FAQs regarding the Haryana One Time Settlement Scheme for the Recovery of Outstanding Dues, 2026

Q1 : Who can opt for the Haryana One Time Settlement Scheme for the Recovery of Outstanding Dues, 2026 (OTS Scheme) ?

Ans : The schemeis applicable **only on Quantified Outstanding Dues** in seven relevant Acts;

(i) The Haryana Value Added Tax Act, 2003 (6 of 2003);
(ii) The Central Sales Tax Act, 1956 (Central Act 74 of 1956);
(iii) The Haryana Tax on Luxuries Act, 2007 (23 of 2007);
(iv) The Haryana Entertainment Duty Act, 1955 (Punjab Act 16 of 1955);
(v) The Haryana General Sales Tax Act, 1973 (20 of 1973);
(vi) The Haryana Local Area Development Tax Act, 2000 (13 of 2000);
(vii) The Haryana Tax on Entry of Goods in to Local Areas Act, 2008 (8 of 2008).

Any person or assessee, whether registered or not, who has Quantified Outstanding Dues for the period upto 30.06.2017, can opt to avail the benefits of the OTS Scheme, 2026.

Note 1:- It is to be noticed that the quantified outstanding dues must be for the period upto 30.06.2017 but may have been decided at any time as on the date of filing application OTS-1.

Note 2:- The assesse whose quantified outstanding tax dues are upto Rs.1 Lakh in a particular assessment year under any of the relevant Acts, the entire due amount including interest & penalty for that particular assessment year is waived off under the scheme and he need not apply under the scheme to avail this benefit with respect to that assessment year under that relevant Act.

Q2 : Who is not eligible to opt for the Scheme ?

Ans : The following applicants shall not be eligible to opt for the scheme –

(i) against whom criminal proceedings have been initiated under any of the relevant Acts.
(ii) where the demand relates to erroneous refund(s) under the relevant Act.
(iii) whose application under the OTS Scheme 2023 or OTS Scheme 2025 has not been rejected till the appointed day of this scheme.

Such applicants shall not be eligible to opt under this scheme only for that particular year under that relevant Act wherein such proceedings are initiated.

Q3 : Whether a person is bound to opt for the OTS Scheme under all the relevant Acts?

Ans: No, a person may opt for OTS Scheme under all the relevant Acts or any of the Relevant Acts and for any of the assessment years wherein he has quantified outstanding dues. He has to include all the quantified outstanding dues pertaining to the assessment year comprising of tax demand, interest & penalty.

Q4 : What type of declaration is to be submitted by the applicant for declaring his outstanding amount under the relevant Act ?

Ans : The applicant has to submit a self-declaration alongwith OTS-1 application that the information furnished by him in the application and other forms under the scheme are true & correct and no part of it is false and nothing has been concealed.

If the information submitted or Quantified Outstanding Dues for any year under the relevant Act for which he has applied is found concealed or incorrect, the application shall be rejected.

Q5 : What is the meaning of term 'Quantified Outstanding Dues' under the OTS Scheme ?

Ans : The term 'Quantified Outstanding Dues' has been defined in Section 2(f) of thisScheme which means any tax, interest, penalty or any other dues quantified under any of the relevant Act, unpaid by a person, for the period upto the 30th June, 2017.

The Quantified Outstanding Dues shall be determined assessment year wise and the slab for settlement under the scheme shall be determined as per Schedule-I&Schedule-IAof the Scheme.

The benefits provided in different slabs of the above mentioned schedules shall be progressive. Meaning thereby, an applicant shall be entitled to waivers separately for each of the slab of waiver under Schedule-I or Schedule-IA, as may be applicable. The slabs shall include the highest slab depending upon an applicant's tax demand and all slabs preceding it.

Kindly refer to the example provided in the Scheme.

Q6 : **Can an applicant apply for the OTS Scheme offline?**

Ans : No. The applicant can only apply for the OTS Scheme through online mode by logging into the website www.haryanatax.gov.in by following the procedure prescribed under the Scheme.

Q7 : **How to apply for the OTS Scheme?**

Ans : An applicant opting for settlement of quantified outstanding dues under this Scheme shall apply online in **FORM OTS-1** along with proof of payment of the settlement amount or the first instalment, whichever is applicable. If the applicant has claimed Declaration Linked Waiver (DLW), he has to submit physical statutory forms/documents within seven days of filing of application Form OTS-1.

Q8 : **Whether separate applications are to be submitted for settlement of quantified outstanding dues under different relevant Acts and different years?**

Ans : Yes, a separate application is required to be submitted by the applicant for each assessment year under any of the relevant Acts for which he has opted.

