



BAJIRAO IAS ACADEMY

THE HINDU ANALYSIS

1 SEPTEMBER 2025



**INDIA'S ECONOMIC
RESILIENCE**



India's Economic Resilience

India's economic churn, the nectar of growth

Indian civilisation has long believed that trial precedes triumph. Like the churning of the ocean, *Samudra Manthan*, where turbulence yielded nectar, our economic churns have always produced renewal. From the crisis of 1991 came liberalisation and from the COVID-19 pandemic came a digital surge. And, today, from the cacophony of doubters calling India a "dead economy" emerges the fact-rich story of resilience: faster growth, stronger buffers, and broader opportunity.

The economic data-energy security link
Consider the latest GDP numbers. Real GDP grew 7.8% in Q1 FY 2025-26, a five-quarter high. Crucially, this growth is broad-based: Gross Value Added is up 7.6%, with manufacturing 7.7%, construction 7.6%, and services approximately 9.3%. Nominal GDP expanded 8.8%. This is not an arbitrary spike – it reflects rising consumption, robust investment, and the payoff from steady public capex and logistics reforms that reduce costs across the economy.

India is now the world's fourth-largest economy, and the fastest-growing major one, outpacing even the first and second largest, the United States and China. On present trajectories, India is poised to overtake Germany and become the third-largest economy in market exchange terms before the decade ends. India's momentum matters globally; independent estimates show that India already contributes over 15% of incremental world growth. The Prime Minister has set a clear ambition – raising India's share toward 20% as reform deepens and new capacity comes online.

Markets and rating agencies have recognised this discipline. S&P Global delivered India's first sovereign rating upgrade in 18 years, citing robust growth, monetary credibility and fiscal consolidation. That upgrade lowers borrowing costs and widens the investor base. It also punctures the "dead economy" narrative: independent assessors of risk have voted with their ratings.

Equally important is who benefits. Between 2013-14 and 2022-23, 24.82 crore Indians moved out of multidimensional poverty. That shift rides on basic-services delivery at scale – bank accounts, clean cooking fuel, health cover, tap water – and on direct transfers that empower the poor to make choices. This scale of growth amid the world's most vibrant democracy and with remarkable demographic challenges is distinctive. India's model values consensus-building, competitive federalism, and last-mile delivery through digital rails. It is slower to announce, faster to implement, and built to last. When critics compare us to authoritarian sprints, they miss the point: India is building a marathoner's economy.

As India's Petroleum Minister, this writer can attest to how India's energy security supports this rapid growth. India, today, stands as the third



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largest energy consumer, fourth largest refiner, and fourth largest liquefied natural gas importer in the world. India operates over 5.2 million barrels per day of refining capacity, with a clear road map to expand beyond 400 million tonnes per annum by the end of the decade.

India's energy demand, which is projected to double by 2047, will account for nearly a quarter of incremental global demand, making India's success central to global energy stability. The government's approach has been to combine security with reform. Exploration acreage has expanded from 8% of sedimentary basins in 2021 to over 36% in 2025, with a target of covering one million square kilometres by 2030. The drastic reduction of so-called "No-Go" areas by 99% has unlocked vast potential, while the Open Acreage Licensing Policy (OALP) ensures transparent and competitive bidding. New gas pricing reforms linking prices to the Indian crude basket and offering 20% premiums for deepwater and new wells have spurred investment.

A story of energy transition

India's energy story is not only about hydrocarbons; it is also about transition. Ethanol blending has surged from 1.5% in 2014 to 20% today, saving over ₹1.25 lakh crore in foreign exchange and paying more than ₹1 lakh crore directly to farmers. Over 300 compressed biogas plants are being rolled out under Sustainable Alternative Towards Affordable Transportation, with a 5% blending mandate targeted by 2028. Oil public sector units (PSUs) are leading the charge in green hydrogen.

Much heat has been generated in some quarters about India's purchase of Russian crude. Let us separate fact from noise. Russian oil has never been sanctioned like Iranian or Venezuelan crude; it is under a G7/European Union price cap system deliberately designed to keep oil flowing while capping revenues. There have been 18 rounds of such packages, and India has complied with each one. Every transaction has used legal shipping and insurance, compliant traders and audited channels. India has not broken rules. India has stabilised markets and kept global prices from spiralling.

Some critics allege that India has become a "laundromat" for Russian oil. Nothing could be further from the truth. India has been the fourth-largest exporter of petroleum products for decades – long before the Ukraine conflict – and its refiners process a basket of crudes from across the globe. Exports keep supply chains functioning. Indeed, Europe itself turned to Indian fuels after banning Russian crude. The volume of exports and refining margins – Gross Refining Margins or GRMs – remains broadly the same. There is no question of profiteering.

