Since 1998 Group

We expand your Horizon

JULY 2026 EDITION

GOVERNMENT

POLICY REPORT

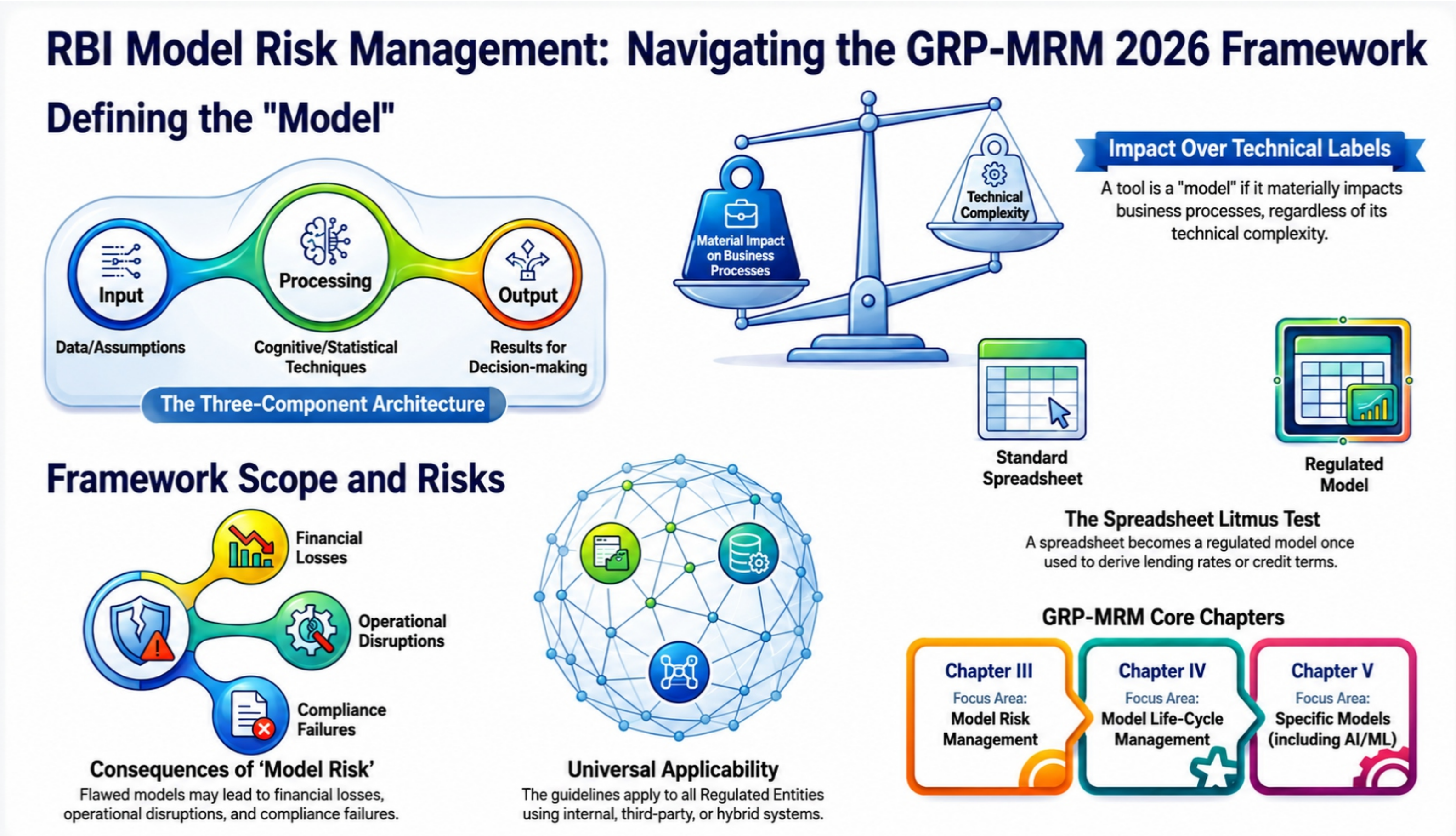
ECONOMY

RBI Introduces Draft Regulatory Principles for Managing AI and Model Risks

The Reserve Bank of India (RBI) has released the **draft *Guidance on Regulatory Principles for Model Risk Management, 2026*** for public consultation, proposing a comprehensive framework to govern artificial intelligence (AI), machine learning (ML), and other analytical models used by regulated entities. As AI adoption accelerates across banking and financial services, the draft seeks to strengthen governance, accountability, and transparency while ensuring that technological innovation does not compromise financial stability or customer interests. Stakeholders may submit comments on the draft until **24 July 2026**.

Source: https://www.corplawupdates.in/updates/rbi-draft-guidance-model-risk-management-2026-ai-ml-banks-nbfcs

The draft requires regulated entities to **establish a Board-approved Model Risk Management Framework (MRMF)** covering the entire model lifecycle, from development and deployment to monitoring, modification, and decommissioning. Institutions must maintain a model inventory, classify models according to their risk, and implement governance arrangements supported by clearly defined roles, responsibilities, and risk-based oversight across all material models, including those sourced from third-party providers.



Source: https://www.naavi.org/wp/rbi-guidelines-for-ai-for-public-comments-1/

To reinforce model governance, the RBI proposes a **three-lines-of-defence approach supported by Independent Model Validation (IMV)** before deployment and periodic reassessment thereafter. Regulated entities are expected to monitor model performance, manage model changes, and establish mechanisms for model override or decommissioning whenever models exceed approved risk thresholds or exhibit performance drift.

