CENTER OF POLICY RESEARCH & GOVERNANCE

THIS WEEK IN POLICY

Weekly Policy Digest



VOLUME 21

30 October to 5 November 2026

IN THIS ISSUE

AT THE CENTRE

01 Cabinet opens regular service for all Agniveers

02 ₹14,500-crore VGF for 92 GWh of energy storage

03 High Level Committee to review banking sector

04 Capex scheme to promote critical mineral processing

05 ₹4,371-crore VISTAR scheme for official statistics

06 IndiaAI releases EKA-1 and Dhīr foundation models

07 NITI Aayog launches state S&T Scoreboard

INDIA & THE WORLD

08 Quad commits $85 million for trusted AI

09 $500 million credit line to Guyana, UPI-like pact

10 First BIMSTEC maritime security exercise

ACROSS THE STATES

11 West Bengal approves new Investment Promotion Policy

12 Delhi notifies slum rehabilitation policy

13 Haryana fixes landowners' share at 50% in pooling

14 Telangana approves ₹5-lakh family life cover

15 J&K notifies ease of doing business reforms

16 Keralam sets 7% growth target for 15th Plan

CPRG THIS WEEK

CPRG launches PathwAI, an AI literacy programme for NDMC school students

© CPRG 2026

UNION GOVERNMENT & NATIONAL INSTITUTIONS

At the Centre

01

Cabinet opens route to regular service for all Agniveers

The Union Cabinet approved changes to the Agnipath scheme after a four-year review of Agniveers' performance by the armed forces. As originally planned, 25% of each batch will be offered regular service on merit. The remaining 75% will now be offered a second engagement of two years, with higher pay, an enhanced Seva Nidhi package and seniority benefits. At the end of this period, every Agniveer who is willing and meets the selection criteria will be enrolled as a regular soldier. The Agnipath scheme itself will continue.

CPRG INSIGHT

Agnipath drew strong criticism from the day it was announced in June 2022. There were objections to the short tenure, the absence of a pension and the effect on the forces. The scheme was built so that only a quarter of each batch would stay on, while the rest would leave after four years with a Seva Nidhi package of about ₹11.71 lakh. The first batch of about 46,000 Agniveers completes its four years around the end of this year, so in effect it is the first to receive the two-year extension, just as most of it was due to leave. After six years, any Agniveer who wants to stay and meets the criteria will become a regular soldier, which means the police quotas set aside by states such as Odisha and Jammu and Kashmir will now matter mainly to those who choose to leave.

02

Cabinet approves ₹14,500-crore VGF for 92 GWh of energy storage

The Union Cabinet approved a ₹14,500-crore Viability Gap Funding scheme for 2026–27 to 2030–31 to support 92 GWh of new grid-scale storage: 60 GWh of pumped storage, 30 GWh of battery storage and 2 GWh from other technologies. The projects involve an estimated investment of ₹97,600 crore and would add capacity equal to 170% of what India has today, against a requirement of 411 GWh by 2031–32. Capacity will be awarded through tariff-based competitive bidding, with public and private distribution companies eligible for support on battery and pumped storage projects. Battery projects must meet a 40% domestic content requirement.

CPRG INSIGHT

Renewable energy cannot keep growing on the grid without storage. India's installed solar capacity reached about 162 GW by June 2026, but solar output peaks at midday while demand peaks after sunset, so power is wasted in the afternoon and the grid falls short in the evening. The government told Parliament that 8,133 GWh of solar power was curtailed between April and June 2026, and Grid-India recorded an evening shortfall of about 2.57 GW on 22 May, when demand crossed 270 GW. Batteries and pumped storage absorb the midday surplus and release it when it is needed, which also helps keep the grid stable as the share of variable power rises. The earlier two rounds of VGF supported only battery projects. This one adds pumped hydro, costs about ₹15.8 lakh per MWh against ₹18 lakh in the second round, and doubles the local content rule for batteries from 20% to 40%.

03

Centre sets up High Level Committee to review the banking sector

The Finance Ministry constituted the High Level Committee on Banking for Viksit Bharat, announced in the Union Budget 2026–27, to recommend structural, regulatory and legislative reforms for the banking sector. Chaired by a former Central Vigilance Commissioner, with a serving and a former RBI Deputy Governor and a former public sector bank chief as members, it has six months to report. It will benchmark prudential norms against global practice, review the legal framework for banks including RRBs and cooperative banks, assess the long-term capital needs of banks, DFIs and NBFCs, examine the cost of capital for business, prepare an AI and digital roadmap, and review priority sector lending and the Lead Bank Scheme.

