



TEXTILE INDUSTRY NOTES

Produced by

**The Office of Chief CBR
(Textile Sector)**

In consultation with

**The National College
of Textile Engineering**

Respective Associations

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**NATIONAL COLLEGE OF TEXTILE ENGINEERING
FAISALABAD**

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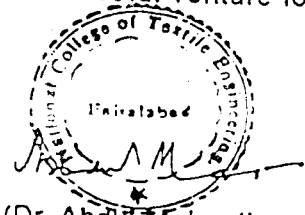
Mr. Muhammad Ashraf Khan,
Chief Sales Tax (Textile Sector),
Central Board of Revenue,
Custom House, Nabha Road,
Lahore.

Subject.- **SECTOR NOTES.**

Please refer to the correspondence resting with CBR on the above subject.

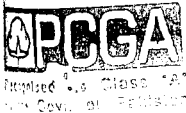
2. National College of Textile Engineering Faisalabad, has completed the study on ginning, weaving, processing, knitting and stitching sectors of textile industry keeping in view the requirements of CBR. A copy of this study is enclosed.
3. Besides utilizing the in-house professional and technical expertise, the College has also carried out physical survey of certain manufacturing processes to accomplish this exercise. Series of meetings held with the Chief (Textile Sector) and his officers as well as the experts from the industry have helped a lot in making this exercise a useful venture for the department.

Encl. as above



(Dr. Abdul Majeed)
Principal

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



PAKISTAN COTTON GINNERS' ASSOCIATION

Ref. No. 284/S. Tax/PCGA

Date 03/08/2002


To,

Mr. Muhammad Ashraf Khan
Chief Sales Tax (Textile Sector),
Custom House; Lahore.

764
11/8/02

SUBJECT:- INDUSTRY NOTES (GINNING SECTOR).

Industry Notes relating to Ginning Sector prepared by the office of Chief Sales Tax (Textile Sector) in consultation with the National College of Textile Engineering, Fasisabad have been examined. These notes give correct information relating to working of ginneries, production process and machinery used in ginning production formulas from raw cotton and cotton seed. The Association subscribes to these notes.


(Abul Rasheed Khan)
(Chairman)

1.9. Energy Consumption in Ginning

Mainly the ginning factories run on electricity. However, some factories also use diesel oil for power generation. The consumption of electricity depends upon the type/age of machinery, content of trash and humidity in the phutti. More electricity is required for ginning the phutti having higher content of trash. According to PCGA the average of Sind ginning factories is 20-22 units of electricity per bale while it is 20-24 units in Punjab because there is only one electricity meter in Punjab factories which supplies power to machinery as well as offices. After carrying physical survey of different ginning factories in different Collectorates, the CBR has advised the Collectorates to take 18-20 units of electricity consumption for manufacturing one bale of cotton of standard weight. Average diesel oil consumption (instead of electricity) is normally : 5-6 liters/bale.

1.9.1 Cotton Seed

Cotton seed is used by oil expelling units or solvent plants for extraction of oil. A large number of the ginning factories have their own expellers installed within factory premises which consume/crush major portion of cotton seed produced during ginning process for the purpose of oil extraction. Rest of the cotton seed is sold to oil mills or the solvent plants. A smaller portion of its total production is also used for sowing purpose as seed by growers/farmers for the next cotton crop. Cotton seed oil serves as raw material for the manufacture of banaspati ghee or cooking oil. In the process of oil extraction through oil expellers two products, namely, oil cake and oil are produced. Electricity consumption in crushing of one mound cotton seed ranges from 2.5 to 3 units. Oil cake is used as animal feed whereas, oil dirt is used for the manufacture of soap-stock. Cotton seed, oil dirt, seed oil, and oil cake are currently exempt from Sales Tax.

GINNING

Summary of Important Information

1. Sales Tax Revenue from Ginned Cotton.

The amount of sales tax on supply of lint-cotton is @ Rs.1700/- per maund (37.324 kg) and bale weight of 170 kg works out to Rs.7743 per bale. This amount increases by Rs. 68/bale on every increase of Rs. 100/maud in the price of lint cotton.

2. Packing Material

- i. Per bale consumption of Hessian cloth is around three meters of four-side cover of bale and around 3.5 meters for six-side cover of bale.
- ii. Bailing hoops made from steel or plastic strips commonly known as patri are also used for binding the bale. Bailing hoops of steel are used @ 2 to 2.25 Kgs. per bale.

3. Input Output Ratio in the Ginning Sector

Particulars		Out put	
Ginning Sector			
Input / Out put Ratio from Phutti	Lint Cotton	Cotton Seed	Wastage
	33% to 34%	58% to 59%	9% to 7%
Oil Mill Section			
Input / Output ratio from cotton Seed	Oil Cake	Oil	Oil Dirt
	82% to 85%	10% to 12%	8% to 3%

4. Energy Consumption in Ginning

Average electricity consumption for manufacturing one bale : 18-20 units/bale

Average diesel oil consumption (instead of electricity) : 5-6 liters/bale.