

**"From December 1, such tags will be mandatory for toll payment on National Highways. Installed in vehicles, FASTag will enable electronic payment when it crosses a booth. How can it be bought, and how will it work?"**

From December 1, lanes on national highway toll plazas across India will accept toll only through FASTag — fitted in a vehicle that pays toll automatically when the vehicle crosses the boom barrier of the toll plaza. (One hybrid lane will continue to accept cash in addition to being tag-enabled.) All new vehicles bought over the last few years, in fact, already come with FASTag pre-installed.

So, from next month, all 560-odd plazas under the control of the National Highways Authority of India (NHAI) will collect toll without human intervention, and vehicles need not stop to pay toll. The objective is to remove bottlenecks and capture all toll electronically.

### How does FASTag work?

The device employs Radio Frequency Identification (RFID) technology for payments directly from the prepaid or savings account linked to it. It is affixed on the windscreen, so the vehicle can drive through plazas without stopping. RFID technology is similar to that used in transport access-control systems, like Metro smart card.

If the tag is linked to a prepaid account like a wallet, or a debit/credit card, then owners need to recharge/top up the tag. If it is linked to a savings account, then money will get deducted automatically after the balance goes below a pre-defined threshold. Once a vehicle crosses the toll, the owner will get an SMS alert on the deduction. In that it is like a prepaid e-wallet.

**A FASTag is valid for five years, and can be recharged as and when required.**

### How can I buy it?

E-commerce portals like Amazon and PayTM sell these tags issued by various banks. They are available at 27,000 points of sale set up by 22 banks (see box) and the NHAI. At NHAI counters, mostly at toll plazas, the tag is free until December 1. Places where these counters are set up include Road Transport Authority offices, transport hubs, bank branches, and selected petrol pumps.

A FASTag bought from NHAI comes with a one-time fee of Rs 100 besides a refundable security deposit of Rs 150.

Apart from the currently free tags at NHAI booths, there is also a cashback of 2.5 per cent on FASTag transactions as an offer. In the tag taken from NHAI, the Rs 150 security deposit, which the government is bearing as a promotion, comes back to the user as wallet value if the FASTag is linked to the NHAI e-wallet in the “My FASTag app” mobile app. So in this particular scheme, the user gets Rs 150 back without even paying it.

### **What do I need to buy a FASTag, and what if I don't?**

A copy of the vehicle registration certificate and a photo of the vehicle are enough to get a FASTag from NHAI, said officials. Banks may seek certain additional documents.

Vehicles entering FASTag lanes without FASTag will be charged twice the toll amount.

### **Will those living close to toll roads not end up paying more frequently?**

As per a government notification, users living within 10 km of a toll plaza can avail a concession on toll to be paid via FASTag. They need to submit proof of residence and nearest point-of-sale location to validate. Once the address is verified, the concession is ensured via FASTag affixed on the vehicle.

### **Is it working smoothly?**

The tags sold by banks are not “bank-neutral”. A FASTag bought from one bank can be recharged through that particular bank only and not through other banks. However, tags sold/distributed by NHAI are bank-neutral as one can use any bank account to recharge/top up the value in the tag.

The technology is showing what officials call teething troubles. Users have complained that the tag-reader is often not able to read the tag; also, the SMS alert is often coming late.

NHAI and its subsidiary Indian Highway Management Company Limited (IHMCL) have, following an order from the Ministry of Road Transport and Highways, deputed nodal officers in all toll plazas to weed out these challenges. Ministry officials have also fanned out as prabharis to oversee implementation.

NHAI has set up a toll-free helpline number, “1033” for tag-related complaints. The website for individual bank helplines is at ihmcl.com. Additionally, the My FASTag app has a customer-care link.

### **How did the idea come about?**

A brainchild of Road Transport & Highways Minister Nitin Gadkari, the idea picked up after Prime Minister Narendra Modi's call for a “Digital India” post demonetisation. The government has been trying to make FASTag popular for years. Now, it has decided that the only way to bring vehicle owners on board was by making FASTag mandatory for toll payment.

Sales have indeed picked up in the last few days. This has been helped in no small measure by the announcement by Gadkari on November 21, that till December 1, the government will bear the security deposit of Rs 150, making the physical tag virtually free.

The average daily sale of these tags grew 4 times from 8,000 in July to around 35,000 by the third week of November. On November 26, 1.35 lakh FASTags were issued, up from 1.05 lakh the day before. Average daily transactions processed through FASTag have grown from 8.8 lakh in July this year to 11.2 lakh in November, while the average

daily electronic toll collection has grown from Rs 11.2 crore to Rs 19.5 crore for the same period. After the recent thrust, around 70 lakh FASTags have been issued so far and the number is growing.

### What about state highways?

Under a new “One Nation One FASTag” scheme, the NHAI is trying to get states on board so that one tag can be used seamlessly across highways, irrespective of whether it is the state or the Centre that owns/manages it. Recently as part of a pilot, Karnataka, Andhra Pradesh and Haryana signed MoUs with the Centre to accept FASTags in state highways also.

### Points of sale

#### 22 banks issue FASTags

Axis Bank; ICICI; IDFC; SBI; HDFC; Karur Vysya Bank; Equitas Small Finance Bank; PayTM Payments Bank; Kotak Mahindra; Syndicate Bank; Federal Bank; South Indian Bank; PNB; Saraswat Bank; Fino Payments; City Union Bank; BoB; IndusInd; Yes Bank; Union Bank; Nagpur Nagarik Sahakari Bank; Airtel Payments Bank

Where to buy  
Portals like Amazon and PayTM sell these tags. Available at 27,000 points of sale set up by 22 banks and National Highways Authority of India. Until December 1, free tag available at NHAI counters, mostly at the toll plazas.

#### Expected Questions (Prelims Exams)

#### 1. Consider the following statements in the context of electronic tolling of the Indian market.

1. It is developed by National Payments Corporation of India.
2. FASTags is an instrument that works on radio frequency identification technology.
3. It provides cashless payment facility

Which of the above statements are correct?

- |             |                       |
|-------------|-----------------------|
| (a) 1 and 2 | (b) 2 and 3           |
| (c) 1 and 3 | (d) None of the these |

#### Expected Questions (Mains Exams)

- Q.** 'Transport infrastructure development is a necessary condition for India's rapid development and the integration of digital systems in it can further improve it.' In the context of this statement review One Nation, One FASTags. (250 words)

**Note:** Answer of Prelims Expected Question given on 3 Dec., is 1 (a)