Customer Name:	**Sumeet Trans Logistics Pvt Ltd**
Scope of Work:	**FASTag Transaction Process**
Date of Submission:	**10-05-2025**

Purpose / Objective:

This document outlines the accounting entries required for processing FASTag transactions through the finance system, particularly when funds are deducted via HDFC and allocated to vehicle trips

- Recharges made from HDFC Bank
- Toll deductions from FASTag
- Allocation and settlement of vehicle trip expenses

Step-by-Step Accounting Entries

1. Initial FASTag Recharge Entry

Scenario: Your company recharges the FASTag wallet (also known as the ETC Pool) using funds from your HDFC Bank account. This wallet is used to pay tolls automatically for company vehicles.

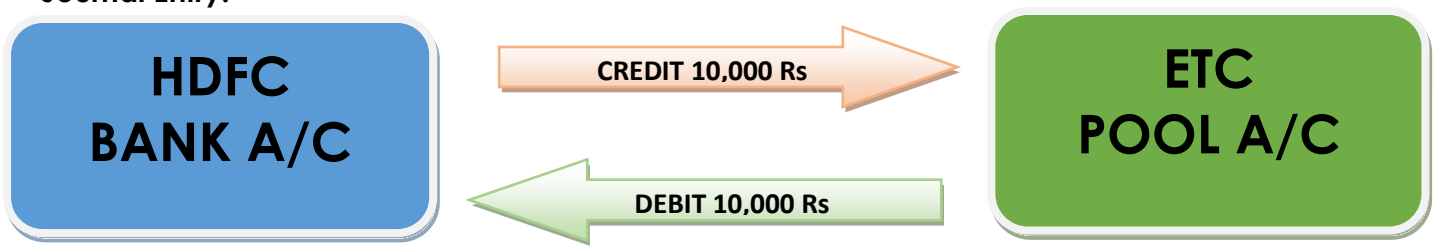
📘 Key Terms:

- **ETC Pool A/c (Electronic Toll Collection Pool Account):**
  It's a digital system used to **automatically deduct toll charges** from a vehicle's wallet (like **FASTag**) when it passes through a **toll plaza**, without stopping or paying manually.
- **HDFC Bank A/c:**
  This refers to your company's **operational bank account with HDFC**, which is used to **fund the FASTag/ETC wallet**. When the company recharges the FASTag (ETC Pool)

📘 Example

- **Date:** 6th May 2025
- **Amount:** ₹10,000
- **Narration:** The FASTag wallet was recharged via HDFC Bank for toll payments.

Journal Entry:



Account Debited			Account Credited		
ETC Pool A/c	→	10,000	HDFC Bank A/c	→	10,000

Think of the **ETC Pool Account** as your online FASTag wallet. When you move ₹10,000 from your HDFC bank account into this wallet:

- You're putting money **into** your FASTag balance → so the ETC Pool Account **increases** → this is **debited**.
- The money is going **out** of your HDFC bank → so the HDFC Bank Account **decreases** → this is **credited**.

📘 Entry Explanation–

- Your company will top up the FASTag (ETC Pool) wallet using HDFC Bank.
- You move ₹10,000 from your HDFC Bank account → into the ETC Pool wallet.
- No vehicle is tagged at this stage – it's just adding balance to your toll wallet for future trips.
- The amount in the ETC Pool is now available for toll deductions during vehicle journeys.
- This is a **manual entry.**

2. Fastag Voucher (Auto-Fastag API entry posted by System)

Scenario: When a toll is charged during a vehicle trip, the FASTag (ETC Pool) balance is used. The system automatically allocates the toll amount to that specific vehicle's **Trip Advance A/c** via API integration.

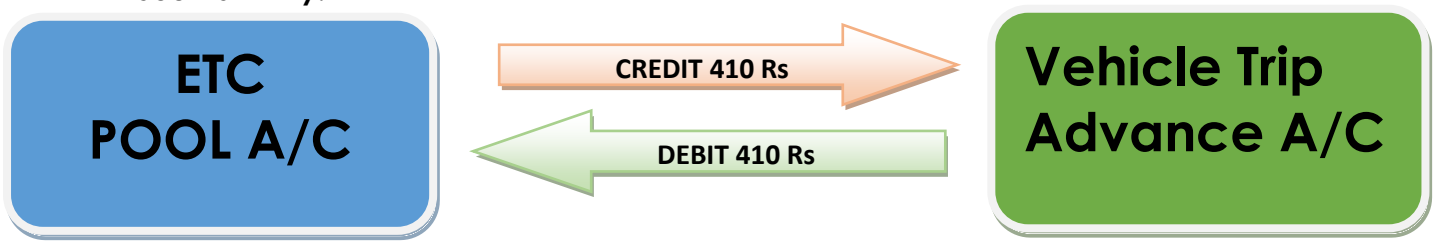
📘 Key Terms:

