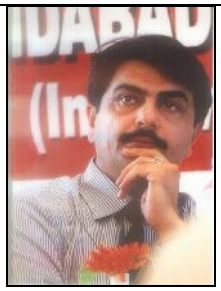
E-circular dt 10th-April-2008



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Dear Members,

Taking lessons from infamous Telgi stamp paper scam the state governments in India have of late been working towards adopting e-stamping facility aimed at preventing fake stamp paper circulation and curbing corruption. The system, launched in association with Stock Holding Corporation of India Ltd (SHCIL), has been designed to prevent, hitherto prevalent, paper and process-related fraudulent practices in registration. According to news sources, Government of Delhi has launched e-stamping facility in the state by April 1, 2008. The Government of Delhi has signed an agreement with SHCIL to facilitate the collection of stamp duty through electronic route.

The SHCIL has been authorised by the Centre to act as the central record keeping agency for the e-stamping project. The e-stamping system has multi-level security. The stamp certificate generated by the system comes with a **Unique Identification Number (UIN)** which is not repeated. The authenticity of the stamp certificate can be verified with the help of UIN on the e-stamping website **'www.shcilestamp.com'**. The system generates a tamper-proof certificate through encryption of important identification content of the stamp certificate. An optical watermarking eliminates the possibility of duplication of the stamp certificate.

It offers a secure and reliable stamp duty collection mechanism; and stores information in secured electronic form and builds up a central data repository to facilitate easy verification. It generates online **Management Information System (MIS)** reports for the government and public. The ASC official will collect payment and feed details of the transaction into the system, which will generate a stamp duty paid certificate. The entire exercise of stamp duty payment and generation of stamp duty certificate takes no more than three minutes.

Some FAQ's and their answers for the FSIA members

General Facts about Stamping

Ques: What is Stamp Duty?
Ans: It is type of Tax collected by the State Government.

Ques: What are the important Instruments under Indian Stamp Act, 1899?
Ans: Important Instruments are agreements, conveyances, exchange, gift, Certificate of sale, deed of partition, Power of Attorney to sell immovable property when given for consideration, deed of settlement and transfer of lease by way of assignment, bill of exchange, bill of lading, debenture, letter of credit, policy of insurance, proxy, receipt and transfer of shares.

Ques:Does Stamp Duty vary from Instrument to Instrument?
Ans: Yes

Ques:Whether Stamp Duty is computed on market value or consideration amount?
Ans: Stamp Duty is computed on market value or consideration amount of the property, whichever is higher.

Ques:What is consideration amount?
Ans: Consideration amount is the total value of funds involved in any purchase/ sale transaction entered between two or more parties.

Ques:How many types of stamp duty are collected?
Ans: Stamp Duty collected by the States can be broadly divided into two categories, viz., Stamp Duty paid under the Indian Stamp Act, 1899 and Stamps used in payment of fees under the Court-fees Act 1870.

Ques:What are the different types of stamps used as on date?
Ans: Stamps used under the Indian Stamp Act, 1899 & The Bombay Stamp Supply And Sale Rules, 1934, can be broadly divided into
1. Impressed stamps, including a) Labels affixed and impressed by the proper officer; b) Stamps embossed or engraved on stamped paper c) Impression by franking machine d) Impression by any such machine as the State Government may, by notification in the Official Gazette, specify 2. Adhesive stamps

Ques:Is Stamp Duty required to be paid on all document regarding transfer of properties?
Ans: All transfer Instrument/document including agreement to sale, conveyance, gift mortgage, exchange, partition, power of attorney either general or special leave and licence, agreement, tenancy agreement, lease deeds are required to be Stamped before registration. A will or original nomination in a Co-operative Housing Society is not required to be Stamped. However, when a nominee transfers a flat subsequently in the name of legal heirs then it is required to be Stamped as per market value or the consideration amount, whichever is higher.

Ques:What are the precaution to be taken at the time of purchase of stamp paper?
Ans: Stamp papers are to be purchased in the name of one of the parties to the instrument/document. It must be purchased in the name of either of the party to the transaction.

Ques:Why stamp duty is required to be paid?
Ans: Stamp duty is a kind of Tax like Sales Tax or Income Tax. It must be paid in full and on time to the Government. In case of delay in payment of stamp duty, penalties are imposed

Ques:When Stamp Duty is to be paid?
Ans: It is to be paid either before execution of the document or on the day of execution of the document.

Ques:Who is required to pay Stamp Duty?
Ans: Stamp Duty is either paid by a purchaser or transferee or as mutually agreed in the agreement between the parties.

Ques:What is payment system for Stamp Duty?
Ans:Stamp Duty amount can be paid either by Cash/ Bank Draft/ Pay Order/ Cheque/ Electronic Fund Transfer.

Salient Features of e-stamping

Ques:What is e-Stamping?

Ans: E-Stamping is a computer based application and a secured electronic way of stamping documents. It's an electronic way of paying stamp duty to the Government.

Features of E-Stamping:-

1 On-line Stamp Duty Certificate can be generated within minutes
2 Stamp Certificate generated is tamper proof
3 Its a secured electronic payment gateway to the Government
4 Authenticity of the Certificate can be checked through its inquiry module.
5 Stamp Certificate generated has a Unique Identification Number (UIN).
6 Specific denomination is not required.

Benefits of E-Stamping:-

i1 Easy accessibility and faster processing
2 Security
3 Cost savings
4 User friendly
5 Hassle free maintenance.