Equally important, India acted decisively to shield its citizens when global prices spiked after the Ukraine conflict. Oil PSUs absorbed losses of up to ₹10 per litre on diesel; the government cut

central and State taxes and export rules mandated that refiners selling petrol and diesel abroad must sell at least 50% of petrol and 30% of diesel in the domestic market.

These measures, at considerable fiscal cost, ensured that not a single retail outlet ran dry and that Indian households saw stable prices. The larger truth is this – there is no substitute for the world's second-largest producer supplying nearly 10% of global oil. Those who are pointing fingers ignore this fact. India's adherence to all international norms prevented a catastrophic \$200-per-barrel shock, aligning with its civilizational values of *Vasudheiva Kutumbakam*.

It is the same, 'Made in India' for the world vision that shapes the new industrial revolution taking shape in India. This spans semiconductors, electronics, renewables, defence and specialty chemicals powered by production linked incentives and the Pradhan Mantri Gati Shakti logistics backbone. The momentum in semiconductors is now reaching a new scale – a testament to policy seriousness and execution. The Cabinet recently approved four additional semiconductor manufacturing projects under the India Semiconductor Mission. The Prime Minister's visit to a semiconductor facility in Japan, on August 30, 2025, and renewed Japanese investment commitments, underline a shared road map for resilient, trusted tech supply chains.

The digital economy multiplies these gains. India leads the world in real-time payments; the Unified Payments Interface's ubiquity raises productivity for small businesses, and India's startup ecosystem is translating innovation into exports of services and solutions. When digital rails meet hard infrastructure, the effect is compounding – lower friction, higher formalisation, and a virtuous circle of investment and consumption.

India's scoreboard has the answers

The arc ahead is promising. Independent projections (EY) suggest that by 2038, India could emerge as the world's second-largest economy in purchasing power parity (PPP) terms, with a GDP above \$34 trillion. This trajectory rests on steady reforms, human capital and abundant, clean, reliable energy for every enterprise and household.

The test of a great civilisation lies in its crucible moments. When doubted in the past, India responded with Green Revolutions, IT Revolutions, and the quiet dignity of millions lifting themselves through education and enterprise. Today's moment is no different. India will keep its gaze steady, its reforms relentless, and its growth rapid, democratic, and inclusive – so that the benefits reach the most underserved. To the naysayers, the scoreboard is the answer.

Under Prime Minister Narendra Modi's leadership, Viksit Bharat is not an aspiration. It is a deliverable – and the numbers are simply the latest chapter in that larger story.

CONTEXT

❑ The economy of India is being described as a “fact-rich story” of resilience, growth, and energy security, countering global sceptics who label it a “dead economy.”

❑ This positive narrative is supported by the latest economic survey 2024 and reflects the current Indian economy growth trajectory.

- ❑ The **1991 crisis led to liberalisation**, creating a turning point in India's growth trajectory and setting the stage for significant economic reforms, including changes in policy rates and government spending patterns.
- ❑ The **COVID-19 pandemic triggered a digital surge**, accelerating structural transformation and digital transformation across various sectors of the economy, including artificial intelligence and intellectual property, while also impacting capital markets.
- ❑ Despite present-day global doubts, the Indian economy demonstrates **faster growth, stronger financial buffers, and broader opportunities**, showcasing its economic resilience in the face of geopolitical uncertainties and fluctuating currency exchange rates.

Global Economic Standing

- ❑ India has: **4th-largest economy** globally; **fastest-growing major economy**.
- ❑ Outpaces U.S. (1st) and China (2nd) in GDP growth rate, showcasing India's position in economic rankings and attracting foreign direct investment.
- ❑ On track to **overtake Germany** (3rd) by decade-end, reshaping the global economic outlook and potentially impacting the current account deficit.

Inclusive Growth & Poverty Reduction

- ❑ **24.82 crore people** moved out of multidimensional poverty (2013-14 to 2022-23), showcasing significant development in India and addressing income inequality while leveraging the demographic dividend.
- ❑ Driven by: ○ Bank accounts access. ○ Clean cooking fuel. ○ Health insurance. ○ Tap water supply. ○ Direct benefit transfers.

Energy Security & Growth Link

- ❑ India's energy position: ○ 3rd-largest energy consumer. ○ 4th-largest refiner. ○ 4th-largest LNG importer. ○
- ❑ **Future demand:** ○ Energy demand to **double by 2047**. ○ India to account for **~25% of global incremental demand**.

