

**Government of Himachal Pradesh  
State Taxes and Excise Department**

No. EXN-F(10)-15/2024      Shimla-2, the

20<sup>th</sup> August, 2025.

**NOTIFICATION**

The Governor of Himachal Pradesh is pleased to notify "the Himachal Pradesh Sadhbhawana Legacy Cases Resolution Scheme, 2025" Phase-II as under:—

**1. Short title and commencement.**—(1) This Scheme shall be called the Himachal Pradesh Sadhbhawana Legacy Cases Resolution Scheme, 2025 Phase-II (herein after referred to as the "Scheme").

(2) It shall come into force with effect from 01<sup>st</sup> September, 2025 and shall remain valid for a period of three months.

**2. Definitions.**—(1) In this Scheme, unless there is anything repugnant in the subject or context,—

- (a) "additional demand" means the amount of tax, penalty and interest as assessed by the assessing authority under the subsumed enactment for a financial year or any return period for which declaration under the Scheme has been made;
- (b) "appellate authority" means the authority specified under para 13 of the Scheme;
- (c) "appellate forum" means the Supreme Court of India or the High Court of Himachal Pradesh or the State Tax Tribunal or the Financial Commissioner (Appeals) or the Commissioner, as the case may be;
- (d) "assessing authority" means an officer defined as such under the subsumed or non-subsumed enactment;
- (e) "assessment order" means an order for determination of tax liability for a financial year or any return period under any of the subsumed or non-subsumed enactments, passed in relation to assessment proceedings under such subsumed or non-subsumed enactment;
- (f) "Commissioner" means the Commissioner of State Taxes and Excise;
- (g) "declarant" means a person being a dealer, owner, proprietor as defined under the subsumed enactment who has the liability to pay tax under such enactment;

- (h) “declaration” means the declaration filed under para 4 of the Scheme by the declarant;
- (i) “designated committee” means the committee as appointed by the Commissioner;
- (j) “discharge certificate” means the certificate issued by the designated committee under para 9 of the Scheme;
- (k) “person” includes,—
  - (i) An individual;
  - (ii) A Hindu undivided family;
  - (iii) A company;
  - (iv) A registered society;
  - (v) A limited liability partnership;
  - (vi) A firm;
  - (vii) An association of persons or body of individuals, whether incorporated or not;
  - (viii) The Government;
  - (ix) A local authority; and
  - (x) Every artificial juridical person, not falling within any of the preceding clauses;
- (l) “pending assessment” means determination of tax liability for a particular financial year or any return period which is pending for determination under the subsumed or non-subsumed enactment;
- (m) “statutory forms” means Form ‘C’, ‘F’, ‘H’, ‘E1’, ‘E2’ as defined under the Central Sales Tax Act, 1956 and Form ‘D’, ‘ND’ as defined under the Himachal Pradesh Value Added Tax Act, 2005 and any other relevant form required for availing concessional rate of tax under the subsumed or non-subsumed enactment;
- (n) “settlement fee” means a mount calculated as per the provisions of para 6 or 6A of the Scheme;
- (o) “settlement” means the process for issuing discharge certificate under the Scheme;
- (p) “subsumed enactment” means any Act repealed under section 173 of the Himachal Pradesh Goods and Services Tax Act, 2017 and section 64 of the Himachal Pradesh Value Added Tax Act, 2005;
- (q) “non-subsumed enactment” means the Himachal Pradesh Value Added Tax

Act, 2005 and the Central Sales Tax Act, 1956 as applicable after the implementation of Goods & Service Tax w.e.f. 01.07.2017.

(2) All other words and expressions used in the Scheme and not defined herein, shall have the same meaning as assigned to them in the subsumed or non-subsumed enactment as the case may be and in case of any conflict between two or more such meanings in any subsumed or non-subsumed enactment, the meaning which is more congruent with the provisions of the Scheme shall be adopted.

**3. Application of the Scheme.—**(1) The Scheme shall apply to:-

(a) Settlement of any additional demand pending for recovery pertaining to a financial year or any return period in respect of which assessment has been made, or

(b) Settlement of pending assessment and settlement of any demand on account of tax, penalty and interest that may accrue as a result of determination of tax liability of such pending assessment under a subsumed or non-subsumed enactment.

