



Kautilya Society, NLUO



# PUBLIC POLICY POST

Monthly newsletter on recent  
legislations and public policy updates

MARCH | APRIL | MAY 2025



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## Policy Snippets from March

### **Stricter Citizenship Rules Notified:**

The Ministry of Home Affairs notified the Citizenship (Amendment) Rules, 2024, laying down the procedural framework for granting Indian citizenship to persecuted minorities—Hindus, Sikhs, Buddhists, Jains, Parsis, and Christians—from Pakistan, Afghanistan, and Bangladesh under the Citizenship (Amendment) Act, 2019. The Rules introduce a detailed application process through an online portal, mandate rigorous document verification by District Level Committees, and require security clearance from central agencies. These stricter procedures aim to ensure transparency, national security, and adherence to legal safeguards.

### **Draft Digital Competition Bill Proposed:**

The Committee on Digital Competition Law submitted its report proposing a robust ex-ante regulatory framework to address anti-competitive practices in India's digital markets. It emphasized the need for targeted obligations on Systemically Significant Digital Enterprises (SSDEs) to ensure fair competition, innovation, and consumer welfare. The report also included a draft Digital Competition Bill, marking a significant step towards proactive regulation in the digital economy.

### **RBI Introduces Framework for Self-Regulatory Organisations:**

The Reserve Bank of India released a framework for recognising Self-Regulatory Organisations (SROs) to promote higher standards of governance, compliance, and conduct among regulated entities. The move aims to foster responsible industry practices through structured peer oversight and collaborative regulation.

### **No Immunity for Legislators in Bribery Cases:**

The Supreme Court ruled that Members of Parliament and State Legislatures are not shielded from criminal prosecution for accepting bribes in connection with their legislative duties, including voting or speaking in the House. It held that the immunities under Articles 105(2) and 194(2) of the Constitution do not extend to corrupt acts, affirming that bribery undermines the integrity of parliamentary democracy.

## Policy Snippets from April

### **The Waqf (Amendment) Bill, 2024 passed:**

After much deliberation and criticism, the Parliament passed the Waqf (Amendment) Bill, 2024, introducing non-Muslim members into the Waqf Boards, and that government properties would not be Waqf properties. Moreover, for a person to confer Waqf status to a property, he must be a practising muslim for at least 5 years.

### **Governor Timelines Become Stricter:**

The Supreme Court prescribed timelines for Governor's to assent to Bills, holding that after one round of withholding assent, the Governor cannot reserve the Bill for President's consideration. It further held that the decision to withhold assent, or reserve the Bill for the President's consideration, on the aid and advice of the Council of Ministers should be taken within one month.

### **Review on the Welfare of the Indian Diaspora Given:**

The Standing Committee on External Affairs, headed by Shri Shashi Tharoor, provided its report on the welfare of the Indian diaspora and the status of the Emigration Bill. It noted that the lack of a clear policy impacts the country's ability to adequately address the diaspora's issues, even when inward remittances form the second largest form of external financing, after service exports.

## Policy Updates from May

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1.	National Scheme for ITI Upgradation: Transforming India's Vocational Training
2.	Union Government notifies nationwide cashless treatment scheme for road accident victims
3.	Reserve Bank of India (RBI) releases the Payment Regulatory Board Regulations, 2025
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5.	India's Most Precise Weather Model Introduced- The Bharat Forecast System

# National Scheme for ITI Upgradation: Transforming India's Vocational Training

-Devpriya Sengupta



## Introduction

On 7th of May 2025, the Union Cabinet approved the National Scheme for Industrial Training Institute(ITI) Upgradation worth 60,000 crores to the vocational training infrastructure within India. Under this scheme, approximately 1,000 government Industrial Training Institutes will be upgraded within a period of five years. Additionally, five National Centres of Excellence for Skilling will be established, located at existing National Skill Training Institutes (NSTIs) of Bhubaneswar, Chennai, Hyderabad, Kanpur and Ludhiana.

In an era highly influenced by skilled migrants, such a scheme is necessary to promote the evolution of vocational training. The reason stated by the Government was admittedly the underperformance of the ITIs due to outdated infrastructure, poorly aligned curricula, and dismal forms or linkage to the industry. The scheme sought to align vocational education between shifting and ever-changing job opportunities, with training institutions and evaluation as the foundation of the skill development framework.