Recognising the distinct risks associated with AI, **the draft prescribes additional safeguards for AI and ML-based models, particularly Generative AI applications**. Institutions must assess risks relating to explainability, bias, hallucinations, output variability, and data quality while ensuring appropriate human oversight over automated decision-making. The guidance also recommends a **"kill switch"** to suspend or deactivate high-risk AI models when necessary and holds regulated entities accountable for risks arising from third-party AI solutions.

CORE PILLARS OF MODEL RISK GOVERNANCE

Board-Approved Model Risk Management Framework	Establishes organization-wide accountability for model governance
Model Inventory & Risk Classification	Enables prioritization of oversight based on potential impact
Independent Model Validation	Confirms reliability before operational use
Continuous Performance Monitoring	Detects emerging risks and changing model behaviour over time
AI-Specific Safeguards & Human Oversight	Promotes responsible and trustworthy AI-enabled decision-making

Source: https://www.timesnownews.com/technology-science/rbi-wants-banks-to-keep-ai-in-check-new-framework-human-oversight-and-more-proposed-article-154754583

The proposed regulatory principles reflect the RBI's commitment to **promoting responsible AI adoption while strengthening model risk governance** across the financial sector. By integrating robust oversight, independent validation, continuous monitoring, and AI-specific safeguards, the framework seeks to build a resilient, transparent, and trustworthy digital financial ecosystem capable of supporting innovation with effective risk management.

