

# Scheme Guidelines for Inclusion of Border Check Post Under FASTag Programme

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**INDIAN HIGHWAYS MANAGEMENT  
COMPANY LTD.**

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## 1. Background

- 1.1. National Electronic Toll collection (NETC) programme, the flagship initiative of National Highways Authority of India (NHAI) and Ministry of Road Transport & Highways (MoRT&H), has been implemented on pan India basis in order to remove bottlenecks and ensure seamless movement of traffic by allowing electronic payment of toll fees on National Highways through a RFID-based tag called “FASTag”, usable across all toll plazas on National Highways. The programme provides a unified and interoperable Electronic Toll Collection (ETC) solution for National Highways in India. Indian Highways Management Company Ltd. (IHMCL), a company promoted by NHAI, has been mandated to implement the NETC Programme across the country by NHAI.
- 1.2. Currently the National Electronic Toll Collection Program (NETC) is operational at more than 1365+ toll plazas along National Highways & State Highways across the country, with daily number of transactions over 1.2 Cr., and touching over Rs. 210 Cr. daily ETC collection as in December 2023.
- 1.3. To further enhance programs’ coverage and to offer seamless services to consumers across the country, the Scheme Guidelines was released and launched by Hon’ble Minister of Ministry of Road and Transport & Highways (MoRTH) in January 2019. This move offered different state authorities a shorter turnaround time by allowing them to work within the robust FASTag solution architecture that already supports 80 million FASTag users.
- 1.4. As on date, 32 MoUs have been signed between IHMCL and various other state government/agencies/SPV (Uttar Pradesh, Haryana, Punjab, Madhya Pradesh, Gujarat, Telangana, Karnataka, Andhra Pradesh, Maharashtra, Tamil Nadu). Presently, over 381 State Toll Plazas are already Live under the NETC programme with approx. 18 lakhs number of daily ETC transactions, and over Rs. 29 Cr. of daily ETC collection in November 2021.
- 1.5. In view of the encouraging response of FASTag from road users of state highways, it has been decided to release the Scheme Guidelines for onboarding of Border-Check Posts under the FASTag programme, as per the terms and conditions set out in this document.

## 2. Key Objectives of the Scheme

Key Objectives of on-boarding of Border check Plazas with various State Authority/SPV & Private Entities are as below:

- 2.1 Implementation of a unified & interoperable ETC system for National Highways, State Highways, as well as Border Check posts in India to facilitate seamless movement by offering ETC services across all tolled roads and check posts in India.
- 2.2 Interoperable ETC system to offer the convenience of electronically paying entry charges at any collection point through a single ETC account and a single On-Board Unit (FASTag).

## 3. Scope and Coverage

The policy shall cover various categories of entities as below (“**Entity**”) -

- **Category A** - Government departments/State Authorities and its subsidiary SPVs/Companies.
- **Category B** - Private entities/companies, which have been authorised by Government entities to collect entry fees from the public/citizens for intended/proposed FASTag uses case(s)

## 4. Duration of the Scheme

The scheme shall be effective from **13 May 2024** till such time as notified by IHMCL. IHMCL/NHAI reserves the right to modify and/or discontinue the scheme guidelines as deemed suitable.

## 5. Key Features

Enable on-boarding of Border Check Posts for automatic collection of fees through the FASTag and provide efficient management of processes at Border Check Post.

## 6. On-boarding Process

6.1. Any qualifying Entity should submit a proposal as per Annexure-1 to IHMCL expressing interest to include the entity Border Check Post under the FASTag Programme along with the revenue collection details.

6.2. The application should be sent via email or courier to the following address:

Chief Operating Officer,  
Indian Highways Management Company Limited (IHMCL)  
NHAI HQ  
G – 5 & 6 Sector -10 Dwarka  
New Delhi 110 075  
Phone: +91-11- 25074100/Extn. 1135  
Email: coo@ihmcl.com

6.3. The process of on boarding shall be as follows:

<b>Step 1</b>	Entity shall submit a proposal to IHMCL as per Annexure 1 expressing interest on-boarding under this policy along with a Cover Letter. The proposal should include the following essential details <ul style="list-style-type: none"> <li>• Total project scope - no. of Border Check Post, plaza details</li> <li>• Plaza-wise/check-post revenue data on total revenue collected in the last 3 years. In case of new plazas, the estimated annual potential collection (in Rs.) is to be mentioned.</li> </ul>
<b>Step 2</b>	IHMCL shall review/scrutinise the proposal submitted by the Entity and accord Approval and/or may ask for necessary documents as required.
<b>Step 3</b>	Post approval by IHMCL, a Memorandum of Understanding (MoU) shall be signed between Entity and IHMCL. Draft model MoU will be shared by IHMCL. The MoU shall remain valid for a period of 3 three years from the date of signing.