Ques:What is Unquie Identification Number (UIN) ?

Ans: UIN is a Stamp Certificate number mentioned on the Stamp Certificate. Anybody, having the Unique Identification Number, can check the authenticity of the Certificate through www.shcilestamp.com .

Ques:What is a CRA?

Ans: CRA stands for Central Record Keeping Agency. STOCK HOLDING CORPORATION OF INDIA LIMITED (SHCIL) is the only CRA appointed by the Government of India.

Ques:What is the role of CRA?

Ans: iCentral Record Keeping Agency is responsible for User Registration, Imprest Balance Administration and overall E-Stamping Application Operations and Maintenance. CRA will appoint ACC's and Travelling Vendors who will issue Certificates to the clients at their counters.

Ques:What do you mean by ACC?

Ans: ACC menas Authorised Collection Centre (ACC). Its an agent appointed by SHCIL. ACC is the intermediary between the CRA and Stamp Duty payer.

Ques:Who can become ACCs?

Ans: 1. Bank & Financial Institutions
2. Law firms,
3. Chartered Accountant firms
4. Professionals

Ques:What is Registration process of ACC?

Ans: ACC should submit the application form along with the necessary proofs as mentioned in the application form. ACCs need to pay a nominal registeration fee and interest free security deposit. ACCs need to maintain a running imprest balance.

Ques:How will one get a Stamp Certificate?

Ans: The client has to approach an ACC appointed by SHCIL and fill up the application form as prescribed in the e-Stamping system. Stamp Certificate is generated only after realisation of funds.

Ques:When will one get the Stamp Certificate from ACC?

Ans: After submitting a duly filled application form, the ACC will enter the details into the system and a Stamp Certificate would be generated immediately in case of cash and in case of Cheque/ Demand Draft/ Payorder only after realisation of funds.

Ques:After generating the Certificate, can one cancel the Stamp Certificate?

Ans: For cancellation you need to get in touch with the Competent Authority at the Stamp Office appointed by the State Government.

We thank Mrs Mayuri Gupta, Company Secretary for the above useful inputs.

For queries, suggestions and feedback , you can e-mail us at :

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Costing is very very important – Infact with Maruti, Hero Honda, TVS, Bajaj, and infact every customer today pushing you for more price cuts, you must be CLEAR what is your costing . Finsys ERP provides you excellent tools for that. → Infact you can even monitor your overheads ➔ Example Telephone Expense– Cost Centre Wise, Conveyance /petrol = Salesman/Dept wise, Salaries -> Cost Centre Wise etc.

Item Costing

Finsys ERP has Detailed functionalities for

Process Industry

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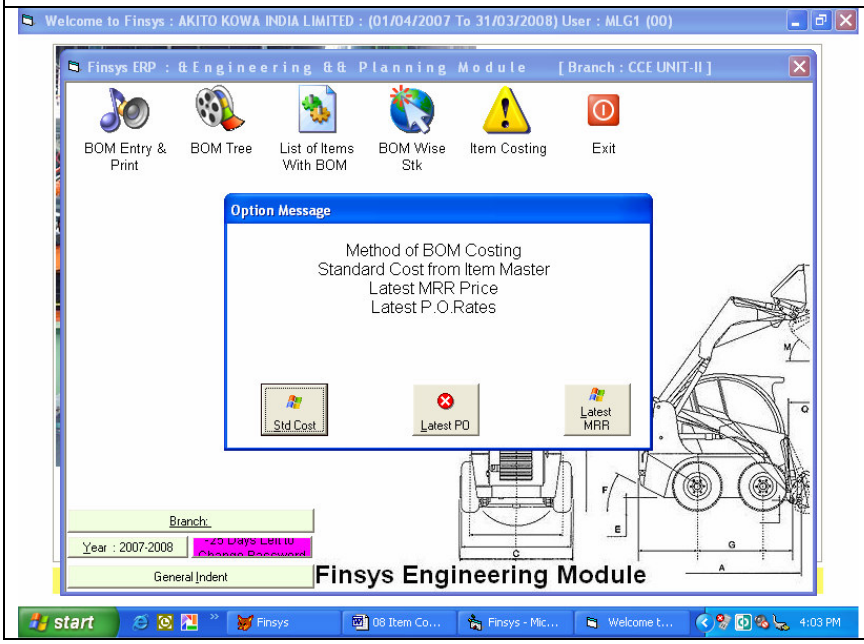
Capital Goods Industry =

manufacturers of EOT Cranes, Large Projects, Hydraulics, Printing Machines, Valves, End-joints,

Project industry =

Turn-key project companies etc



The Special Costing Module of the ERP System has the facility to give you –

A) Pure RMC Cost
B) Bill of Material as defined by the Engineering Dept
C) Raw Materials and BOP at the cost .. as selected by you – Standard or Actual.

Material Costing is based on 5 methods

First : Standard Qnty, Standard Rate, What you planned to earn on that item ?
Second : Standard Qnty, Latest PO Rate,
Third : Standard Qnty, Latest MRR Rate,
Fourth : Actual Qnty, Standard Rate
Fifth : Actual Qnty, Actual Rate -- **What did you actually earn on that item ?**

For Trade Enquiries contact : Puneet Gupta 93500-18744, Dinesh Verma 9313136494 - MLG Infotech Pvt Ltd – the company that can give you both the full ERP and also modules , according to your need.