

**Government of Pakistan
Revenue Division
Federal Board of Revenue
Inland Revenue**

C.No. 2(16) ST-L&P/2026/ 118802 A

Islamabad, the 19th October, 2026

Sales Tax General Order No. 29 of 2026 - IR Operations

Subject: **Electronic Monitoring of Production and Dispatch in the Iron and Steel Sector**

In exercise of the powers conferred under sub-section (2) of section 40C of the Sales Tax Act, 1990, read with rules 150ZQR and 150ZQT of Chapter XIV-BA of the Sales Tax Rules, 2006 and S.R.O. 880(I)/2026 dated 20th May, 2026 the Federal Board of Revenue is pleased to direct as follows:

1. Application: This order shall apply to every registered person who, whether on his own account or as a toll, conversion or contract manufacturer, carries on any of the following activities:

- (a) melting ferrous scrap, direct reduced iron, sponge iron or any other ferrous input to manufacture billets, ingots or other primary steel products;
- (b) re-heating, rolling or re-rolling billets, ingots or other semi-finished steel to manufacture steel bars, reinforcing bars, rods, sections, long profiles or other finished steel products;
- (c) operating a composite unit in which melting, casting and rolling or re-rolling are carried out at the same premises; or
- (d) manufacturing any other iron or steel product specifically brought within the scope of this Order by the Board.

2. Mandatory installation and effective date: Every steel manufacturer shall purchase or procure, install, integrate, test and operationalize the production monitoring system at each manufacturing facility and on each active production line by 30th December, 2026. This Order shall come into force at once.

3. Production monitoring architecture: The system shall electronically monitor production and dispatch through the following four intervention stages, configured according to the manufacturing process of the relevant unit:

- (a) **Stage 1 Billet or ingot identification and counting:** At a melting unit, the monitoring point shall be installed at the continuous caster, mould-discharge or cooling point where each billet or ingot can be individually identified and counted. At a re-rolling unit, the monitoring point shall be installed at the billet or ingot charging point of the reheating furnace. The system shall capture the count, apparent dimensions, date and time, production line and, where technically available, the heat or batch reference. It shall calculate the estimated unit weight and aggregate weight using the prescribed parameters.
- (b) **Stage 2 Dimension and product-size verification:** A monitoring point shall be installed at the finishing stand or die-setting point of the rolling mill to verify the diameter, section, size or profile being rolled. The system shall record product-size changes, production runs, line starts and stops, and other events required to associate the selected product size with the corresponding production count.


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- (c) **Stage 3 Finished-product counting and classification:** A monitoring point shall be installed at the cooling bed, before the finished products enter the bundling area, to detect and count finished bars, rebars, rods, sections or long profiles; classify them by diameter, size, section and length; and calculate their estimated theoretical weight using the prescribed conversion tables or formulae.
- (d) **Stage 4 Final weight and dispatch verification:** Each weighbridge used for dispatch shall be integrated with the production monitoring system through a software interface. The system shall capture the gross weight, tare weight, net weight, date and time, vehicle registration number, weighbridge identifier, product category and available dispatch reference. It shall reconcile the actual net dispatched weight with the production estimates generated at the preceding stages and report any variance exceeding the prescribed tolerance.

Where a production stage is not part of a unit's manufacturing process, the monitoring system shall be configured for the stages applicable to that unit, as documented during the site survey. The configuration shall not omit any applicable production or dispatch point required for measuring and reconciling the unit's output.

Unit type	Video Analytics Stage 1- Billet/Ingot	Video Analytics Stage 2 – Dimension Measurement	Video Analytics Stage 3 – Cooling Bed	Video Analytics Stage 4 – Reconciliation at Weighbridge	Solution Topology
Melter only	Billet or ingot output	Not applicable unless rolling occurs	Not applicable unless finished products are other than billet or ingot	Billet or ingot dispatch	Two-Stage Solution (Two intervention points for Digital Production Monitoring)
Re-roller only	Hot cast steel billets/ingot	Not applicable unless rolling occurs	Not applicable unless finished products are other than billets or ingots	Finished-product dispatch	Two- Stage Solution (Two intervention points for Digital Production Monitoring)
Composite unit (Melting + Re-rolling)	Billet or ingot output	Rolling size or section	Cooling-bed finished product	Finished-product dispatch (Bars/Rebars/Girders/T-iron etc.)	Four Stage Solution (Four intervention points for Digital Production Monitoring)