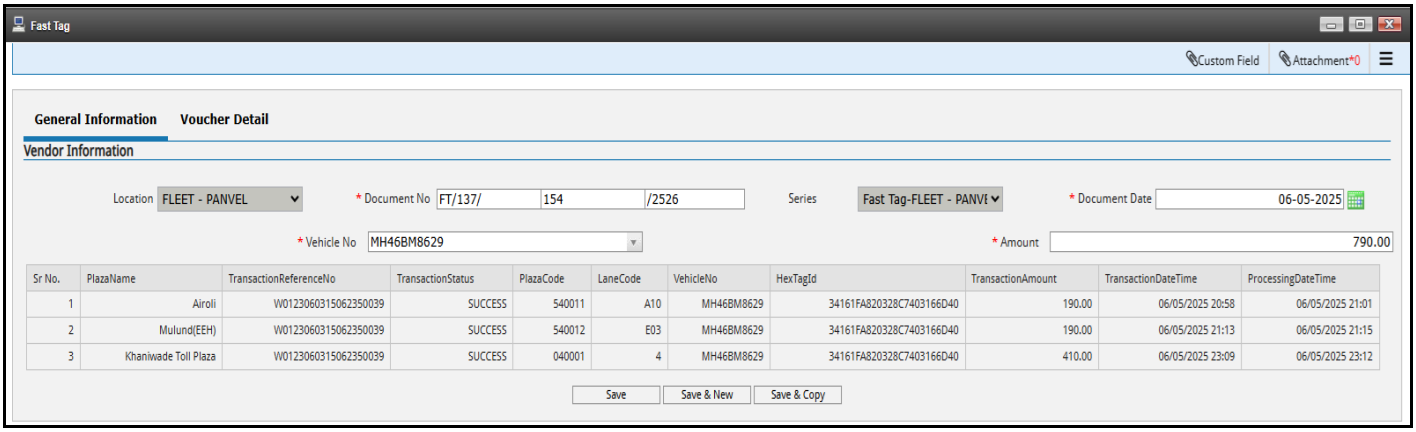
- **Vehicle Trip Advance A/c:**
  This account records advance or expense entries related to a specific vehicle's journey.
- **Auto-FASTag API Integration:**
  API (Application Programming Interface) is a system-to-system connection that allows two software platforms to talk to each other.
  In this case:
  - When a toll is deducted from the FASTag wallet during a trip,
  - The **API automatically receives toll deduction data** from the FASTag service provider.
  - Based on the vehicle number and trip, the system **auto-posts a journal entry** tagging the deduction to the correct vehicle's **Trip Advance A/c**, with no need for manual input.

📘 Example

- **Date:** 6th May 2025
- **Initial Recharge (**from Step 1**):** ₹10,000 added to ETC Pool A/c
- **Vehicle No:** MH45BM8629
- **Toll Charge:** ₹410
- **Narration:** ₹410 toll auto-deducted from FASTag wallet for Vehicle No. 8629 on 6th May 2025, captured via API.

- **Journal Entry:**





Account Debited			Account Credited		
Vehicle Trip Advance A/c – Vehicle No. 8629	→	410	ETC Pool A/c	→	410

- The **Vehicle Trip Advance A/c (New Ref)** is **debited** → This shows the toll charge incurred by Vehicle No. 8629 for its trip.
- The **ETC Pool A/c** is **credited** → Because ₹410 has been deducted from the FASTag wallet.

Entry Explanation–

- The truck goes through a toll plaza. The system **auto-deducts ₹410** from the FASTag wallet.
- Now the driver hasn't paid anything yet — the money came from the company's FASTag wallet. This is still **company money**, so you treat it as an **advance** for this trip.
- **No manual entry** is needed.

3. Fleet Advance Settlement Entry

Scenario: After toll charges are automatically deducted via FASTag and recorded as trip advances (see **Step 2**), the company needs to **finalize the actual expense** and **settle the advance** to reflect accurate trip costing in Trip Sheet/Expanse.

This journal entry ensures that:

- The **actual cost** of tolls is recognized in the vehicle's expense account.
- The **advance recorded earlier** (from FASTag deduction) is settled against this cost.

Key Terms:

- **Vehicle Trip Expense A/c:**
  This account records the **actual expenses** related to a specific trip (e.g., tolls, fuel). It is debited when the trip expense is finalized and booked.
- **Vehicle Trip Advance A/c:**
  Earlier (in Step 2), FASTag tolls were posted here as an advance. During settlement, this account is **credited** to adjust the balance and avoid duplicating costs.
- **Against Ref:**
  Used when you are **settling or adjusting** a previously recorded transaction. You refer back to the **New Ref** used earlier.

Example

- **Date:** 7th May 2025
- **Initial Recharge (**from Step 1**):** ₹10,000 added to ETC Pool A/c
- **Vehicle No:** MH45BM8629
- **Toll Charge:** ₹410
- **Narration:** Toll expense of ₹410 booked for Vehicle MH45BM8629 on 6th May 2025. Adjusted against FASTag advance.2025, captured via API.