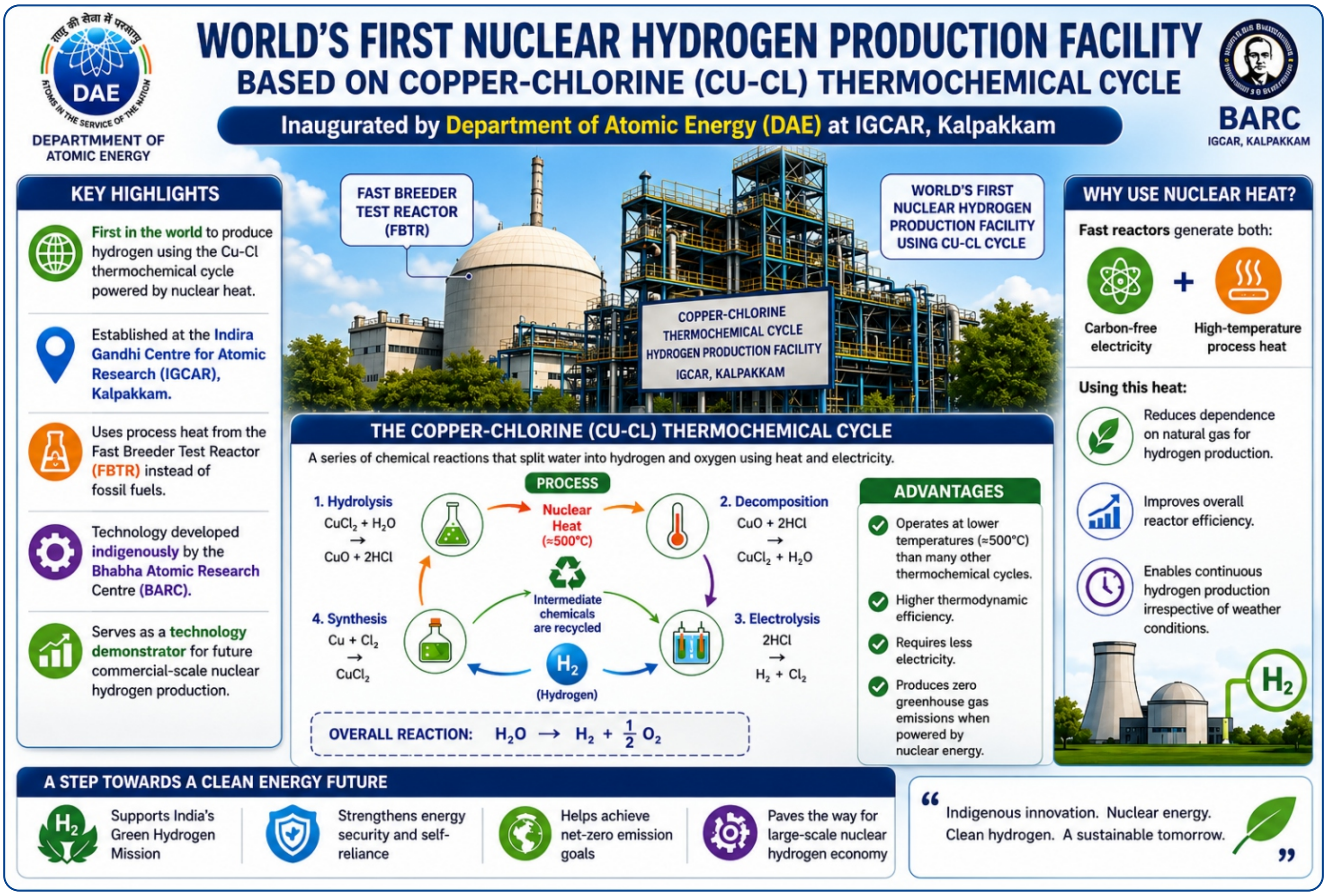
ENERGY

DAE Unveils World's First Copper-Chlorine Thermochemical Hydrogen Production Plant

The Department of Atomic Energy (DAE) has achieved a significant breakthrough in clean energy by commissioning the world's first hydrogen production facility based on the Copper-Chlorine (Cu-Cl) thermochemical cycle. Located at the **Indira Gandhi Centre for Atomic Research (IGCAR)**, Kalpakkam, the facility utilizes **nuclear process heat from the Fast Breeder Test Reactor (FBTR)** to produce hydrogen. The pilot-scale facility has been established to validate the Cu-Cl thermochemical process while generating operational insights for its further improvement.

Source: https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2278259&reg=6&lang=1

The Cu-Cl thermochemical cycle produces hydrogen by splitting water through a series of chemical reactions driven by high-temperature nuclear process heat rather than electricity. Unlike conventional electrolysis, the process operates at relatively lower temperatures than many other thermochemical cycles while achieving higher energy efficiency. **The Bhabha Atomic Research Centre (BARC) developed this technology to minimize electricity consumption** by harnessing heat from the FBTR, enabling the production of carbon-free hydrogen.



