

# Net direct tax collection up 7% so far in FY26

**MONIKA YADAV**

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India's net direct tax collection until November 10 in 2025-26 (FY26) grew 7 per cent to ₹12.92 trillion, aided by lower refunds, according to provisional data from the Central Board of Direct Taxes (CBDT).

Net corporate tax collection rose 5.7 per cent to ₹5.37 trillion while non-corporate tax collection — paid by individuals, Hindu undivided families (HUFs), firms, association of persons (AOPs), body of individuals (BOIs), and other entities — increased 8.7 per cent to ₹7.19 trillion. Securities transaction tax (STT) contributed ₹35,682 crore, 0.67 per cent lower than last year's, reflecting lacklustre equity market turnover.

The Centre has budgeted ₹25.2 trillion in direct tax collection for FY26. In the previous year, net direct taxes rose 13.6 per cent to ₹22.26 trillion, surpassing the



Budget estimate.

Gross direct tax mopup stood at ₹15.35 trillion, a growth of 2.15 per cent, while refunds declined 17.7 per cent to ₹2.42 trillion. Corporate refunds rose to ₹1.54 trillion, but refunds to non-corporate taxpayers fell sharply by 37.72 per cent to ₹88,548 crore.

Rohinton Sidhwa, partner, Deloitte India, said the resilience in non-corporate tax flows is notable, given last year's

rate cuts. "The data shows that remarkably non-corporate tax collection has kept pace in spite of the very significant rate cuts last year. This is a very good sign, showing stronger growth of income levels," Sidhwa said. He added that the steep drop in refunds could indicate two possibilities: "Refunds have come down very significantly. This could mean that taxpayers who paid cash taxes are either no longer in the tax net, or the govern-

## Tax mopup math

Category	Gross collection (₹ cr)	Refunds (₹ cr)	Figures for FY26*	
			Net collection (₹ cr)	Y-o-Y (%)
Corporate tax	6,90,984.37	1,53,966.23	5,37,018.14	5.73
Non-corporate tax	8,08,026.36	88,548.1	7,19,478.26	8.72
Securities transaction tax	35,681.88	0	35,681.88	-0.67
Others	334.62	20.39	314.23	-86.67
Total	15,35,027.23	2,42,534.72	12,92,492.51	7

\*As of November 10

ment has consciously throttled back on refunds."

Sidhwa noted that STT collection has largely been flat, reflecting the sideways movement of the indices. "Given the initial public offering (IPO) expansion, there is potential there for more growth," he said.

The decline in refunds also reflects this year's extension of return filing deadlines. The CBDT pushed the due date for

non-audit individual taxpayers from July 31 to September 15, 2025, a 45-day extension. For corporates and other audit-case taxpayers, the filing deadline was moved from October 31 to December 10, 2025. With filings occurring later than usual, a significant part of refund processing will take place in the coming weeks.

Samir Kanabar, partner at EY, said the timing of refund issuance has played a major role in the current trend.

"A significant portion of gross refunds had already been issued earlier in the year, so a similar outgo cannot be expected now. With the extended filing timelines, the next wave of refunds will naturally be processed later," he said.

Kanabar said that lower individual tax rates have also reduced overall collection. "Individual income tax rates were cut, which has led to lower tax inflows. The cumulative effect of rate reduction and refund timing is visible in the numbers," he said.