

# TOBACCO BOARD



## Annual Report 2016-17





(Ministry of Commerce & Industry)  
Department of Commerce, Government of India  
An ISO 9001:2008 Certified Organisation



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## **TOBACCO BOARD**

Government of India, Ministry of Commerce & Industry,

Department of Commerce

P.B. No. 322, G.T. Road

Guntur - 522 004, Andhra Pradesh, India.

Ph : 91 863 2358399, Fax : 91 863 2354232

E-mail : [info@indiantobacco.com](mailto:info@indiantobacco.com), Website : [www.indiantobacco.com](http://www.indiantobacco.com)

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## ABBREVIATIONS

## BOARD COMPOSITION

**As on 31/03/2017**

For the period under review, the Board was constituted as hereunder:

**Chairman, appointed under section 4 of sub section 4 (a) by the Govt. of India;**

Shri Manoj Kumar Dwivedi, IAS, Joint Secretary, Ministry of Commerce & Industry & Chairman

**Member, appointed under section 4 of sub section 4 (g) – ex-officio by the Govt. of India;**

Shri Manoj Kumar Dwivedi, IAS, Joint Secretary, Ministry of Commerce & Industry & Chairman up to 29/03/2017.

Shri Turumalla Venkatesh, IAS, Executive Director with effect from 30/03/2017 onwards.

**Members appointed under section 4 of sub section 4 (b) by the Govt. of India;**

Shri Lal Sinh Vadodia, Hon'ble Member of Parliament (Rajya Sabha).

Shri Jayadev Galla, Hon'ble Member of Parliament (Lok Sabha).

Shri Gokaraju Ganga Raju, Hon'ble Member of Parliament (Lok Sabha).

**Members appointed under section 4 of sub section 4 (c) by the Govt. of India;**

Director (dealing with Agriculture), Govt. of India, Ministry of Agriculture.

Shri N.Ramesh, Director (dealing with Commerce), Govt. of India, Ministry of Commerce & Industry, Department of Commerce.

Mrs. Rupa Dutta, Economic Adviser (dealing with Finance), Govt. of India, Ministry of Commerce & Industry, Department of Commerce.

Shri Zakhariya Khan Yousuffjoy, Director (dealing with Industrial development) Govt. of India, Ministry of Commerce & Industry, Department of Industry.

Dr. D.Damodar Reddy, Director, Central Tobacco Research Institute, Rajamahendravaram.

Dr. B.R.Shah, Director of Agriculture, Govt. of Gujarat.

Shri K. Srinivas, Director of Agriculture, Govt. of Karnataka.

Shri Budithi Rajasekhar, IAS, Principal Secretary, Deptt., of Food & Agriculture, Govt. of A.P.

**Members appointed under section 4 of sub section 4 (d) by the Govt. of India;**

Shri Sudheer Kumar Goel, IAS, Secretary (Agriculture), Govt. of Maharashtra.

Shri Manoj Ahuja, IAS, Principal Secretary, (Agriculture), Govt. of Odisha.

**Members appointed under section 4 of sub section 4 (e) by the Govt. of India;**

Shri Krishna Kumar Mishra.

Shri Gaddamanugu Satyanarayana.

Shri P.V.Basavarajappa.

Shri C.Kiran Kumar.

Shri Balineni Seethaiah.

**Member, appointed under section 4 of sub section 4 (f) – ex-officio by the Govt. of India;**

Shri K.S.Srinivas, IAS, Agricultural Marketing adviser to the Govt. of India.

## SENIOR MANAGEMENT

(As on 31/03/2017)

### Management and Senior Staff

|                                                                   |                                                                                                   |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| <i>Chairman</i>                                                   | Sri Manoj Kumar Dwivedi, IAS,<br>Joint Secretary, Ministry of Commerce & Industry<br>and Chairman |
| <i>Executive Director</i>                                         | Sri.T.Venkatesh, IAS<br>from 30/03/2017 onwards                                                   |
| <i>Director (Auctions)</i>                                        | Sri Bipin Bihari Choudhury, IOFS                                                                  |
| <i>Secretary (FAC) &amp; Manager<br/>(Finance &amp; Accounts)</i> | Sri C.S.S.Patnaik                                                                                 |
| <i>Manager (Extension)</i>                                        | Sri B.N.Mitra                                                                                     |
| <i>Manager (Auctions)</i>                                         | Sri K.Ravi Kumar                                                                                  |
| <i>Manager (Production)</i>                                       | Sri T.Srinath                                                                                     |
| <i>Manager (Marketing &amp; Exports)</i>                          | Sri R.Subbarao Chowdary                                                                           |
| <i>Regional Manager (Rajamahendravaram)</i>                       | Sri M.Sreerama Murthy                                                                             |
| <i>Regional Manager (SBS Ongole)</i>                              | Sri G. Umamaheswara Rao                                                                           |
| <i>Regional Manager (SLS Ongole)</i>                              | Sri G.Ratna Sagar                                                                                 |
| <i>Regional Manager (Mysuru)</i>                                  | Sri A.V.Siva Rudraiah                                                                             |
| <i>Regional Manager (Periyapatna)</i>                             | Sri Sk. Tajuddin                                                                                  |
| <i>Auction Superintendent (Production)</i>                        | Sri Ch.V.Maruthi Prasad                                                                           |
| <i>O.S.D (Vigilance)</i>                                          | Sri P.Ramesh                                                                                      |
| <i>Asst. Manager (P&amp;C)</i>                                    | Sri C.Gopinadh                                                                                    |

### Personnel

**Officers: 99**

**Employees: 521**

### Postal Address

**Tobacco Board**  
Govt. of India, Ministry of Commerce & Industry  
Department of Commerce Post Box No. 322, G.T. Road  
Guntur-522 004 (Andhra Pradesh)

### Telephone No. / Fax

0863-2358399 /0863-2354232

### E-mail & Website

info@indiantobacco.com / www.indiantobacco.com

# CORPORATE GOVERNANCE



**T.VENKATESH, IAS**  
CHAIRMAN &  
EXECUTIVE DIRECTOR



**MANOJ KUMAR DWIVEDI, IAS**  
JOINT SECRETARY,  
MINISTRY OF COMMERCE & INDUSTRY & CHAIRMAN



**BIPIN BHARI CHOUDHURY, IOFS**  
DIRECTOR (AUCTIONS)



**C.S.S. PATNAIAK**  
SECRETARY (F&A) & MANAGER (F&A)



**B.N.MITRA**  
MANAGER  
(EXTENSION)



**R.SUBBARAO CHOWDARY**  
MANAGER  
(MKTG & EXPORTS)



**K.RAVI KUMAR**  
MANAGER  
(AUCTIONS)



**T. SRINATH**  
MANAGER  
(PRODUCTION)



**A.V.SIVA RUDRAIAH**  
REGIONAL MANAGER  
MYSURU



**SK TAJUDDIN**  
REGIONAL MANAGER  
PERIYAPATNA



**G.UMAMAHESWARA RAO**  
REGIONAL MANAGER  
SBS ONGOLE



**G.RATNA SAGAR**  
REGIONAL MANAGER  
SLS ONGOLE



**M.SREERAMA MURTHY**  
REGIONAL MANAGER  
RAJAHMUNDY

## Tobacco Board's Activities during 2016-17

Tobacco Board was constituted by the Government of India, under “TOBACCO BOARD ACT, 1975”, to bring out the all-round development of the Tobacco Industry. The Board’s primary role is to facilitate smooth functioning of the vibrant farming system; ensure fair and remunerative prices to tobacco farmers and promotion of exports.

Tobacco is one of the important commercial crops grown in India. It provides employment directly and indirectly to 45.7 million people and contributed as much as ₹ 22,737.07 crore as excise duty and ₹ 5,975.08 crore in terms of foreign exchange to the National exchequer, during 2016-17. India has a prominent place in the production of tobacco in the world. **India stands second in production and export of tobacco in the world.** India produces different styles of FCV tobacco, which vary in their physical and chemical characteristics under diverse climatic conditions. Indian tobacco is exported to over 114 countries across the globe. India has a fairly diversified base of production for exports and provides a one-stop shop for different styles, qualities and price ranges. FCV tobacco is grown in Traditional Black Soils (TBS), Northern Light Soils (NLS), Southern Light Soils (SLS) and Karnataka Light Soils (KLS). The tobacco produced has a wide range in quality such as semi-flavorful to flavorful (NLS & ELS), quality neutral filler (KLS & SLS) and good filler (TBS) styles. During 2016-17 crop season, the Tobacco Board had increased the crop size for cultivation of FCV tobacco to **225.00** million kg from **220.00** million kg fixed during 2015-16 crop season. As against this, about **197.80** million kgs is estimated to be produced. Tobacco Board incurred an amount of ₹ **326.23 lakh** towards extension and development schemes for improvement of yield and quality of tobacco. During the year 2016-17, the Board marketed a quantity of **210.91 million kg** in its auction platforms in both Andhra Pradesh and Karnataka at an **average price of ₹ 124.39** as against the quantity of 288.69 million kg at an average price of ₹ **104.42** during the year 2015-16. **2,31,800** Metric tons of tobacco and tobacco products were exported from India during 2016-17 valued at ₹ **5,975.08** crore. In dollar terms, the value of exports was **891.91** million US\$ and have decreased by **4%** year on year basis.

