GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

ORDER OF AUTHORIZATION OF VENDOR

FOR ELECTRONIC MONITORING OF PRODUCTION IN SYNTHETIC/ARTIFICIAL LEATHER SECTOR

Issued under section 40C of the Sales Tax Act, 1990 read with Chapter XIV-BA of the Sales Tax Rules, 2006

Order No.	Bid No. 5(4)TDU/IR/2026
Dated	16.11.2026
Authorized Vendor	M/s National Radio & Telecommunication Corporation (NRTC), lead member of NRTC and ASY Joint Venture, NTN: 0009815-9 and STRN: 05-07-8527-001-37
Sector / Specified Goods	Synthetic / artificial leather (PU / PVC coated fabric, commonly known as rexine) produced and wound in rolls, and any other leather-sector product produced in rolls, as notified by the Board
Procurement reference	Bid No. 5(4)TDU/IR/2026
Duration	Three (03) years from the date of this Order, unless earlier suspended or revoked

PART I — PREAMBLE AND STATUTORY BASIS

1.1 WHEREAS section 40C(1) of the Sales Tax Act, 1990 empowers the Federal Board of Revenue, subject to such conditions, restrictions and procedures as it may deem fit to impose or specify, to specify by notification in the official Gazette any registered person or class of registered persons or any good or class of goods in respect of which monitoring or tracking of production, sales, clearances, stocks or any other related activity may be implemented through electronic or other means as may be prescribed;

1.2 AND WHEREAS section 40C(2) provides that from such date as may be prescribed by the Board, no taxable goods shall be removed or sold by the manufacturer or any other person otherwise than in accordance with the monitoring mechanism prescribed by the Board, and section 40C(3) provides that the prescribed tax stamps, banderols, stickers, labels, barcodes and production monitoring equipment shall be acquired by the registered person from a licensee appointed by the Board;

1.3 AND WHEREAS Chapter XIV-BA of the Sales Tax Rules, 2006, titled "Electronic Monitoring of Production of Specified Goods", inserted by S.R.O. 889(I)/2020 dated 21 September 2020 and substantially amended by S.R.O. 364(I)/2025 dated 14 March 2025, prescribes the framework for the approval and authorization of vendors of production monitoring equipment, and in particular rules 150ZQU, 150ZQV, 150ZQW, 150ZQX, 150ZQY and 150ZQZ thereof;

1.4 AND WHEREAS rule 150ZQT(1) requires that production of specified goods manufactured in Pakistan shall be monitored through video surveillance, video analytics solution and digital eye by installation of production monitoring equipment at production lines, as approved by the Board, for real-time capture of the production process, real-time collection of data showing production through object detection and object counting, transmission of data to the Central Control Unit at the Board on a real-time basis together with storage and archiving, detection of unexpected stops, quantitative analysis of production, and data analytics for required legal actions;

1.5 AND WHEREAS rule 150ZQT(2) provides that no person engaged in manufacturing of specified goods shall remove the production from its business premises unless it has undergone the process of production monitoring under the said rules;

1.6 AND WHEREAS synthetic / artificial leather has been notified as a specified good for the purposes of Chapter XIV-BA vide S.R.O. 1751(I)/2026, issued in exercise of the powers conferred under section 40C(2) of the Sales Tax Act, 1990 read with rules 150ZQR and 150ZQT of the Sales Tax Rules, 2006;

1.7 AND WHEREAS the Board initiated a national competitive bidding process under the Public Procurement Rules, 2004 read with the E-Pak Procurement Regulations, 2023, vide Bid No. 5(4)TDU/IR/2026, inviting bids for the authorization of vendors for the supply, installation, operation and maintenance of a sensor-based running-length measurement and video analytics based production monitoring system in the Leather sector, adopting the Two-Stage Bidding Procedure under rule 36 of the said Rules;

1.8 AND WHEREAS the said process, the proof of concept (POC), the technical and financial evaluation, and the recommendation of the Approval Committee constituted under rule 150ZQS(b) read with rule 150ZQV, have been completed in the manner recorded in Part II of this Order;

1.9 NOW, THEREFORE, in exercise of the powers conferred by section 40C of the Sales Tax Act, 1990 read with rules 150ZQU, 150ZQX and 150ZQZ of the Sales Tax Rules, 2006, the Federal Board of Revenue is pleased to make this Order.

