Kautilya Society, NLUO

PUBLIC POLICY POST

Monthly newsletter on recent legislations and public policy updates

JULY 2025

Policy Updates from July

S.No.	Topic
1.	National Sports Policy 2025: An Ambitious Leap Forward, Yet Challenges Persist
2.	Punjab Government introduces the 'Prevention of Offences Against Holy Scriptures Bill, 2025'
3.	Sowing the Seeds of Tomorrow or Old Wine in a New Bottle: Analysing the PM-Dhan Dhaanya Krishi Yojana
4.	The RBI’s New Era of Borrower Protection: A look at the 2025 Pre-payment Directions
5.	National Cooperation Policy 2025

National Sports Policy 2025: An Ambitious Leap Forward, Yet Challenges Persist

- Manasvi Singh

Introduction

The Cabinet recently approved the National Sports Policy 2025 (“NSP 2025”), which marks a significant step for India in its journey towards creating a sports ecosystem. The NSP 2025 ambitiously aims to "*make India a sporting power by the year 2036*" and also looks at "*sports as a tool for holistic development*." NSP 2025 replaces the 2001 sports policy to bring an approach that is forward-looking, inclusive, economically-driven, and technology-enabled.

What the Policy hopes to achieve

NSP 2025 is structured around the five major pillars of guidelines —excellence in sports, economic and social development, grassroots participation, integration with education, and strategic governing. The NSP 2025 policy has emerged as the result of a wide range of consultations that included ministries, governments at the state level, sports federations, athletes, and experts. The intention is to ensure that athletes are provided support not only through training but also in nutrition, mental health and recovery.

Furthermore, NSP 2025 proposes a connection between sports and economic development. This includes promoting sports tourism, supporting domestic sporting goods manufacturing, facilitating Startups and entrepreneurship and finally increasing funding through Public-Private Partnerships (PPP model) and Corporate Social Responsibility.

Social development is another focal point. The policy aims to encourage greater participation from 'under-represented' groups such as women, tribal communities and persons with disabilities.

Indigenous or traditional games also find their due space to represent an overall direction towards green-tightening India's sports heritage.

Finally, in terms of the National Education Policy 2020, sports will become more integrated into the schooling process with trained physical education teachers and fitness standards as required by the institution. The policy wants to create an all-in national movement for fitness and participation, not just performance.

Promise and Potential

The most impressive aspect of NSP 2025 is the scale of the plan—viewing sports as more than just medals; as part of building healthier citizens, jobs, and national solidarity. By conceptualizing sports in relation to education, economy, and government, NSP 2025, breaks the older habit of treating it as a standalone sector.

Changing to a whole-of-government approach is also commendable. Instead of placing all of the burden on the Sports Ministry, the theme divides it upon various Ministries the duty to implement the different aspects of the scheme.. If sports are to play a larger role in development, first-level collaboration across sectors is essential.

A push for data, technology, and innovation shows an ability to recognize contemporary needs. Imposing AI and analytics to evaluate athlete performance or engagement and outreach outcomes gets India much closer to best practices internationally.

The Roadblocks Ahead

Even with a solid framework, the ultimate success of this policy, like any other policy initiative, depends on implementation. Historically, India has had ambitious sports policies that lacked delivery at the ground level. The absence of sports infrastructure in small towns, poor physical education standards in schools, and delays by bureaucracies have rendered well-intended policies useless.

Funding constitutes another challenge. There is a valid emphasis on private participation in funding sports development; however, in multiple locations in India, the market drivers for investing in sports is weak. Therefore,without incubators helping in sports investment, government sponsored or endorsed initiatives are bound to fail, and mere reliance on private investment is nothing but futile.

In addition, while the policy states that governance in sports will be improved, it does not specify how it intends to tackle internal politics, administrative mismanagement and lack of transparency within the structure of certain sporting bodies, which can often hinder athlete progress more so than lack of opportunity.