The Board has been privileged with coveted ISO 9001:2008 certificate in recognition of its quality services to growers and its activities related to the development of Tobacco Industry from M/s. DNV.GL.

## MEETINGS DURING 2016-17

(From 01/04/2016 to 31/03/2017)

### A) Statutory meetings:

One Board Meeting and one committee meeting were held.



Shri Manoj Dwivedi, IAS Hon'ble Joint Secretary, Ministry of Commerce & Industry and Chairman & Executive Director, Tobacco Board addressed in the 142<sup>nd</sup> Board Meeting held at Hyderabad 17/08/2016

### Board Meetings:

1. The 142<sup>nd</sup> meeting of the Board was held on 17<sup>th</sup> August 2016 (Wednesday) at 11.00 A.M. in Hyderabad.

### Registration Committee for Growers and Others:

1. The 83<sup>rd</sup> meeting of the Registration Committee for growers and others was held on 15/09/2016 (Thursday) at 04.30 PM at Udyog Bhavan, Ministry of Commerce & Industry, New Delhi.

### Registration Committee for Traders and Manufacturers:

2. The 41<sup>st</sup> meeting of the Registration Committee for Traders and Manufacturers approved by circulation on 13/10/2016.

### B) Non Statutory meetings:

1. Review meeting on the ongoing auctions for sale of 2015-16 AP-FCV tobacco crop held on 12/04/2016 with Hon'ble Minister of Agri. Sri P. Pulla Rao, Tobacco Board Officers, ITA, Manufactures and Exporters.

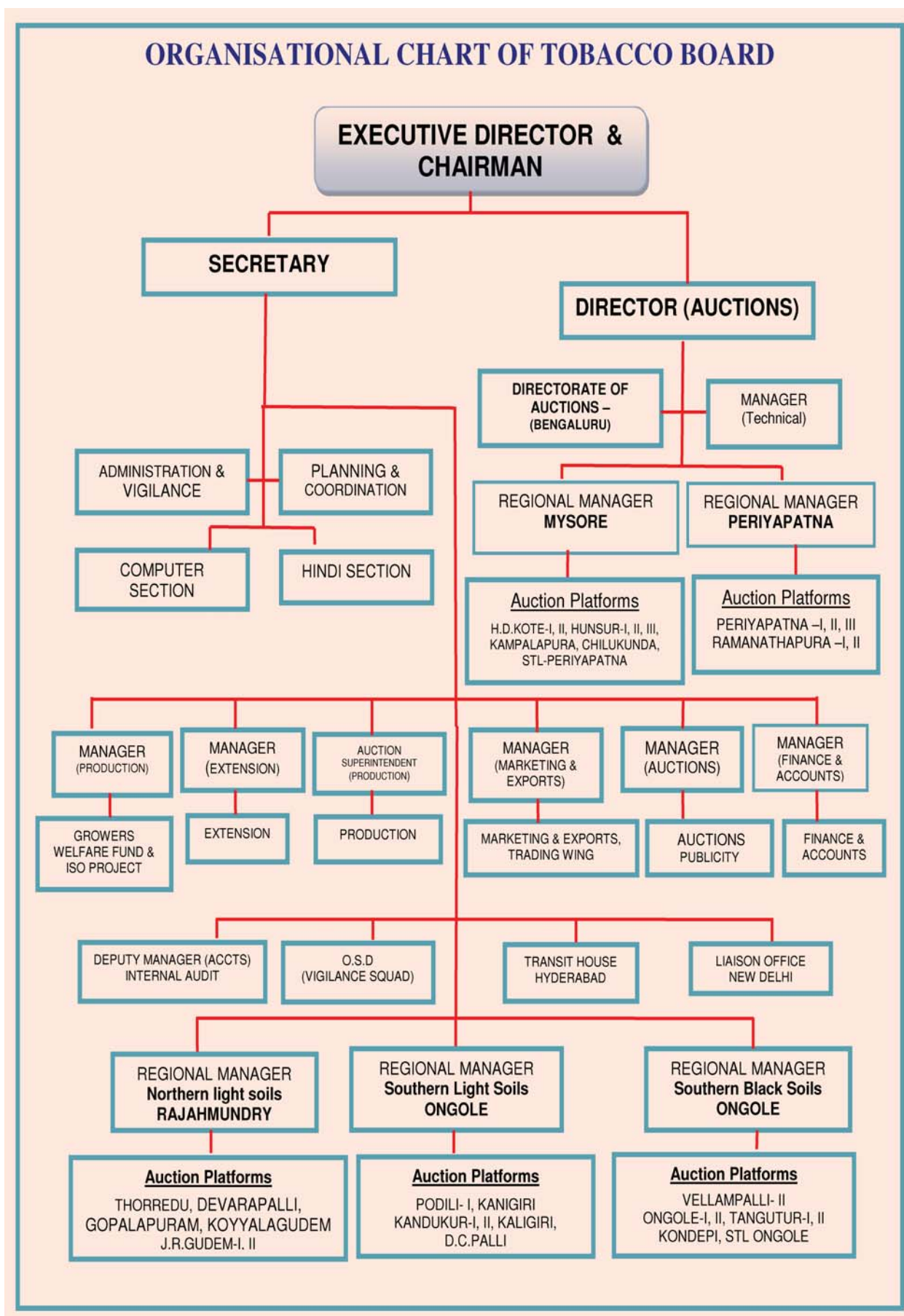
- 2 Review meeting on the ongoing auctions for sale of 2015-16 AP-FCV tobacco crop held on 22/04/2016 with Growers' representatives in all auction platforms in Andhra Pradesh.
- 3 Review meeting on the ongoing auctions for sale of 2015-16 AP-FCV tobacco crop held on 22/04/2016 with ITA and Trade representatives.
- 4 Review meetings on the ongoing auctions 2016 with the Board Officers and grower association members at Auction Platforms Ongole-II and Tangutur-I & II on 14/05/2016.
- 5 Review meeting on the ongoing auctions for sale of 2016 AP-FCV tobacco auctions with ITA & Exporters of FCV tobacco on 31/05/2016.
- 6 Conducted meeting on 04/08/2016 with ITA and Trade representatives to know about their opinion regarding shifting of Directorate of Auctions office from Bengaluru to Mysuru and also discussed with them regarding conclusion of Andhra Pradesh Auctions and commencement of auction sales for 2016-17 Karnataka crop.
- 7 A prelude meeting conducted to discuss the issues related to ensuing 2017 Andhra Pradesh FCV tobacco auctions on 08/03/2017 with ITA and Trade representatives and Grower representatives.



Shri Manoj Dwivedi, IAS Hon'ble Joint Secretary, Ministry of Commerce & Industry and Chairman & Executive Director, Tobacco Board, Shri Lal Sinh Vadodia, Hon'ble Member of Parliament (Rajya Sabha), Shri Galla Jayadev, Hon'ble Member of Parliament (Lok Sabha) releasing the Brochure on Growers Welfare Fund Scheme in the 142<sup>nd</sup> Board Meeting held on 17/08/2016 at Hyderabad.