Q9: **What is period for opting for the OTS Scheme?**

Ans: The applicant may opt for the scheme within 120 days from the appointed day i.e. 01.06.2026.[Notification No.7/ST-1, dated 29.05.2026].

Q10: **On which date, the Quantified Outstanding Dues are to be determined?**

Ans: The Quantified Outstanding Dues shall be the quantified outstanding Dues for the period upto 30.06.2017 as on the date of application subject to conditions mentioned in other clauses of the scheme.

Q11: **May the demand and disposal register prescribed under the HVAT Act be approved for determination of Quantified Outstanding Dues?**

Ans: Yes. It can be a proof for determining the Quantified Outstanding Dues only in the cases where no other record of assessment case is available.It should be duly certified by the jurisdictional authority.

Q12: **What is Declaration Linked Waiver(DLW)?**

Ans: Declaration Linked Waiver shall be available only to the persons who have quantified outstanding dues under the relevant Act and where tax demand part of the quantified outstanding dues, fully or partly, arises from non-submission of statutory forms.

Q13: **How can an applicant avail the benefit of DLW?**

Ans: An applicant seeking Declaration Linked Waiver shall have to furnish summary details of statutoryforms/documents in the format/table contained in the Form OTS-1.

The applicant shall self-assess his net tax demand by reducing declaration linked waiver from his tax demand. The applicant seeking declaration linked waiver shall also be entitled to standard waivers in accordance with Schedule 1A.

The applicant, after having self-assessed his net tax demand, shall proceed to complete his application in OTS-1 and submit the same on the portal. The system generated acknowledgment in OTS-2 shall be issued for submission of OTS application.

Thereafter, the applicant shall have to furnish the statutory forms/documents physically in the office of the jurisdictional authority within seven days of online submitting of application OTS-1. The physical statutory forms submitted by the applicant shall be tallied with the list furnished in the OTS-1.

A system generated acknowledgment of documents/forms received shall be generated in Form OTS-2A.

The process of verification of documents/statutory forms will be started within 15 days from submission of physical forms to the Jurisdictional Officer and shall be completed within three months from the closure of the scheme.

Q14. **Which document/statutory forms are admissible under the OTS Scheme, 2026?**

Ans: Declaration Linked Waiver shall be applicable only for statutory forms namely;- VAT D1, VAT D2, Tax Invoice/ C4, C Form, H Form, F Forms, E-1 and E-2.

The waiver shall be granted only in respect of the statutory forms/documents which are found to be genuine upon verification.

However, no such waiver shall be allowed or granted in respect of such statutory form/document which have been rejected by the jurisdictional authority after verification while passing the order which had created the outstanding dues (Original order of assessment, rectification, reassessment or revision order). However, the waiver shall not be given to such forms which have been declared bogus/fake or where criminal proceedings have been instituted against such firms.

Note:- Only the tax amount excluding 2% CST in the cases of C forms is to be filled in the column of document related waiver (Column No. 7 of Table-II in OTS application)

Q15: What type of waivers are available under the scheme?

Ans: I. All types of interest & penalty are completely waived off.
II. Declaration Linked Waiver as described in foregoing questions.
III. Standard waiver as provided in Schedule-I & IA.

Q16: How the slabs for working out the settlement amount are to be decided?

Ans: The benefits provided in different slabs of the above mentioned schedules shall be progressive. Meaning thereby, an applicant shall be entitled to waivers separately for each of the slab of waiver under Schedule-I or Schedule-IA, as may be applicable. The slabs shall include the highest slab depending upon an applicant's tax demand and all slabs preceding it.

Waiver available in HGST Act, 1973

Sr. No.	**Slab of quantified outstanding tax due**	**Percentage of standard waiver as per slabs of the scheme**
(1)	**(2)**	**(3)**
1	(i) From Rs.1 to Rs.1 Lakh	100%
2	(ii) Above Rs. 1 Lakh	70%

Waiver available in other six relevant Acts

Sr. No.	**Percentage of standard waiver as per slabs of the scheme (The standard waiver shall be applicable slab wise)**	**Waiver in Percentage**
(1)	**(2)**	**(3)**
1	i) From Rs.1 to Rs.1 Lakh	100%
2	ii)From above Rs.1 Lakh to Rs.10 Lakh	60%
3	iii)From above Rs.10 Lakh to Rs.1 Cr.	50%
4	iv)From above Rs.1 Cr. to Rs.10 Cr.	40%
5	v)Above Rs.10 Cr. to Rs.30 Cr.	35%
6	vi) Above Rs.30 Cr. to Rs.60 Cr.	30%
7	vii) Above Rs.60 Cr.	0%

Kindly refer to the below example.