Account Debited			Account Credited		
Vehicle Trip Expense A/c	→	410	Vehicle Trip Advance A/c –	→	410

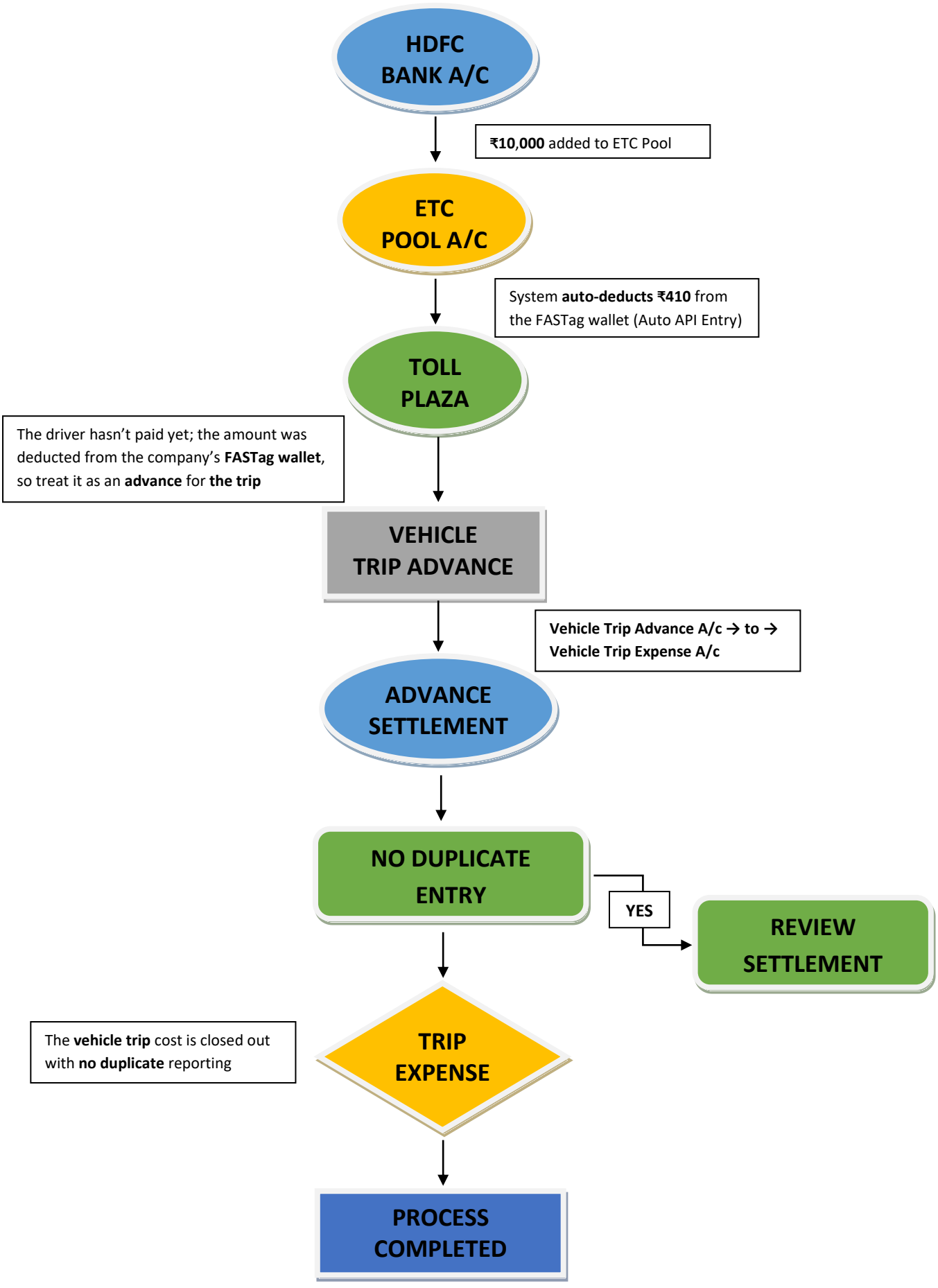
Entry Explanation–

- The ₹410 toll charge earlier posted as a **trip advance** is now being finalized as an actual trip expense.
- The amount is moved from **Vehicle Trip Advance A/c → to → Vehicle Trip Expense A/c**, making the trip cost complete.
- This prevents **duplicate reporting** of toll charges and clears the advance balance.
- It ensures accurate cost reporting for each trip, which is useful for profit analysis or billing customers.
- This is a **manual entry**.

Summary of Flow:

Step	Entry Description	Account Debited	Account Credited	Manual/Auto
1	FASTag Recharge	ETC Pool	HDFC Bank	Manual
2	FASTag Voucher - Advance Allocation to Vehicle Trip	Vehicle Trip Advance	ETC Pool	Auto -API
3	Expense Booking	Vehicle Trip Expense	Vehicle Trip Advance	Manual

Flowchart for FASTag Transaction Process:



Notes:

- Ensure all trip IDs are accurately referenced for tracking.
- Review ETC Pool balances periodically to avoid discrepancies.
- System auto-post settings must be verified in the configuration

========== End of Document ==========