**STATEMENT SHOWING THE SANCTIONED & EXISTING STRENGTH  
AS ON 31/03/2017**

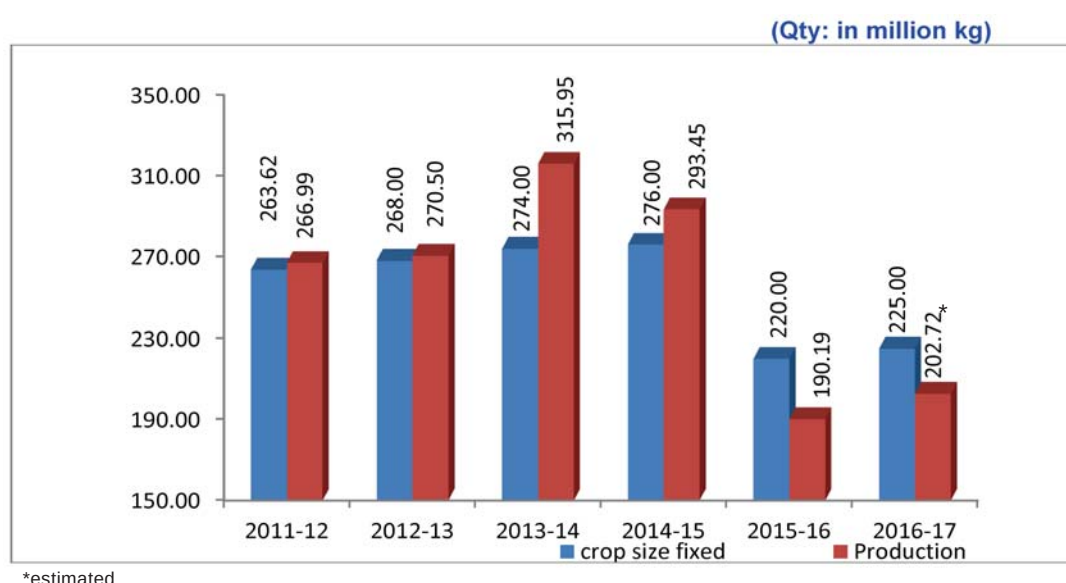
| Sl. No.                           | Name of the Post                         | TOTAL      |          |
|-----------------------------------|------------------------------------------|------------|----------|
|                                   |                                          | Sanctioned | Existing |
| GROUP-A - SENIOR LEVEL MANAGEMENT |                                          |            |          |
| 1                                 | Chairman                                 | 1          | 0        |
| 2                                 | Executive Director                       | 1          | 1        |
| 3                                 | Director[Auctions]                       | 1          | 1        |
| 4                                 | Secretary                                | 1          | 0        |
| 5                                 | Managers/Regional Managers               | 10         | 10       |
| 6                                 | Deputy Manager(Accts)                    | 1          | 0        |
| 7                                 | Auction Superintendents/SGO              | 55         | 55       |
| 8                                 | Asst. Manager(Accts.)/S.O                | 34         | 33       |
| 9                                 | Systems Analyst                          | 1          | 0        |
| Sub-Total                         |                                          | 105        | 100      |
| GROUP-B - MIDDLE LEVEL MANAGEMENT |                                          |            |          |
| 10                                | Programmer                               | 1          | 1        |
| 11                                | Hindi Officer                            | 1          | 1        |
| 12                                | P.S. to Chairman                         | 1          | 1        |
| 13                                | Field Officer/Tech.Assistant             | 88         | 74       |
| 14                                | Senior Translator                        | 1          | 1        |
| 15                                | Stenographer-Grade-I                     | 1          | 1        |
| 16                                | Accountant/Sr.Investigator               | 34         | 23       |
| 17                                | Assistant / Statistical Assistant        | 14         | 13       |
| 18                                | Care Taker                               | 1          | 0        |
| 19                                | Stenographer Grade-II                    | 3          | 1        |
| 20                                | Special Grade Driver                     | 1          | 1        |
|                                   | Sub Total                                | 146        | 117      |
| GROUP-C - JUNIOR LEVEL MANAGEMENT |                                          |            |          |
| 21                                | Computer Operator                        | 27         | 27       |
| 22                                | Stenographer Grade-III                   | 4          | 3        |
| 23                                | U.D.C.                                   | 43         | 35       |
| 24                                | Senior Field Assistant / Field Assistant | 203        | 167      |
| 25                                | L.D.C.                                   | 52         | 41       |
| 26                                | Hindi Typist                             | 2          | 1        |
| 27                                | Driver                                   | 31         | 21       |
| 28                                | Gestetner Operator                       | 1          | 1        |
| 29                                | Multi Tasking Staff                      | 140        | 63       |
| Sub-Total                         |                                          | 503        | 359      |
| GRAND TOTAL                       |                                          | 754        | 576      |



## CROP PLANNING AND REGULATION

### I) Trends in production of FCV tobacco in India

FCV tobacco production in the last six years had been fluctuating from year to year. These wide fluctuations reflect weather impacts on yield as well as market dynamics in terms of price elasticity of supply. FCV tobacco production has registered a Compound Annual Growth Rate (CAGR) of -6.56% during the last 5 years (i.e., from 2011-12 to 2015-16) and it was -4.49% including the year 2016-17.



### II) FCV Tobacco Production Policy for 2016-17

During 2016-17 crop season, Tobacco Board had increased the crop size for cultivation of FCV tobacco to 225 million kg from 220 million kg fixed during 2015-16 crop season. A crop size of 95 million kg was fixed for the state of Karnataka. In the state of Andhra Pradesh, the Tobacco Board had fixed a crop size of 130 million kg for 2016-17 crop season as against 120 million kg fixed during last year.

### III) Production Policy for 2016-17 – Highlights

The Broad policy framework for regulating production during 2016-17 crop season is as follows:

- The objective of the policy is to regulate the area under cultivation of FCV tobacco while concentrating on quality of product with the focus on controlling excess and unauthorised cultivation of tobacco.
- Area under FCV tobacco cultivation shall be reduced and diverted to other alternate crop/cropping system.

- The excess production shall be dealt with sternly to limit the production strictly to the crop size fixed so as to ensure fair and remunerative prices to the growers and avoid repetition of market problems in future.
- The FCV tobacco cultivation shall not be allowed to be taken up in saline areas, paddy fallows and unsuitable soils to avoid quality problems. These areas shall be diverted to other crops.
- Stringent action shall be initiated against the growers who are constructing / constructed unauthorized barns and taking up unauthorised cultivation of tobacco as per the Board Act and Rules made there under.

#### IV) Registration criteria for 2016-17 – Highlights

The following criteria were laid down for renewal of registration or registration of growers during 2016-17 crop season.

- All growers/barns registered with the Board in 2015-16 crop season are eligible for renewal of registration in 2016-17 subject to the condition that the growers shall possess a fit barn and suitable lands for growing Virginia tobacco on his own or taken on lease and should not have violated Tobacco Board Act or Rules made there under.
- No new growers will be permitted to take up FCV tobacco cultivation by constructing new barns and no new areas will be allowed for FCV tobacco cultivation. Construction of new barns will not be licensed.
- Growers registered in 2015-16 but have outstanding dues / pay penalties / involved in barn disputes / repair unfit barns / submit certain documents for transfer of registration shall fulfill these conditions before stipulated date for grant of renewal of registration.
- Grower applicants who are registered in 2015-16 crop season and submitted Form-II & III returns in proof of cultivation and curing of tobacco but have not sold tobacco on the auction platforms will be considered for registration subject to payment of stipulated penalties.
- Registered growers constructing a barn without obtaining license from the Board in violation of Tobacco Board Act and Rules are ineligible for grant of renewal of registration. Registered grower owning an unauthorised barn on his own or on the name of his family members shall have to dysfunction the unauthorised barn and submit the affidavit stating that the barn will not be renovated again in future to be eligible for grant of renewal of registration.
- As per orders of Government of India vide letter No.5/7/2015-EP(Agri-VI), dated 02.10.2015, sale/ transfer unused/unauthorised barns for tobacco crops was not permitted during 2016-17 crop season in Andhra Pradesh & Karnataka. Regularisation of unauthorised barns by purchase & shifting of licensed barns is also not permitted. In view of representations of growers and grower leaders, Government of India allowed shifting of licensed barns against

construction of new barns or against regularisation of unauthorized barns as a special case from 31.10.2016 to 31.03.2017 vide order No.9/11/2016-EP(Agri-III) dated 31.10.2016. Accordingly, Board permitted shifting of 366 licensed barns against construction of new barns or against regularization of unauthorised barns during 2016-17 crop season in Andhra Pradesh (213 barns) and Karnataka (153 barns).

- Grower applicants applied without support of licensed curing facility (barns)/unauthorized barns/ barns ineligible for registration/ seeking licence for construction of new barns/having break-in-registration for more than 3 years/indulged in activities which are in violation of Tobacco Board Act, Rules & Regulations are ineligible for registration during 2016-17 crop season.

