

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 232
ANSWERED ON 02.12.2025

NEWLY NOTIFIED ANGEL TAX RULES

232. SMT. RAJANI ASHOKRAO PATIL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Ministry has received representations from startup associations regarding difficulties faced due to the revised “Angel-Tax” Rules notified in September 2025;
- (b) the steps being taken to prevent double taxation and valuation disputes for unlisted startups; and
- (c) whether Government is considering a complete exemption for DPIIT-recognised startups from Section 56(2)(viib) of the Income Tax Act?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

- (a) No revised angel tax rules were notified in September 2025. Therefore, no representations have been received in this regard.
- (b) Section 56(2)(viib) of the Act was made inapplicable from 01.04.2025 i.e. from AY 2025-26 (Previous Year 2024-25) vide Finance Act (No.2), 2024. Further as the angel tax provisions itself have been sunset, therefore there is no issue of double-taxation or valuation disputes arising on account of the said provisions. Further, for the purposes of the said section the rules for valuation also do not apply.
- (c) In light of Part (a) and (b), it is not applicable.
