Case Study

e-STAMPING

"Introduction of e-stamping in the states of Gujarat, Karnataka, Delhi and Maharashtra in India has brought about transformation in security, safety and convenience to applicants in stamp duty transactions. e-Stamping has also instilled confidence amongst administrators about transparency and efficiency of the system."

Mr R.C. Razdan,
Managing Director & CEO,
Stock Holding Corporation of India Limited

SUMMARY

Client: Through Stock Holding Corporation of India Limited (SHCIL), e-Stamp India application is live in the States of Gujarat, Maharashtra, Delhi, Assam, Karnataka, Rajasthan, Tamil Nadu, Himachal Pradesh, Uttarakhand, Daman & Diu, Dadra & Nagar Haveli and Puducherry.

Challenge: To counter the forgery of property documents.

Solution: CrimsonLogic's e-Stamping System – an electronic stamping of documents securely through digital controls that prevents duplication and fraud.

Benefits: The authenticity of documents is ensured and e-stamping submissions are processed immediately via the internet.

BACKGROUND

The collection of stamp duty using physical stamping has been subjected to fraudulent practices. Since the infamous 'Telgi stamp paper scam', the Government of Gujarat initiated a paperless e-Stamping system that successfully replaced physical stamped paper, in which other State Government of India subsequently emulated.

The e-Stamping system is a computer-based application that provides a secure and electronic means of stamping documents. Mandated by the Indian Stamp Duty Act in 1899, documents that require stamp duty include agreements, deed of conveyances, certificate of sale, bill of exchange/lading, Partition, Power of Attorney to sell immovable property, deed of settlement, transfer of lease, mortgage deed, insurance and letter of credit.

Since the success in Gujarat, many states in India showed interest in deploying the e-stamping system. As such, the Central Government appointed Stock Holding Corporation of India Limited (SHCIL – an organisation jointly promoted and owned by all banks and financial institutions) in 2007 to act as the Central Record Keeping Agency (CRA) to oversee the e-Stamping project in collaboration with Singapore-based CrimsonLogic.

The project went live in 12 states between 2007 and 2012, accounting for 75 per cent of the total e-Stamping transactions in India. When the system went live, e-Stamping system was successfully implemented in five cities in the State of Gujarat (Ahmedabad, Gandhinagar, Surat, Rajkot and Baroda) as well as in Bangalore in the State of Karnataka, State of Maharashtra, State of Assam and Delhi. The system was then later successfully

rolled out in different stages in other States - Rajasthan, Tamil Nadu, Himachal Pradesh, Uttarakhand, Daman & Diu, Dadra & Nagar Haveli and Puducherry.

SOLUTION

With the automated e-Stamping system, appointed agencies of the SHCIL can compute and collect stamp duty faster and more accurately. The e-Stamping system deploys advanced technologies like 2D Bar Coding, Optical Watermark and Micro-printing to provide a foolproof platform.

Features of the Optical Document Security:

- 2D Barcode – Using Public Key Infrastructure (PKI) technology to securely store details of the stamp buyer, the encrypted information is locked to prevent tampering and can only be read with a special hand-held device.
- Optical Watermarking – This prevents duplication of the stamp certificate by embedding an optical thermal image that displays the certificate as "Original" or "Copy".
- Micro-printing – This involves tiny imprints of dynamically generated text (such as the document serial number) where the content can only be clearly viewed under a magnifying glass. This information will be distorted when any attempt is made to duplicate the document.

The system permits the payment of stamp duty either through the internet or Authorised Collection Centres (ACCs) spread across the States. The Sub-Registrar's offices responsible for the registration of property documents are linked to the respective State Governments' Finance Departments via the internet.

The e-Stamping system generates a Unique Identification Number (UIN) along with details of the transactions. A stamp certificate with the UIN will be printed and handed over to the applicant. The stamp certificate is attached to the document and submitted to the Sub-Registrar's office. The Sub-Registrar can then verify the payment from the system before proceeding with the registration. In cases where documents do not require registration with the Registrar, the applicant can use the UIN and other parameters specified to verify the duty payment from the system, and accept the documents as details of the stamp certificate is available online.

Currently, 12 State Governments and approximately 10,000 SHCIL appointed agencies, sub-registrars, etc. are using the e-Stamping system in India, processing about 100,000 transactions daily.

BENEFITS

Fast processing time: As e-Stamping submissions are processed in real-time via the internet, the applicants enjoy the benefits of immediacy without the need to physically transfer the documents or wait in long queues.

Round-clock-availability and convenience: e-Stamping can be done anytime and the applicants are not constrained by the Government or banks' operating hours. The system also prevents applicants from making double payments for the same transaction.

Easy accessibility: The applicants can access the e-Stamping system to make stamp duty payments anywhere as long there is an internet connection.

Security: The privacy of the applicant's personal information is protected through state-of-the-art security technologies, such as internet Secured Socket Layer encryption. The document is further secured through the use of the digital signature, an international standard for securing transmission of data over the internet based on public/private encryption key technology.

For more information on this case study, please contact us at sales@crimsonlogic.com

www.crimsonlogic.com
31 Science Park Road, The Crimson, Singapore 117611