#### V) Soil region wise area and production quota authorised for 2016-17

The soil region wise area to be cultivated and production quota authorized per barn in Andhra Pradesh and Karnataka during 2016-17 crop season are as follows:

##### Andhra Pradesh

| Soil Region               | Area Registered (ha) |         | Production Quota (Kg/Barn) |         |
|---------------------------|----------------------|---------|----------------------------|---------|
|                           | 2016-17              | 2015-16 | 2016-17                    | 2015-16 |
| Northern Light Soil (NLS) | 1.40                 | 1.00    | 3,000                      | 2,500   |
| Southern Light Soil (SLS) | 2.40                 | 2.40    | 3,400                      | 3,400   |
| Southern Black Soil (SBS) | 1.60                 | 1.40    | 3,370                      | 3,200   |
| Northern Black Soil (NBS) | 1.20                 | 1.00    | 2,600                      | 1,950   |

\* N.L.S. includes ELS also

##### Karnataka

| Barn         | Area Registered (ha) |         | Production Quota (Kg/Barn) |         |
|--------------|----------------------|---------|----------------------------|---------|
|              | 2016-17              | 2015-16 | 2016-17                    | 2015-16 |
| Simplex Barn | 1.20                 | 1.20    | 1,650                      | 1,740   |
| Duplex Barn  | 2.40                 | 2.40    | 3,300                      | 3,480   |

## VI) Production Regulation Campaign

The Board had undertaken a focused Production Regulation Campaign during 2016-17 crop season to prevent excess/unauthorized production of FCV tobacco through personal contacts, group meetings in the villages and mass contact programmes.

- In order to control unauthorized construction of barns and unauthorized curing of tobacco in them, the registered growers possessing unauthorized barns on their own or on their family members' names were considered for renewal only after dys-functioning of unauthorized barns.
- Public communication strategies such as wall writings in public places, posters, distribution of pamphlets, playing of audio cassettes, using electronic and print media to deliver right messages, small group discussions, informal meetings etc., are used to appeal to the growers to prevent excess/ unauthorised production of FCV tobacco
- Around 144 grower meetings in Andhra Pradesh and 129 in Karnataka are held by Board in addition to group meetings in the villages by field staff as a part of production regulation campaign during 2016-17.



## VII) Particulars of growers registered during 2016-17

During 2016-17 crop season, a total of 87,882 growers were registered with the Board for cultivation of FCV tobacco. Of them, 45,760 growers covering 39,780 barns are registered for cultivation of tobacco in Andhra Pradesh. An area of 69,456 ha. was registered for production of FCV tobacco and as against this an area of 61,281 ha. was actually planted. In Karnataka, 42,122 growers covering 55,899 barns are registered for cultivation of tobacco. An area of 67,079 ha. was registered and 76,089 ha. was planted under FCV tobacco.

The auction platform wise particulars of registered growers, barns and area planted under FCV tobacco in Karnataka and Andhra Pradesh for 2016-17 crop season are furnished at Page Nos. 33-35.

## VIII) Report on 2016-17 Karnataka Crop

### Nursery

Area sown under Nursery during 2016-17 in Karnataka was 807.85 ha. The area under nursery had reduced by 3% when compared to last year (829.85 ha). The growth of the nursery is good and is free from pest & diseases. Entire nursery growth period is devoid of rains. Seedlings were in



good condition during this season. Tobacco Board had conducted field demonstrations on application of bio-pesticides for the management of soil borne diseases and the cultures were distributed to the growers for nursery applications.

Kanchan is the major variety sown occupying about 77% of total nursery area sown i.e., 619.86 ha. CH-3 and FCH-222 hybrids occupied remaining 23% of area. The area under hybrids is slowly increasing.

### Main field

Due to receipt of ample amount of rainfall in the month of May and June, growers have completed transplantations by the end of June, 2016. A total of 76,089 ha. was planted in Karnataka under FCV tobacco during 2016-17 as against 75,837 ha. planted last year. i.e., up by 0.33% over



the area in previous season. Of this, 51,997 ha. (68%) was planted before 31st of May (Early plantation). About 23,694 ha., (31%) of area was planted in the first week of June (middle plantation). Late plantation is about 398 ha. (1%). 80% of total area planted is under Kanchan variety and remaining 20% is under CH3 and FCH-222 hybrids. The area under hybrid varieties had increased by about 23% over last year.



| Plantation Category                          | 2016-17    |      | 2015-16    |       |
|----------------------------------------------|------------|------|------------|-------|
| Early Plantation<br>(before 31st May)        | 51,997 ha. | 68%  | 64,538 ha. | 85%   |
| Middle Plantation<br>(June 1st to 15th June) | 23,694 ha. | 31%  | 11,022 ha. | 14.5% |
| Late Plantation<br>(From 16th June)          | 398 ha.    | 1%   | 277 ha.    | 0.4%  |
| Total:                                       | 76,089 ha  | 100% | 75,837 ha  | 100%  |

### Crop Growth in Karnataka

The early crop established well in the main field initially. Later the crop exhibited potassium deficiency symptoms like Necrotic spots and burnt appearance on the middle 2-3 leaves of the plant, in the last week of June in some areas due to less up take of Potassium by the plant due to varied weather conditions, especially in the fields where transplantations are taken up in the 3rd & 4th week of May. The growers were advised to go for spraying of potassium Nitrate. The symptoms disappeared in the 1st week of July with increased sunlight. The crop had



shown good growth with prominent leaf expansion, due to receipt of sufficient rainfall during crop growth period. Tobacco growing areas received moderate to heavy rains in the month of July. Due to these rains, first and second curings were affected in early crop. The middle and late crop witnessed drought in the month of August. Yellowing and false ripening of leaves were observed in dry belts of Periyapatna and Ramanathpura Regions. The farmers have attended to intercultural operations and topping & desuckering and the crop recovered from moisture stress. Overall, the crop yields are good during current crop season compared to previous season.



### Pests & diseases

No incidence of major pests and diseases were noticed in the main field. In Periyapatna region, sporadic incidence of fusarium wilt, mosaic and black shank was observed in some fields in low lying areas. Aphid infestation was observed in few fields in Periyapatna-4 and the growers were advised to go for application of Acephate @ 0.2%. Growers have installed Pheromone Traps and Yellow Sticky Traps to assess the pest population and to take remedial measures as per pest incidence.



### Harvesting & Curing:

On an average 6 - 7 curings were taken up per barn. More of low grades were observed in the 1st and 2nd curings in early crop due to receipt of rainfall during the month of July. From 3rd curings onwards the cured Tobacco is good with more of bright and medium grades. Further, due to non receipt of rains



in the month of August cured leaves are thin bodied with less weight and hence leaf count is on higher side.

In middle planted crop, the curings are good with more of bright and medium grades. The leaf weight is higher during this year in middle crop when compared to previous year. Cured leaf is lemon to lemon orange in colour.



## Yields

The quality of the crop is average to good. Average yields are ranged between 1200-1300 kg/ha. A crop of 98.72 mkgs., was marketed with grade out turn of 29:38:33 in terms of Bright, Medium and Low grades respectively.



## IX. Report on 2016-17 Andhra Pradesh Crop

### Nursery

Nursery was taken up in about 389.85 ha during 2016-17 in Andhra Pradesh as against 338.08 ha of nursery sown last year. Seedlings were over grown in nurseries in SLS & SBS regions due to delay in transplantations and farmers have gone for clipping of seedlings. Seedlings were in



good supply during this season and nursery prices were well under control in these regions. Majority of the growers in NLS have adopted tray nurseries, which resulted in good establishment, 100% crop stand and uniformity. Slight to moderate damage was noticed to the traditional nurseries initially due to heavy rains received in the month of September and later nurseries are recovered.

The seedling prices were around Rs.600/- to Rs.800/- per bundle in SBS and Rs.500/- to Rs.1000/- per bundle in SLS depending on quality and age of seedlings. In NLS, the prices were around Rs.2,500/- to Rs.3000/- per bundle and the cost is Rs.1000/- to 1500/- higher than the last year. The cost of tray seedlings is in the range of Rs.4500/- to Rs.5000/- per bundle and the cost is Rs.1500/- to Rs.2500/- higher than the last year.

### Varieties

'Siri' is the major variety sown in Southern Light Soils and Traditional Black Soil regions accounting for about 75% of the total area. Other varieties grown are G-11 (Hema), VT-1158 and N-98. In NLS, LV-7 variety (hybrid) accounted for 84% of the total nursery area. K-326 and LV-6 are other varieties sown in NLS region.

### Main field

During 2016-17, Tobacco growing areas of Prakasam and Sri Pottisriramulu Nellore districts experienced a long dry spell during plantation period. And these regions had not received any rains in the months of October and November, and the farmers are unable to take up transplantations in time and plantings are badly delayed. Some fields under Ongole, Vellampalli and Podili areas were even left fallow. NLS and NBS Regions received sufficient rainfall during plantation period and transplantations are completed in time.