## Key Features

The key idea behind the scheme was to transform the existing ITIs into government owned aspirational institutes of skills. This shall be achieved through the industry management in collaboration with the State Government and industry partners. The program provided funding for the purchase of machinery, building refurbishment, and the use of contemporary training methods, including digitized instruction, to improve the lack of contemporary equipment and tools which rendered their training incapable of meeting modern industrial standards. The use of new equipment and modern methods would ensure that trainees experience hands-on work as close to the real industrial environment.



A unique feature of the scheme was the inclusion of industry stakeholders in the management and governance of the ITIs by the formation of Institute Management Committees (IMCs). Each IMC is headed by senior product representatives from the local industry. This public private partnership was essential for improving the quality of vocational education. Each IMC is provided a financial and operational authority to plan and administer projects. The idea was to give authority to the organization and minimize the bureaucracy of a centralized project, which was expected to improve employment outcomes for students by meeting local needs.

A key aspect of the scheme is pursuing self-sustaining models of training delivery. Industrial Training Institutes (ITIs) are encouraged to develop a corpus fund, and make money by delivering short term courses, providing consultancy services, or by establishing joint ventures. The goal is to create a financial model that would decrease reliance on government grant funding, and push institutions and their representatives to work hard, respond to market needs, behave as an entrepreneur in their own right, and importantly, provide new skilled workers.

### Implementation and Impact

The scheme aligns strongly with national initiatives, particularly Skill India, Make in India and Atmanirbhar Bhart, that have sought to address the challenges of meeting the need for skilled labour, particularly in the manufacturing and service sectors. Therefore it will assist in meeting the nation's industrial/professional economic and industrial obligations, but also provides a significant opportunity for social mobility for students from economically weaker sections of the society by providing sufficient access to high quality training and productive outcomes.

The scheme provides a framework that fosters flexibility, encourages industry engagement, and promotes modern training standards, thereby empowering institutions to effectively navigate the challenges of a dynamic labor market. While the ultimate impact will be shaped by implementation details and regional context, the National Scheme for ITI upgradation is a positive and necessary stride toward cultivating a skilled and competitive workforce. Therefore, the scheme has the potential to benefit not only trainees directly involved industries, but also contributes significantly to India's broader economic resilience and inclusive development.

# Union Government Notifies Nationwide Cashless Treatment Scheme For Road Accident Victims

-Manya Bansal



In a significant move towards strengthening road safety and emergency healthcare, the Union Government, through the Ministry of Road Transport and Highways, has notified a cashless treatment scheme for victims of road accidents arising out of motor vehicle use, occurring on any road, nationwide. Accordingly, the victims will be entitled to a maximum compensation of ₹1.5 lakh per accident per person. This scheme will take effect from 5th May, as per a gazette notification issued by the Ministry on 4th May, 2025. This follows a pilot program launched by the Ministry on March 14, 2024, to adhere to the road safety goals under the UN's Decade of Action for Road Safety. The National Health Authority (NHA) shall be responsible for implementing it with the help of the police, hospitals, and State Health Agencies, among others.

## Highlights of the Scheme

First and foremost, the victim will be entitled to get cashless treatment at any designated hospital (around 30,000 appointed) for up to 1.5 lakh rupees for a maximum period of seven days from the date of the accident, if brought to the hospital by anyone within 24 hours of the incident. This list will also include those empanelled under the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana that comply with the NHA guidelines for this scheme. If any other hospital is being used apart from the designated ones, then the same shall be for stabilisation purposes only upon registration with the NHA's Transaction Management System (TMS) and will be as per specified guidelines. If the designated hospital does not have the treatment facilities or the expertise required for treatment, then it can refer the victim to another designated hospital, indicating the same on the portal and arranging for the required transport. Hospitals shall be paid within 10 days of approval by State Health Agencies. The allocation for the payment has been made from the Motor Vehicles Accident Fund, with contributions from the Central Government and General Insurance Companies. Furthermore, the State Road Safety Council, chaired by the respective State Transport Ministers, will be the nodal agency for implementing the scheme in that state or union territory, while the District Road Safety



Committees, headed by the District Magistrates, will be responsible at the district level. The Council will have to coordinate with NHA to make use of the TMS online portal to register the designated hospitals, treatment of victims, payment to the hospital after treatment, grievance redressal, among other matters. The TMS portal and MoRTH's Electronic Detailed Accident Report (eDAR) application will be interlinked to ensure efficient data transfer and tracking. Local police officials will be responsible for facilitating the transfer of the victim, filling out the preliminary eDAR details, and providing confirmation to the hospital that the said victim is that of a road accident for them to be covered under this scheme. The centre will also form a 17-member steering committee headed by the road transport secretary to oversee the implementation of the scheme.

