

### Chief Editor

Dr. A. Singaraj, M.A., M.Phil., Ph.D.

### Editor

Mrs.M.Josephin Immaculate Ruba

### EDITORIAL ADVISORS

1. Prof. Dr.Said I.Shalaby, MD,Ph.D.  
Professor & Vice President  
Tropical Medicine,  
Hepatology & Gastroenterology, NRC,  
Academy of Scientific Research and Technology,  
Cairo, Egypt.
2. Dr. Mussie T. Tessema,  
Associate Professor,  
Department of Business Administration,  
Winona State University, MN,  
United States of America,
3. Dr. Mengsteab Tesfayohannes,  
Associate Professor,  
Department of Management,  
Sigmund Weis School of Business,  
Susquehanna University,  
Selinsgrove, PENN,  
United States of America,
4. Dr. Ahmed Sebihi  
Associate Professor  
Islamic Culture and Social Sciences (ICSS),  
Department of General Education (DGE),  
Gulf Medical University (GMU),  
UAE.
5. Dr. Anne Maduka,  
Assistant Professor,  
Department of Economics,  
Anambra State University,  
Igbariam Campus,  
Nigeria.
6. Dr. D.K. Awasthi, M.Sc., Ph.D.  
Associate Professor  
Department of Chemistry,  
Sri J.N.P.G. College,  
Charbagh, Lucknow,  
Uttar Pradesh. India
7. Dr. Tirtharaj Bhoi, M.A, Ph.D,  
Assistant Professor,  
School of Social Science,  
University of Jammu,  
Jammu, Jammu & Kashmir, India.
8. Dr. Pradeep Kumar Choudhury,  
Assistant Professor,  
Institute for Studies in Industrial Development,  
An ICSSR Research Institute,  
New Delhi- 110070, India.
9. Dr. Gyanendra Awasthi, M.Sc., Ph.D., NET  
Associate Professor & HOD  
Department of Biochemistry,  
Dolphin (PG) Institute of Biomedical & Natural  
Sciences,  
Dehradun, Uttarakhand, India.
10. Dr. C. Satapathy,  
Director,  
Amity Humanity Foundation,  
Amity Business School, Bhubaneswar,  
Orissa, India.



ISSN (Online): 2455-7838

SJIF Impact Factor (2016): 4.144

EPRA International Journal of

# Research & Development (IJRD)

Monthly Peer Reviewed & Indexed  
International Online Journal

Volume:2, Issue:5, May 2017



Published By :  
EPRA Journals

CC License





## FASTAG LANES- A STEP TOWARD CASHLESS HIGHWAY

Dalip Kaur<sup>1</sup>

<sup>1</sup>Research Scholar, Dept. of Commerce, MDU, Rohtak, Haryana, India.

Dr. Vazir Singh Nehra<sup>2</sup>

<sup>2</sup>Professor, Dept. of Commerce, MDU, Rohtak, Haryana, India.

### ABSTRACT

*'Digitalization' has become the famed word these days. Government of India is taking serious steps onward to make the Indian economy digital. One of the major objectives behind this digitalization is to bring transparency in the corrupted system of economy which is eroding the whole machinery. Beside this, the major purpose was to make India a cashless and digital friendly economy. The RFID tag is one from its numerous steps which collects toll electronically, fashioning it cool to make cashless payments. These tags are the devices attached to your vehicle, which by using radio frequency waves deducts toll automatically from your account. The focus of this study is to collect the reviews of the general public who are using these RFID tags for paying toll taxes that how handy and convenient they are feeling about using it.*

**KEYWORDS:** FASTag, NHAI, POS, RFID tag.

### INTRODUCTION

In September 2014, the Government of India launched first electronic toll collection programme under the brand name 'FASTag'. FASTag was a program being rolled out by NHAI for collecting toll on national highway plazas electronically. The program is being implemented by Indian Highways Management Company Limited (IHMCL) and National Payment Corporation of India (NPCI) with help of Toll Plaza operators, Issuing Agencies of FASTag and some selected banks. The ministry had brought in ICICI bank and Axis Bank (now other banks are also added) for providing central clearing house services and for issuing radio-frequency identification or RFID-based FASTag through their franchises at point of sales (POS) near the toll plazas.

