

Direct tax collection rises 33% to ₹4.8 trn

If trend stays, FY23 mop-up may exceed Budget target: CBDT chief

ARUP ROYCHOUDHURY
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The Centre's direct tax collection

as on August 30 stood at ₹4.8 trillion, which is 33 per cent more than the ₹3.6 trillion collected in the same period last year, Nitin Gupta, chairman of the Central Board of Direct Taxes (CBDT), told *Business Standard*.

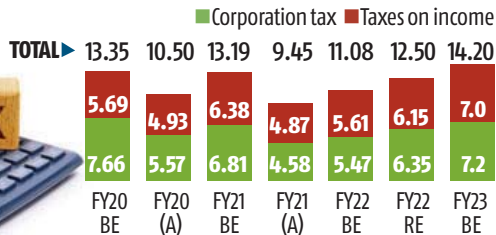
Gupta said if the trend continued, direct tax collection for FY23 could exceed the Budget target of ₹14.20 trillion.

"We have a healthy net collection after accounting for a higher refund outgo. There is a good buoyancy of tax collection so far," Gupta said. "If this trend continues in the second instalment, we



DIRECT TAX MOP-UP

Figures in ₹ trn



Note: BE: Budget Estimates; RE: Revised Estimates; A: Actual

Source: indiabudget.gov.in

expect a fairly good tax collection over and above the targets laid down in the Budget," he said.

Of the ₹14.20-trillion target for FY23, ₹7.2 trillion is expected from corporate tax and ₹7 trillion from taxes on various incomes including personal income tax and securities transaction tax. In FY22, the direct tax Revised Estimates were

₹12.5 trillion as against the Budget Estimates of ₹11.08 trillion.

Gupta said corporate tax so far this year had been 25-26 per cent more than in the same period last year, a reflection of the healthier balance sheets and growing profitability of India Inc as it recovered from the pandemic-induced slowdown.

Turn to Page 6 ▶

► FROM PAGE 1

Direct tax...

Corporate earnings grew in double digits during April-June 2022. The combined net profits of 2,981 listed companies across sectors in the Business Standard sample were up 22.4 per cent year-on-year to ₹2.24 trillion in the June quarter, driven by a big jump in the earnings of banks, non-banking lenders, oil and gas producers, and FMCG companies.

The CBDT chairman also spoke about healthy growth in securities transaction tax (STT) so far this year.

“STT collection to date has been around ₹10,000 crore, growing around 7.7 per cent over that in the same period last year,” Gupta said.

The Centre is counting primarily on healthy direct and indirect tax collection this year to maintain its FY23 fiscal deficit target of 6.4 per cent of GDP at a time when its subsidy and welfare spending commitments have increased due to inflationary pressures and supply-chain disruptions caused by the war in Europe.

Goods and services tax (GST) collection remained

above ₹1.4 trillion for the sixth month in a row, the finance ministry said on Thursday.

GST collection increased 28 per cent year-on-year to ₹1.43 trillion on better compliance, revival in consumption, and elevated inflation.

Speaking on other issues, Gupta said the department, along with the law ministry, was examining the recent Supreme Court judgment that quashed all benami cases before the amendments to the Benami Transactions (Prohibition) Act in 2016.

Dhanvarsha...

If the board clears the proposal, then the deal will need the Reserve Bank of India's (RBI's) approval, among others, the sources said. The banking regulator will vet the 'fit and proper' criteria for a prospective entrant in the banking space.

Anshumman Joshi, chairman, Dhanvarsha group, said that a proposal has been sent to the bank. “We are awaiting the acceptance of the offer by its shareholders. We will also need approval from the RBI,” said Joshi, adding that his group is ready to pick up whatever stake the RBI allows in the