### A Nuanced Analysis

This comes in the wake of the Supreme Court direction to the Road Transport Ministry to notify the said scheme after failing to do so after five years of it getting incorporated under the Motor Vehicles Act in 2019. The government has allotted a total of Rs. 272 crore for nationwide implementation of the scheme for the year 2025-26. A trial of this scheme was also held in Chandigarh from March 2024 and later expanded to six other states.

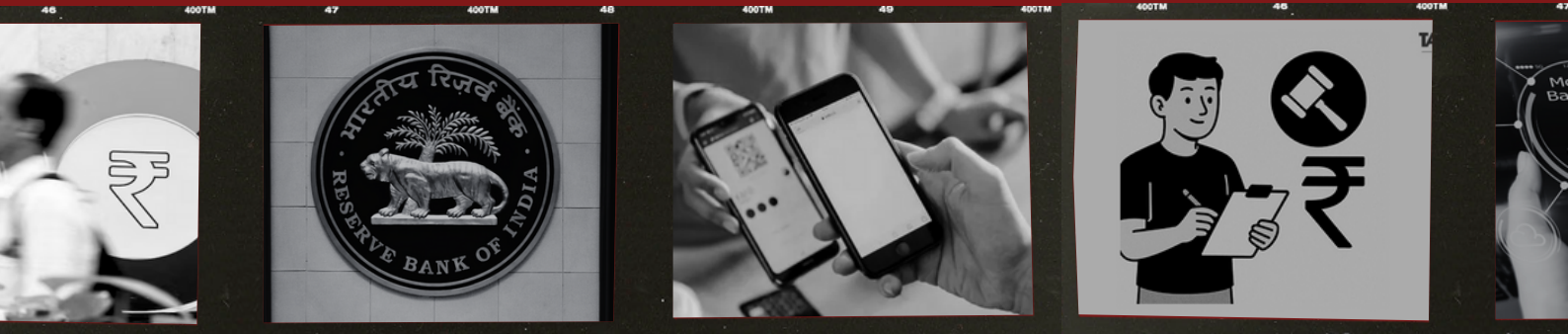
Looking at the Law Commission reports, we see that more than 50% of road fatalities can be avoided if the victims were provided with timely care and treatment during the critical 'Golden Hour' as defined under Section 2(12A) of the Motor Vehicles Act, 1988. The government, through this scheme, is aiming to reduce these numbers by streamlining the emergency response framework, from specifying hospitals for treatment and opening a portal for the smooth implementation of the scheme to making the State and District Road Safety Councils accountable for its functioning. By making the whole process cashless for up to a considerable amount of 1.5 lakh rupees and giving a seven-day time frame, it will help ease the financial burden on poorer families. It also promotes inter-agency coordination for effective trauma response and may influence other countries to adopt similar safety models.

However, it is crucial that the designated agencies and hospitals coordinate with each other for its smooth implementation. It is paramount that the government provides clarity on all the essential elements of the policy from its end so that there is no ambiguity going forward. The responsibility falls on the state governments to ensure that the hospitals receive timely payments and provide them with funds to improve their infrastructure and ensure good participation under the scheme. Additionally, the responsibility falls on NHA to check if the scheme is implemented uniformly across the country and look into the reasons if otherwise. Spreading awareness about the scheme is as important as its implementation, and the government should take steps to make sure of the same.

With India witnessing one of the highest road accident fatality rates globally, this scheme promises a more responsive, stronger emergency system and inclusive road safety.