Source: https://www.civilsdaily.com/news/dae-inaugurates-worlds-first-nuclear-heat-based-hydrogen-production-facility/

The facility represents collaborative efforts between BARC and IGCAR, covering process development, engineering design, equipment fabrication, installation, testing, and commissioning. Its successful operation **demonstrates the feasibility of coupling nuclear reactors with hydrogen generation systems**, expanding the application of nuclear energy beyond electricity production. The pilot plant marks an important step towards advancing nuclear-enabled hydrogen production technologies for future energy applications.

Hydrogen produced through this process has the potential to support decarbonization across hard-to-abate sectors, including refining, fertilizers, steel, transport, and energy storage. By integrating nuclear heat with hydrogen production, the technology offers **a reliable, low-carbon alternative that complements renewable hydrogen generation** while ensuring continuous production independent of weather conditions. The initiative lays the groundwork for wider adoption of hydrogen production to meet the evolving energy demands of industrial sectors.

STRATEGIC FEATURES OF CU-CL HYDROGEN PRODUCTION SYSTEM

Efficient Heat Utilisation	Lower Electricity Demand	Continuous Production	Supports Industrial Decarbonisation	Indigenous Clean Energy Innovation
Converts nuclear process heat into productive energy for hydrogen generation	Reduces dependence on electricity compared to conventional electrolysis	Enables round-the-clock hydrogen generation, independent of weather conditions	Offers clean hydrogen for sectors such as steel, fertilisers, refining and heavy transport	Demonstrates India's capability to develop advanced hydrogen technologies using domestic expertise

Source: https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2278259&reg=6&lang=1

The inauguration aligns with India's clean energy transition and long-term vision of achieving energy security through indigenous innovation. The commissioning of the Cu-Cl thermochemical hydrogen production facility reflects **India's growing capabilities in advanced nuclear research and clean hydrogen technologies**. The project is expected to accelerate research and facilitate future commercial-scale deployment, strengthening India's leadership in emerging low-carbon energy systems.

