

# Net direct tax kitty rose 9% till Jan 11

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The Centre’s net direct tax collections rose 8.8 per cent year-on-year (Y-o-Y) to ₹18.38 trillion as of January 11, 2025-26 (FY26), largely due to a moderation in refunds, according to provisional data released by the Central Board of Direct Taxes (CBDT). The growth is lower than the 12.6 per cent increase projected in the FY26 Budget.

Gross direct tax collections stood at nearly ₹21.5 trillion, up 4.14 per cent from ₹20.64 trillion in the corresponding period last year. Refunds issued during the period fell 16.9 per cent to ₹3.12 trillion, compared with ₹3.75 trillion a year earlier.

Experts said the relatively modest growth in gross collections could partly reflect lower personal income-tax rates and muted corporate earnings.

“Net collections could still reach the Budget Estimates (BE). However, the negligible increase in gross non-corporation collections (1.23 per cent) and the less-than-adequate growth in corporation tax collections (7.7 per cent) are a cause for concern,” said Akhilesh Ranjan, adviser at PwC and former CBDT member.

Non-corporation tax collections — which include taxes paid by individuals, Hindu undivided families,

firms, associations of persons, bodies of individuals, local authorities, and artificial juridical persons — rose to about ₹9.3 trillion on a net basis, compared with ₹8.74 trillion a year ago. Net corporate tax collections increased to ₹8.63 trillion from ₹7.68 trillion.

Collections from the securities transaction tax (STT) remained broadly flat at ₹44,867 crore. In the same period last year, STT collections stood at ₹44,538 crore. Receipts from other taxes fell sharply to ₹321.23 crore, compared with ₹2,819.37 crore a year ago.

The Centre has budgeted ₹25.2 trillion in net direct tax collections for FY26 and has achieved 73 per cent of the target as of January 11. In 2024-25, net direct tax collections rose 13.6 per cent to ₹22.26 trillion, exceeding the BE.

Refunds to corporation and non-corporation taxpayers fell by nearly 10 per cent and 25 per cent, respectively, on a Y-o-Y basis in FY26 up to January 11.

Rohinton Sidhwa, partner at Deloitte, said the 9 per cent rise was encouraging and suggested the government could still meet its year-end target. However, he said that the

improvement was largely driven by lower refunds to both corporate and individual taxpayers. “The exact reasons for the sharp divergence in refund trends from last year are not very apparent.”



## Refund pullback drives gains

		Direct tax mopup (₹ crore)		
Category	Gross collection	Refunds	Net collection	Y-o-Y chg %
Corporation Tax	1,046,574.28	183,535.4	863,038.88	12.41
Non-corporation Tax	1,058,046.13	128,374.44	929,671.69	6.39
Securities Transaction Tax	44,866.52	0	44,866.52	0.74
Others	344.96	23.73	321.23	-88.61
Total	2,149,831.89	311933.57	1,837,898.32	8.82

Source: Government