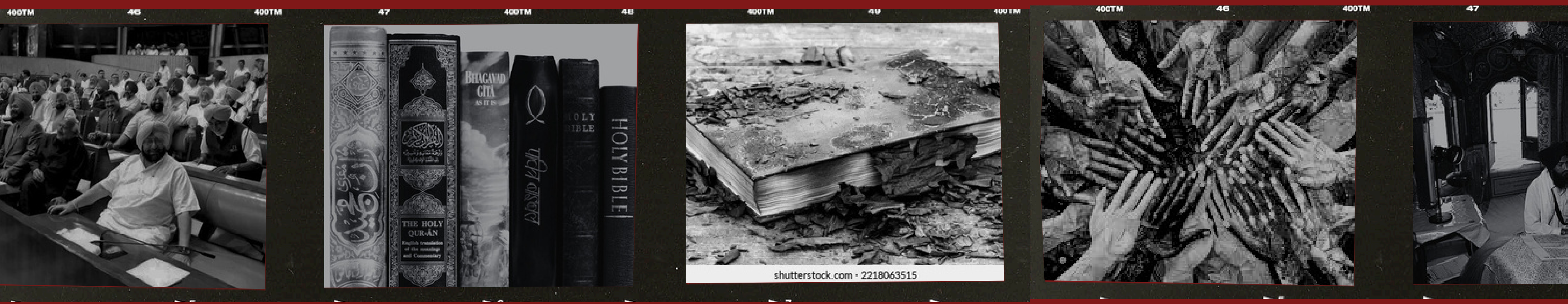
Finally, initiatives for inclusion are important, but these will require significant local engagement. Simply offering government programs does not guarantee real community ownership and engagement with tribal communities, trans-athletes and women. Inclusion is different from ownership; it takes trust, commitment, and respect for identity.

The Way Forward

The National Sports Policy 2025 is a timely and vital update. It is reflective of a changing India that is serious about taking sports into its own hands for reasons beyond just athletics. If implemented appropriately, the National Sports Policy could change the way the country sees and engages with sports. It will play a crucial role in building excellence for the 2036 Olympics.It must avoid becoming just another beautifully crafted policy that remains only on paper. It is about follow through, state coordination, and monitoring after implementation. With the right drives, India may keep moving towards being a sporting nation both in spirit and structure.

Punjab Government introduces the 'Prevention of Offences Against Holy Scriptures Bill, 2025'

-Shreya Mathur



Introduction

On 14 July, 2025, the Punjab Government introduced the *'Punjab Prevention of Offences Against Holy Scriptures Bill'*. The bill was presented with the aim 'to preserve religious and communal harmony and fraternity amongst people of diverse religious beliefs and faiths residing in Punjab and to prevent any sacrilege of holy scriptures of the different religions. It contains provisions for life imprisonment and fine of up to ₹10 lakh for any offence against holy scriptures.

Understanding the Need for the Bill

Section 298 of the BNS (erstwhile Section 295 of the CrPC) provides punishment for 'Injuring or defiling place of worship with intent to insult religion of any class'. Similarly, Section 299 of the BNS (erstwhile Section 295A of the CrPC) deals with 'deliberate and malicious acts, intended to outrage religious feelings of any class by insulting its religion or religious beliefs.'

A logical question that arises here is that, despite the presence of such laws to protect the sanctity of religious symbols and scriptures, why does Punjab need another separate law?

The answer may lie in Punjab's past. In 2015, a 'Bir' (a copy of Guru Granth Sahib) was stolen from a Gurudwara in Faridkot District, and pages of it were later found torn on streets. In the protests that followed, two protesters died in police firing. The trial of the accused still continues even after 10 years. In common memory, this incident is remembered as the 'Bargari Sacrilege case'.

Since then, Punjab has seen many similar incidents with little rescue from the existing laws. Thus, the

Punjab State Government in 2016, (then led by Shiromani Akali Dal) passed a bill that punished the sacrilege of Guru Granth Sahib. However, this Bill was sent back for violation of the basic principle of Secularism. Later, in 2018, another attempt was made, this time by the Congress-led state government to make the sacrilege of Bhagavad Gita, Quran, Bible, Guru Granth Sahib punishable, respecting all religions equally. However, this attempt also ultimately failed. Thus, the introduction of the bill in question would be the third attempt to bring in an anti-sacrilege law.

Provisions in the Bill

Though there is no particular definition for 'religious scriptures', the apex court in Sarla Mudgal v. Union of India referred to the sacred writings of Ramayan, Quran, Bible and Guru Granth Sahib as "holy scriptures." The bill in discussion punishes any offence against these holy scriptures. According to the Bill, offence against the scripture will include sacrilege, damage, destruction, de-facing, disfiguring, de-colouring, de-filing, decomposing, burning, or tearing of any holy scriptures or part of such holy scriptures.

In case an offence is committed against any religious scripture, the punishment for the same would be a minimum of 10 years, extendable up to life imprisonment. The offender shall also be liable for paying a fine that can range between five lakhs to ten lakhs. Attempt to commit any sacrilege is also made punishable by the act and the punishment for the same may range anywhere between three years to five years and a fine of up to three lakh rupees. Additionally, abetment to such offence will incur the same punishment as that of the commission of an offence. The offences under this act are cognizable, non-bailable and non-compoundable.