Made in India for the World – Industrial Push

- ❑ **New industrial revolution:** Semiconductors, electronics, renewables, defence, speciality chemicals, boosting the manufacturing sector and industrial production.
- ❑ Powered by: **Production Linked Incentives (PLI) + PM Gati Shakti logistics backbone.**

India's Economic Performance

- ❑ By 2038, India is projected (EY) to become the world's **second-largest economy in PPP terms**, with GDP of **\$34 trillion**, according to baseline forecast and growth projections.
- ❑ This economic trajectory relies on **steady economic reforms**, strong **human capital development**, and **abundant, clean, reliable energy** for enterprises and households, enhancing workforce productivity and capitalizing on the demographic dividend.
- ❑ In the past, India has responded to doubts with the **Green Revolution**, the **IT Revolution**, and millions uplifting themselves through **education and enterprise**.
- ❑ Today is another such crucible moment where India must stay focused, with **relentless reforms** and **rapid, democratic, and inclusive growth**.
- ❑ The benefits of growth are intended to **reach the most underserved communities**, addressing income inequality and boosting rural economies while stimulating urban consumption.
- ❑ **Leadership Vision**: Under **Prime Minister Narendra Modi**, *Viksit Bharat* is not just an **aspiration** but a **deliverable** — the data from the economic survey 2022-23 is only the latest chapter in this journey of Indian economic growth.

NGO Educate Girls Wins Ramon Magsaysay Award

NGO Educate Girls wins Ramon Magsaysay Award

It brought unschooled or out-of-school girls into classroom, and worked to keep them there until they were able to acquire credentials for higher education and employment, says foundation

Kalol Bhattacharjee
NEW DELHI

Educate Girls, an Indian non-profit organisation working to educate unprivileged girls across the country, has been named as one of the three winners of the Ramon Magsaysay Award, 2025. The other winners are Shaahina Ali of the Maldives and Flaviano Antonio L. Villanueva of the Philippines.

Announcing the award for Educate Girls, also known as Foundation to Educate Girls Globally, the Ramon Magsaysay Award Foundation said on Sunday that it was “an Indian organisation whose ground-breaking work in addressing gender injustice in education in India’s most rural and remote areas creates a ripple effect that uplifts families, communities, and entire societies”.

“Starting out in Rajasthan, Educate Girls identified the neediest communities in terms of girls’ education, brought unschooled or out-of-school girls into the classroom, and worked to keep them there until they were able to acquire credentials for higher education and gainful employment,” it said.



Bridging the gap: In this photo provided by the Ramon Magsaysay Award Foundation, Safeena Husain, left, founder and Board member of the Foundation to Educate Girls, talks to a group in Rajasthan. AP

Reflecting on the milestone, Safeena Husain, the founder of Educate Girls, said, “Being the first Indian non-profit to receive the Ramon Magsaysay Award is a historic moment for Educate Girls and for the country. This recognition places a global spotlight on India’s people-powered movement for girls’ education, one that began with a single girl in the remotest village and grew to reshape entire communities, challenging traditions and shifting mindsets.

Acknowledging the award, Gayatri Nair Lobo,

CEO of Educate Girls, said the announcement was “historic and humbling”.

Thrilling news

“Educate Girls is the first Indian organisation to win the Ramon Magsaysay Award. It is an absolutely thrilling news for us and this award belongs to our teams across the country – our *preraks*, our team *ballika*, the government, our donors and partners. But mostly this award belongs to our girls. Our girls who work tirelessly to get education,” said Ms. Lobo in a video statement while con-

gratulating environmental activist Shaahina Ali of the Maldives and Fr. Flaviano Antonio L. Villanueva of the Philippines, who shot to fame for opposing former President Rodrigo Duterte’s infamous drug war which led to widespread human rights abuse.

The Ramon Magsaysay Award was started in 1958 to celebrate “greatness of spirit and transformative leadership in Asia”. Since 1958, over 300 achievers and organisations from Asia have received this award.
(With PTI inputs)

CONTEXT

- ❑ Educate Girls, an Indian NGO founded in 2007 by Safeena Husain, has become the **first Indian organisation** to win the **2025 Ramon Magsaysay Award**, Asia’s equivalent of the Nobel Prize, for its work in **girls’ education** in disadvantaged rural communities.

