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REVISIONS ARE PART & PARCEL OF GDP NUMBERS; DEDUCING RESULTS FROM TWO ALTOGETHER DIFFERENT SERIES IS UNSOLICITED, FALLACIOUS AND AN 'ON PURPOSE' SIGN OF INTELLECTUAL SCLEROSIS

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- It is difficult to understand why some sections/people are unable to digest that Indian economy grew by a robust 7.8% y-o-y (on constant prices) and 10.3% y-o-y (on current prices) during Q1 FY27.
- The release of the latest data has created an unnecessary controversy through incorrect data interpretation. In principle, last year (29 Aug'25) when NSO had released Q1 FY26 GDP numbers (**base: 2011-12**), the nominal GDP for the Q1 FY26 was **Rs 86.1 lakh crore**. In the 31 Aug'26 release (**base: 2022-23**), the Q1 FY26 GDP number has been **revised downwards to Rs 80.0 lakh crore**. Simultaneously, the latest Q1 FY27 GDP numbers are at Rs 88.3 lakh crore.
- Some estimates are now ascribing a 2.6% growth in nominal GDP for the latest quarter instead of 10.3%, by calculating yearly growth rate using **Rs 88.3 lakh crore (we call it A series** in the adjacent table) over **Rs 86.1 lakh crore (we call it C series)**. This is completely unsolicited and a sure sign of intellectual dishonesty. If anyone truly wants to compare current nominal GDP numbers over the previous unrevised base of Q1 GDP, then **Rs 88.3 lakh crore (new base, A series)** should be estimated over **Rs 80.4 lakh crore (new base, B series)**, which comes out to 9.7% growth (as against 10.3%). Hypothetically, even with this nominal growth (by adjusting deflator), the real growth for Q1 FY27 would be 7.4% (as against released 7.8%), still good enough when looking at wall of exogenous challenges.
- Also, an equal and opposite possibility may also arise when instead of downward revisions, the numbers are revised upwards. In fact past data (on old base) indicate that quarterly numbers get revised in both upward and downward directions, though mostly in upward directions.
- Interestingly, an upward revision introduces a downward bias in GDP! The accompanying table shows that the number of upward revisions on a quarterly basis during FY22-25 was 25 and the downward revisions was 12.
- But why this unwarranted confusion arose this time in particular. Every year, MOSPI revises its previous year's GDP estimates, both nominal and real, on a quarter-wise basis, reconciling them against the corresponding Annual Revised Estimates. These revisions are released in February each year. In the current year (this time on 31 Aug'26), the National Accounts Statistics (NAS) has additionally incorporated revised numbers of previous years in the quarterly data itself for sake of more transparency (Annual as well as Quarters) to align with the base revisions carried out in CPI, IIP, WPI and PPI. This is perfectly legitimate. This base alignment ensures that the GDP deflators and volume estimates remain consistent with the updated price and production indices underlying them.
- Revisions are part and parcel of a GDP number. For example, the latest Q1 FY27 number which were released in Aug'26 will get finalised by Feb'29 only! This means we have to wait for 30 months to know finally where Q1 FY27 GDP numbers stand. Base revisions add extra layer to this complicated process. Interestingly, base year revision by NSO this time has reduced the size of nominal GDP. Thus the argument of GDP getting bigger because of base year revisions is another meaningless argument that is unnecessarily doing the rounds.

India's Nominal GDP Numbers

Quarter	Nominal GDP (Rs lakh crore)			% YoY Growth		
	A Series	B Series	C Series			
	NSO 31 Aug'26 Release (Base: 2022-23)	NSO 5 Jun'26 Release (Base: 2022-23)	NSO 29 Aug'25 Release (Base: 2011-12)	In A series	In B series	Q1 FY27 of A series over Q1 FY26 of C series
Q1 FY24	67.1	67.0	72.1	10.5	10.2	
Q2 FY24	67.6	67.8	72.4	11.3	11.4	
Q3 FY24	76.1	75.8	77.1	11.1	10.7	
Q4 FY24	79.9	79.2	79.6	11.3	11.5	
Q1 FY25	74.0	74.1	79.1	10.4	10.5	
Q2 FY25	73.7	73.8	78.4	9.0	8.8	
Q3 FY25	83.5	83.5	85.0	9.7	10.1	-
Q4 FY25	86.7	86.7	88.2	8.5	9.5	
Q1 FY26	**80.0**	80.4	**86.1**	8.1	8.6	
Q2 FY26	79.9	80.1	85.3	8.4	8.6	
Q3 FY26	90.8	91.2		8.7	9.2	
Q4 FY26	94.7	94.7	-	9.2	9.1	
Q1 FY27	**88.3**	-		**10.3**	-	**2.6**

Source: NSO; SBI Research

Frequencies of Revisions (times) so far

FY	Upward Revisions				Downward Revisions			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FY 22	3	3	1	1	1	1	1	2
FY 23	1	1	2	3	3	2	1	0
FY 24	2	2	2	2	0	0	0	0
FY 25	0	1	1	0	1	0	0	0

Source: NSO, SBI Research, 2011-12 base

Journey of a GDP number
A Typical Example of how Q1 FY27 GDP numbers will get revise going forward

Release Count	Release Type	Release Month
1st Release	1st AE	Aug'26
2nd Release	2nd AE	Nov'26
3rd Release	PE	Feb'27
4th Release	1st RE	Feb'28
5th Release	2nd RE (Final)	Feb'29

Source: NSO; SBI Research

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