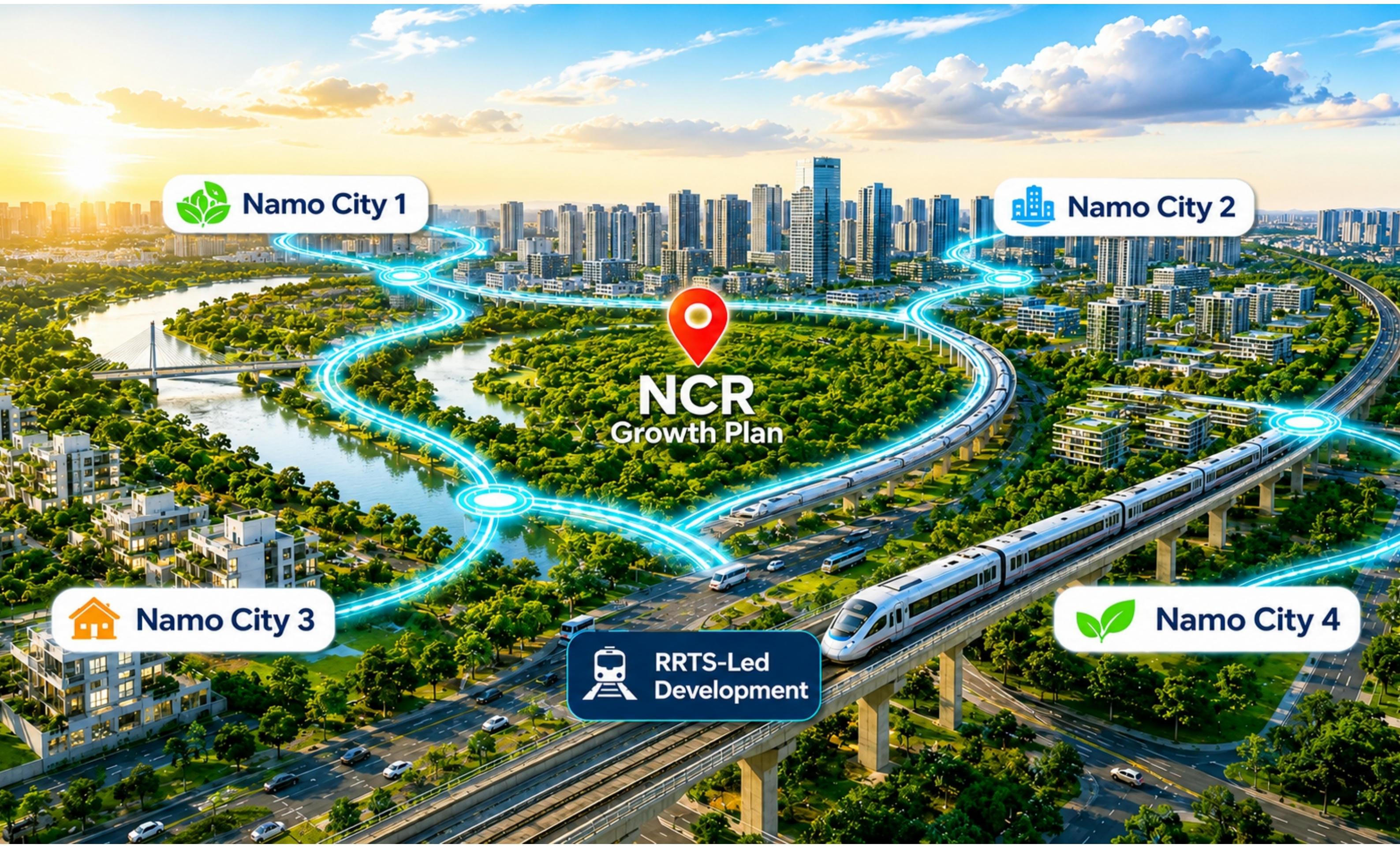
INFRASTRUCTURE

NCR Regional Plan 2041 Paves the Way for NaMo Cities

The approval of the Regional Plan 2041 by the **National Capital Region Planning Board (NCRPB)** marks an important milestone in the planned development of the National Capital Region (NCR). As the region's strategic spatial planning framework, the plan seeks to promote balanced urbanisation, strengthen inter-state collaboration, reduce developmental pressure on Delhi, and support integrated regional development across Haryana, Uttar Pradesh, the National Capital Territory of Delhi, and Rajasthan. **Among its key proposals is the development of four greenfield NaMo Cities.**

Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2273814&reg=48&lang=1

One NaMo City has been proposed in each of the NCR partner state, with **development planned along the Namo Bharat Regional Rapid Transit System (RRTS) corridors**. Based on Transit-Oriented Development (TOD) principles, these cities will integrate residential, commercial, and public spaces with high-capacity public transport networks. The approach will promote efficient land use while **enabling travel to major urban centres within approximately 30 minutes**, enhancing regional accessibility and commuter convenience.



Source: https://aquireacres.com/ncr-regional-plan-2041-4-namo-cities-rs5000-cr-to-cut-housing-costs

Supporting this initiative, the Regional Plan 2041 **prioritises multimodal transport, affordable housing, logistics infrastructure, and environmental conservation through the Natural Conservation Zone framework**. The plan also encourages decentralized economic activity and planned urban development by fostering new growth centres, helping distribute population and economic activities more evenly across the NCR while reducing pressure on Delhi's infrastructure.

The proposed NaMo Cities are expected to strengthen the NCR's economy by **creating new hubs for investments, employment, industry, and services beyond the national capital**. Improved regional mobility and supporting infrastructure networks will enhance linkages between emerging urban centres, contributing to a more balanced distribution of economic activity across the NCR and fostering sustainable long-term regional prosperity.