<b>Step 4</b>	<p>a) <b>ETC infrastructure installation</b> - The Entity completes the installation of ETC infrastructure as per requirements under NETC programme. ETC system deployed at the plazas should conform to the specifications and requirements of the NETC programme, as set out in various guidelines, technical documents (<b>ICD 2.5 or latest</b>), etc.</p> <p><b>The Entity shall ensure that adequate no. of FASTag lanes is available at plazas to ensure seamless traffic throughput. Proper signage for FASTag lanes should be installed for user convenience.</b></p> <p>b) <b>Selection of Acquirer Bank</b> – The Entity shall appoint certified acquirer bank(s) as approved by IHMCL.</p>
<b>Step 5</b>	<p>a) <b>Go-Live of Plaza(s)</b> - Upon confirmation from NPCI and selected Acquirer Bank(s) on the readiness of ETC and acquiring system and daily settlement process, plazas shall Go-Live.</p> <p>b) <b>Appointment of Nodal Officer by Entity</b> - For ongoing ETC issues and facilitating FASTag user complaints. Email ID to be shared with IHMCL for necessary intervention on issues/concerns.</p>

## 7. Broad Roles and Responsibilities

### 7.1. Stakeholders

Following are the stakeholders of FASTag programme

- FASTag users
- IHMCL/NHAI
- Entity/State Authorities
- NPCI
- Acquirer Banks
- Issuer Banks

### 7.2. Broad Roles of IHMCL

- a) Share guidelines/documents of the NETC programme as below:
- ETC Infrastructure requirement specifications at Toll Plazas
  - Procedural Guidelines for NETC programme, as amended from time to time.

- Programme related technical documents such as Interface Control Document (ICD), Tag specifications guidelines etc. as amended from time to time
  - Empanelled list of System Integrators for ETC infrastructure implementation, discovered unit rates of ETC equipment, etc. for reference.
  - SLA parameters for Member Banks.
- b) Specify the Design, Standard and Specifications of FASTag as per MoRT&H directives/guidelines.
  - c) Empanelment of FASTag manufacturers/supplier
  - d) Release policy circulars pertaining to NETC Programme
  - e) Modification in the Guidelines, as per NETC programme requirements from time to time
  - f) Arrangement for issuance of FASTag through various issuing entities and engaging NPCI for providing clearing and settlement services.

### 7.3. Broad Roles of Entity

- a) Sign an MoU with IHMCL for on-boarding of Entity Plazas
- b) Bear the cost of ongoing Programme Management Fees (PMF) to be distributed between Issuer banks, Acquirer banks, NPCI and IHMCL, as defined in this Scheme Guidelines
- c) Ensure installation of ETC infrastructure along with overall operation and maintenance as per requirements under the NETC programme. The ETC system deployed at the plazas should comply with the standard requirement specifications as issued by IHMCL, NPCI and NHAI. Also, ensure the upgradation of the ETC system at toll plazas as specified by IHMCL/NHAI from time to time for enhancement of the NETC programme.
- d) Selection of Acquiring entity for acquiring electronic toll transactions at lanes.
- e) Intimate to acquirer banks, IHMCL and NPCI on changes in fare rules, tariffs etc. as and when applicable.
- f) Requisite support and action for dispute resolution and grievance redressal for all disputes pertaining to plazas.
- g) Own the responsibility for all the data and information relating to electronic toll transactions at its plazas.
- h) Ensure to arrange a settlement bank account for daily settlement of fees by NPCI for payment of programme management fees to all concerned stakeholders.
- i) To adhere to all the guidelines released by NHAI/IHMCL from time to time.