Conclusion

The new bill brings some hope to punish those who commit crimes against religion or religious symbols. The strict legal sanctions also ensure that people see hope for justice and do not take matters into their own hands which often leads to violence. While the bill seeks to prevent sacrilege of holy scriptures, the punishment prescribed for commission, attempt or abetment of the offence are too stringent and seek to assert the views of those who adhere to some religious principles. These provisions may also result in vigilant groups believing that their ways are correct and that anyone who acts against religion in any manner shall be strictly punished. Such strict provisions force everyone to respect certain texts even if against their will. Such provisions with no escape through bail can also be prone to misuse and political weaponization. Currently, the bill after facing great criticism from the opposition, was referred to a select committee which may take almost six months to send the bill back to the Assembly.

Sowing the Seeds of Tomorrow or Old Wine in a New Bottle: Analysing the PM-Dhan Dhaanya Krishi Yojana

-Aryan Chowdhury

With a staggering 86% of India's farmers being small or marginal landholders who possess just 47% of the agricultural land, the need for targeted intervention in the agricultural sector has never been more critical. In response, the Government of India has introduced the Prime Minister Dhan Dhaanya Krishi Yojana (PMDDKY), an ambitious initiative aimed at transforming the agricultural landscape. First announced in the Union Budget for FY 2025-26, this scheme seeks to address deep-seated issues of low productivity and insufficient farmer income. But is it indeed a groundbreaking reform or a repackaging of existing efforts?

An Overview of the PMDDKY

The PMDDKY is a comprehensive umbrella scheme that operates on a convergence model, integrating 36 existing schemes across 11 different ministries rather than introducing new ones. It is designed to channel resources and efforts into 100 of the country's low-performing agricultural districts, selected based on indicators like low productivity, low cropping intensity, and poor credit disbursement.

With an annual outlay of ₹24,000 crore for six years, the program aims to directly benefit 1.7 crore farmers. Its core objectives are:

- Enhancing crop diversification and productivity.
- Improving post-harvest infrastructure, such as storage facilities at the panchayat and block levels.
- Strengthening irrigation facilities.
- Expanding access to agricultural credit for small and marginal farmers.

The scheme’s implementation is modeled after the NITI Aayog's Aspirational Districts Programme, emphasizing a district-level approach. District Dhan-Dhaanya Samitis, chaired by the District Collector and including progressive farmers, will create a tailored District Agriculture & Allied Activities Plan. Progress will be rigorously monitored through a digital dashboard tracking 117 Key Performance Indicators (KPIs).

Analysis and Potential Hurdles

The scheme's district-centric and data-driven strategy is a significant strength. By focusing on specific, underperforming areas and using KPIs, it allows for targeted intervention and accountability. The convergence model, in theory, could streamline the delivery of benefits, reduce administrative redundancy, and enhance the impact of existing government programs.

However, there are valid concerns. The scheme arrives against a backdrop of decreasing public expenditure on agriculture, which has seen a steady decline as a percentage of the total central plan outlay over the last few years. This has led to skepticism about whether the PMDDKY represents a new investment or is merely an aggregation of existing funds under a new banner. Critics question if imposing "uniformity" by bundling state and central schemes will be effective across India's diverse agro-climatic zones.

Furthermore, the success of its decentralized planning hinges on genuine participation. While the inclusion of farmers in district committees is a positive step, there's a risk that the implementation could remain top-down, failing to truly empower local communities. The complexity of coordinating 36 schemes and 11 ministries presents a bureaucratic challenge that could hinder effective execution.

Charting a Path Forward

To realize its transformative potential, the PMDDKY could incorporate several strategic enhancements. The adoption of *Geographic Information System (GIS)-based crop planning* would enable districts to make scientifically informed decisions tailored to their specific soil, climate, and water availability, moving beyond a one-size-fits-all approach.

While the scheme promotes public-private partnerships (PPPs), it is crucial that these are structured to ensure the larger good of agricultural self-reliance and farmer welfare, not just corporate profit. Strengthening risk mitigation by expanding the coverage of crop insurance under schemes like PM Fasal Bima Yojana is also vital to protect farmers from climate and market volatilities.

Finally, for the scheme to be truly inclusive, it must be accessible. This requires creating regional skill development centers to train youth and women in modern agricultural practices and establishing multi-lingual awareness campaigns through digital platforms to ensure every farmer, regardless of their technological literacy, can understand and access the benefits promised. Subsidized loans specifically for women farmers could also significantly boost their participation and empowerment in the sector.