PART III — GRANT OF AUTHORIZATION

3.1 In exercise of the powers conferred by section 40C of the Sales Tax Act, 1990 read with rules 150ZQU and 150ZQZ of the Sales Tax Rules, 2006 and S.R.O. 1751(I)/2026 October 7, 2026, **M/s National Radio & Telecommunication Corporation (NRTC)** (lead member of NRTC and ASY Joint Venture), NTN 0009815-9, STRN: 05-07-8527-001-37, having its registered office at T&T Colony, Haripur, Distt: Haripur, Khyber Pakhtunkhwa, Pakistan (hereinafter "the Authorized Vendor"), is hereby **authorized** as an authorized vendor within the meaning of rule 150ZQS(a) for the supply, installation, integration, calibration, operation and maintenance of production monitoring equipment at the production lines of manufacturers of synthetic / artificial leather (PU / PVC coated fabric, commonly known as rexine) produced and wound in rolls, and any other leather-sector product produced in rolls, as notified by the Board, in Pakistan.

3.2 Scope. The authorization extends to the production monitoring equipment, solution architecture and services described in Schedule A to this Order, deployed at every installation point, being the final winding / take-up stage at which finished rolls are cut and removed, of every manufacturer of the specified goods, for the purposes set out in rule 150ZQT(1)(a) to (f). The Board may require additional installation points, such as inspection or re-winding machines where rolls are re-wound, re-cut or measured before dispatch, and may add roll-producing lines and products within the leather sector during the currency of this authorization, on the same terms.

3.3 Duration. This authorization shall remain valid for a period of three (03) years from the date of this Order, and may be renewed by the Board on the basis of compliance and performance evaluation, unless earlier suspended, revoked or cancelled under Part VI.

3.4 Non-exclusivity. This authorization is not exclusive and is not transferable. The Board reserves the right to authorize such other vendors for the Leather sector as it may consider appropriate, and no claim of exclusivity, guaranteed volume, guaranteed number of installations or guaranteed revenue shall lie against the Board by reason of this Order.

3.5 No agency. The Authorized Vendor is not an agent of the Board, holds no delegated statutory power, and shall not represent otherwise. Nothing in this Order confers any power of assessment, adjudication, inspection or enforcement, all of which vest exclusively in the officers of Inland Revenue.

3.6 Manufacturer's obligation to acquire. In terms of section 40C(3), a registered person engaged in the manufacture of the specified goods shall acquire the production monitoring equipment from an authorized vendor. The selection of an authorized vendor from among those authorized by the Board rests with the registered person.

PART IV — CONDITIONS OF AUTHORIZATION

The authorization granted under Part III is subject to the following conditions, each of which is a condition precedent to its continued validity.

4.1 Performance guarantee. Within fifteen (15) days of issue of this Order the Authorized Vendor shall furnish to the Board a Performance Guarantee of rupees five million (PKR 5,000,000), in the form of an unconditional bank guarantee from a scheduled bank in the format prescribed in the bidding documents, in terms of rule 150ZQZ, together with the signed Integrity Pact. The guarantee shall remain valid for the entire duration of the authorization plus three (03) months, and shall be en-cashable in the event of violation of the said rules or of any condition of this Order.

4.2 Equipment specification. The production monitoring equipment shall conform in all respects to the specifications approved by the Board and set out in Schedule A and in Section V of the Revised Request for Proposals. No substitution, downgrade or material alteration of any component shall be made without prior written approval of the Board.