Q17: Kindly explain the above Tables containing waiver by an example.

Ans: **Example** :- The standard waiver as provided in Schedule-I & IA out of the outstanding tax amount shall be calculated slab-wise as carried out in the below example:-

Dealer M/s A has total quantified outstanding dues (tax, interest & penalty) of Rs.83 Cr. for the financial year 2015-16 under the CST Act, 1956. Out of this quantified outstanding dues amount, Rs.5 Cr. is the interest amount and Rs.5 Cr. penalty amount. He has quantified outstanding tax amount of Rs.73 Cr. He wants to submit 'C' forms. In assessment order, the rate of tax applied on sales in want of 'C' form is @13.125%. The net sale value (without element of tax) mentioned in 'C' forms is of Rs.90 Cr. having tax effect of Rs.10,01,25,000/- (tax rate @13.125% - 2% = 11.125%). (Note:- 2% CST must remain included in the demand, if already not paid.)

According to the provisions of the scheme, interest & penalty are completely waived off.

Sr. No.	Name of the relevant Act <<auto populated>>	Assessment year <<auto populated>>	Order No. vide which outstanding dues were quantified << mandatory>>	Date of order << mandatory>>	Total amount involved in order stated in column no. (4) (tax, interest & penalty) <<mandatory>>	Claim of Waiver on account of submission of statutory forms/ documents (DLW)	Net outstanding dues (column (6)-(7)) (tax, interest & penalty)	Amount of interest out of column (8)	Amount of penalty out of column (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8A)	(8B)
1	CST	2015-16	05	05.04.2016	Rs.83,00,00,000	Rs.10,01,25,000	Rs.72,98,75,000	Rs.5,00,00,000	Rs.5,00,00,000
2									

Amount of tax involved in column no. (8) <<mandatory>> (Net Tax Demand) [(8)- (8A)- (8B)]	Percentage of standard waiver as per slabs of the scheme (The standard waiver shall be applicable slab wise)	Total slab wise standard waiver of tax under the scheme as per clause (8)	Settlement amount payable under the scheme [column (9)-(total in 11)]	Settlement amount of Interest as in column (8A) (i.e. 0%)	Settlement amount of Penalty as in column (8B) (i.e. 0%)	Net Amount Payable (12)+(13)+(14) << mandatory>>
(9)	(10)	(11)	(12)	(13)	(14)	(15)
Rs.62,98,75,000	i) From Rs.1 to Rs.1 Lakh – 100%	1,00,000	00	00	00	00
	ii) From above Rs.1 Lakh to Rs.10 Lakh – 60%	5,40,000	3,60,000			3,60,000
	iii)From above Rs.10 Lakh to Rs.1 Cr. – 50%	45,00,000	45,00,000			45,00,000
	iv)From above Rs.1 Cr. to Rs.10 Cr. – 40%	3,60,00,000	5,40,00,000			5,40,00,000
	v) Above Rs.10 Cr. to Rs.30 Cr. – 35%	7,00,00,000	13,00,00,000			13,00,00,000
	vi) Above Rs.30 Cr. to Rs.60 Cr. – 30%	9,00,00,000	21,00,00,000			21,00,00,000
	vii) Above Rs.60 Cr. – 0%	00	2,98,75,000			2,98,75,000
	Total	**20,11,40,000**	**42,87,35,000**	**00**	**00**	**42,87,35,000**

Q18: Whether the applicant is required to pay full amount of quantified outstanding dues at the time of applying for the OTS Scheme?

Ans: No. The applicant may opt to make payment for settlement of his quantified outstanding dues in lumpsum or in three instalments as per the option available in **Schedule-II** of theOTS Scheme. The first instalment is to be made with the OTS-1 application and the second instalment within 60 days from the issuance of interim order in FORM OTS-4A and third instalment after 120 days of issuance of interim order in FORM OTS-4A.

The applicant may depsoit the second instalment on the date of the third instalment alongwith interest @18% for the delayed period.

Q19: What will be the fate of the application in case the applicant fails to make the payment of instalment within the period prescribed or extended period?

Ans: If payment of second or third instalment or the both is not made within the period prescribed or extended period alongwith interest, i.e.upto 120 days from the issuance of OTS-4A, the application shall be liable to be rejected andthe amount paid with OTS-1 by the applicant shall be adjusted against his liabilities under the relevant Act and such amount shall not be refunded in any case. It will be presumed that the applicant has never made any application.

Q20: Under which Treasury Head the settlement amount is to be deposited by the applicant opting for the Scheme?