The drought impacted Southern Black Soils (SBS) and Southern Light Soil Areas (SLS) of Prakasam and SPS Nellore Districts in Andhra Pradesh received rains on 12<sup>th</sup> and 13<sup>th</sup> of December, 2016 due to "VARDAH" cyclone providing much needed relief to the tobacco farmers. Most of the Tobacco growing areas of SPS Nellore District received heavy rainfall of 8-11 cm during these two days. Kandukur



and Valevetipalem areas of Prakasam district, adjoining SPS Nellore district received very high rainfall of 15-20 cm, while adjacent Kondepi, Kanigiri and Tangutur areas have also received moderate to heavy rainfall of 6-11cm. The rains helped in well establishment of the already planted crop and also helped the farmers in taking up further plantations in



Southern Black/Light Soil areas. However, Podili area have received very light rainfall which helped the standing crop but no rainfall received in Ongole-I & II and Vellampalli-I & II jurisdiction.

A total of 61,281 ha. was planted in Andhra Pradesh under FCV tobacco as against 70,122 ha. planted during 2015-16 crop season. The decline in area is about 36%. Early planted crop during 2016-17 is small (1468 ha.) constituting 2% of total area planted. 35% of crop is planted (21,431 ha) between 15th October and 15th November (middle plantation) and 63% of crop is late planted (38,382 ha.) i.e., in the 2nd fortnight of November.

In Southern Light Soil and Southern Black Soil Areas, Siri was the major variety grown (44,748.40 ha.) accounting for 65% of total area planted in these areas. The rest of area was under G-11 (Hema), VT-1158 and N-98 varieties. In Northern Light Soils, LV-7 Hybrid was the major variety grown (12,874.10 ha.) and occupied 72% of the area. The other varieties grown were CH-3 (3,893 ha.), K-326 (874.30 ha.) and LV-6 (45.80 ha.). In Northern Black Soils, 'Siri' was the major variety grown (1109.50 ha), K-326 (102 ha.) and LV-7 (63 ha.) varieties were planted in some light soil areas.

| Plantation Category                               | 2015-16          |             | 2016-17          |             |
|---------------------------------------------------|------------------|-------------|------------------|-------------|
| <b>Early Plantation</b><br>(Up to 15th October)   | 2048 ha.         | 3%          | 1,468 ha         | 2%          |
| <b>Middle Plantation</b><br>(Up to 15th November) | 22,737 ha.       | 32%         | 21,431 ha.       | 35%         |
| <b>Late Plantation</b><br>(After 15th November)   | 45,337 ha.       | 65%         | 38,382 ha.       | 63%         |
| <b>Total:</b>                                     | <b>70,122 ha</b> | <b>100%</b> | <b>61,281 ha</b> | <b>100%</b> |

## Crop growth in Andhra Pradesh

### NORTHERN LIGHT SOILS (NLS) CROP

Total plantation in Northern Light Soils region this year was 21,104 ha., more by 19% when compared to 17,776 ha. planted in 2015-16. Majority crop was middle planted. Early planted crop was not significant. Early and middle crops showed good growth with optimum leaf spread. Late crop growth was satisfactory and average yields



were recorded. The crop was relatively free from pests and diseases. Overall NLS crop yields were good with more bright quality leaf and were rated as 'good'.

### SOUTHERN LIGHT SOILS (SLS) CROP

Total plantation in Southern Light Soils region this year was 21,500 ha. and the area had come down by 28% when compared to 30,025 ha. planted in 2015-16. Majority crop was late planted. In Podili and Kanigiri areas, the area under FCV tobacco had come down drastically and overall production was below the authorised crop size. Early drought during crop transplantation time was the major reason for this decline. In Kandukur area, overall, the crop growth was good with optimum leaf spread.



The crop growth in Southern Light Soils especially in Podili-I and II, Kanigiri and Kaligiri platform areas was stunted due to continuous dry spell during the crop growth period and it had affected the yields. There was significant reduction in yields. Incidence of orabanche was reported which affected the crop yields.

Overall the crop in this region was rated as 'Below Average' except in Kandukur. In Kandukur area of SLS Region, the crop was good with normal and above average yields.

## TRADITIONAL BLACK SOILS (TBS) CROP

Of all the SBS areas, Tangutur and Kondepi platform jurisdictions received sufficient rainfall. Ongole and Vellampalli areas received very light to moderate rainfall. Total planted area in Southern Black Soil Regions was 17,207 ha. i.e., less by 18% when compared to 21,046



ha., planted in 2015-16. Majority crop, about 92% of total crop was late planted. The crop growth was impacted by drought and majority of the farmers went for life saving irrigation incurring huge expenditure and bringing in water from long distances. Incidence of orabanche was reported which affected the crop yields. Incidence of pests and diseases was less. Below average to Average yields were recorded in late crop. 40% bright grades are reported in curings. Overall, the crop in this region is rated as 'Average Crop'.

Total plantation in Northern Black Soils (NBS) region during 2016-17 is in an area of 1,470 ha which is excess by 15% when compared to area planted during 2015-16 (1,275 ha). In NBS, there are no major growth problems and good yields are recorded.

## Pests and Diseases

No severe pest and disease incidence was noticed in the main field. Incidence of Spodoptera, Heliothis and Aphids was noticed but the incidence was below the economic threshold level. Incidence of viral disease, Leaf Curl was noticed in all the regions. Plant Parasite 'Orabanche'



infestation was noticed in Southern Light Soils and Southern Black Soil regions. The yields, grade out turn and quality of leaf were affected on account of this parasite infestation.

The farmers had taken up border/trap crops of Marygold and Castor. They installed pheromone traps and yellow-sticky traps in the field for monitoring pest populations.

### Harvestings

8–10 curing were taken-up on an average in Northern Light Soil. In Southern Black Soil & Southern Light Soil areas, because of drought and reduced production, only 5–8 curings were taken up on an average.

In view of the drought, the leaf chemistry is also imbalanced with more of nicotine and less sugars in SLS & SBS regions. More number of dark greens were present in the last three curings. NLS crop yields were good with more bright quality leaf and were rated as 'good'.



In SLS the Grade out turn in terms of Bright, Medium and Low grades is 37:39:24. The Grade out turn is in the ratio of 40:33:27 (BML) in SBS region. In NBS region the Grade out turn is in the ratio of 50:30:20 (BML). The Grade out turn is in the ratio of 47:40:13 (BML) in NLS.

### Yields

FCV tobacco production in Andhra Pradesh is estimated at 104 mkg against the authorized crop size of 130 million kg. The tobacco production in Prakasam and SPSR Nellore districts (Southern Andhra Pradesh) is about 55 million kg as against the crop size of 84 million kg. The production in NLS is estimated at 46 million kg as against 42 million kg of authorized crop. In NBS the production is estimated at around 3 million kg.

The estimated average yields are ranged from 940 to 1560 kg/ha in Southern Light Soils (SLS), and 1420 to 1840 kg/ha in Traditional Black soils. The average yields in NLS area are about 2,170 kg/ ha.





#### **X. Sale of excess/unauthorized tobacco during 2016-17**

During 2016-17 crop season in Karnataka, the excess tobacco produced by registered growers up to the extent of 10% of quota authorised was allowed by levying extra fee of ₹2/- per kg., and additional charges @ 7.5% of the sale proceeds. The tobacco produced by the registered growers above the limit of 10% of the quota authorised and the tobacco produced by unregistered growers was allowed for sale by levying extra fee @ ₹2/- per kg., and additional charges @ 15% of the sale proceeds. This had helped the Board to control readjustment of quotas and avoid sale of unauthorised tobacco as excess tobacco on the names of registered growers. In Karnataka about 11.31 million kg of excess tobacco produced by registered growers and 7.54 million kg of tobacco produced by unregistered growers during 2016-17 crop season was allowed for sale by levying additional charges as above.

#### **XI. Drought in Andhra Pradesh**

During 2016-17, Tobacco growing areas of Prakasam and Sri Pottisriramulu Nellore districts experienced a long dry spell during plantation period and not received any rains in the months of October and November. The Prakasam District had received 444.6 mm rainfall during the year 2016 as against normal rainfall of 793.8 mm and all the mandals have been categorized as 'Deficient' in terms of rainfall received, which is less by 44% from normal. The SPS Nellore District had received a rainfall of 358 mm during the year 2016 as against normal rainfall of 1007 mm and all the mandals have been categorized as 'Scanty' in terms of rainfall received, which is less by

64.4 % from normal. The impact of drought on cultivation of FCV tobacco in these two districts is as under.

