

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 149  
ANSWERED ON MONDAY, FEBRUARY 03, 2025/ MAGHA 15, 1946 (SAKA)**

**IMPACT OF IBC FRAMEWORK ON LOSS OF TAX REVENUE**

**QUESTION**

**149. MS IQRA CHOUDHARY:**

**SHRI SHYAMKUMAR DAULAT BARVE:**

**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

**(a) whether the Government has undertaken any assessment to evaluate the impact of the current Insolvency and Bankruptcy Code (IBC) framework on the loss of tax revenue;**

**(b) whether the Government is aware that under section 53 of the IBC, Government dues including indirect taxes collected from consumers have very low priority during insolvency processes;**

**(c) whether the Government is aware that such indirect taxes paid by consumers to businesses must become a part of the Consolidated Fund of India;**

**(d) whether the Government is considering any amendments to the IBC to ensure that taxes passed on to the consumers are given higher priority; and**

**(e) whether the Government collects data on the amount of total tax revenue forgone and the proportion of indirect tax therein on account of tax waivers given under IBC law?**

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS**

**[HARSH MALHOTRA]**

**(a): No such assessment has been undertaken by the Government.**

**(b) & (c): As per Section 53 of the Insolvency and Bankruptcy Code, 2016, Government dues are positioned below the dues pertaining to secured creditors, workmen, employees, and unsecured financial creditors.**

**(d): No such proposal, as of now, is under consideration of the Government.**

**(e): No such data is collected/maintained by the Government as there is no provision of tax waivers under IBC law.**

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