

The Agnipath Scheme: Four Years Later

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By December 2026, the first [batch](#) of roughly 46,000 Agniveers recruited under India's Agnipath scheme will complete their four-year engagement.

As the current ceiling stands, no more than 25 % will be re-enrolled into regular service on merit. The remaining 75% leave with the 'Seva Nidhi' package of approximately INR 12 lakh, but without pension or gratuity.

The government has, however, tried to strengthen the exit route. Ex-Agniveers are now [entitled](#) to 50% reservation in Constable (GD) and Rifleman vacancies in CAPFs and Assam Rifles. However, the CAPF quota merely shifts a part of the employment and personnel burden from the Ministry of Defense to the Ministry of Home Affairs.

The first exit cycle has also revived the unresolved question of Gorkha recruitment from Nepal. Nepal has [not allowed](#) its citizens to be recruited into the Indian Army since New Delhi implemented the Agniveer model (through the Agnipath scheme).

While Gorkha recruitment was disrupted during the pandemic, Kathmandu's political objection became sharper after Agnipath replaced long-service recruitment, with the Indian Army's new Chief (Gen Dhiraj Seth) recent [visit](#) to Nepal bringing the matter into public focus. While there, Gen Seth received the honorary rank of General of the Nepali Army, and was publicly petitioned by Gorkha veterans in Pokhara to restart recruitment of Nepali citizens. General Seth offered [no commitment](#), and by Nepali press accounts the issue was kept out of the formal talks altogether.

The pension drain

The Agnipath scheme began with a genuine problem. India's military has long faced the difficult combination of a relatively high average age, early retirement patterns and a large pension bill. The average age of the soldier had drifted above 30 after color service (the full-time duty period of a soldier) was extended to a pensionable fifteen years in 1976. Successive reviews – from the Balaram committee in 1985 to the Kargil Review Committee in 1999 and the Arun Singh committee – flagged the combat costs of an aging rank and file.

Defense pensions continue to consume a major part of public expenditure, alongside salaries and operational costs. By 2020, salaries and pensions together [consumed](#) over 56% of the defense budget, leaving very little for modernization, technology, infrastructure and capital acquisition. If pensions are excluded, India's effective defense spending [falls](#) to roughly 1.6 % of GDP.

But the problem with Agnipath is that a correct diagnosis does not automatically produce a correct cure.

The Kargil Review Committee did recommend shortening color service, but to a period of 7-10 years, followed by assured lateral absorption into paramilitary formations. The Agnipath scheme halved even the lower bound of that tenure and

converted assured absorption into a competitive pathway. This is even as veterans have long argued that the state recovers its training investment in a soldier over roughly 7 to 9 years of productive service.

Moreover, there is also a quieter tension with the pension reforms. The Agnipath scheme affects the pension system only in the long term, by ensuring that most future recruits leave before becoming pensionable. The savings Agnipath generates may be substantive but will arrive on a multi-decade horizon, while the scheme's social and organizational costs are front-loaded. It also creates a two-tier force in which a shrinking cohort of One Rank One Pension (OROP)-protected regulars serves alongside short-tenure soldiers who will leave without pension, healthcare or ex-serviceman status.

Veterans' organizations have flagged the corrosive potential of that asymmetry for force cohesion and organizational morale. The scheme's origin suggests that previous reforms, including the shift of civilian recruits to the National Pension System and OROP to curb pension spending, were not as successful as anticipated.

This is where Agnipath differs from earlier military manpower reforms. The Fifth, Sixth and Seventh Pay Commissions had all [discussed](#) lateral movement of military personnel to CAPFs, defense-civilian organizations and other government services. The Seventh Pay Commission envisaged a sepoy having the option (after around seven years of service) to move laterally to CAPFs with protected employment conditions. The model aimed to keep the Army young while giving trained personnel a credible second career. However, those earlier proposals were never effectively implemented.

Gorkha recruitment

The Nepal/Gorkha issue makes the point even sharper. Gorkha recruitment is a historic India–Nepal institution, sustained

by long service, pensions, family welfare and deep people-to-people ties. The Army fields some [43 Gorkha battalions](#) in which Nepali citizens historically formed around 60% of the strength. Several recruiting cycles have now passed without a single Nepali intake, and the shortfall is being filled by Indian-domiciled Gorkhas and hill troops from Garhwal and Kumaon. Nepali youth have [reportedly](#) also enlisted in foreign armies, including Russia's, during the freeze.

For Nepal, a four-year term with a 75% probability of exit changes the value of that institution. Hence, Kathmandu's hesitation reflects domestic politics, sovereignty concerns, and the fear that Nepali youth will bear the risks of military service without the long-term security that earlier Gorkha recruitment offered.

The future outlook

Thus far, the scheme has largely been debated through projections. From late 2026 onward, it will be judged through actual outcomes. The first cohorts are smaller than the eventual annual pipeline, and exits will occur across different dates and Services. This may prevent a single, visible mass-release moment. It will also give the government time to showcase Seva Nidhi payments, CAPF vacancies, State-level preferences and private-sector placements as evidence that the transition system is functioning. However, the gap between announced opportunity and actual absorption is likely to become the central political issue. A 50% reservation in specified CAPF and Assam Rifles posts sounds substantial, but it is inextricably linked to the number of vacancies available in a given year.

The most likely future is therefore not a complete abandonment of Agnipath, but gradual differentiation within it. In effect, India may move towards a two-track system with short-term service for general duty personnel, but with longer retention for technology-intensive roles where experience is

harder to replace.