4.3 Installation timeline. In terms of rule 150ZQZA, the Authorized Vendor shall specify the expected delivery and installation date in respect of each installation point, which shall not exceed ninety days from the date of the purchase order issued by the registered person. Installation at a facility shall commence within two (02) weeks of the purchase / work order or instruction of the Board.

4.4 Coverage schedule and liquidated damages. The Authorized Vendor shall achieve the cumulative coverage set out in Schedule B. Failure to achieve any milestone shall be reported by the Vendor to the Board within seven days of the milestone date together with the reasons, and shall attract liquidated damages at the rate of 0.2% of the Performance Guarantee per day per affected facility, up to a maximum of the Performance Guarantee, recoverable from the Performance Guarantee or, if not fully recoverable, payable by the Vendor within thirty (30) days of notice. Where the delay exceeds thirty (30) days, the Board may revoke this authorization and invoke the Performance Guarantee. No liquidated damages shall apply where the delay is caused by factors beyond the Vendor's control, notified to the Board in writing within forty-eight (48) hours. The foregoing is without prejudice to the consequences in Part VI.

4.5 Real-time transmission to CCU. The Authorized Vendor shall ensure uninterrupted transmission of roll records, snapshots and Cumulative Running Metres to the Central Control Unit of the Board on a real-time basis through secure APIs, together with storage and archiving, in the format, protocol and periodicity specified by the Board. Each Roll-Cut Event shall be time-stamped at the edge device and passed to the roll-record logic within one (01) second.

4.6 Local buffering and storage. The system shall buffer data locally during any loss of connectivity and shall reconcile automatically upon restoration, such that no production event is lost. Video shall be stored locally at the facility for at least thirty (30) days, and roll records, snapshots and logs for at least ninety (90) days. Any loss of connectivity shall raise an alert to the Board.

4.7 Response time. In terms of rule 150ZQZF, the Authorized Vendor shall respond to any fault, malfunction, tamper alert or outage within four (04) working hours of its occurrence or of notification by the Central Control Unit, whichever is earlier, and shall restore length measurement or video analytics within twenty-four (24) hours. Service shall be available eight (08) hours a day, five (05) days a week, and the Vendor shall maintain local stock of sensors, cameras and spares in the major leather and synthetic-leather production hubs.

4.8 Upgrades and maintenance. In terms of rule 150ZQZA, the Authorized Vendor shall be responsible for all upgrades of the associated software, all bug fixes, preventive and corrective maintenance, and response and repair of technical problems within the service levels in paragraph 4.7, at no additional cost to the Board.

4.9 Technical and training support. In terms of rule 150ZQZC, the Authorized Vendor shall upgrade the installed IT structure, software and communication equipment as per technological requirements, and shall provide comprehensive technical and operational training to officers and officials of Inland

Revenue, supported by documentation and technical manuals. The Board shall conduct appraisal reviews of the functioning and efficacy of the equipment.

4.10 Fees. In terms of rule 150ZQZD, the Authorized Vendor may charge the manufacturer a fee for the purchase, installation, operation and maintenance of the production monitoring equipment. No fee or charge whatsoever shall be recovered from the Board or from any field formation. The fee shall not exceed the indicative prices quoted in the Price Schedule (Form 3) of the Authorized Vendor's bid or any upper limit fixed by the Board from time to time, whichever is lower. Final commercial terms shall be agreed between the Authorized Vendor and the manufacturer within that limit, and the Vendor may offer phased or instalment payments and discounts for long-term commitments.

4.11 Data ownership and confidentiality. All data generated, captured, transmitted, processed or stored under this authorization is the exclusive property of the Federal Board of Revenue. The Authorized Vendor shall hold such data in strict confidence, shall not use it for any purpose other than performance of this authorization, shall not disclose it to any person including the registered person save as expressly permitted in writing by the Board, and shall host and store it only in Pakistan, with role-based access and encryption in transit and at rest. The Authorized Vendor shall not claim any right in the configuration of the System at any facility, the calibration records, or the roll records and snapshots. This obligation survives the expiry, revocation or surrender of this authorization.