# Reserve Bank of India (RBI) releases the Payment Regulatory Board Regulations, 2025

-Shreya Tiwari



## Introduction

On 20 May 2025, the Reserve Bank of India (RBI) released the Payments Regulatory Board Regulations, 2025, to establish a new framework for a far-reaching restructuring of the payment system's governance in India. The landmark move abolishes the earlier mechanism Board for Regulation and Supervision of Payment and Settlement Systems (BPSS) conferring a statutory status to the six-member Payments Regulatory Board (PRB). This board will create a balance between innovation, oversight, and consumer protection while charting the future of the digital-payments ecosystem in India.

Traditionally, the payment and settlement systems were regulated by BPSS, which was a five-member body headed by the RBI Governor. With the advent of UPI, wallets, foreign-centric systems, and emerging technologies such as Central Bank Digital Currency (CBDC), the regulatory mechanism needed updates.

An inter-ministerial committee, set up to recommend amendments to the Payments and Settlement Systems Act, 2007 proposed the establishment of an independent regulatory body to supervise the payment systems. At that time, the RBI had strongly opposed this, maintaining that the regulation of payment systems must remain in the domain of the central bank and that governance must be protected through RBI-based supervision.

## A Nuanced Analysis

Section 38 of the Payment and Settlement Systems Act, 2007 confers upon RBI the power to make such regulations. The regulation has provisions for the composition, regulation, management and operation of the board, to establish a dedicated regulatory body that can manage the various payments in India concluded through cash-based or cashless modes. The members of the board will be:

- RBI Governor (Chairperson),
- Deputy Governor,
- One officer of RBI nominated by the Central government,
- Three nominees from the Central Government.

The RBI Governor, Deputy Governor in charge of Payment and Settlement Systems, and the officer of RBI are designated to function as the 'ex-officio' members of the board. Members must ensure integrity and possess specialized knowledge in payments, IT, cybersecurity, or law. Additionally, they shall not be politically affiliated or insolvent. Members are appointed for a specific term and are allowed to resign. Further, members are governed by an explicit code of conduct pertaining to their integrity, confidentiality, and declaration of conflicts of interest.

To assist the board in dealing with operations, the Department of Payment and Settlement Systems (DPSS) will be created. The Board has been conferred with the power to establish advisory committees and may also invite experts from the payment and settlement field for further assistance. This ensures a diversity of opinion within the board, giving a balanced stage for decision-making.

The Board has to abide by the schedule for meetings and meet at least twice a year. Decisions have to be taken through voting, where the rule of the majority shall prevail. The notification mentions that each member of the board shall have one vote and in matter of a deadlock due to equality of votes, the Governor or, the Deputy Governor (in absence of Governor) shall give the deciding vote.

### Significance of the move

Codifying payment regulation with clear roles and statutory mandate provides for greater transparency and accountability in governance. Further, the involvement of independent nominees and domain experts avoids that echo-chamber inherent in purely internal RBI committee workings wherein one perspective limits policymaking. This allows for a more balanced and democratic decision-making.

While the presence of three Central Government nominees against three RBI ex-officio members is symbolic of a collaborative regulatory model, it is also seen by some as an attempt by the government to infiltrate a domain hitherto unaffected by the changing governments. Analysts specifically warn that government involvement must not dilute or distract RBI's technical focus through any political overtones.

Despite the mixed feelings, it is expected that an efficient governance arrangement would nurture swift anticipatory decisions on tokenisation, CBDC, and futuristic payment instruments.

According to experts such as [Ranadurjay Talukdar of EY India](#), device payments, NUEs, and many other new age digital finance innovations could be encouraged through this move.

Building on the formidable performance during the BPSS era, PRB is expected to set regulatory guardrails—such as mechanism for grievances, KYC (Know Your Customer), standards for cybersecurity, and operational resilience and further enhance them for efficiency, protection of the customer and ease of use.

With the proliferation of malware and phishing attacks on payments, the PRB would enforce strict cybersecurity mandates, including an MFA (Multi-factor authentication) mandate, fraud analytics, and RegTech (Regulatory Technology) frameworks for real-time compliance monitoring. The enhanced governance model for PRB complies well with India's global ambitions—extending UPI on an international scale, CBDC implementation, and consolidation of domestic processing, including that for national card switch infrastructure.

## Conclusion

The Payments Regulatory Board Regulations, 2025 are reflective of India's maturity in coping with the increasingly intricate and fast-changing payment ecosystem. By displacing the BPSS with a statutory board having multi-faceted expertise, India intends to create equilibrium between governance, innovation, and consumer protection.