- The farmers were unable to plant tobacco at right time (October 1<sup>st</sup> Fortnight) which resulted in 'prevented sowing'. An area of 2,134.80 ha., (4%) of total 47,559.99 ha. authorized in these two districts, was planted in October, 2016. By the end of November, 2017 only 13,640.80 ha. of total area authorized (29%) was planted. The deviation in the area planted in these two months is about 71%.
- The farmers planted tobacco in December after receipt of the cyclonic rains (after 13<sup>th</sup> December 2016) and the plantings are delayed by about two months. In some Mandals, farmers are forced to leave some fields fallow without any crop.
- FCV tobacco crop which was planted after December rains is experienced moisture stress. Some of the farmers preferred life saving irrigation by spending about ₹6,000/- to ₹10,000/- per acre.
- A total of 38,430.30 ha. was planted in these two districts this year against authorised area of 47,609 ha, i.e., less by 19%. The area under FCV had declined by 24% this year when compared to 50,698.80 ha. planted during 2015-16 crop season,

| Particulars          | 2016-17              |                    |           | 2015-16            | % change |
|----------------------|----------------------|--------------------|-----------|--------------------|----------|
|                      | Area registered (ha) | Area planted (ha.) | % of area | Area planted (ha.) |          |
| Prakasam District    | 39,919.27            | 32,876.90          | 82        | 42,245.80          | 22       |
| SPS Nellore District | 7,689.73             | 5,553.40           | 72        | 8,453.00           | 34       |
| Grand Total          | 47,609.00            | 38,430.30          | 81        | 50,698.80          | 24       |



Farmers replanting tobacco in a field using water tankers



Early planted crop showing the symptoms of yellowing due to moisture stress



Irrigating tobacco crop with tankers



35 days crop showing stunting symptoms due to moisture stress



Failing alternative crops - Red gram



The following activities were taken up by the Board to mitigate the difficulties of the growers in Southern Light Soil Region.

- The farmers are advised not to plant tobacco in December and go for alternative crops like Jowar, Sesamum, Sunflower, Raagi and Groundnut suitable for drought situations as a measure of loss minimization.
- Growers' awareness meeting on alternative crops to tobacco are organized at Podili and Kaligiri involving the Scientists of DAATT Centres, Ongole & Nellore; Scientists of CTRI Research Station, Kandukur and Officials of State Agricultural Department.
- A pamphlet on alternative crops to tobacco during drought situations in Prakasam and SPS Nellore Districts was printed and distributed to FCV tobacco farmers in SLS & SBS Regions.
- The growers are also informed to utilize the scheme "Crop Diversification Programme" under Rastriya Krishi Vikas Yojana (RKVY) being implemented by State Government of Andhra Pradesh for replacing tobacco farming with alternative crops/cropping systems.

Tobacco Board had requested the District Collector & Magistrate of Prakasam and SPS Nellore Districts vide letter no.1(26)/2016-17/Pdn, dated 03.02.2017 to initiate steps for declaring Drought in tobacco growing mandals of Prakasam and SPS Nellore Districts during North East Monsoon-2016 as it was declared in South West Monsoon season. Tobacco Board had also requested the Collectors of these two districts to consider sending proposals to the State Committee on Drought on this matter and for enumeration of losses, farmer wise for providing essential relief and compensation for crop loss under State Disaster Response Fund (SDRF).

Tobacco Board also written a letter No.1(26)/2016-17/Pdn, dated 09.02.2017 to Shri Venkataramaiah, OSD to Minister for Agriculture, Agri-Processing, Marketing, Warehousing, Animal Husbandry, Dairy Development & Fisheries to appraise the Hon'ble Minister for Agriculture about the plight of FCV tobacco farmers in the districts of Prakasam and SPS Nellore during Rabi-2016 and see that suitable instructions are issued to concerned to declare the drought in these areas as per norms and provide financial assistance to the FCV tobacco farmers at the earliest possible under State Disaster Response Fund (SDRF).

## **XII. Revenue Insurance Scheme for FCV tobacco:**

Ministry of Commerce and Industry, Government of India, New Delhi had given administrative approval for implementation of Revenue Insurance Scheme for Plantation Crops (RISPC) on pilot basis for FCV tobacco in the West Godavari District for two years commencing from the year 2016-17 vide letter No.3/1/2014-Plant-C, dated 16.09.2016. The Pilot Scheme is to be implemented jointly by the Tobacco Board and State Government of Andhra Pradesh.

The scheme aims at protecting plantation growers from the twin risks of weather and prices arising from yield loss due to adverse weather parameters, pests' attacks, failure of crops etc., and from income loss caused by fall in international/domestic prices through crop insurance mechanism, thereby stabilizing income of growers to ensure their sustainability.

As the approval for the scheme was received in the month of September, 2016 and as the crop season had commenced in the month of October, 2016 and there is no time for issuance of bid notice and selection of the insurance companies (which will take about one/ two months time) Tobacco Board has not implemented the scheme for 2016-17 crop season. The same was informed to the Ministry vide letter dated 30/09/2016 while submitting that the scheme will be implemented during 2017-18 Andhra Pradesh crop season.

Tobacco Board is initiated steps to implement the scheme in 2017-18. The Board had conducted a stakeholders meeting (Growers, Insurance Companies, Banks and State Government Officials) at Tobacco Board, Koyyalagudem Auction Platform on 22.12.2016 to discuss the terms and conditions for implementation of Revenue Insurance Scheme for FCV tobacco. The Board is planning to issue bid notice shortly and select insurance companies to carry out implementation of Revenue Insurance Scheme for tobacco in West Godavari District in Andhra Pradesh for 2017-18 crop season after obtaining confirmation from the State Government of Andhra Pradesh.

### XIII. Promotion of alternative crops to tobacco

Government of India vide its communication Ref.No.5/7//2016-EP(Agri VI) dated 03.05.2016 has approved the following Key Result Area (KRA) in respect of Tobacco Board for the year 2016-17.

**“To frame a concrete action plan for promoting cultivation of other economically viable crops in place of FCV tobacco among FCV tobacco growers”.**

#### **The action taken by the Board in this regard is as follows:**

- 1) Tobacco Board awarded a study project entitled “An economic analysis of FCV tobacco production, curing, auction and marketing in different soil regions of Andhra Pradesh” to Regional Agriculture Research Station, ANGRAU, LAM, Guntur with one of the objective as “Estimation of economic feasibility of alternative crops to FCV tobacco crop in different soil regions of Andhra Pradesh” in order to prepare an action plan and promote alternative crops in FCV tobacco growing regions.
- 2) During 2016-17, Tobacco Board had conducted growers’ awareness meetings **for promoting cultivation of other economically viable alternative crops in place of FCV tobacco** in collaboration with CTRI, Agricultural Department of Andhra Pradesh **in key tobacco areas** viz., Ongole, Kandukur, Podili, Kondepi, Vinjamuru, Gopalapuram, Devarapalli, Koyyalagudem and Jangareddigudem. Andhra Pradesh State Agricultural Department Officials, Scientists of Andhra Pradesh State Agricultural University were also involved in these meetings.
- 3) Tobacco Board had also printed and distributed pamphlets on alternative crops to FCV tobacco in Southern Light Soil/Southern Black Soil Regions for creating awareness among the growers.
- 4) Tobacco Board is working continuously in collaboration with the Central Tobacco Research Institute (CTRI) to provide economically sustainable alternatives to tobacco growing farmers besides educational and awareness programmes on cultivation of alternative crops to FCV tobacco.
- 5) Ministry of Agriculture and Farmers’ Welfare is implementing a scheme to encourage tobacco farmers to shift to alternate crops/cropping systems in 10 major tobacco growing states viz., Andhra Pradesh, Bihar, Gujarat, Karnataka, Maharashtra, Odisha, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal in the country as a part of ongoing **sub scheme of crop diversification programmes (CDP) under R.K.V.Y w.e.f., 2015-16**. The Ministry of Agriculture had also made a tentative allocation of **₹25.00 crore in 2015-16 and ₹30.00 crore in 2016-17 as its share for this programme**. Tobacco Board is working in co-ordination with State Agricultural Department of Andhra Pradesh and Karnataka to implement the scheme and is creating awareness about this scheme in tobacco growers.
- 6) During 2016-17, about 8,750 hectares of area in Andhra Pradesh was diverted to alternative crops from tobacco, which constituted about 12% of total area planted under tobacco in

2015-16. The diversion occurred especially in Prakasam and SPSR Nellore Districts to Bengal gram and Chillies.