4.12 Exit and data handover. Upon expiry, revocation, cancellation or surrender of this authorization, the Authorized Vendor shall deliver to the Board a complete export of all data in an open, documented and non-proprietary format, together with all documentation, encryption keys, credentials and configuration necessary for continuity of monitoring, and shall thereafter certify the destruction of all copies in its possession. The bank guarantee shall not be released until such delivery and certification are accepted by the Board.

4.13 System integrity. The Authorized Vendor shall not, directly or indirectly, alter, suppress, delete, delay or manipulate any production count, roll record, calibration, event record, alert or audit log, nor provide to any person any means of doing so. Roll records shall be read-only and shall not be edited or deleted by the Vendor or the manufacturer. Any capability permitting such alteration shall be disclosed to the Board forthwith. Contravention of this condition shall constitute a ground for immediate revocation and for encashment of the bank guarantee, without prejudice to proceedings under the Sales Tax Act, 1990 and any other law.

4.14 Audit log. The Authorized Vendor shall maintain an append-only, tamper-evident log of every configuration change, calibration, maintenance intervention, access event and alert, attributable to an identified individual, retained for the duration of the authorization and for a period of not less than three years thereafter, and available to the Board on demand.

4.15 Conflict of interest. The Authorized Vendor declares that it has no equity interest, revenue-sharing arrangement, consultancy engagement or other commercial relationship with any manufacturer subject to monitoring, and shall not enter into any such relationship during the currency of this authorization. Any change in this position shall be disclosed to the Board within seven days. Contravention shall constitute a ground for revocation.

4.16 Assignment and sub-contracting. This authorization is personal to the Authorized Vendor and shall not be assigned, transferred, sub-licensed or encumbered. Sub-contracting of any part of the authorized activity requires the prior written approval of the Board, and the Authorized Vendor shall remain fully liable for the acts and omissions of any approved sub-contractor.

4.17 Change in control. Any change in the ownership, control, directorship or registered particulars of the Authorized Vendor shall be intimated to the Board within fourteen days, and the Board may on that account review, vary or revoke this authorization.

4.18 Continuing eligibility. The Authorized Vendor shall at all times remain compliant with the eligibility conditions of rule 150ZQW, shall remain on the Active Taxpayers List, shall not be blacklisted or debarred by any procuring agency or by the Board, and shall have no finding of fiscal fraud recorded against it. Any change shall be intimated within seven days.

4.19 Audit. The Authorized Vendor shall submit to audit under rule 150ZQZG, and to such technical, security and compliance audit as the Board may direct, and shall afford the Board's officers and authorized auditors full access to the equipment, source configuration, logs and premises.

4.20 Insurance and indemnity. The Authorized Vendor shall maintain adequate insurance in respect of its personnel and equipment, and shall indemnify the Board against all claims, losses and liabilities arising from its acts or omissions, or those of its personnel or sub-contractors.

4.21 Compliance with law. The Authorized Vendor shall comply with all applicable laws, including laser safety and industrial safety requirements, and shall obtain and maintain all requisite certifications at its own cost.

4.22 Performance standards. The System shall at every installation point achieve: system uptime of at least 99% on a daily basis; running-length accuracy of at least 99% (minimum acceptable 95%) of the reference length of each roll, across the full operating speed range of the line; roll count accuracy of at least 99% (minimum acceptable 95%); automatic creation of a roll record and snapshot for every roll cut (100%); and real-time transmission of roll records, snapshots and Cumulative Running Metres to the Board, with offline buffering and no loss of data. The System at a facility shall be accepted only on passing all the Operational Acceptance Tests prescribed in the bidding documents, conducted in the presence of the Board's representative on at least ten (10) consecutive rolls at each installation point.