CPRG INSIGHT

India's last broad reviews of banking were the two Narasimham Committees of 1991 and 1998, set up when bad loans and weak capital were the main worries, while the P.J. Nayak Committee of 2014 looked only at governance in public sector banks. This committee starts from a stronger position, with gross NPAs at 1.8% in March 2026, so its task is less about repairing balance sheets and more about the structural limits on bank lending, such as scale and the cost of capital. Shaktikanta Das, Principal Secretary-2 to the Prime Minister and former RBI Governor, recently called for further consolidation of public sector banks, arguing that larger banks are better placed to finance complex projects and absorb shocks. The last round of mergers cut the number of public sector banks from 27 to 12 between 2017 and 2020. The committee’s mandate to plan for globally competitive banks and assess their long-term capital needs gives it room to take up the question of size.

04

Cabinet approves Capex Support Scheme to Promote Critical Mineral Processing

The Cabinet approved the Capex Support Scheme to Promote Critical Mineral Processing, with an outlay of ₹2,814 crore for 2026–27 to 2030–31. It offers a 30% capital subsidy for four plants that will turn lithium and nickel ores or intermediates into high-purity compounds: two lithium plants of at least 30 kilotonnes each and two nickel plants of at least 50 kilotonnes each, with cobalt recovered as a by-product. Support is capped at ₹500 crore per lithium plant and ₹900 crore per nickel plant. Applicants are first screened on technical grounds and then bid on the lowest subsidy sought, with payment in three milestone-linked tranches.

CPRG INSIGHT

India imports all the lithium, nickel and cobalt it uses, according to the Ministry of Mines, and around two-thirds of the world’s lithium refining takes place in China. Government support so far has gone to the two ends of the supply chain. Block auctions and the National Critical Mineral Mission, approved in January 2025, cover exploration and mining, while a ₹1,500 crore incentive approved in September 2025 supports recovering these minerals from e-waste and battery scrap. This scheme fills the gap between the two by paying for plants that turn ore and intermediates into battery-grade chemicals. Because the subsidy goes to the bidder asking for the least support and is paid in stages, money is released only as the plants are actually built.

05

Cabinet approves ₹4,371-crore VISTAR scheme to overhaul official statistics

The Cabinet approved the Viksit Bharat Initiative for Statistical Transformation, Analytics & Research (VISTAR), a central sector scheme with an outlay of ₹4,371.10 crore for 2026–27 to 2030–31. It brings all of MoSPI's survey and data work under one scheme with three parts: statistical operations, support to States, and the Economic Census. MoSPI plans 59 surveys in this cycle against 43 earlier, new measures such as a Headline Index of Services Production and an Index of Unincorporated Sector Enterprises, and wider use of mobile phone, scanner and e-commerce data. States will get deliverable-linked funding to produce district-level estimates, and the 8th Economic Census will cover non-farm establishments down to the Gram Panchayat and ward level.

CPRG INSIGHT

India has not had a complete count of its non-farm businesses since the 6th Economic Census of 2013–14. The 7th Census was carried out between 2019 and 2021 at a cost of about ₹691 crore, but it was never published nationally. In 2023, a committee of secretaries advised against releasing it, because most of the fieldwork had taken place during COVID-19 and several states had not approved their provisional results. VISTAR funds the 8th Census and links it to a National Statistical Business Register, which will give MoSPI a ready list of enterprises to draw survey samples from. The district-level estimates fill a similar gap, since flagship surveys such as PLFS and HCES are currently reported only down to the state level.

06

IndiaAI Mission releases indigenous foundation models EKA-1 and Dhīr

The IndiaAI Mission released three indigenous foundation models built by startups selected under its Innovation Centre pillar, using subsidised national AI compute. Soket's EKA-1 is an open model with 26.3 billion parameters, trained on about 7.5 trillion tokens across all 22 scheduled languages and English, for mathematics, coding, reasoning and agent-based tasks. ZenteiQ's Dhīr 2B and Dhīr 5B are smaller open-source assistants in English and ten Indian languages, built to run on-premise and offline. The models will be made available to researchers, students and developers through the AIKosh platform.

CPRG INSIGHT

The IndiaAI Mission was approved in March 2024 with an outlay of ₹10,371.92 crore. It has since selected 12 teams to build foundation models, starting with Sarvam AI in 2025, and given them access to more than 34,000 subsidised GPUs. The two models released this week are meant for different kinds of users. EKA-1 is a large general-purpose model that works across all 22 scheduled languages, while Dhīr is small enough to run on a local server without an internet connection. That makes Dhīr usable for government offices, hospitals and others that cannot send sensitive data to outside cloud services.

07

NITI Aayog launches state-wise Science and Technology Scoreboard

NITI Aayog launched the India S&T Scoreboard, an interactive dashboard covering the science and technology base of all 36 States and Union Territories. It brings together data on higher education and R&D institutions, deep-tech startups and incubators, research publications and patents, with trends over several years. Beyond volume, it reports indicators of research quality, impact, collaboration and open access across priority research areas, so that States can benchmark themselves and plan their own science and technology programmes.

> ***CPRG INSIGHT***
> NITI Aayog's earlier India Innovation Index, released in three editions between 2019 and 2022, gave each state a single composite score, and Karnataka came first among the major states every time. The Scoreboard publishes the underlying indicators instead, so a state can see exactly where its research base is weak rather than only where it ranks. In the first release, Tamil Nadu leads on both measures, with 44,611 research publications and 16,048 patent filings in 2024–25, while Uttar Pradesh and Maharashtra follow on publications. Since the Scoreboard also tracks citations and collaboration, states that publish fewer but more widely cited papers are not judged on volume alone.

DIPLOMACY & EXTERNAL AFFAIRS

India & the World

08

Quad commits $85 million for trusted AI and widens critical minerals cooperation

The Foreign Ministers of India, Australia and Japan and the US Secretary of State met in Atlanta and issued a joint statement on economic security. They raised concerns over economic coercion, arbitrary export restrictions and non-market overcapacity, and called for freedom of navigation through the Strait of Hormuz, the Red Sea and the Bab el-Mandeb without tolls. The four committed over $85 million to support access to trusted AI across the Indo-Pacific, and the US pledged $10 million for facilities in India and ASEAN that recover critical minerals from e-waste. They also announced a first Quad Business Leaders' Forum, an effort to identify semiconductor and AI supply-chain chokepoints, and a first exercise under the Indo-Pacific maritime surveillance initiative.

> ***CPRG INSIGHT***
> Much of this builds on the Quad foreign ministers' meeting in New Delhi in May, which launched the Quad Critical Minerals Initiative Framework with a target of mobilising up to $20 billion for mining, processing and recycling. The Atlanta statement takes the recycling part further, with US funding for recovery plants in India and ASEAN and a plan to explore making it easier to move recyclable scrap across borders. The $85 million for trusted AI is in line with India's decision in February to join Pax Silica, the US-led initiative on AI and semiconductor supply chains. For India, the call for free navigation through Hormuz and the Red Sea has the most direct bearing, since 23 Indian nationals, 15 of them seafarers, have died in the West Asia conflict, according to the MEA.

09

India extends $500 million line of credit to Guyana and signs agreement on UPI-like payments

On the sidelines of the Commonwealth Heads of Government Meeting, India announced a new $500 million line of credit to Guyana for its development and infrastructure projects. The two countries signed three agreements: on supplying and installing manufacturing projects for micro and small enterprises, on grant assistance for Quick Impact Projects, and on cooperation in digital public infrastructure, including setting up a UPI-like payment system in Guyana. Talks also covered trade and investment, energy, agriculture, infrastructure and capacity building.

CPRG INSIGHT

India's earlier credit to Guyana was small and tied to specific purchases. A $23.37 million defence line of credit paid for two HAL Dornier-228 aircraft delivered in 2024, and India supplied an ocean-going ferry built by GRSE in 2023. The new $500 million line is far larger, but it is also tied funding. Under the guidelines for India's concessional lines of credit, at least 75% of the value of the contracts financed must be sourced from India, so most of the money is spent on Indian goods and services. The payments agreement extends a model India has already offered elsewhere, with NPCI International helping Namibia, Peru and Trinidad and Tobago build UPI-style systems. The relationship also has an energy side: Guyana produced about 903,000 barrels of oil a day in April 2026, and Indian refiners bought around 297,000 barrels a day of Guyanese crude in January.

10

BIMSTEC holds its first maritime security exercise in the Bay of Bengal

The inaugural BIMSTEC Maritime Security Exercise brought together Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand. It followed up on the outcomes of the 6th BIMSTEC Summit and was aimed at improving interoperability, maritime domain awareness and coordination among member states in the Bay of Bengal. The exercise drew on the Andaman and Nicobar Command, India's integrated tri-service command, which sits astride the main sea lanes into the Malacca Strait and handles surveillance, disaster relief and search and rescue in the region.