#### **XIV. Committee constituted to workout Minimum Guarantee Price for 2016-17 AP crop season:**

The Tobacco Board in its 142<sup>nd</sup> Board meeting held on 17.08.2016 at Hyderabad resolved to form a Committee with the President of Indian Tobacco Association, Board Members and Board Officials to workout Minimum Guarantee Price for 2016-17 Andhra Pradesh crop. As per the decision of the Board in the 142<sup>nd</sup> Board meeting, Tobacco Board vide OM No.3(6)A/2016-17/Pdn/ dated 07.12.2016 has constituted a Committee to workout MGP soil region wise/grade wise for 2016-17 Andhra Pradesh crop season basing on cost of cultivation, yields, market prices for last 3/5 years and aspirations of the growers which is agreeable to all stakeholder.

The Committee held five meetings on 26.12.2016, 23.01.2017, 04.02.2017, 08.03.2017 and 23.03.2017 at Guntur and indicated soil region wise Minimum Guarantee Indicative Price (MGIP) in the final meeting as follows subject to following conditions:

| Traditional Price Range (Rs./kg) |      |     | NLS Price Range (Rs./kg) |     |
|----------------------------------|------|-----|--------------------------|-----|
| Grade                            | From | To  | From                     | To  |
| Bright                           | 110  | 120 | 130                      | 140 |
| Medium                           | 95   | 105 | 110                      | 120 |
| Low*                             | 50   | 60  | 50                       | 60  |

\* Excludes 'NOG' grade

These prices are subject to the following conditions:

- MGIP are not applicable in case of "Force majeure" events and major changes in present tax policy adverse to the trade or in case of major Currency fluctuations in competing countries
- MGIP is not applicable to poor quality tobacco- Saline, CPA residue and NTRM contaminated tobacco
- MGIP will be applicable for authorized crop only.
- MGIP will be reviewed once in 3 years.
- The MGIP monitoring will be at crop level, but not at individual participants' level based on consolidated overall crop averages.

## TOBACCO BOARD :: GUNTUR

(Government of India, Ministry of Commerce & Industry, Department of Commerce)

Auction Platform wise registration particulars for 2016-17 (as on 31.03.2017) crop season in Andhra Pradesh

| Particulars    | Crop size fixed (mkg) |      |       | No. of growers |      |       | No. of barns |         |         | Area registered (ha) |         |         | Area planted (ha.) |         |         |
|----------------|-----------------------|------|-------|----------------|------|-------|--------------|---------|---------|----------------------|---------|---------|--------------------|---------|---------|
|                | L.S.                  | B.S. | Total | L.S.           | B.S. | Total | L.S.         | B.S.    | Total   | L.S.                 | B.S.    | Total   | L.S.               | B.S.    | Total   |
| Devarapally    | 6.84                  | 0.00 | 6.84  | 1962           | 0    | 1962  | 2267.00      | 0.00    | 2267.00 | 3173.80              | 0.00    | 3173.80 | 3397.90            | 0.00    | 3397.90 |
| J.R.Gudem-I    | 9.47                  | 0.00 | 9.47  | 2681           | 0    | 2681  | 3160.50      | 0.00    | 3160.50 | 4424.70              | 0.00    | 4424.70 | 4933.50            | 0.00    | 4933.50 |
| J.R.Gudem-II   | 9.60                  | 0.00 | 9.60  | 3130           | 0    | 3130  | 3179.34      | 0.00    | 3179.34 | 4451.08              | 0.00    | 4451.08 | 4876.60            | 0.00    | 4876.60 |
| Koyyalagudem   | 8.90                  | 0.00 | 8.90  | 2573           | 0    | 2573  | 2929.60      | 0.00    | 2929.60 | 4101.44              | 0.00    | 4101.44 | 4480.70            | 0.00    | 4480.70 |
| Gopalapuram    | 7.19                  | 0.00 | 7.19  | 1951           | 0    | 1951  | 2373.50      | 0.00    | 2373.50 | 3322.90              | 0.00    | 3322.90 | 3414.60            | 0.00    | 3414.60 |
| Vellampally-I  | 2.98                  | 1.84 | 4.82  | 1151           | 630  | 1781  | 858.34       | 543.66  | 1402.00 | 2060.02              | 869.86  | 2929.88 | 1252.60            | 852.40  | 2105.00 |
| Vellampally-II | 0.24                  | 3.41 | 3.65  | 68             | 1039 | 1107  | 67.50        | 987.00  | 1054.50 | 162.00               | 1579.20 | 1741.20 | 84.00              | 1317.00 | 1401.00 |
| Ongole-I       | 1.29                  | 5.72 | 7.01  | 525            | 1709 | 2234  | 378.38       | 1666.75 | 2045.13 | 715.31               | 2666.80 | 3382.11 | 673.86             | 2616.40 | 3290.26 |
| Ongole-II      | 0.00                  | 8.22 | 8.22  | 0              | 2383 | 2383  | 0.00         | 2427.00 | 2427.00 | 0.00                 | 3883.19 | 3883.19 | 0.00               | 2831.00 | 2831.00 |
| Tangutur-I     | 0.00                  | 6.01 | 6.01  | 0              | 2002 | 2002  | 0.00         | 1781.63 | 1781.63 | 0.00                 | 2850.61 | 2850.61 | 0.00               | 2890.00 | 2890.00 |
| Tangutur-II    | 0.00                  | 5.21 | 5.21  | 0              | 1650 | 1650  | 0.00         | 1556.63 | 1556.63 | 0.00                 | 2490.61 | 2490.61 | 0.00               | 2509.60 | 2509.60 |
| Kondepi        | 3.89                  | 3.78 | 7.67  | 1954           | 1594 | 3548  | 1118.84      | 1121.12 | 2239.96 | 2645.60              | 1793.81 | 4439.41 | 2270.34            | 1789.00 | 4059.34 |
| Podili-I       | 6.47                  | 0.00 | 6.47  | 3401           | 0    | 3401  | 1820.26      | 0.00    | 1820.26 | 4368.60              | 0.00    | 4368.60 | 1068.40            | 0.00    | 1068.40 |
| Podili-II      | 3.66                  | 0.80 | 4.46  | 1874           | 289  | 2163  | 1041.72      | 222.10  | 1263.82 | 2478.83              | 355.35  | 2834.18 | 1233.60            | 224.60  | 1458.20 |



| Particulars | Crop size fixed (mkg) |       |        | No. of growers |       |       | No. of barns |          |          | Area registered (ha) |          |          | Area planted (ha.) |          |          |
|-------------|-----------------------|-------|--------|----------------|-------|-------|--------------|----------|----------|----------------------|----------|----------|--------------------|----------|----------|
|             | L.S.                  | B.S.  | Total  | L.S.           | B.S.  | Total | L.S.         | B.S.     | Total    | L.S.                 | B.S.     | Total    | L.S.               | B.S.     | Total    |
| Kandukur-I  | 5.75                  | 1.99  | 7.74   | 2440           | 738   | 3178  | 1686.30      | 589.66   | 2275.96  | 3383.94              | 943.46   | 4327.40  | 4267.50            | 1185.00  | 5452.50  |
| Kandukur-II | 5.18                  | 1.82  | 7.00   | 2167           | 811   | 2978  | 1481.05      | 539.17   | 2020.22  | 3355.94              | 862.68   | 4218.62  | 3214.00            | 896.40   | 4110.40  |
| Kanigiri    | 4.50                  | 0.00  | 4.50   | 1607           | 0     | 1607  | 1262.19      | 0.00     | 1262.19  | 3029.26              | 0.00     | 3029.26  | 1978.60            | 0.00     | 1978.60  |
| Kaligiri    | 4.83                  | 0.20  | 5.03   | 1690           | 55    | 1745  | 1390.90      | 59.75    | 1450.65  | 3338.14              | 95.60    | 3433.74  | 2083.40            | 96.00    | 2179.40  |
| D.C.Palli   | 6.21                  | 0.00  | 6.21   | 2289           | 0     | 2289  | 1773.33      | 0.00     | 1773.33  | 4255.99              | 0.00     | 4255.99  | 3374.00            | 0.00     | 3374.00  |
| Thorredu    | 0.00                  | 4.00  | 4.00   | 0              | 1397  | 1397  | 0.00         | 1497.34  | 1497.34  | 0.00                 | 1796.83  | 1796.83  | 0.00               | 1469.60  | 1469.60  |
| Grand Total | 87.00                 | 43.00 | 130.00 | 31463          | 14297 | 45760 | 26788.75     | 12991.81 | 39780.56 | 49267.55             | 20188.00 | 69455.55 | 42603.60           | 18677.00 | 61280.60 |