KEY PLANNING DIMENSIONS OF THE NCR REGIONAL PLAN 2041

Spatial Planning

- Rational land-use planning
- Development of new urban growth centres

Regional Integration

- Coordination among NCR partner states
- Harmonised regional development approach

Mobility Framework

- Regional transit integration
- Improved multimodal accessibility

Environmental Stewardship

- Conservation of ecologically sensitive areas
- Sustainable resource management

Economic Competitiveness

- Balanced distribution of economic activities
- Support for future investment and employment opportunities

Source: https://www.ndtv.com/india-news/delhi-ncr-regional-plan-2041-namo-cities-rrts-corridors-30-minute-travel-urban-india-real-estate-11647086

Regional Plan 2041 provides a long-term framework for guiding sustainable urbanisation through coordinated regional planning and efficient land-use management. By fostering the development of well-planned urban centres beyond Delhi, the proposed NaMo Cities are expected to support balanced regional development and reinforce the NCR's position as an integrated, resilient, and economically competitive region capable of accommodating future urban growth.

NORTH-EAST CORNER

A. TEXTILE

Mission Senehjori Set to Transform Assam's Muga Silk Sector

The launch of the Rs.411-crore Mission Senehjori marks a major initiative to strengthen Assam's Muga silk sector through an integrated and collaborative development framework. **Launched by the Ministry of Development of North-Eastern Region (MDoNER)** in collaboration with the Government of Assam, the Central Silk Board and other stakeholders, **the three-year mission aims to preserve Assam's rich silk heritage** through strategic public investment and multi-stakeholder partnerships.

Source: https://northeastindia24.com/mission-senehjori-seeks-to-take-assams-muga-silk-from-farm-gate-to-global-markets/

The mission adopts a **comprehensive, cluster-based approach** covering host-plant cultivation, silkworm seed production, rearing, reeling, weaving, processing, branding and export promotion. It focuses on **addressing critical gaps across the production ecosystem** through modern infrastructure, scientific interventions, improved technologies and stronger institutional support. The mission seeks to promote uniform production standards, reinforce quality assurance mechanisms and strengthen critical infrastructure across the Muga silk sector.

Source: https://www.civilsdaily.com/news/mission-senehjori-for-assam-muga-silk/

Mission Senehjori is expected to **benefit nearly 2.5 lakh stakeholders**, including silk rearers, weavers, artisans, entrepreneurs and self-help groups. It will facilitate the **creation of Farmer Producer Organisations, Farmer Interest Groups and common facilities**, while promoting skill development, entrepreneurship and better market access across domestic and international markets for sustainable sectoral growth. These interventions are expected to enhance livelihood opportunities, create employment and contribute to the sustainable growth of Assam's rural silk economy.

The initiative also places strong emphasis on value addition and market expansion through GI-linked authentication, digital traceability, product innovation and a unified **'Senehjori'** brand. It aims to enhance consumer confidence, expand exports and strengthen Assam's position in the global premium Muga silk market. In addition, the mission envisages **promoting the cultural economy through a Muga Silk Trail, a Silk Tourism Park and annual Muga Utsav festivals**.


Source: https://www.sentinelassam.com/topheadlines/doner-launches-rs-411-cr-mission-senehjori-to-boost-assams-muga-silk-sector

EXPECTED OUTCOMES FOR MUGA SILK SECTOR

Inclusive Livelihood Growth

- Support for 2.5 lakh stakeholders
- Greater rural employment and entrepreneurship

Promotion of Assam's Silk Heritage

- Muga Silk Trail and Silk Tourism Park
- Increased global recognition of Assam's golden silk

Strengthened Silk Ecosystem

- Improved production and processing capabilities
- Enhanced quality across the Muga silk value chain

Enhanced Market Presence

- GI-backed authenticity and digital traceability
- Expanded branding and export opportunities

Mission Senehjori represents a significant step towards the **long-term development of Assam's Muga silk sector** by bringing together traditional craftsmanship, institutional support and sector-wide initiatives within an integrated development framework. The initiative is expected to **enhance the global visibility of Assam's iconic silk** while contributing to regional economic growth and strengthening the long-term competitiveness of the Muga silk sector through innovation, resilience, and collaboration.