Educate Girls – Work and Achievements

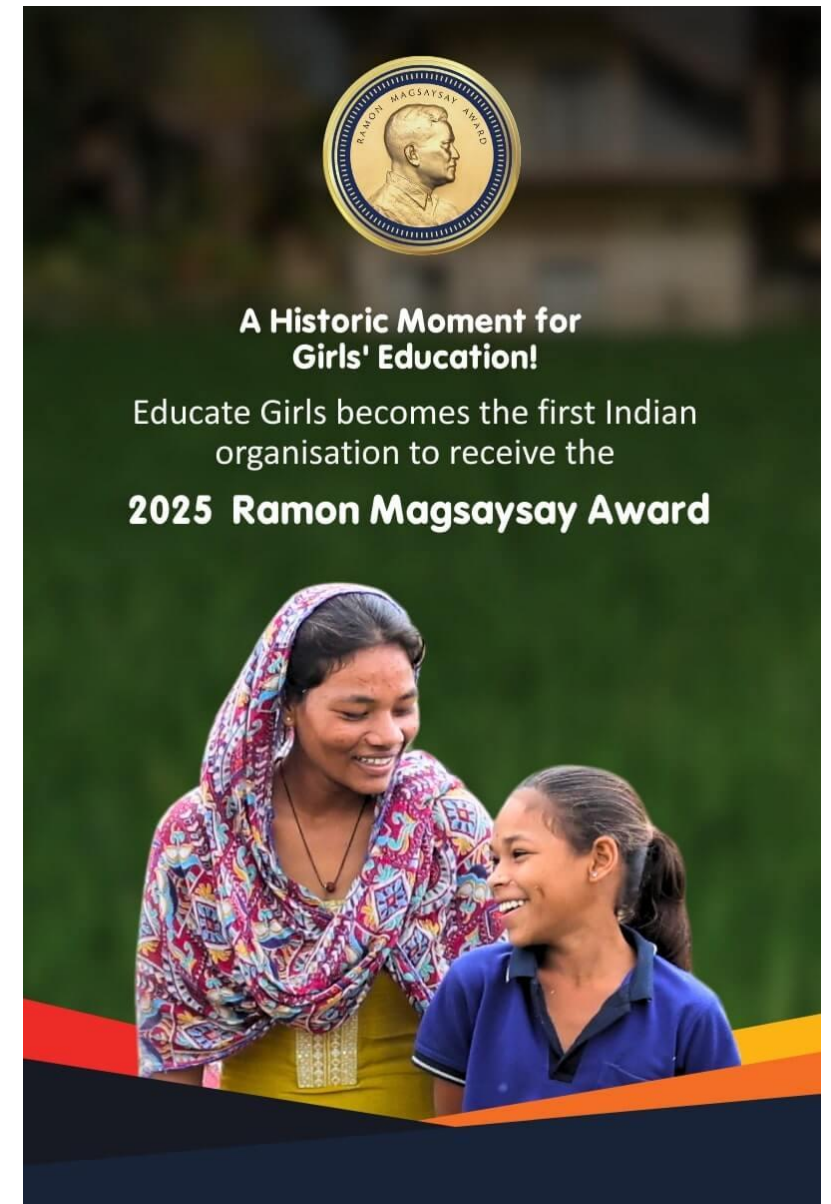
- ❑ Started in **Rajasthan (2007)** by **Safeena Husain**.
- ❑ Official name: **Foundation to Educate Girls Globally (FEGG)**.

Mission

- ❑ Focuses on **enrolling out-of-school girls** in rural and backward areas.
- ❑ Ensures **retention and completion** of education up to higher levels.
- ❑ Works through **community mobilization** and **government partnerships**.

Impact

- ❑ Mobilized communities to **reduce gender disparity** in education.
- ❑ Helped thousands of girls overcome barriers like **poverty, domestic responsibilities, and societal bias**.



Key points : Ramon Magsaysay Award

About the Award:

- Established in **1957**, named after former **Philippines President Ramon Magsaysay**.
- Considered **Asia's highest honor**, often called the **Asian Nobel Prize**.
- Recognizes exceptional work in **public service, leadership, peace, literature, arts, and community development**.

Award Ceremony:

- The **67th Ramon Magsaysay Award** will be presented on **November 7, 2025**, at the **Metropolitan Theatre, Manila**.
- Winners receive a **medallion, certificate, and cash prize**.

Other 2025 Awardees:

- **Shaahina Ali (Maldives)**: For environmental conservation.
- **Flaviano Antonio L. Villanueva (Philippines)**: For humanitarian work.



Green Credits

Govt ties green credits to canopy density, to award it after 5 years

NIKHIL GHANEKAR
NEW DELHI, AUGUST 31

IN A new set of rules, the Union Environment Ministry will now award green credits generated for tree plantation under the Green Credit Programme (GCP) only after five years, based on minimum canopy density of 40% and tree survival.

