

Direct tax mop-up in FY23 may top Revised Estimates

Until Feb, net direct tax collection stood at ₹13 trn

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Direct tax collection in 2022-23 is likely to exceed the government's Revised Estimates (RE), potentially helping narrow the fiscal deficit.

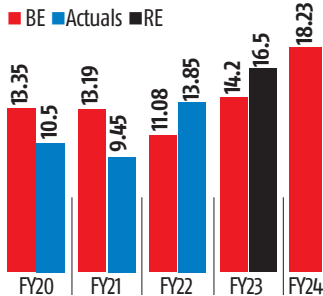
Robust corporate tax collections and a likely recovery from pending tax demand have given the government confidence in actual revenue collections exceeding RE of ₹16.5 trillion in the current fiscal year (2022-23, or FY23), according to government sources.

For FY23, revenue from direct tax, which includes individual and corporate taxes, has been revised upwards and is projected to grow by over 17 per cent to ₹16.5 trillion, from ₹14.08 trillion estimated earlier.

Until February, net direct tax collection (after adjusting for refunds) stood at ₹13 trillion — about 80 per cent of RE for the full-year tax collection target for FY23.

AIMING HIGHER (in ₹ trn)

Trend in direct tax collection



Note: BE: Budget Estimates; RE: Revised Estimates

Sources: indiabudget.gov.in, CGA



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tiality of reforms at the United Nations, Jaishankar said.

Direct tax...

Taking into consideration growth in both corporate and individual taxes, in the first 10 months, the RE looks achievable, and may even exceed, said an official privy to the internal assessment. Further clarity will, however, emerge after the fourth instalment of advance taxes due on March 15, he said.

Elaborating further, an official said that "corporate tax has been 15 per cent more than the same period last year, notwithstanding external headwinds".

Being the last instalment of advance tax of the fiscal year, it is likely to shore up collection as several companies pay up entire dues that were not paid or partially paid in the first three instalments. Moreover, the enforcement efforts to recover outstanding tax demand further optimise revenue collection. India's direct gross tax collections, between April 1, 2022, and February 10, 2023, rose 24.09 per cent to ₹15.67 trillion, according to official data. Corporate tax grew at 19.33 per cent, while personal income-tax (I-T) saw 29.63 per cent growth. After adjustment

of refunds, net growth in corporate tax collections stood at 15.84 per cent and in personal tax collection at 21.93 per cent, revealed data.

The government's fiscal deficit touched 67.8 per cent of the full-year target at the end of January. In actual terms, fiscal deficit, or the gap between expenditure and revenue collection, during the April-January period was at ₹11.9 trillion, according to data from the Controller General of Accounts.

For the full year of FY23, the government expects deficit at ₹17.55 trillion, or 6.4 per cent of gross domestic product. However, economists see the direct tax mop-up RE as "slightly optimistic".

SC...

The Committee will also suggest measures to strengthen the statutory and/or regulatory framework and secure compliance with the existing framework for the protection of investors, the order added.

The court noted the Securities and Exchange Board of India (Sebi) was already investigating the allegations of Hindenburg Research.

The Bench, also comprising judges P S Narasimha and JB Pardiwala, said besides its