Conclusion

Ultimately, the PM Dhan Dhaanya Krishi Yojana represents a significant and well-structured vision for agricultural reform in India. Its emphasis on convergence, decentralized planning, and data-driven monitoring holds the promise of breaking through systemic inefficiencies. If implemented with diligence and a commitment to its founding principles, the PMDDKY could indeed become a powerful catalyst for building a more resilient and self-reliant rural India. Its outcome will determine whether it is remembered as a landmark achievement in agricultural policy or another ambitious plan that fell short in execution.

The RBI's New Era of Borrower Protection: A Look at the 2025 Pre-payment Directions

-Mridula Singh Bhatti

Introduction

The Reserve Bank of India ('**RBI**'), on July 2, 2025, issued a comprehensive framework to regulate pre-payment charges on loans, titled the **Reserve Bank of India (Pre-payment Charges on Loans) Directions, 2025.** Previously, RBI's supervisory reviews indicated divergent practices and inconsistencies among Regulated Entities ('**REs**') concerning the levy of pre-payment charges, leading to customer grievances and disputes. Certain REs incorporated restrictive clauses in their loan agreements that made it difficult for borrowers to switch lenders. These clauses were designed to discourage customers from refinancing their loans to get better interest rates or more favourable terms elsewhere. This practice effectively limited customer choice and competition among lenders. The main purpose of this update is to protect borrowers, particularly individuals and Micro and Small Enterprises ('**MSEs**'), by creating a standardized framework for pre-payment charges. Accordingly, the RBI released a draft circular for public consultation on February 21, 2025, after which the current Directions were published for regulating pre-payment charges. The new directions establish a uniform regime, which will be effective from January 1, 2026

Changes Proposed by the New Update

The 2025 directions introduce several key changes to lending practices, such as:

1. No Pre-payment Charges on Floating-Rate Personal Loans

The new regulations prohibit all REs from levying pre-payment charges on floating-rate loans to individuals for non-business purposes, providing them with the flexibility to refinance or pay off their loans without penalty.

Under the previous regulations, a borrower with a floating-rate home loan seeking to refinance with another institution offering a lower interest rate would typically incur a foreclosure penalty of 2-4% on the outstanding loan amount. This served as a significant deterrent to switching lenders. The new directions eliminate this penalty. Consequently, a borrower with an outstanding loan of Rs. 50 lakh can now repay the entire amount by securing a new loan from a different bank without being subject to any pre-payment charges.

2. Pre-payment Rules for Business Loans to MSEs

a. For Large Lenders: - Commercial banks (excluding small finance banks and regional rural banks), Tier 4 Primary Co-operative banks, upper-layer NBFCs, and All India Financial Institutions, are now prohibited from levying any pre-payment charges on business loans to individuals and MSEs, regardless of the loan amount.

b. For Smaller Lenders: - Small Finance Banks, Regional Rural Banks, Tier 3 Primary Co-operative banks, State/Central Co-operative banks, and middle-layer NBFCs, cannot charge any pre-payment fees on business loans with a sanctioned amount of up to Rs. 50 Lakh. For loans above this prescribed limit, they can still levy charges as per their policy.

3. New Rules for Fixed-Rate Loans and Other Additions

a. Fixed-Rate Loans: For loans not covered by the above rules, lenders can still charge pre-payment fees. However, these charges must be based on the amount being prepaid, not the entire original loan amount.

b. Disclosure Requirement: Lenders must clearly state in the sanction letter and loan agreement whether any pre-payment charges apply. If they fail to do so, they subsequently cannot levy such pre-payment charges later.

c. Cash Credit/ Overdraft Facilities: For cash credit or overdraft accounts, if a borrower decides not to renew the facility and closes it on the due date after giving prior notice, no pre-payment charges can be applied. If charges are levied on early closure, they cannot exceed the sanctioned limit.

d. Waiver of Pre-payment charges: The new directions explicitly state that a lender cannot levy a charge or fee that was previously waived at the time of pre-payment. This is done to prevent lenders from adding hidden or surprise fees at the last minute.

Conclusion

The new directions will have a profound impact on both borrowers and lenders. For retail and MSE borrowers, the changes are a significant win, providing them with enhanced flexibility and bargaining power. The elimination of pre-payment charges on floating-rate loans means switching lenders to secure better interest rates would be easier. This is expected to foster a more comprehensive market, as banks will need to offer more attractive terms to retain customers.

For financial institutions, the guidelines necessitate a re-evaluation of their lending policies. While the regulations are stringent for individual and MSE loans, the RBI has been careful to allow flexibility for other loan categories. For instance, lenders are still permitted to levy pre-payment charges on commercial loans and certain structured obligations. This distinction is vital for lenders to manage asset liability mismatch (ALM) risks that can arise from the premature repayment of large-value loans. The new framework ultimately pushes banks and NBFCs to adopt transparent, fair, and clearly defined policies, benefiting both the institution and its customers in the long run.

