Net direct tax collection rises 11.8% to ₹14.42 trn

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The Centre's net direct tax collections rose 11.8 per cent year-on-year to ₹14.42 trillion as of November 10 of FY27, compared with ₹12.90 trillion during the same period a year ago, as a sharp increase in refunds moderated the growth in net receipts despite healthy gross collection growth, provisional data released by the Income Tax Department showed.

This accounted for 53.5 per cent of the Budget Estimate of ₹26.97 trillion for FY27.

Net direct tax collections need to grow around 15.3 per cent in FY27 to meet the full-year target of ₹26.97 trillion, based on FY26's actual collections of ₹23.40 trillion.

Gross direct tax collections stood at ₹17.50 trillion till November 10, registering an annual growth of 14 per cent. Refunds increased 25.9 per cent to ₹3.08 trillion, compared with ₹2.45 trillion in the year-ago period, moderating the growth in net collections.

Corporate tax collections continued to outpace non-corporate taxes. Gross corporate tax collections rose 16 per cent year-on-year to ₹8.01 trillion, while net collections increased 17.8 per cent to ₹6.32 trillion after accounting for refunds. Non-corporate tax collections, which include personal income tax paid by individuals, Hindu Undivided Families (HUFs), firms and other entities, grew at a slower pace. Gross collections increased 10.7 per cent to ₹8.95 trillion, while net collections rose 5.3 per cent to ₹7.56 trillion. Refunds under the non-corporate tax category surged 54 per cent to ₹1.39 trillion during the period, compared with ₹90,127 crore a year earlier. Corporate tax refunds rose 9.6 per cent to ₹1.70 trillion from ₹1.55 trillion in the corresponding period last year.

Non-corporate tax accounted for around 51.1 per cent of gross direct tax collections, marginally higher than corporate tax's share of 45.8 per cent. Securities transaction tax (STT) and other taxes accounted for the remaining share. STT collections rose 51.6 per cent to ₹54,078 crore from ₹35,682 crore in the year-ago period, making it the fastest-growing major component of direct tax revenue.

Rohinton Sidhwa, partner at Deloitte India, said corporate tax collections continued to show healthy growth, reflecting strong corporate earnings.