4. Minimum equipment and software: The production monitoring system shall include the following equipment and software, as applicable to the manufacturing configuration of the unit:

- industrial-grade IP cameras with ruggedized mounts and sealed cabling suitable for heavy industrial use;
- a network video recorder with time-synchronized recording and at least one month of local storage;
- an industrial or edge computer/GPU with adequate processing capacity for video analytics;
- required sensors, production-line signals and programmable logic controller interfaces;
- a secure interface with each dispatch weighbridge, including vehicle-identification cameras where required;
- secure network connectivity with offline data buffering and automatic transmission upon restoration;
- an uninterrupted power supply for the monitoring equipment;
- tamper-detection controls for obstruction, disconnection, relocation, signal loss or unauthorized changes;
- a local display or workstation for operational verification; and


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- (j) software for production counting, classification, weight estimation, reconciliation, alerts and reporting.

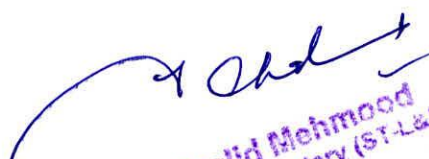
5. Functional and data requirements: The installed system shall comply with rule 150ZQT and the approved technical specifications and shall, at a minimum, provide the following functions:

- (a) real-time capture of the production process at every approved intervention point;
- (b) real-time object detection, object counting, dimension or size verification, product classification and weight estimation appropriate to the monitored stage;
- (c) a unique, time-synchronized event trail linking billet or ingot events, rolling-size events, finished-product counts and dispatch-weight events, as applicable;
- (d) calculation of estimated production weight using conversion tables, density factors, standard lengths or formulae, with all parameter changes restricted to authorized users and recorded in an audit log;
- (e) automatic reconciliation of estimated production with actual net dispatch weight, together with variance calculation and exception alerts based on tolerances prescribed by the Board;
- (f) real-time transmission of production and dispatch data to the Central Control Unit of the Board, together with secure storage and archiving of the prescribed video, images, event data and system logs;
- (g) automatic detection and reporting of unexpected stops, bypass, obstruction, data gaps, connectivity loss, equipment failure, abnormal variance and suspected tampering;
- (h) dashboards and reports showing line-wise and product-wise production, estimated and actual weight, dispatches, downtime, exceptions and audit history;
- (i) role-based access, secure authentication, encryption in transit, time synchronization and protection against unauthorized deletion or alteration of records.

6. Accuracy and calibration: All cameras, measurement devices, weighbridge interfaces, analytics models and calculation parameters shall be calibrated and validated. The registered person and the authorized vendor shall ensure that:

- (a) the system is tested against controlled production and dispatch samples covering the principal product sizes and operating conditions of the unit;
- (b) all theoretical-weight tables, product-size mappings, standard lengths and tolerance limits used by the system are approved or accepted by the Board before go-live;
- (c) calibration, re-calibration and model-version records are retained in the audit trail; and
- (d) no registered person or vendor changes a production parameter, formula, tolerance, device location or analytics configuration without prior approval where such change can affect the reported production or reconciliation result.

7. Authorized vendors: Production monitoring equipment shall be procured, installed and maintained only through a vendor authorized by the Board under Chapter XIV-BA of the Sales Tax Rules, 2006. The details of the authorized vendors for the Iron and Steel Sector shall be as follows:


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Sr No	Authorized vendor	NTN	Contact person	Phone or WhatsApp	Email
1	M/s ISSM Labelling Solutions	A033994	Haider Shafiq Salman Amin	0310-5463614 0313-4027777	haider.shafiq@issm.ai salman@issm.ai
2	M/s Obsidian	E260355-3	Naveed K. Latif	0346- 4333333	naveed@obsidian.com.pk

8. Responsibilities of authorized vendors: Without prejudice to rules 150ZQZA, 150ZQZC and other applicable provisions of Chapter XIV-BA, each authorized vendor shall:

- procure, install, integrate and maintain the prescribed monitoring equipment at all designated production and dispatch points;
- complete delivery and installation within the applicable statutory or implementation deadline;
- ensure secure and uninterrupted capture, processing, storage and transmission of production data;
- maintain accurate counting, classification, measurement, weight-estimation and reconciliation functions;
- provide timely maintenance, software updates, bug fixes and technical support;
- maintain incident records, report material failures and provide the required training and system documentation;
- facilitate inspections, audits, calibration and acceptance testing; and
- ensure data security and comply with the applicable tax laws, Authorization Order and directions of the Board.