National Cooperation Policy 2025

-Tinashree J.

Introduction

Paving the way for Viksit Bharat 2047, the government unveiled the National Cooperation Policy (NCP) 2025, conceptualised by a 48 member committee led by Suresh Prabhakar Prabhu. The policy restructures the 2002 framework by creating a strategic roadmap for revitalising India's cooperative sector through the promotion of an environment conducive to sustainable cooperative development. Based on the principles of Sahkar-se-Samriddhi (prosperity through cooperation), the policy aspires to uplift the unique strengths of India's cooperative tradition, promote economic democratization, and empower rural economies through collective participation.

Why the Cooperative Sector?

India has more than one-fourth of the world's cooperatives. The Indian cooperative movement has been a flag bearer of a participatory, people-led development model aimed at socio-economic upliftment at the grassroot level for more than a century. Additionally, India is home to over 8.44 lakh cooperatives which includes 2 lakh credit cooperatives and 6 lakh non credit cooperatives spanning across dairy, fisheries, among others. With more than 30 crore members, this sector remains a key socio-economic driver, especially in rural India.

Key Highlights of the Policy

The policy is structured around six mission pillars and 16 objectives, namely:

- **Governance system strengthening:** Legal reforms, better governance, access to finance, digitalization.

- **Institutional Dynamism:** Creating business ecosystems, expanding exports and rural clusters.
- **Future challenge preparedness:** Technology integration, professional management, cooperative stack.
- **Inclusive outreach:** Promoting cooperative-led inclusive development and cooperatives as a people's movement.
- **Sector diversification:** Biogas, clean energy, warehousing, healthcare, etc.
- **Youth engagement:** Courses, training, employment exchanges.

Features of the Policy

The NCP outlines several strategic initiatives to reform the cooperative sector. It encourages the states to amend cooperative laws to enhance transparency, autonomy, and ease of doing business while also promoting the digitization of registrar offices, development of real-time cooperative databases, and revive sick cooperatives. A key focus is the preservation and promotion of a three tier Primary Agriculture Credit Society (PACS), alongside the strengthening of cooperative banks and umbrella organizations, enabling them to handle government transactions. PACS are grassroot-level cooperative societies that play a crucial role in providing agricultural credit and other services to farmers in India. Further, the policy envisions model cooperative societies with multipurpose PACS as growth engines, supported by a mission to develop rural economic clusters and promote products under the 'Bharat' brand.

It proposes the development of a national 'cooperative stack' integrated with Agri-stack and other databases, along with the consolidation of cooperatives into the Open Network for Digital Commerce (ONDC) and the Government e-Marketplace (GeM). Innovation will be encouraged through cooperative incubators and Centers of Excellence. This policy also emphasizes active participation of youth, women, SC/STs and the specially abled, etc, backed by the creation of model bye-laws to ensure gender representation and transparent governance. It aims to promote cooperatives in new and emerging sectors, introduce cooperative focused courses in higher educational institutions, build a national digital cooperative employment exchange, and promote financial and digital literacy among the youth.

Implementation and monitoring will be overseen by a multi-tier structure, including an implementation cell and a policy implementation and a monitoring committee. The implementation mechanism is headed by the Minister of Cooperation. It focuses towards ensuring that at least one cooperative unit is established in every village. The main stakeholders of this policy are the villages, agricultural sector, rural women, dalits and tribals among others. By 2034, the policy proposes to triple the cooperative sector's contribution to the Gross Domestic Product (GDP) by bringing 50 crore active members into the fold of the policy. It also aims to ensure that the development of this sector is evenly spread across all states.

Analysis

Although NCP, 2025 aims to reform the cooperative sector through legal reforms and autonomy, it falls short of providing specific safeguards to ensure less political and bureaucratic interference in elections and appointments within the cooperative institutions. The policy also highlights the importance of capacity building and training but does not outline a structured human resource strategy to implement the policy effectively. Although inclusivity and diversity are given importance, the policy does not lay down a clear roadmap to address disparities across backward regions or vulnerable areas. The policy proposes a multi-tired implementation and monitoring mechanism. It, however, lacks a dedicated grievance redressal mechanism. While NCP 2025 is a step in the right direction, it falls short of addressing the structural and operational challenges within the cooperative sector.

EDITORS

Aryan Chowdhury
(Editor-in-Chief)
Tinashree J
Manasvi Singh
Adrija Dey

DESIGN

Ishani Garg
Tanishta Mittal

Connect with us: