



GST UPDATES

Haryana One Time Settlement Scheme for Recovery of
Outstanding Dues 2025 – Complete Guide for Taxpayer

BACKGROUND

The Government of Haryana has introduced the “Haryana One Time Settlement Scheme for Recovery of Outstanding Dues, 2025”, aimed at resolving outstanding demands and disputed amounts under various state tax laws. The scheme provides substantial relief, including waivers on interest and penalties, to encourage the prompt settlement of pending tax dispute for the period up to 30 June 2017.

KEY INSIGHTS OF THE SCHEME

1. **Operational Date:** The Scheme is operational *for 180 days* from 01st April, 2025.
2. **Coverage of the Scheme:** The Scheme shall be applicable to the following Acts:
 - Haryana Value Added Tax Act, 2003;
 - Central Sales Tax Act, 1956;
 - Haryana Tax on Luxuries Act, 2007;
 - Haryana Entertainment Duty Act, 1955;
 - Haryana General Sales Tax Act, 1973;
 - Haryana Local Area Development Tax Act, 2000;
 - Haryana Tax on Entry of Goods into Local Areas Act, 2008.
3. **Cases not covered under the Scheme:** The following categories of applicants shall not be eligible for benefits under the Scheme for a particular year under a relevant Act, where:
 - the demand relates to erroneous refund(s) in the particular year under the relevant Act;
 - criminal proceedings have been initiated in a case for a particular year under a relevant Act, the application shall not be entertained under the Scheme to avail settlement for that particular year under that relevant Act;
 - the applicant who had applied for availing benefits under the Haryana One Time Settlement Scheme, for Recovery of Outstanding Dues, 2023 and the application has not been rejected till the day before the appointed day i.e. the day of consideration of the quantified outstanding dues.

4. **Manner of calculating settlement amount (Schedule – I A):** The scheme has duly provided the manner of calculating settlement amount which is tabulated hereinbelow:

S. No.	Slab of total quantified outstanding tax due	Waiver as per scheme	Settlement amount of tax due
1.	Up to Rs. 10 Lakhs	Rs. 1 Lakhs	40% of the balancing amount after deducting 1 Lakh rebate amount.
2.	Above Rs. 10 Lakhs to Rs. 10 Crores	-	50%
3.	Above Rs. 10 Crores	-	100%

5. **Option to pay in instalments:** The scheme has also provided the option to pay the settlement demand in instalments. The manner of the same is tabulated hereinbelow:

S. No.	Settlement amount under the scheme	Amount to be paid at the time of application	Second instalment (within 60 days from the date of provisional order of settlement)
1.	Up to Rs. 10 Lakhs	Full and final settlement amount to be paid along with FORM OTS-1.	Nil
2.	Above Rs. 10 Lakhs	50% of the settlement amount along with FORM OTS-1.	Balance 50% of the settlement amount along with intimation in FORM OTS-1 A.

6. **Application and verification procedure:**

- Application will be filed on the official website of Haryana Excise and Taxation department and making payments either in lump sum or instalments in Form **OTS-1** within 180 days from 01st April, 2025.

- A system generated acknowledgment will be issue electronically **Form OTS-2**.
- The applicant should mandatorily withdrawal the pending appeals **within 60 days of receiving Form OTS-4A, with proof submitted in Form OTS-6**.
- The Jurisdictional authority will issue either a **provisional order in Form OTS-4A or a final order in Form OTS-4 within 45 days of acknowledgment**.
- The deficiencies in applications will be communicated through deficiency notices in **Form OTS-3** and failure to rectify these may lead to rejection order in **Form OTS-05**.

7. Other Important Points of the Scheme:

- The final settlement order grants immunity from future tax, interest, penalties, and prosecution for the settled period. However, if false information is provided, the settlement becomes void.
- Payments made before the scheme's start date won't be refunded or adjusted.
- Input tax credit (ITC) cannot be used for payments under the scheme.
- Any rectification in the orders/applications by the jurisdictional authorities is permitted **within 45 days** for apparent errors.
- No appeal shall be maintainable against the final settlement or rejection order passed under the scheme.


DISCLAIMER:


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