9. Responsibilities of steel manufacturers: Without prejudice to rule 150ZQZE, every steel manufacturer shall:

- provide access to production and dispatch facilities for installation, inspection, testing and maintenance of the monitoring system;
- provide the required IT infrastructure, connectivity, power supply and installation facilities;
- route all production and dispatches through the monitoring system and not remove unmonitored goods from the premises;
- pay the prescribed vendor fees and charges under rule 150ZQZD;
- protect the installed equipment from obstruction, disconnection, bypass, alteration or tampering;
- report any system failure, damage, tampering or inoperative production line within one hour to the Board, Central Control Unit and to concerned Commissioner Inland Revenue;
- give thirty days' advance notice of any product, production-line, weighbridge or dispatch-process change affecting the system;
- facilitate inspection of damaged equipment and comply with the sealing and de-sealing requirements under rule 150ZQZE; and
- maintain accurate master data and retain all production, weighbridge, calibration, maintenance and incident records required under the law.


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10. In accordance with sub-rule (2) of rule 150ZQT, no steel manufacturer shall remove or supply specified goods from its business premises unless the production has undergone monitoring under Chapter XIV-BA and the dispatch, where applicable, has been recorded and reconciled through the approved system. A manual record, private camera system or stand-alone weighbridge entry shall not substitute the Board-approved production monitoring process.

11. The concerned Chief Commissioners Inland Revenue shall ensure implementation of this Order within their respective jurisdictions and shall:

- (a) nominate and notify a dedicated focal person for coordination with the Board, Central Control Unit, manufacturers and authorized vendors;
- (b) identify every operational melter, re-roller and composite steel unit required to be integrated with the Production Monitoring solution
- (c) facilitate joint site surveys, approve or forward intervention-point plans in the prescribed manner, witness acceptance testing and verify commissioning;
- (d) monitor the implementation schedule and submit progress to the Board at the intervals and in the format prescribed by the Board;
- (e) review alerts, downtime, unexplained production or dispatch variances and other exceptions and take action strictly in accordance with the Sales Tax Act, 1990 and the rules made thereunder; and
- (f) use monitored production and dispatch information for lawful reconciliation with returns, invoices, stocks, electricity-consumption data, weighbridge records and other available information.

12. **Non-compliance:** Failure to install, operationalize, protect or use the prescribed production monitoring equipment; removal or supply of goods without monitoring; obstruction of access; tampering; concealment of a production line or dispatch point; failure to report a prescribed incident; or any other contravention shall be dealt with under the Sales Tax Act, 1990 and the rules made thereunder, after observance of the applicable legal procedure.

13. **Power to issue directions:** The Board may issue technical specifications, data standards, operating procedures, calibration and acceptance criteria, reporting formats and other directions necessary to implement this Order. Such directions shall be read with this Order and the applicable provisions of the Sales Tax Rules, 2006.

14. **Approval and commencement:** This issues with the approval of the competent authority, Member (IR Operations), Federal Board of Revenue, Islamabad, and shall be applicable with immediate effect.



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Second Secretary (ST-L&P)

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- (i) SA to Member (IR Operations), FBR, Islamabad
- (ii) Member (Strategic Reforms and Transformation), FBR, Islamabad
- (iii) Director General (IT and Digital Transformation), FBR, Islamabad
- (iv) Chief Commissioners Inland Revenue, LTOs, CTOs and RTOs
- (v) Chief (Transformation and Digital Unit), FBR, Islamabad
- (vi) Chief (TPS)/Webmaster, FBR Headquarters, Islamabad, for uploading on the FBR website