HOW AG GROUP CAN HELP YOU

To get assistance in formulation of policies for livelihood generation

Click Here

B. INFRASTRUCTURE

Shillong Hosted NEIINFRA 2026 to Accelerate Northeast India's Infrastructure Growth

The **North East India Infrastructure Summit and Exhibition (NEIINFRA) 2026** was held in Shillong on 15–16 June to promote infrastructure development and investment across the Northeast India. **Organised by the Federation of Industry and Commerce of North Eastern Region (FINER) in collaboration with the Government of Meghalaya and Build India Foundation**, the event brought together policymakers, industry representatives, investors and infrastructure experts to discuss regional connectivity, sustainable development and economic growth.

Source: https://indigidigital.in/posts/north-east-india-infrastructure-summit-exhibition-2026-catalysing-the-next-wave-of-growth-in-indias-northeast-1781328047

The two-day summit focussed on six priority sectors—roads and highways, industrial infrastructure, tourism infrastructure, aviation and airports, digital infrastructure, and ports and waterways. Through technical sessions, CEO roundtables and exhibitions, participants explored measures to improve multimodal connectivity, strengthen logistics networks, expand industrial capacity and promote resilient infrastructure. The discussions also highlighted the role of technology, innovation and private investment in delivering efficient infrastructure projects.

Source: https://www.millenniumpost.in/nation/northeast-one-of-the-most-exciting-chapters-of-indias-growth-story-civil-aviation-min-naidu-664565

The event highlighted the Centre's continued focus on strengthening transport and connectivity infrastructure across the Northeast. During the summit, **foundation stones were laid for multiple National Highway projects in Meghalaya**, reflecting ongoing efforts to enhance regional mobility. Improved transport networks are expected to reduce logistics costs, facilitate interstate movement and support trade, tourism and economic integration across the region.

NEIINFRA 2026 also served as a **platform for collaboration between government agencies, financial institutions, developers and technology providers**. The exhibition showcased modern construction technologies, engineering solutions and environmentally sustainable practices, while discussions emphasised public-private partnerships, project financing and policy support. Stakeholders highlighted the need for coordinated planning to unlock the Northeast's infrastructure potential and improve ease of doing business.

Source: https://www.constructionworld.in/policy-updates-and-economic-news/neiinfra-2026-concludes-in-shillong/93220

NEIINFRA 2026

KEY ENABLERS FOR NORTHEAST INFRASTRUCTURE

- Strengthening Policy and Institutional Support
- Promoting Government-Industry Collaboration
- Facilitating Knowledge and Technology Exchange
- Advancing Sustainable Infrastructure Development

The summit concluded with a renewed focus on infrastructure as a catalyst for inclusive regional growth. By fostering partnerships, attracting investment and encouraging knowledge exchange, **NEIINFRA 2026 reinforced the shared vision of developing the Northeast into a well-connected economic hub** through sustained infrastructure investment and regional cooperation. The event underscored the importance of integrated infrastructure development in enhancing regional competitiveness, improving livelihoods and supporting India's broader Act East and connectivity objectives.