This sweeping regulatory overhaul sends a strong message: India is ready to be the leader in global digital payments via a strong domestic infrastructure, adequate safeguards, and speedy innovation. The fate of the PRB in upcoming years will decide how India positions itself in the global spread of UPI, scalability of digital rupee, and ambience of fintech—keeping resilience and trust on top.

# Supreme Court Strikes Down Retrospective Environmental Clearances

- Manasvi Singh



## Introduction

The Supreme Court, in a two-judge bench, set aside retrospective environmental clearances (ECs) for projects in the case of Vanshakti v UOI (2025). The clearances were issued under the Environmental Impact Assessment (EIA) Notification of 2006 and the Environment Protection Act of 1986. The issue before the Court was whether the 2017 notification of the central government allowing ECs to projects that had started construction, or increased capacity or changed their product mix without prior consent, was lawful and could regularise offences under environmental laws. There were concerns regarding weakening of the precautionary principle that plays a crucial role in Indian environmental law, and its effect on the fundamental rights guaranteed, including Article 21 of the Constitution.

## The Existing Legislations

The principal environmental regulation in India is the Environment (Protection) Act, 1986 along with the EIA Notification issued pursuant to Section 3 of the Act. The EIA system requires that certain kinds of projects, particularly those that are likely to adversely affect the environment, must receive Environmental Clearance from the appropriate authority at the central, state and/or district level, prior to engaging in any activity.

In March 2017, the Ministry of Environment, Forest and Climate Change (MoEFCC) issued a notification regarding grant of ECs to projects which had:

- Started construction / production, without EC;
- Breached the EC or environmental (not necessarily EIA) limits, or
- Changed the production process without modifying the original EIA / environmental clearance.

The notification was a radical departure from past legal and process precedent as it allowed a



“post-facto” remedy for developers who had flouted environmental rules, and undermined the preventive purpose of environment law.

### The Judgement and its Significance

In its detailed ruling, the Supreme Court held that the 2017 notification that allowed retrospective clearances was illegal and contrary to the very basis of environmental protection in Indian law. It pointed out that retrospective ECs are in contravention to the EIA Notification, 2006, and there was no doubt that the purpose of environmental clearance is to assess the environmental and social impacts of the project before they were started rather than afterwards in the event any damage had been caused.

The Court also pointed out that Article 21 of the Constitution which guarantees the right to life, has been interpreted over the years to include the right to a pollution free environment. The retrospective ECs would infringe upon the right to life of the neighbouring villagers because they allowed projects to circumvent environmental law and public participation processes.

The judgment also noted that it was illogical to allow post facto approval since it would only encourage non-compliance and lead to a regulatory lacuna allowing violators to continue doing business as usual and meanwhile ignoring their environmental responsibilities. The Court directed that without qualification the Union Government cannot issue a fresh notification or policy to legitimize retrospective ECs in any form going forward.

### Conclusion

The Supreme Court's ruling affirms the "precautionary" and "polluter pays" principles and emphasizes the relevance of collective participation and prior assessment in environmental governance.

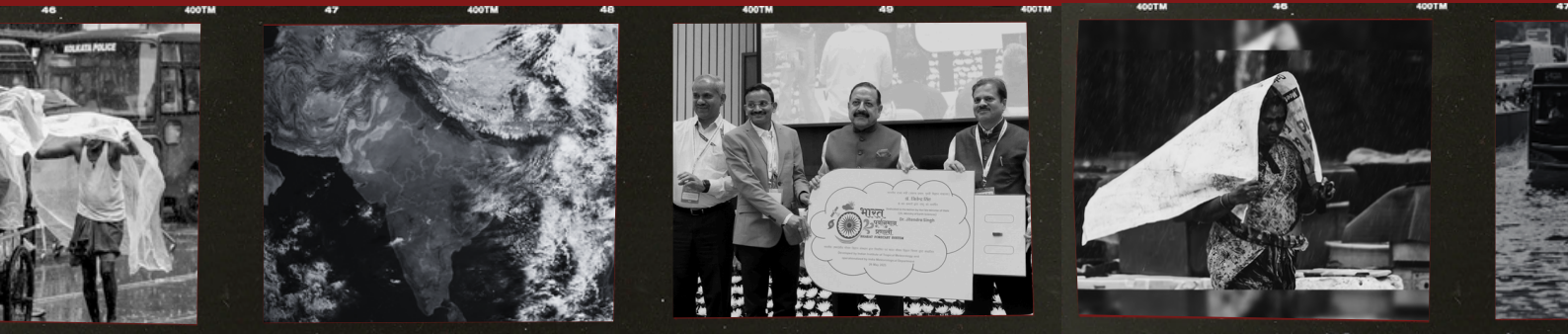
From a public policy view, the judgment restores the sanctity of the environmental clearance process and strengthens institutional accountability. At the same time, it serves as a caveat against the dilution of compliance through executive notifications that ignore statutory bounds. The policy conclusion is clear: sustainable development cannot be achieved through post-hoc approvals and the only way to guarantee the protection to the environment and communities is to uphold the environmental and community safeguards from the outset.

