launches Semiconductor Ecosystem Scheme 2026

The Tamil Nadu government launched the Semiconductor Ecosystem Scheme 2026 to attract investments in chip fabrication, packaging, testing, equipment and materials. Its first track offers an additional 15–25% capital subsidy for projects approved under the Centre's Semicon 2.0 programme. A second track supports projects without central approval through capital subsidies of 15–25% and turnover-linked assistance of up to 2% annually for five years. The scheme also provides land, training, employment and financing incentives, with local hiring requirements. Applications close on 30 September 2027.

CPRG INSIGHT

India has approved 12 semiconductor manufacturing projects across six states, but none in Tamil Nadu under the national programme. The state has separately cleared incentives for proposed semiconductor and equipment facilities by NMB-Minebea and Yield Engineering Systems, while identifying semiconductor park sites at Sular, Palladam and Maduramangalam. The Maduramangalam park alone targets ₹2,000 crore in investment. India's semiconductor market is projected to grow from US\$64 billion to US\$200 billion by 2035. Odisha, meanwhile, has five state-approved semiconductor projects and offers an additional 25% capital subsidy for centrally supported projects. Tamil Nadu's existing electronics industry provides a strong base, but its next step is converting proposed facilities into operational manufacturing capacity.

16

Delhi launches DURGA e-auto portal with 1,300 permits for women and transgender drivers

The Delhi government launched the application portal for the DURGA e-auto scheme, to allocate 1,300 pink electric auto-rickshaw permits, including 1,170 for women and 130 for transgender persons. Eligible applicants must be Delhi residents aged 20–40, with a valid driving licence, public service vehicle badge and annual family income below ₹5 lakh. District-wise quotas and online lotteries will govern selection. Beneficiaries will also qualify for purchase incentives under the Delhi EV Policy 2026.

CPRG INSIGHT

Delhi had already reserved 1,406 e-auto permits for women in 2022, but received only 743 applications initially. This highlighted the difficulty of bringing women into commercial driving, a profession still overwhelmingly dominated by men. DURGA builds on the earlier initiative by including transgender persons and proposing links with ride-hailing platforms. The latter is particularly relevant because securing a permit does not guarantee regular passengers or earnings. By combining reserved permits with access to customers, the scheme takes a more practical approach to improving livelihoods and representation in the city's transport sector.

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