4.23 Calibration. The length-measurement sensor shall be calibrated at installation, before the Operational Acceptance Tests, against a reference length of at least one hundred (100) metres, in the presence of the Board's representative, and the calibration factor shall be recorded with the Board. Calibration shall be verified at least once every six (06) months and after any maintenance or replacement affecting the sensor, measuring wheel or roller. Any change of calibration factor, counting line or configuration shall be made only through a procedure approved by the Board and recorded in the audit log, with an alert to the Board.

PART V — OBLIGATIONS OF REGISTERED PERSONS

5.1 Every registered person engaged in the manufacturing of the specified goods shall, in terms of rule 150ZQZE, provide access, working space, stable electrical supply and the IT infrastructure including internet connectivity as specified by the Board, wherever needed, and shall facilitate the installation, commissioning and maintenance of the production monitoring equipment.

5.2 In terms of rule 150ZQT(2), no registered person shall remove production from its business premises unless it has undergone the process of production monitoring under Chapter XIV-BA.

5.3 No registered person shall obstruct, disconnect, obscure, relocate, disable or tamper with any production monitoring equipment, nor interrupt the power or communication supply to it. Every outage shall be reported to the Board and to the Authorized Vendor forthwith.

5.4 Every registered person shall acquire the production monitoring equipment from an authorized vendor in terms of section 40C(3), and shall pay the fee determined under rule 150ZQZD.

5.5 Contravention shall attract the consequences prescribed under the Sales Tax Act, 1990, including proceedings under section 33, and such other action as is provided in law.

PART VI — SUSPENSION, REVOCATION AND CONSEQUENCES

6.1 The Board may suspend this authorization, after affording the Authorized Vendor an opportunity of being heard, on any of the following grounds: breach of any condition in Part IV; failure to achieve a coverage milestone in Schedule B; persistent failure to meet the response time in paragraph 4.7 or the performance standards in paragraph 4.22; lapse of the Performance Guarantee; loss of continuing eligibility under paragraph 4.18; or any conduct prejudicial to the integrity of the monitoring system.

6.2 The Board may revoke this authorization on any ground in paragraph 6.1 where the breach is material or is not remedied within the period allowed, and shall revoke it forthwith upon a finding of contravention of paragraph 4.13 (system integrity) or paragraph 4.15 (conflict of interest).

6.3 Suspension or revocation shall not affect any accrued obligation of the Authorized Vendor, and in particular the obligations in paragraphs 4.11 and 4.12 shall continue in force.

6.4 Upon revocation the Board may encash the bank guarantee, and may direct the Authorized Vendor to ensure orderly continuity by continuing to operate and maintain the installed equipment for such transition period as the Board may specify, on the terms then subsisting as mentioned in the bidding documents.

6.5 Revocation or suspension under this Part is without prejudice to any action under the Sales Tax Act, 1990, the Public Procurement Rules, 2004, or any other law for the time being in force, including blacklisting or debarment.

6.6 The Board may at any time, in the public interest and after recording reasons, modify, suspend or withdraw this authorization, and no claim to compensation shall lie on that account.

PART VII — GENERAL

7.1 Governing instruments. This Order is subject to the Sales Tax Act, 1990 and Chapter XIV-BA of the Sales Tax Rules, 2006 as amended from time to time. In the event of any inconsistency between this Order and the said Act or Rules, the Act and the Rules shall prevail.

7.2 Schedules. Schedules A, B and C form an integral part of this Order.

7.3 Amendment. This Order may be amended by the Board on the recommendation of the Approval Committee, in writing.

7.4 Notices. Any notice under this Order shall be in writing and shall be served at the address recorded in paragraph 3.1 or at such other address as may be notified.