**4. Filing and acknowledgement of declaration.—**(1) In order to avail the Scheme a declarant shall be required to file a declaration in the manner along with the proof of payment of settlement fee within such period as may be prescribed.

(2) The declaration shall be acknowledged in the prescribed manner:

Provided that an acknowledgment may not be issued, if the declaration is not accompanied by proof of payment of settlement fee and such other circumstances as may be prescribed.

**5. Declarants not eligible to file declaration under the Scheme.—**Subject to the provisions of para 4 of the Scheme, a declarant shall not be eligible to make a declaration under the Scheme in the following circumstances:—

- (a) if the declarant has filed an appeal before the appellate forum and such appeal has not been withdrawn on or before the day of submission of declaration under the Scheme;
- (b) if criminal proceedings have been initiated against the declarant for any reasons including tax fraud;
- (c) if a notice has been issued to the declarant under subsumed enactment/non-

subsumed enactment for an erroneous refund or refunds;

- (d) if all the statutory forms required to be produced for applicability of concessional rate of tax under the subsumed enactment/non-subsumed enactment have not been produced either at the time of assessment or have not been filed alongwith the declaration under the Scheme and the tax due as per returns and settlement fee as per para 6 & 6A of the Scheme have not been paid.
- (e) If the case of the declarant pertains to non-subsumed enactment for a period subsequent to 01.04.2021
- (f) If the entire tax due in respect of non-subsumed enactment for a financial year has not been paid into the Govt. Treasury on or before 30 the November of the succeeding financial year or the date of filing of annual return whichever is earlier in case of Para 6A (iii).

**6. Calculation of settlement fee.**—(1) Where no statutory forms were required to be produced or all the statutory forms required to be produced for applicability of concessional rate of tax under the subsumed enactment have been produced either at the time of assessment or have been filed alongwith the declaration under the Scheme, the settlement fee shall be calculated as follows:—

- (i) If the declarant has filed all periodical returns within stipulated time alongwith payment of tax due as per such returns with respect to a financial year or any return period, no settlement fee shall be charged;
  - (ii) if the declarant has not filed the periodical returns within stipulated time, but has made payment of tax due as per such returns with respect to a financial year or any return period, the settlement fee shall be calculated @ 10% of tax paid after the due date of filing the return or payment of tax;
  - (iii) if the declarant has not filed tax returns and due tax has not been paid with respect to a financial year or any return period, settlement fee shall be calculated @ one hundred and ten percent of the tax amount applicable on the taxable turnover in such financial year or any return period as per the provisions of subsumed enactment and declared in the declaration under the Scheme.
- (2) Where all the statutory forms required to be produced for applicability of concessional rate of tax under the subsumed enactment have not been produced

either at the time of assessment or have not been filed along with the declaration under the Scheme and the tax due as per returns has been paid, the settlement fee shall be calculated as under:—

- (a) hundred percent of the tax paid against the turnover of transactions involved in such statutory forms as if the forms were available, which have not been produced either at the time of assessment or have not been filed along with the declaration under the Scheme, or
- (b) one percent of the value of the turnover of transactions involved in such statutory forms which have not been produced either at the time of assessment or have not been filed along with the declaration under the Scheme, or
- (c) whichever is higher.

**6A. Calculation of settlement fee for non-subsumed enactment: -**

- (1) The settlement fee shall be calculated as under: —
  - (i) If the declarant has filed the prescribed returns late and the tax due in respect of such returns is nil then settlement fee shall be charged @ rate of 10% of the total penalty.
  - (ii) If the declarant has paid the tax due for a financial year into the Govt. Treasury late but not later than 30<sup>th</sup> November of the succeeding financial year or date of filing of annual return whichever is earlier, the settlement fee shall be calculated @12% of tax paid after the due date of depositing the tax for the return period.
  - (iii) If the declarant has not filed returns and has not paid the due tax by 30<sup>th</sup> November of the succeeding financial year or filing of the annual return or till date shall be eligible to apply for the scheme as per table given below :-