It basically is a device pinned on the windscreen of your vehicle that uses Radio Frequency Identification (RFID) technology for making toll payments, which is directly linked to your prepaid account. It is simple to use, reloadable tag which automatically deducts toll charges and lets you pass through the toll plaza without stopping for the cash payment and enjoy a hassle free trip. A joint study by IIM-Kolkata and TCI suggested that annually India suffers a loss of almost \$21.3 billion due to delays and extra energy/fuel consumption on toll plazas either due to breaks at plazas or due to poor roads. It is found that a non-stop journey at plaza almost saves your 10 minutes. Thus, it offers almost non-stop journey throughout the toll plaza, freedom from traffic congestion, the convenience of cashless payment of toll fees and

saves your fuel and time. As of now, it is operational at more than 352 NHs in India. (Nhai website).

### OBJECTIVES OF STUDY

- To highlight the concept of FASTAG.
- To highlight the problems being faced by its users.
- To give some suggestions to remove the deficiencies.

### RESEARCH METHODOLOGY

For the achievement of objective, secondary sources to collect the reviews of users is used. The reviews have been collected from the consumer complaint forums, reviews posted on internet, newspaper clippings and various other sources.

### CONCEPT OF CASHLESS PAYMENT ON TOLL

In order to ensure seamless movement at check posts, government recently has asked the manufacturers of automobile to put these RFID digital tags already attached in new vehicles to enable electronic payment at all toll plazas. It will try to ensure that vehicle passes without stopping at booths. The toll amount is deducted from the RFID card. Those tags could be recharged for future use. After the demonetization of currency notes of 500 and 1000 by the government of India, collection of toll on national highways had suspended for almost 23 days which led to loss of almost 1,238 crores to NHAI. Sources said that government may have to compensate ₹ 1,000 crores for toll revenue loss to private players due to this suspension. One of the objectives behind Prime Minister Narendra Modi's surprise announcement to ban old Rs500 and Rs1000 notes was to move to a cashless digital economy. In a nation where a majority of consumers still deal in cash, the government is pushing for electronic transactions to improve transparency and pick over black money. NHAI and highway ministry have expectation that a good number of people would use mobile wallets such as mobikwik, Paytm etc. to pay toll. Ministry of Highways is also reaching out to various truckers associations pleasing them to use RFID tags, mobile wallets or provide debit cards to their drivers to pay toll through electronic mode.

Reliance Infra has become the first NHAI concessionaire to introduce cashless toll payments at all its toll plazas. RInfra holds almost 11 road projects of 1,000 km across India and all in high-density traffic corridors. It facilitated all its 225 toll lanes to accept payments through debit, credit cards and mobile wallet Paytm from now. All the 11 centers have point of sale machines enabled by Paytm and hand-held card swipe machines to enable cashless payments so that passers can breeze through without having to worry about cash availability. For this, 146 PoS machines, or roughly 10 at each toll

plaza, and 285 card swipe machines approximately 15 at each toll, have been deployed. Also a separate lane has been dedicated for the tag users, fast tag users or ETC tag users at each toll plaza. Soon it is going to enable online payments or some other digital wallet payment methods for the convenience and comforts of the users. It serves us the following benefits:

- Easiness of making payment: all you need to do is just recharge your fastag account and make cashless payments, no need to carry change money.
- Nonstop driving: You can move without giving brakes to your vehicle.
- Saves time and energy: You do not have to stand in the long traffic queue and wait for your turn. Tag reader automatically read your tag and deducts the relevant charges, thus saves your fuel and time.
- Alert SMS: toll transaction, low balance alerts are received on your registered mobile number.
- Online Recharge: you can recharge your FASTag account online through debit Card, credit Card, NEFT/ RTGS or Net banking and also through cheque. There is an online portal for customers where you can log in to your tag account and check your statements.
- No air pollution: due to high rush of vehicles atmosphere near plazas is polluted. Keeping vehicles in motion thus avoiding rush reduces pollution.
- Incentive: This year you will also get a 10% cash back on your payments through fastag as NHAI has planned to give this incentive during 2016-17.

