

Direct tax mop up jumps 16% to ₹6.5 lakh crore so far in FY27; STT, corporate tax lead surge

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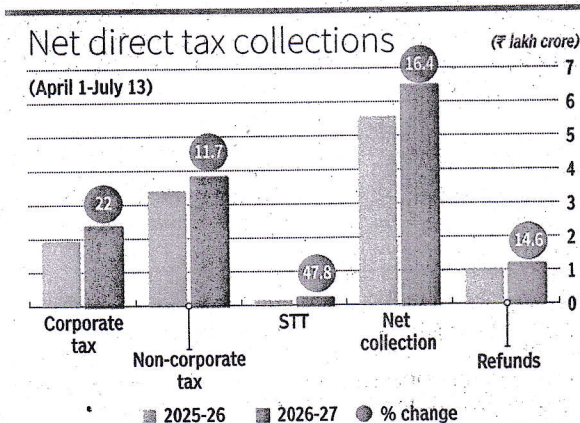
Driven by a surge in corporate tax, India's net direct tax collections grew by more than 16 per cent between April 1 and July 16, the Income Tax Department announced on Tuesday. The strong momentum has raised expectations that the government will meet or exceed its fiscal targets as outlined in the Budget Estimates.

For the current fiscal year (FY27), the government has set a direct tax collection target of ₹26.97 lakh crore, representing a 15 per cent growth over the ₹23.40 lakh crore collected in FY26. Early data indicate a strong start, with overall net collections already crossing ₹6.5 lakh crore.

This momentum was led by net corporate tax collections, which surged over 22 per cent to approximately ₹2.40 lakh crore, while net personal income tax (non-corporate) collections rose around 12 per cent to ₹3.85 lakh crore. Additionally, Securities Transaction Tax (STT) receipts jumped nearly 48 per cent to exceed ₹26,000 crore.

GOS' PROFIT INTACT

Comparing the net collection of corporate tax with overall net direct tax collection, Rohinton Sidhwa, Partner at Deloitte India, said: "This seems to indicate that corporate earnings do not seem to have been hit by the war, or a slowdown and profits seem to be largely insulated. STT also seems to



Source: Income Tax India

show a healthy increase driven by higher volumes traded due to the volatility in the stock market."

According to Hitesh Sawhney, Partner, Price Waterhouse & Co, non-corporate tax collections have also maintained a healthy momentum. "Gross non-corporate tax collections are up 15.02 per cent and net collections have grown 11.66 per cent, indicating increased compliance. STT collections continue to be particularly buoyant, rising 47.85 per cent, supported by strong market activity and the revised STT rates on futures and options," he said.

Significantly, net corporate tax collections have already reached around 19.5 per cent of the Budget Estimates, while net non-corporate tax collections stand at 27.6 per cent. "This is a good and encouraging close to the first quarter, with three more quarters still ahead," he said.

It may be noted that non-corporate taxpayers include taxes paid by individuals, HUFs, firms, AoPs, BoIs,

local authorities and artificial juridical person.

GROWTH DRIVERS

Jayesh Sanghvi, Tax Partner at EY India, said the notable feature of the current trend is the stronger growth in corporate tax collections relative to personal income tax collections and healthy advance tax payments by corporates. At the same time, robust personal income tax collections point to continued improvements in compliance and formalisation, while the sharp increase in STT collections signals continued capital market depth and investor participation, despite geopolitical risk premiums weighing on global portfolios.

"Looking ahead, the data suggest that while the Strait of Hormuz tensions, tariff uncertainty, and oil price volatility may continue to cap headline GDP growth expectations, India's fiscal engine is proving structurally more resilient than the macro headlines suggest," he said.