Duration for application	Rate of settlement fee
If tax due paid from the beginning of the 1 <sup>st</sup> month of scheme upto the end of the 1 <sup>st</sup> month of the scheme.	@15%
If tax due paid from the beginning of the 2 <sup>nd</sup> month of scheme upto the end of the 2 <sup>nd</sup> month of the scheme.	@20%
If tax due paid from the beginning of the 3 <sup>rd</sup> month of scheme upto the end of the 3 <sup>rd</sup> month of the scheme.	@25%

**7. Restriction with regards to settlement fee.**—(1) Any amount paid as settlement fee under the Scheme,—

- (a) Shall not be paid through the input tax credit;
- (b) shall not be refundable under any circumstances except in case of excess

deposit of settlement fees by the applicant or in case of rejection of application by the designated committee;

- (c) shall not, under the subsumed enactment or under any other Act,—
  - (i) be taken as input tax credit, or
  - (ii) entitle any person to take input tax credit, as a recipient, of the taxable goods, with respect to the matter and time period covered in the declaration.

**8. Payment of settlement fee.**—(1) Where the tax liability has been assessed for the corresponding financial year or any return period for which declaration has been made, payment of settlement fee calculated under para 6 or 6A of the Scheme may be made by adjustment of any amount paid as pre-deposit at any stage of appellate proceedings under the subsumed or non-subsumed enactment or deposited voluntarily or as part of recovery proceedings against the additional demand for that financial year or any return period:

Provided that if the amount paid as pre-deposit at any stage of appellate proceedings under the subsumed or non-subsumed enactment or deposited voluntarily or as part of recovery proceedings against the additional demand for a financial year or any return period by the declarant exceeds the amount of settlement fee, then the declarant shall not be entitled for refund:

Provided further that if the amount paid as pre-deposit at any stage of appellate proceedings under the subsumed or non-subsumed enactment or deposited voluntarily or as part of recovery proceedings against the additional demand for a financial year or any return period by the declarant is less than the amount of settlement fee, then the declarant shall deposit the balance amount in the government treasury in the relevant head of account of the subsumed or non-subsumed enactment.

(2) Where the tax liability for the corresponding financial year or any return period for which declaration has been made has not been assessed, payment of settlement fee calculated under para 6 or 6A of the Scheme shall be deposited in the government treasury in the relevant head of account of the subsumed or non-subsumed enactment as applicable.

(3) The payment of settlement fee under sub-paras (1) and (2) shall be made in

the prescribed manner.

**9. Verification of declaration and issuance of discharge certificate by designated committee.**—The designated committee shall verify the declaration wherein acknowledgment has been issued and may issue discharge certificate or reject such declaration in the prescribed manner:

Provided that the declarant whose declaration has been rejected may request for an opportunity of being heard within such period as may be prescribed.

**10. Privileges emanating from discharge certificate.**—(1) Every discharge certificate issued under para 9 of the Scheme with respect to the amount payable under the Scheme shall be conclusive as to the matter and time period stated therein, and—

- (a) The declarant shall not be liable to pay any further tax, interest, or penalty with respect to the matter and time period covered in the declaration;
  - (b) The declarant shall not be liable to be prosecuted under the subsumed or non-subsumed enactment with respect to the matter and time period covered in the declaration;
  - (c) All matters and time period covered by such declaration shall not be reopened in any other proceeding under the subsumed or non-subsumed enactment.
- (2) Notwithstanding anything contained in sub-section (1),—
- (a) No person being a party in appeal or revision shall contend that the designated committee has acquiesced in the decision on the disputed issue by issuing the discharge certificate under the Scheme;
  - (b) where any material particular furnished in the declaration is subsequently found to be false, within a period of one year of issuance of the discharge certificate, it shall be presumed as if the declaration was never made and proceedings under the applicable subsumed or non-subsumed enactment shall be instituted.

**11. Rectification of errors.**—The designated committee may modify the discharge certificate within one year of issuance of such certificate to correct an arithmetical error or clerical error, which is apparent on the face of record, on such error being pointed out by the declarant or *suomotu* by the designated committee.

**12. Scrutiny of cases.**—The cases wherein discharge certificate has been issued may be taken up for scrutiny within one year of the closure of the Scheme. However, a maximum of three percent of such cases may be taken up for scrutiny in the prescribed manner.

