

Government of Haryana notifies the Haryana One Time Settlement Scheme for Recovery of Outstanding Dues, 2025

1 April 2025

The Government of Haryana has notified the **Haryana One Time Settlement Scheme for Recovery of Outstanding Dues, 2025**, to settle outstanding demands and disputed amounts under various state tax laws. This scheme offers significant benefits, including the waiver of interest and penalties, to facilitate early resolution of pending tax disputes.

Key features of the scheme:

Validity: The scheme is effective from 1 April 2025 for **180 days**.

Enactments covered:

- 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.

Ineligible cases:

The following category of applicants are not eligible to avail such benefits:

- Demand relates to erroneous refunds
- Criminal proceedings have been initiated
- An application under OTS 2023 is pending and not rejected before the appointed day.

Calculation of settlement amount (Schedule-IA):

Taxes due	Waiver benefit	Settlement amount payable	Interest/ Penalty waiver
Up to INR 10 lakh	INR 1 lakh	pay 40% of the balance tax payable after deducting INR 1 lakh rebate	100%
INR 10 lakh to INR 10 crore	50% of the tax amount	50% of the tax amount	
Above INR 10 crore	-	100% of tax amount	

Installment option (Schedule-II):

- **For dues up to INR 10 lakh:** The full settlement amount must be paid, along with Form OTS-1.
- **For dues above INR 10 lakh:** 50% is to be paid, along with Form OTS-1, and the remaining 50% within 60 days through Form OTS-1A.

Application and verification:

- Apply online in **Form OTS-1 within 180 days from the effective date**, with proof of payment (full or first installment).
- File one application for all financial years under a relevant Act.
- A system-generated **Form OTS-2** will be issued electronically.
- **Quantified outstanding dues** means any tax, interest, penalty, or any other dues quantified under any relevant Act, unpaid by a person, for the period up to 30 June 2017.
- **Demand and Disposal Register (Form G-3)** serves as conclusive proof if other records are unavailable.
- Mandatory withdrawal of pending appeals within **60 days** of receiving **Form OTS-4A**, with proof submitted in **Form OTS-6**.
- Jurisdictional authority to issue either a **provisional order (Form OTS-4A)** or **final order (Form OTS-4)** within **45 days** of acknowledgment.

- Deficiencies notified through **Form OTS-3**, applicant to respond via **Form OTS-3A**.
- Based on verification, the authority will issue a **final settlement order (Form OTS-4)** or a **rejection order (Form OTS-5)**.

Adjustment of deposits:

- Specified deposits shall be adjusted as per the details mentioned in the challan.
- If the purpose of the deposit is unspecified, it shall first be adjusted towards tax and the remaining towards interest and penalty.
- The deposit must clearly mention the assessment year it pertains to; otherwise, no benefit shall be given.
- If the tax amount for a relevant year is fully paid before the scheme, the interest and penalty shall be waived, and the settlement amount will be nil.
- No refund or carry forward shall be allowed for any excess amount deposited before the appointed day.

Other important aspects:

- Any payment already made under the Amnesty Scheme, 2025, shall not be refunded.
- The ITC cannot be utilised for the settlement amount.
- Any rectification in the orders/applications by the authorities is permitted within 45 days for apparent errors.
- The final order of settlement passed under the scheme shall be conclusive with respect to the matters and the time periods covered therein.
- Furthermore, no appeal shall be maintainable against the final settlement or rejection order passed under the scheme.

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