CPRG INSIGHT

BIMSTEC's only earlier military drill, MILEX-2018 in Pune, was a land-based counter-terrorism exercise, and Nepal and Thailand did not send troops to it. This time all seven members took part, though in different ways. Indian warships sailed with ships from Myanmar and Sri Lanka in the sea phase, Bangladesh and Thailand were reported to have sent naval assets, and Nepal and Bhutan, which are landlocked but depend on Bay of Bengal ports for their trade, sent representatives. The exercise also adds a security track to cooperation that has so far been about shipping. The BIMSTEC Agreement on Maritime Transport Cooperation, which came into force in May 2026, covers port access, recognition of ship and crew documents and a joint shipping committee, but it does not deal with security.

STATE POLICY & GOVERNANCE

Across the States

11

West Bengal approves new investment policy

West Bengal released the West Bengal Investment Promotion Policy, 2026. Units in priority and backward areas can receive assistance of up to 120% of their investment in plant and machinery, and thrust-sector units up to 110%. Manufacturing units can get employment-linked assistance of up to 50% for ten years and service units up to 75%, with support of up to 100% for MSMEs employing women and transgender persons. The state will build land banks through purchase, land pooling and reuse of idle industrial land, and waive cross-subsidy and additional surcharges on green power sourced within the state until 2030.

CPRG INSIGHT

The policy reverses a decision the previous government took only last year. The Revocation of West Bengal Incentive Schemes and Obligations Act, 2025 cancelled the industrial incentive schemes offered since 1993 with retrospective effect, so even pending claims and refunds could no longer be paid. The state said the schemes had done little for industrial growth, had benefited a few enterprises disproportionately and had become a strain on its finances, and that many units that received them had since closed. With that history, the new policy will pay incentives from a dedicated non-lapsable fund and use escrow accounts to secure the state's commitments, while the 120% ceiling applies only in priority and backward areas and is paid out over as long as ten years.

12

Delhi notifies slum rehabilitation policy for about 5 lakh families

The Delhi government notified the Delhi Slum and Jhuggi Jhopri Rehabilitation and Relocation Policy, 2026, replacing the earlier framework under the DUSIB (Delhi Urban Shelter Improvement Board) Act, 2010. It covers about 675 JJ clusters with roughly 20 lakh residents, or nearly 5 lakh families. Households in clusters that existed before 1 January 2025 are eligible for an alternative pucca house, preferably at the same site or within three kilometres. Beneficiaries will contribute ₹1.5 lakh plus maintenance charges. In-situ redevelopment can be taken up by developers, who receive development rights over part of the land in return. DUSIB will be the nodal agency for clusters on Delhi government and MCD land.

CPRG INSIGHT

The 2015 policy that this replaces covered only JJ bastis that existed before 1 January 2006, and only residents who could prove they had lived there since before 2015. Moving the cut-off to 2025 accounts for a decade in which Delhi's population is projected to have grown from about 1.88 crore in 2016 to 2.27 crore in 2026, according to the Technical Group on Population Projections. Not all of these new residents live in JJ clusters, but a significant share do. Officials estimate there are now around 750 clusters against the 675 officially recognised, and the clusters already house about 20 lakh people, close to one in ten residents of the city. The policy also brings relocation sites within three kilometres instead of five, after families under the old rule were moved as far as Savda Ghevra as an exceptional case, and raises the beneficiary contribution from ₹1.12 lakh to ₹1.5 lakh.

13

Haryana fixes landowners' share at 50% in new land pooling policy

The Haryana Cabinet approved the Land Pooling Policy, 2026, replacing the 2022 policy. Landowners who pool land will receive 50% of the saleable area of the developed project, including commercial sites. Those contributing less than 999 square metres will receive cash compensation under the 2013 land acquisition law or at the plot's reserve price, whichever is higher. Development agencies such as HSVP and HSIIDC will identify project areas, or owners can offer land through aggregators. Owners must give consent within 30 days, sale deeds must follow within 60 days of final approval, delayed payments carry 9% interest, and projects must be completed in four years instead of five.

CPRG INSIGHT

Under the 2022 policy, a landowner's share was worked out from the market value of undeveloped land, so the return depended on how that land was valued. The new policy ties it instead to the finished project, at half of its saleable area. Pooling also stays voluntary, with owners asked to give consent within 30 days, which is important given what happened in neighbouring Punjab. Punjab's Land Pooling Policy, 2025 sought about 65,000 acres, but it was stayed by the Punjab and Haryana High Court for lacking environmental and social impact assessments, and was withdrawn in August 2025 after farmer protests. Haryana's policy also places obligations on the development agency, through 9% interest on delayed payments and a four-year deadline to complete projects.

14

Telangana approves ₹5-lakh life insurance cover for every family

The Telangana Cabinet approved the Indiramma Family Life Insurance scheme, under which every family in the state will get free life cover of ₹5 lakh. Enrolment will be done door to door, with Indiramma Committees visiting households in every village to collect applications once the scheme is launched later this month.