It said that the credit for tree plantation will be non-tradable and non-transferable, except in the case of transfer between the holding and its subsidiary companies.

One of the key incentives of GCP, launched by PM Narendra Modi in November 2023 at the UN Climate Conference in Dubai, was market-based trading of credits. The Green Credit Rules provide for market-based trading of the green credits on a market platform.

So far, 57,986 hectares of degraded forest land has been registered under GCP, as per government data. Ministry officials were unavailable for a comment on the tweak in methodology.

Those involved in tree plantation under GCP will still be allowed a one-time exchange of green credit for compensatory afforestation obligations, to meet CSR requirements or for other legal tree planting obligations. The

EXPLAINED
E Focus on quality, growth
THE REVISED methodology for tree plantation-based green credits puts into focus the growth and survival of trees, rather than the earlier benchmark of trees per hectare. This is important as government plantation and afforestation initiatives often face criticism for not focusing on survival, and quality and density of canopy. Revising credit generation only after a minimum of 5 years of work also stresses on health of plantations.

credit will cease after exchanging it for compliance of legal obligations.

The new methodology to calculate green credit under GCP was notified on August 29, replacing the methodology first notified on February 22, 2024. Under GCP, the environment ministry seeks 'voluntary actions' from companies, individuals, or groups for environment protection activities such as tree plan-

tation, water conservation and waste management among others and awards credits in return.

As per the tweaked methodology, those who have invested in tree plantation activities will earn green credits on completion of a minimum of five years of restoration activities on degraded forest land, and after achieving a minimum canopy density of 40%. "The Green Credit shall be calculated based on the vegetation status including the change in the canopy density and the number of surviving trees," the notification said.

Earlier, the benchmark to award green credit was subject to a minimum density of 1,100 trees per hectare, within two years of plantation. The notification said that one green credit will be awarded for each new tree of age more than five years after evaluation and verification by designated agencies of restoration activities.

Under the Green Credit Rules, companies or groups participating in tree-plantation are allotted degraded land parcels through state forest departments, which are responsible for the plantation. The notification also said that the credit for tree plantation may be used for reporting under environmental, social, and governance leadership indicators.

CONTEXT

- ❑ The Union Environment Ministry has revised rules under the **Green Credit Programme (GCP)**, linking credits to **tree survival and canopy density** rather than mere numbers.
- ❑ Green credits will now be awarded **after five years**, only if **40% canopy density** is achieved.

Key Changes in New Methodology

Earlier Rule (2024): Green credits were awarded within **two years**, based on **1,100 trees per hectare** benchmark.

Revised Rule (2025):

- Credits to be awarded **only after 5 years** of plantation efforts.

- ❑ Must achieve **minimum canopy density of 40%** and ensure **tree survival**.
- ❑ **One Green Credit = One surviving tree of more than five years**, verified by designated agencies.
- ❑ **Non-tradable and non-transferable**, except between a company and its subsidiaries.
- ❑ Credit generation focuses on **quality, density, and survival** rather than just numbers.

Green Credit Programme

- **Green Credit:** It refers to a unit of an incentive provided for a specified activity; delivering a positive impact on the environment.
- **A Green Credit programme** is being launched at the national level to leverage a competitive market-based approach for green credit for incentivizing environmental actions of various stakeholders. This programme is a follow-up action of the **'LiFE'- (Lifestyle for Environment) campaign**.



About Green Credit Programme :

● **Launched:** November 2023 by PM **Narendra Modi** at the **UN Climate Conference in Dubai (COP28)**.

● **Objective:** Incentivise **voluntary environmental actions** such as **tree plantation, water conservation, waste management, air pollution reduction**, etc.

● **Framework:** Provides for **market-based trading of green credits** on a designated platform.

● **Implementation:** Companies, groups, or individuals are allotted **degraded forest land** via state forest departments for plantation and restoration activities.

● **Utility:** Credits can be used for **compensatory afforestation**, meeting **CSR obligations**, or reporting under **Environmental, Social, and Governance (ESG) leadership indicators**.

Aspect	Green Credits	Carbon Credits
Focus	Diverse environment-positive activities	Primarily reducing greenhouse gas emissions
Eligibility	Open to various sectors	Typically for entities reducing emissions or investing in projects
Incentives	Monetary rewards for eco-friendly actions	Revenue from international credit trading
Independence	Independent of carbon credits	Tied to greenhouse gas reduction
Trading Platform	Proposed domestic platform	Traded internationally for targets or revenue



Thank you

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