Ans: The amount is to be deposited under the Treasury Head of the relevant Act as mentioned below:-

Sr.No.	Name of the relevant Act	Treasury Head
1	The Haryana Value Added Tax Act, 2003	0040-00-102-99-51
2	The Central Sales Tax Act, 1956	0040-00-101-99-51
3	The Haryana Local Area Development Tax Act, 2000	0042-00-106-51-51
4	The Haryana Tax on Entry of Goods into Local Areas Act, 2008	0042-00-106-51-51
5	The Haryana Tax on Luxuries Act, 2007	0045-00-105-51-51
6	The Punjab Entertainment Duty Act, 1955	0045-00-111-98-51
7	The Haryana General Sales Tax Act, 1973	0040-00-102-99-51

Q21: What kind of order will be issued by the Department to the applicant opting for the Scheme for settlement of quantified outstanding dues?

Ans: The Jurisdictional Authority i.e. Excise & Taxation Officer of the concerned jurisdictional ward shall issue an order of settlement or order of rejection to the applicant.

Q22: What are the benefits in case the applicant gets the final order of settlement?

Ans: The applicant shall not be liable to pay any further tax, interest, or penalty with respect to the matter and time period covered in the final order of settlement and not be prosecuted under the relevant Act with respect to the matter and time period covered in the order. Further, all the matters and time period covered by such order shall not be re-opened in any other proceedings under the relevant Act.

Q23: Are the person whose dues are quantified outstanding under the relevant acts and against whom recovery proceedings have been initiated by the jurisdictional authority under HGST Act, 2017 eligible to opt for OTS Scheme?

Ans: Yes. The applicants against whom the jurisdictional authority has initiated recovery proceedings by way of uploading FORM GST DRC-07A under the GST Act, 2017 are also eligible to take benefit of the scheme.

Q24: Whether any payment made before the appointed day will be adjusted under the Scheme?

Ans: No. Any amount of tax, interest or penalty or any other sum paid by the applicant before the appointed day shall not be adjusted out of the settlement amount under this scheme, nor be refunded under the scheme.

Q25: Can a person or assessee whose appeal is pending before the appellate authority under the relevant Act, High Court, or Supreme Court apply for the Scheme?

Ans: Yes. A person or assessee whose appeal is pending before the appellate authority under the relevant Act, High Court or Supreme Court can apply for the Scheme provided he shall withdraw the appeal fully and un-conditionally within 60 days from provisional order OTS-4A and submit the proof of such withdrawal of appeal before the jurisdictional authority.

Q26: What should be the proof of withdrawal of appeal to be submitted by a person or assessee.

Ans: The order of Appellate Authority under the relevant Act or order of High Court or Supreme Court regarding withdrawal of appeal by an applicant will be treated as a proof of withdrawal of appeal.

Q27: **Whether the quantified outstanding dues can be paid through utilization of Input Tax Credit?**

Ans: Any amount payable under the Scheme shall neither be paid through Input tax nor shall be allowed to be claimed as Input tax by any person under the relevant Act or any other Act.The settlement amount payable under the scheme shall be paid through cash payment only.

Q28: **Can the final orders passed by the jurisdictional authority under the Scheme be challenged?**

Ans: No appeal shall lie before any Appellate Authority under the relevant Act, High court or Supreme Court against the final orders passed by the jurisdictional authority under the Scheme.

Q29: **Who is the competent authority for removal of any doubt or any difficulty under the Scheme?**

Ans: In case of any doubt arising out of the Scheme, the decision of the Excise and Taxation Commissioner, Haryana shall be final.

If any difficulty arises in giving effect to any provision of this scheme, the government has power to remove the said difficulty by a general or a specific order.

Q30: **Who is the competent authority for extension of time period of the OTS Scheme?**

Ans: An applicant may opt for the scheme within 120 days from the appointed day. However, the government either on its own motion or on representation from stakeholders may extent the time period for availing the benefit of the scheme.

Q31: **Who is the competent authority to extend time period for issuance of any notice or any order under the OTS scheme?**

Ans: Joint Excise & Taxation Commissioner (Range) on case to case basis may extend time period for issuance of notice or order by the Jurisdictional Authority or allocation of correct ward by the DETC for a period of not more than 30 days.

Q32: **Is there any provision for rectification of order or notice under the OTS Scheme?**

Ans: Yes. Under the provision of the OTS scheme, only the final order of acceptance or rejection of the application may be rectified. The Jurisdictional Authority may either on his own motion or on the request of the effected person may rectify the final order within a period of 45 days of the issuance of final order.

Q33: **What kind of error may be rectified by the Jurisdictional Authority?**

Ans: Only error which is apparent on the face of record may be rectified. The Jurisdictional Authority, at any time within a period of 45 days of the issuance of final order passed by it, may rectify such error apparent on the face of the record in such order.

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