7.5 Acceptance. The Authorized Vendor shall, within seven days of receipt, return a signed copy of this Order in token of unconditional acceptance of all its terms. The authorization shall not take effect until such acceptance, the furnishing of the Performance Guarantee under paragraph 4.1 and the signing of the Integrity Pact.

7.6 Commencement. This Order shall take effect from the date specified in paragraph 7.5.

7.7 Interpretation. Words and expressions used in this Order but not defined herein shall have the meanings respectively assigned to them in the Sales Tax Act, 1990 and in Chapter XIV-BA of the Sales Tax Rules, 2006. The headings and marginal notes are for convenience only and shall not affect construction. The singular includes the plural, and a reference to any statutory provision includes that provision as amended, re-enacted or replaced from time to time.

7.8 Cumulative remedies. The conditions and consequences stipulated in this Order are in addition to, and not in derogation of, the provisions of the Sales Tax Act, 1990, the Sales Tax Rules, 2006, the Public Procurement Rules, 2004 and any other law for the time being in force, and nothing herein shall be construed as limiting any power otherwise vesting in the Board or in any officer of Inland Revenue.

7.9 No waiver. No forbearance, indulgence or delay on the part of the Board in enforcing any condition of this Order shall operate as a waiver of that condition or of any other condition, nor shall it preclude subsequent enforcement.

7.10 Severability. If any provision of this Order is held to be invalid or unenforceable, the remaining provisions shall continue in full force and effect, and the invalid provision shall be deemed modified to the least extent necessary to render it valid and consistent with the intent of this Order.

7.11 Entire authorization. This Order, together with its Schedules and the documents listed in Schedule C, constitutes the entire authorization granted to the Authorized Vendor in respect of the Leather sector, and supersedes any prior representation, correspondence or understanding on the subject.

Arshad Nawaz Chheena
Chief IR (Revenue Operations)
Federal Board of Revenue
Islamabad

Chief IR (Revenue Operations)
Federal Board of Revenue
For and on behalf of the Approval Committee

Director General (IT & DT)
Federal Board of Revenue
For and on behalf of the Approval Committee

Javed Iqbal
Project Director (Track & Trace System)
Federal Board of Revenue
Islamabad

Project Director (Track & Trace)
Federal Board of Revenue
For and on behalf of the Approval Committee

PART VIII — VENDOR ACKNOWLEDGMENT

I/We, the undersigned authorized representative(s) of M/s National Radio & Telecommunication Corporation (NRTC), lead member of NRTC and ASY Joint Venture, hereby acknowledge receipt of this Certificate of Authorization, confirm that we have read and understood all the terms and conditions set forth therein, and unconditionally undertake to comply with all obligations thereunder.

Name: Imran Khan

Designation: AM

Date: 19.11.2026

Signature:

Company Seal: National Radio Telecommunication Corporation HARIPUR PAKISTAN

C. No. Bid No. 5(4)TDU/IR/2026
Dated, Islamabad the 16.11.2026

Copy forwarded for information and necessary action to:—

1. The Secretary, Revenue Division, Islamabad.
2. The Member (Inland Revenue — Policy), Federal Board of Revenue, Islamabad.
3. The Member (Digital Initiatives) / Member (Information Technology), Federal Board of Revenue, Islamabad.
4. The Member (Legal — Inland Revenue), Federal Board of Revenue, Islamabad.
5. All Chief Commissioners Inland Revenue, Large Taxpayers Offices / Medium Taxpayers Office / Corporate Tax Offices / Regional Tax Offices.
6. The Project Director, Central Control Unit, Federal Board of Revenue, Islamabad.
7. The Chief (Transformation Delivery Unit), Federal Board of Revenue, Islamabad.
8. The Chairman, Approval Committee constituted under rule 150ZQV of the Sales Tax Rules, 2006.
9. M/s National Radio & Telecommunication Corporation (NRTC), lead member of NRTC and ASY Joint Venture, the Authorized Vendor, for compliance and for return of a signed copy in terms of paragraph 7.5.