**13. Appeals.**—(1) The Commissioner may designate one or more officers not below the rank of Joint Commissioner of State Taxes and Excise, as Appellate Authority for the purposes of the Scheme.

(2) The aggrieved declarant may file an appeal before the appellate authority in the prescribed manner within a period of thirty days of the communication of any order passed against the declarant.

(3) The Appellate Authority may, if satisfied that the appellant was prevented by a sufficient cause from preferring an appeal within the aforesaid prescribed period of thirty days, it may allow such appeal to be preferred within a further period not exceeding thirty days.

(4) The appellate authority may, after giving the parties an opportunity of being heard, pass such order as it thinks fit, confirming or modifying the discharge certificate or notice appealed against or referred to.

(5) The order referred to in sub-para (4) shall be passed within a period of ninety days from the date of filing of the appeal under sub-para(2).

(6) A certified copy of the order pronounced by the appellate authority under sub-para (4) shall be sent to the appellant and the designated committee after such pronouncement.

**Explanation.**—For the provisions of this para, the appeal shall be deemed to have been filed only when the acknowledgement, indicating the appeal number, is issued.

**14. Power of revision.**—(1) The Commissioner may, of his own motion, call and examine the record of any proceedings which are pending before, or have been disposed of by, any authority subordinate to him, for the purpose of satisfying

himself as to the correctness, legality or propriety of proceeding for the issuance of discharge certificate under the Scheme and, on finding the proceedings or the discharge certificate issued under the Scheme prejudicial to the interest of revenue may pass such order in relation there to as he may think fit:

Provided that the powers under this sub-para shall be exercisable only within a period of one year from the date on which such order was communicated.

(2) The Commissioner may delegate the power under sub-para (1) to any officer not below the rank of Joint Commissioner.

(3) No order shall be passed under this para, which adversely affects any declarant unless such declarant has been given a reasonable opportunity of being heard.

**15. Removal of doubts.**—For the removal of doubts, it is hereby declared that, save as otherwise expressly provided in para 10 of the Scheme, nothing contained in the Scheme shall be construed as conferring any benefit, concession or immunity on the declarant in any proceedings other than the matter and time period in relation to which the declaration has been made.

**16. Power to make procedure.**—The State Government may, by notification in the Official Gazette, make procedure for carrying out the provisions of the Scheme.

**17. Power to issue guidelines, directions, instructions etc.**—(1) The Commissioner may, from time to time, issue such orders, instructions and directions to the authorities, as it may deem fit, for the proper administration of the Scheme, and such authorities, and all other persons employed in the execution of the Scheme shall observe and follow such orders, instructions and directions:

Provided that no such orders, instructions or directions shall be issued so as to require any designated committee to dispose of a particular case in a particular manner.

(2) Without prejudice to the generality of the foregoing power, the Commissioner may, if it considers necessary or expedient so to do, for the purpose of proper and efficient administration of the Scheme, issue, from time to time, general or special orders in respect of any class of cases, setting forth directions or instructions as to the guidelines, principles or procedures to be followed by the

authorities in the work relating to administration of the Scheme.

**18. Removal of difficulty.**—If any difficulty arises in giving effect to the provisions of the Scheme, the State Government may, by order, published in the official gazette, make such provisions not in consistent with the provisions of the Scheme, as appear it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of a period of one year from the date on which this Scheme come into force.

**19. Protection to officers.**—(1) No suit, prosecution or other legal proceedings shall lie against the State Government or any officer of the State Government for anything which is done in good-faith, or intended to be done, in pursuance of the Scheme or any procedure made thereunder.

(2) No proceeding, other than a suit shall be commenced against the State Government or any officer of the State Government for anything done or purported to have been done in pursuance of the Scheme, or any procedure made there under, without giving the State Government or such officer a prior notice of not less than one month in writing of the intended proceeding and of the cause there of, or after the expiry of three months from the accrual of such cause.

(3) No proceeding shall be commenced against any officer only on the ground of subsequent detection of an error in calculating the amount of settlement fee payable by the declarant, unless there is evidence of misconduct.

By order,

(Devesh Kumar)

Principal Secretary (ST&E) to the  
Government of Himachal Pradesh.