CPRG INSIGHT

Telangana has offered ₹5 lakh life cover before, through Rythu Bima from 2018, but only to land-owning farmers aged 18 to 59, with the state paying their premium to LIC. That scheme was not renewed this year, and claims have been left pending. The new scheme replaces it with cover for every family, which brings in landless labourers, tenant farmers and urban households who were never eligible under Rythu Bima. It also goes well beyond the Centre's Pradhan Mantri Jeevan Jyoti Bima Yojana, which offers ₹2 lakh of life cover for an annual premium of ₹436 paid by the subscriber.

15

Jammu and Kashmir notifies ease of doing business reforms under its new Act

The J&K government notified reforms under the Jammu and Kashmir Ease of Doing Business Act, 2026, replacing multiple permission-based procedures with a time-bound system. Eligible enterprises can now start operations on a self-declaration and are protected from routine inspections for three years, subject to exceptions in the Act. All activities are permitted by default unless they appear on a Negative List. An Executive Committee will act as the single nodal agency for approvals at the pre-establishment, construction, utility connection and operation stages, and duplicate licences, unnecessary clearances and repeat inspections have been removed.

CPRG INSIGHT

Other states have tried self-declaration before. Rajasthan's MSME Act of 2019 lets new MSMEs start on a declaration of intent and exempts them from state approvals and inspections, initially for three years, and Assam passed a similar law in 2020. Haryana's Right to Business Bill, 2026 takes a different route, giving eligible MSMEs an in-principle approval valid for 36 months. What sets J&K's Act apart is its Negative List: rather than listing what is exempt, it allows any activity that is not on the list by default. It also brings every stage of approval, from setting up to operation, under one Executive Committee, instead of leaving each department to clear its own part.

16

Keralam sets 7% growth target in approach paper for 15th Five Year Plan

The Keralam State Planning Board approved the approach paper for the 15th Five Year Plan (2027–32), which aims to raise annual GSDP growth from 5% to 7% and expand the economy from ₹16 lakh crore to ₹28 lakh crore. The plan will be carried out in "project mode", with wider participation from private institutions, cooperatives and non-resident Keralites, and state assistance covering up to half of a project's cost. A ₹100 crore revolving fund will finance project preparation and feasibility studies, and departments must identify projects eligible for central assistance. New focus areas include artificial intelligence, deep tech, and data and public finance.

CPRG INSIGHT

Five-year plans ended at the national level with the 12th Plan in 2017, after NITI Aayog replaced the Planning Commission, but Keralam has continued to prepare its own, and its current 14th Plan runs until 2027. So far, plan money has been spent mainly through departmental schemes and through local bodies, which were handed 35 to 40% of plan funds when the People's Plan Campaign began in 1996. Project mode changes this by having the state co-finance specific projects with private firms, cooperatives and non-resident Keralites, with state support capped at half the cost. The ₹100 crore revolving fund will pay for the feasibility studies and detailed reports these projects need before money can be committed.

CPRG THIS WEEK

17

CPRG launches PathwAI, an AI literacy programme for NDMC school students

PathwAI - The AI Literacy Programme 2026–27 was inaugurated on 5 November 2026 by Shri Manoj Kumar Dwivedi, IAS, Chairman, New Delhi Municipal Council (NDMC), who attended as the Chief Guest. The programme is an initiative of the Center of Policy Research and Governance (CPRG), run in collaboration with NDMC and supported by Info Edge. Over 12 weeks, students of Classes IX to XII in NDMC schools will take part in in-person sessions on Artificial Intelligence, with the aim of helping them engage with AI in an informed, creative and responsible way.

REFERENCES

Sources

01 Regular service route for all Agniveers
02 ₹14,500-crore VGF for energy storage
03 High Level Committee on Banking
04 Critical Mineral Processing Capex Scheme
05 VISTAR scheme for official statistics
06 IndiaAI releases EKA-1 and Dhīr models
07 NITI Aayog S&T Scoreboard
08 Quad joint statement on economic security
09 India–Guyana line of credit and UPI pact
10 First BIMSTEC maritime security exercise
11 West Bengal Investment Promotion Policy 2026
12 Delhi slum rehabilitation policy 2026
13 Haryana Land Pooling Policy 2026
14 Telangana family life insurance scheme
15 J&K ease of doing business reforms
16 Keralam 15th Plan approach paper

End of Volume 21

CENTER OF POLICY RESEARCH & GOVERNANCE · © CPRG 2026

| @CPRGINDIA