

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**LOK SABHA**

**UNSTARRED QUESTION NO.4836**

**To be answered on: Monday, March 23, 2026 /Chaitra 02, 1948 (Saka)**

**ADVANCE PRICING AGREEMENT**

4836. SHRI EATALA RAJENDER:

Will the Minister of FINANCE

be pleased to state:

(a) whether it is a fact that some Information Technology (IT) services companies in the country are highly keen to conclude advance Pricing Agreement (APA).

(b) if so, whether the Government propose to fast track unilateral APA process for such IT services and put effort to conclude it within a period of two years, extendable by a period of six months on taxpayer's request, if so, the details thereof;

(c) whether the Government also propose to extend the facility of modified returns available to the entity entering APA to its associated entities; and

(d) if so, the details thereof

**ANSWER**

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

(a): Applications for Advance Pricing Agreement (APA) have been received from companies providing Information Technology or Information Technology enabled services to their associated enterprises. 76 APAs in Financial Year 2023-24 and 112 APAs in Financial Year 2024-25 were signed with such companies, indicating their interest in the APA Programme.

(b): Yes, in accordance with the 2026 budget speech of the Hon'ble Finance Minister, it is proposed to conclude unilateral APA where the primary covered transaction is the provision of information technology services within a period of two years from the end of the quarter in which the application is made with the provision for extension for a further period of six months on the request of the assessee. The provision forms part of the Income-tax Rules, 2026.

(c) and (d): Yes, vide Finance Bill, 2026, it has been proposed that where an income is modified as a result of advance pricing agreement entered into with any person then, such person shall, or any other person being an associated enterprise may furnish a return or a modified return in accordance with and limited to the agreement and the time period for furnishing such return or modified return shall be three months from the end of the month in which the agreement was entered into, where the tax years relevant for such return or modified return shall be the years covered by such agreement.

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