In addition to the benefits it provide to the users, other advantages it provides is that it makes management easy, transparency, lower collection cost and various other. Thus it is a convenient method not only for users but also for the toll operators too. Though all this has been done for the easiness of users but how handy actually they are feeling is the question? Here are some reviews and problems of fastag users being collected from various sources:

- The FASTag lanes are not working and lanes were blocked by some load trucks, at some plazas manual detection of FASTag was done.
- At some toll plaza, non tag users are allowed in fastag line keeping fastag users to wait at toll plaza like other vehicles.
- There is problem being faced to recharge in particular places as the facility is not available at every branch of bank.

- These are taking too much time to honor fast tag almost more than general payments as there is no separate dedicated lanes at some plazas. The reasons given by toll gate operators are that there are not enough vehicles with FASTag. The marketing of FASTag is not aggressive by banks.
- Some are not supposed to have mechanism to detect toll electronically thru FASTag but still they are listed as capable of collecting toll electronically at websites.
- Even after getting a fast tag local pass, they (users) are debited with regular charges in some cases.
- Services being provided are perceived as poor and bad by the users.
- Some feels it a waste to buy, as rules are not being followed properly, fastag sensor not working, lanes are not properly maintained, gate keeper don't know how to explain and using bad communication.
- There is a special discounted rate for the near by District residential's passing vehicle which the users are not getting thru FASTag due to which adopters of FASTags are losing money instead of saving money.

The problems being faced by users depict the pathetic condition of the system. Somewhere the implementing authority is adopting liberal approach towards its marketing and implementation. To make the India a virtual economy, a solemn support of authority is eminent. Here are a few suggestions to improve the tragic conditions of the system:

- Provision of services should be improved. A proper lane be dedicated to the fastag users so that their travelling time be reduced.
- Making easy Recharge facility at all POS and various branches of banks.

- Toll operators should be given proper knowledge about the usage and how to deal with the problems being faced during its operation.
- Non tag users are not allowed to enter the fastag lane and strictly penalties should be charged against the rule breakers.
- Aggressive marketing should be done by government and special discount facilities and other incentives should be provided to Fastag users to encourage its usage.

## REFERENCE

1. <https://www.consumercomplaints.in/national-highways-authority-of-india-nhai-fastag-usage-c1485974#comments>
2. [http://www.business-standard.com/article/economy-policy/fastag-in-fast-lane-after-demonetisation-116122700855\\_1.html](http://www.business-standard.com/article/economy-policy/fastag-in-fast-lane-after-demonetisation-116122700855_1.html) accessed on 30 dec 2016
3. [http://www.business-standard.com/article/economy-policy/highway-contracts-hit-a-rough-patch-in-first-half-of-fy17-116102501560\\_1.html](http://www.business-standard.com/article/economy-policy/highway-contracts-hit-a-rough-patch-in-first-half-of-fy17-116102501560_1.html) accessed 30 Dec 2016
4. <http://epaper.bhaskar.com/detail/823223/12133517625/cph/map/tabs-1/12-13-2016/103/1/image/>
5. [https://www.youtube.com/watch?v=iK8Nw\\_jFa2E](https://www.youtube.com/watch?v=iK8Nw_jFa2E)
6. <http://crridom.gov.in/content/electronic-toll-collection-technologies-review>
7. [http://economictimes.indiatimes.com/articleshow/55729442.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/55729442.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)
8. FASTag - Prepaid Automated Electronic Toll Collection System For India | Megaleecher.Net [http://www.megaleecher.net/Everything\\_About\\_FASTag#ixzz4RZC4GXry](http://www.megaleecher.net/Everything_About_FASTag#ixzz4RZC4GXry)
9. <http://www.complaintboard.in/complaints-reviews/icici-fas-tag-1582698.html> accessed on feb 22, 2017
10. <https://www.consumercomplaints.in/national-highways-authority-of-india-nhai-fastag-lane-not-working-c1344589> on 22 feb 2017.