The judgment is an encouraging step that realigns environmental governance with constitutional values and international standards. It sends a clear signal that environmental compliance is not optional, but part of the matrix of lawful development. In the future, the process of policymaking must resist the lure for administrative convenience and reaffirm its commitment to ecological sustainability and public interest.



# India's Most Precise Weather Model Introduced- The Bharat Forecast System

-Shruti Shriram



In a bid to predict precise and accurate weather forecasts, the Union Ministry of Earth Sciences(MoES) unveiled the Bharat Forecasting System (BFS) which is the world's highest-resolution weather model and is operating on a six kilometre grid, as compared to the current 12-kilometre grid. It is predicted that the new model will lead to a 30% improvement in extreme rainfall forecasts along with other weather patterns which are difficult to predict due to climate change. The model has been developed by the Indian Institute of Tropical Meteorology (IITM) in Pune and will be operated by India's Meteorological Department (IMD).

The ministry has spent almost Rs. 90 crore on a new supercomputer 'Arka' to power the platform, which was installed in the IITM campus last year. It has a capacity of 11.77 petaflops and storage capacity of 33 petabytes. Scientists have said that the version of the global forecasting system (GFS) has been developed for short and medium range forecasting using a new grid structure called the triangular-cubic-octahedral (Tco) grid. This is the type of grid which is used in numerical weather prediction and climate modelling. The numerical models are computer models which use mathematical equations to predict weather patterns.

The system's increase in resolution from 12 km to 6 km means that it can zoom in on smaller regions and can give localised reports for better rainfall prediction and flood preparation. This will in turn help farmers to make informed decisions such as crop planning, pest and disease control and irrigation management. The Bharat Forecast System also empowers authorities to issue early warnings and coordinate disaster response efficiently. Accurate cyclone tracking, rainfall forecasts and flood predictions give states enough time to evacuate vulnerable populations, mobilize relief efforts and minimise casualties.

Earlier, India and other countries used the data of the EU's Integrated Forecast System and the US Global Forecast System, considered the "gold standard", to derive weather conditions for their own regions.

These models have a resolution between 9-14 km. India was in need of a home-grown model, since predicting rainfall in the tropical region is much more challenging than the areas which are farther away from the equator. Moreover, the smaller weather patterns that lead to rainfalls are harder to predict with the earlier models which were in use. With the new model this no longer will be an issue.

While BFS has a lot of advantages, there are some challenges that will have to be overcome. Some of them are ensuring the delivery of the forecasts to the remote parts of the country, improving digital literacy of the farmers and the public, constantly updating the models with new data and addressing the regional disparities in infrastructure and access. The government must continue investing in research and infrastructure to maximise the system's potential.

Although BFS is a reflection of India's drive to be self-reliant and the use of technology to achieve the same, it is imperative to understand that such models are being introduced as a result of climate change. While the efforts of the government are to be lauded, it is something to ponder upon that if the government has enough budget to set up a system to predict the erratic weather conditions of our country, it surely must have enough budget to combat climate change. Finding solutions for problems which are caused by climate change can lead to short term peace, fame and applause from the world leaders. But one must also consider that not every after-effect can be curbed and that one day the government will have to deal with the problem of global warming. Otherwise, even supercomputers would fail in controlling the consequences of this very real problem.

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