#### **7.4. Broad Roles of NPCI/CCH Provider**

- a) Carry out the roles and responsibilities as defined in the NETC Procedural Guidelines as applicable and as amended from time to time in consultation with IHMCL to ensure Clearing & Settlement for all transactions at state toll plazas
- b) Carry out necessary development to ensure debit of PMF amount from the bank account as provided by the Entity and transfer the proportionate fees of all stakeholders within T+1 day.
- c) Ensure the settlement of Programme Management Fee on a daily basis (T+1 day) among all the stakeholders viz. Issuer Bank, Acquirer Bank, NPCI & IHMCL for all ETC transactions processed via FASTag at plazas on-boarded.
- d) Co-ordinate with concerned member banks and facilitate dispute resolution for all disputes pertaining to state toll plazas
- e) Maintain and make necessary improvements in the NETC switch and Mapper as per programme requirement
- f) Prepare the MIS of electronic toll transactions at Plazas and share reports to State Authority/SPV and IHMCL on a periodic basis as per requirement
- g) Ensure to support Entity, Issuer Bank and Acquirer Bank to process & settle the disputes raised by Issuer Bank and Acquirer Bank on NETC transactions.
- h) Provide all transaction data on post-settlement on a daily basis and applicable tax liability report on a monthly basis through the system.

#### **7.5. Broad Roles of Acquirer/Issuing Entities**

- a) Carry out the roles and responsibilities as defined in the NETC Procedural Guidelines as applicable and as amended from time to time.
- b) Provide periodic ETC transaction reports to the Entity as required.

### **8. Ongoing Programme Management Fees**

- a) As per FASTag programme, recurring Programme Management Fees (PMF) is distributed amongst various stakeholders such as Acquiring Entity, Issuing Entities, NPCI and IHMCL for the ETC transactions processed. The % PMF is based on the Electronic Toll collected at toll plazas on-boarded.
- b) The Programme Management Fee (PMF) shall be borne by the Entity.**



- c) The Programme Management Fee structure for the settled of ETC transaction amount shall be as below (excluding GST):

Stakeholder	Distribution of PMF (%)
Issuer bank	1 % of ETC transaction value
NPCI	0.1% of ETC transaction value
IHMCL	0.2% of ETC transaction value
Acquiring bank	<b>To be determined by the Entity</b>

### 8.1. PMF Settlement process

The settlement amount shall be debited by the Acquirer Bank from the bank account as provided by the Entity and the proportionate fees of all stakeholders shall be transferred to their respective accounts as per the 5-Party model.

## 9. General Terms

### 9.1. Performance Security (Applicable for category B entities (i.e., private entities))

- With the execution of the MoU, a Performance Security in the form of a Bank Guarantee/ DD shall be submitted by the Entity to IHMCL. The Performance Security amount shall be calculated/derived basis one month's of PMF @1.3% or as applicable from time to time (payable to Issuer Bank, NPCI and IHMCL) , from monthly average collection of the Entity.
- The bank guarantee (BG) submitted shall be verifiable at any branch located in the National Capital territory of Delhi through SFMS mode. The aforesaid Bank Guarantee shall be as per the format provided by IHMCL and will be valid for a period of 180 days after the expiry of MoU and shall also have a minimum claim period of 1 year.
- The BG will be returned upon termination of the expiry or termination subject to deduction of any dues payable by Entity to IHMCL.

- 9.2. In case of any default in the settlement of the Programme Management Fee or any penalty imposed by the IHMCL on the Entity, the IHMCL shall be at liberty to deduct the said amount from the Security Amount and the Entity shall be obliged to replenish the security amount to the original level within 7 days from such amount.

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- 9.3. This Scheme guidelines document may be further detailed and/or amended by IHMCL as per requirement.

### Annexure 1: Format for Proposal Submission to IHMCL by Entity

(Along with a cover letter from the concerned Entity)

#### A. Entity Details

Name of Entity : \_\_\_\_\_

State/UT : \_\_\_\_\_

Total no. of plazas requested for on-boarding : \_\_\_\_\_

#### B. Plaza Details

Sl #	Name of Plaza	City	Date of Commencement of Tolling	Total Collection in Last 3 Financial Years (in Rs.) **		
				FY 1	FY 2	FY 3

**\*\* - In case of new toll plazas, the estimated annual potential toll collection needs to be provided in a similar format as above for each toll plaza**