RESOURCES

1. https://bfsi.economictimes.indiatimes.com/articles/rbi-unveils-ai-governance-framework-mandating-human-oversight-in-banking/131970975
2. https://www.reuters.com/business/rbi-proposes-guidelines-banks-manage-ai-risks-2026-06-24/
3. https://www.business-standard.com/industry/banking/rbi-s-ai-risk-framework-to-strengthen-governance-oversight-of-ai-models-126062600752_1.html
4. https://www.corplawupdates.in/updates/rbi-draft-guidance-model-risk-management-2026-ai-ml-banks-nbfcs
5. https://dae.gov.in/dae-inaugurates-worlds-first-hydrogen-production-facility-based-on-copper-chlorine-thermochemical-cycle-using-nuclear-heat-from-fast-breeder-test-reactor/
6. https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2278259&reg=6&lang=1
7. https://theprint.in/science/india-nuclear-hydrogen-production-kalpakkam/2972438/
8. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2273814&reg=48&lang=1
9. https://www.thehindu.com/news/cities/Delhi/ncr-to-get-four-greenfield-cities-under-regional-plan-2041/article71108862.ece
10. https://www.ndtv.com/india-news/delhi-ncr-regional-plan-2041-namo-cities-rrts-corridors-30-minute-travel-urban-india-real-estate-11647086
11. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2268097&reg=48&lang=2
12. https://economictimes.indiatimes.com/industry/cons-products/garments-/-textiles/assams-muga-silk-gets-rs-411-cr-boost-with-mission-senehjori-set-to-empower-2-5-lakh-weavers/articleshow/131466374.cms?from=mdr
13. https://www.indiatodayne.in/assam/story/centre-launches-rs-411-crore-mission-senehjori-to-transform-assams-muga-silk-sector-1401792-2026-06-03
14. https://economictimes.indiatimes.com/news/india/northeast-india-infrastructure-summit-shillongtohostexhibitionfromjune1516nitingadkaritoattend/articleshow/131698350.cms?from=mdr
15. https://www.constructionworld.in/policy-updates-and-economic-news/neiinfra-2026-concludes-in-shillong/93220
16. https://dailypioneer.com/news/neiinfra-2026-concludes-in-shillong-showcases-northeast-growth-vision

Group

www.aggrp.in

AG Horizon Pvt. Ltd., a **multi-disciplinary and multi-functional** organization, has been at the forefront of delivering **Concept to Commissioning** solutions for over **27+ years** across India. We work extensively with **Central and State Governments,** multi-lateral agencies and institutions to implement impactful and sustainable development initiatives.

As the **exclusive Indian business partner of Moody's** — backed by over **100+ years of global risk analytics** expertise — AG Horizon drives risk-informed development through advanced modelling monitoring and financial resilience capabilities.

Being a proud member of the **United Nations Global Compact Network India,** we are committed to strengthening communities and infrastructure with sustainability-led initiatives. Our solutions safeguard communities, infrastructure, livelihoods and economies through **risk anticipation, early alerting, rapid response capability and recovery support.**

OFFICES

GURUGRAM

HEAD OFFICE:

C-122,
LGF, Sushant Lok-2,
Sector 56
Gurugram - 122011

DELHI

SYNERGY HUB:

B-4/19,
Safdarjung Enclave,
New Delhi-110029

CORPORATE OFFICE:

609,
Pearls Best Height - 2,
Netaji Subhash Place,
New Delhi

DIMAPUR

2nd Floor/no.419, 3rd mile
Darogapathar, Block D,
Nagarjan Junction.
Chumukedima- 797115

GUWAHATI

Krine Vista, Flat - 5B, Block B,
Ananda Nagar, Bye Lane 3,
Opp. Anil Plaza, G S Road,
Guwahati - 781005, Assam

HYDERABAD

202, Zeenath Residency,
Srinagar Colony, Panjagutta,
Hyderabad - 500073

IMPHAL

Unit-6, Second Floor Customs,
Office Building, Sangakpham,
Opp. Dav School, Imphal,
Imphal East Manipur - 795010

info@aggrp.in | www.aggrp.in | +91 9810046249 | 0124 4235267

DISCLAIMER

The documentation created is by using information available on public domain as general in nature. It does not address to any particular situation or source. However, the information received from these sources is believed to be reliable. This information might be partially amended and it's also subject to revision.

A G Horizon Pvt. Ltd. does not make any warranties, expressed or implied, as to the accuracy of such information. We do not accept any liability whatsoever, for any direct of consequential loss arising from this document or its contents.