### ABSTRACT

| Region | Growers | Barns | Area Regd (ha) | Quantity authorised (mkg) | Area planted (ha.) |
|--------|---------|-------|----------------|---------------------------|--------------------|
| NLS    | 42.00   | 12297 | 13909.94       | 19473.92                  | 21103.30           |
| SLS    | 45.00   | 19166 | 12878.81       | 29793.63                  | 21500.30           |
| SBS    | 39.00   | 12900 | 11494.47       | 18391.17                  | 17207.40           |
| NBS    | 4.00    | 1397  | 1497.34        | 1796.83                   | 1469.60            |
|        | 130.00  | 45760 | 39780.56       | 69455.55                  | 61280.60           |

### TOBACCO BOARD :: GUNTUR

(Government of India, Ministry of Commerce & Industry, Department of Commerce)  
Statement showing the platform wise registration and plantation particulars for  
2016-17 crop season in Karnataka

| S no                       | Auction Platform | Growers      | No. of Barns | Area Registered (ha) | Crop Authorised (million kg) | Area planted (ha) |
|----------------------------|------------------|--------------|--------------|----------------------|------------------------------|-------------------|
| <b>Mysore Region:</b>      |                  |              |              |                      |                              |                   |
| 1                          | H.D.Kote-1       | 1763         | 2377         | 2852.40              | 3.922                        | 3848.56           |
| 2                          | H.D.Kote-65      | 1895         | 2547         | 3056.40              | 4.203                        | 3405.00           |
| 3                          | Hunsur-2         | 3036         | 3976         | 4771.20              | 6.560                        | 6027.00           |
| 4                          | Hunsur-3         | 3130         | 3923         | 4707.60              | 6.473                        | 5368.00           |
| 5                          | Hunsur-64        | 2613         | 3424         | 4108.80              | 5.650                        | 5195.00           |
| 6                          | Kampalapura-61   | 3233         | 4202         | 5042.40              | 6.933                        | 5800.00           |
| 7                          | Chilikunda-62    | 4417         | 5914         | 7096.80              | 9.758                        | 8135.00           |
| <b>Total:</b>              |                  | <b>20087</b> | <b>26363</b> | <b>31635.60</b>      | <b>43.499</b>                | <b>37778.56</b>   |
| <b>Periyapatna Region:</b> |                  |              |              |                      |                              |                   |
| 8                          | Periyapatna-4    | 4593         | 6688         | 8025.60              | 11.035                       | 8280.00           |
| 9                          | Periyapatna-5    | 4640         | 6214         | 7456.80              | 10.253                       | 8199.00           |
| 10                         | Periyapatna-6    | 4354         | 5829         | 6994.80              | 9.618                        | 7597.00           |
| 11                         | Ramanathpura-7   | 4727         | 5946         | 7135.20              | 9.811                        | 7662.00           |
| 12                         | Ramanathpura-63  | 3721         | 4859         | 5830.80              | 8.017                        | 6572.00           |
| <b>Total:</b>              |                  | <b>22035</b> | <b>29536</b> | <b>35443.20</b>      | <b>48.734</b>                | <b>38310.00</b>   |
| <b>Grand Total:</b>        |                  | <b>42122</b> | <b>55899</b> | <b>67078.80</b>      | <b>92.233</b>                | <b>76088.56</b>   |

## EXTENSION & ADVISORY SERVICES

The Tobacco Board provides a comprehensive package of support and extension services to farmers through:

- Supply of inputs at competitive prices.
- Provide technical advice during crop growth season.
- Organize crop and input loans to growers at competitive rate of interest.

### THE SCHEMES AND THEIR COVERAGE

#### I. Improving Yield and Quality of Tobacco:

##### 1.1 Seed:

The Board organized timely supply of 2746.50 kgs of certified seed to farmers through its Auction Platforms in Andhra Pradesh & Karnataka. Variety wise seed supplied is given below:

(Quantity in Kgs)

| STATE        | NAME OF THE VARIETY |               |              |              |              |               |             |               | Total          |
|--------------|---------------------|---------------|--------------|--------------|--------------|---------------|-------------|---------------|----------------|
|              | Kanchan/<br>K326    | CH3<br>(LV7)  | CH3<br>(LV7) | G11          | VT<br>1158   | SIRI          | N98         | FCH<br>222    |                |
| AP           | 49.00               | 575.00        | 15.00        | 14.50        | 31.00        | 255.00        | 8.50        | 0.00          | 948.00         |
| KK           | 1320.00             | 300.00        | 0.00         | 0.00         | 0.00         | 0.00          | 0.00        | 102.00        | 1722.00        |
| <b>Total</b> | <b>1369.00</b>      | <b>875.00</b> | <b>15.00</b> | <b>14.50</b> | <b>31.00</b> | <b>255.00</b> | <b>8.50</b> | <b>102.00</b> | <b>2670.00</b> |

##### 1.2. Tray Nurseries:

Tobacco Board had supplied **₹7.78 lakh trays in Karnataka** on subsidy basis during 2016-17 season for **production of healthy, sturdy, and disease free transplants** for gap fills as well as main field crop. Overall **3987 farmers** were covered who had successfully raised tray nurseries and convinced of the advantages of the tray seedlings.

With the result of sincere efforts made by Board technical staff in Co ordination with CTRI & ITC ILTD(ABD), the farmers produced healthy tray seedlings and proved the tray nursery seedlings established very well (95 %) with uniform growth compared to conventional seedlings exhibiting 70 to 80 % establishment. The main benefits realized by the tray nursery concept are :

- a. Reduction of Labour cost
- b. Saving of Water & Chemicals usage
- c. With standing to water & climatic chemical usage.



Raising of seedlings through Green tech



Seedling raised in Green house

### 1.3 Green house with UV sheet:

Small / marginal farmers adopted green house facility wherein small kacha temporary green house is made to raise the nursery under protected environmental conditions. One of the important material used for roof coverage is Ultra violet sheets which help in controlling / reducing the temperatures and congenial atmosphere. The cost of Ultra violet sheet was subsidized and an amount of ₹1500/- per green house was released. Total 141 no. of growers were extended with subsidy towards ultra violet sheet towards coverage of 141 no. of green houses. Total cost incurred is ₹2.11 Lakhs



### 1.4 Permanent Poly Green House:

Permanent greenhouse have advantage of longer durability, sturdiness to withstand the winds and uncongenial weather conditions. The advantages like greater control over environmental conditions inside the structure resulted in increased uniformity in the seedlings growth. 21 no. of growers were extended with subsidy of ₹5000/- per shed / grower. Total 21 no. of sheds were undertaken. An amount of ₹1.05 Lakhs was extending towards subsidy.

## II. Integrated Nutrient Management (INM):

### 2.1 Green Manuring:

With the concept to produce good quality tobacco and benefit the farming community the Board had encouraged growers to take up green manuring with crops like Sun hemp, Diancha etc.

An area of **17122 hectares** was grown with green manure crops in AP & KK and incorporated into the soil to **improve the soil fertility** status and to reduce the farmer's dependence on chemical fertilizers.



Soil fertility through Green manuring



Incorporation of green manure

### 2.2 Fertilizers:

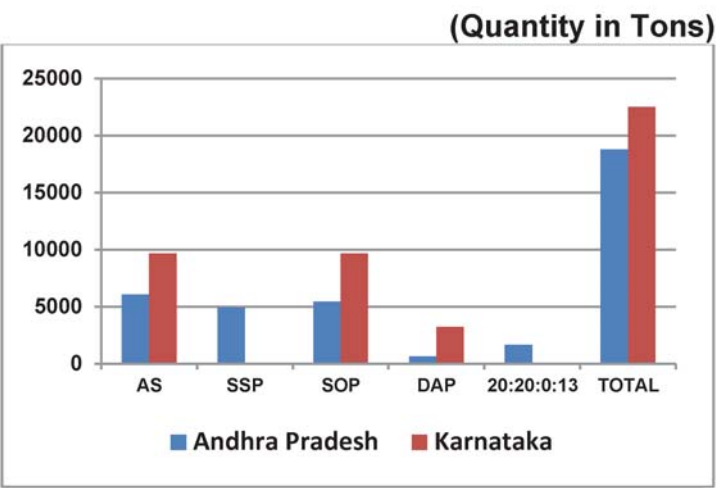
The Board had procured various fertilizers at competitive prices directly from manufacturing companies during 2016-17 and supplied to growers in Andhra Pradesh and Karnataka. The details of various fertilizers supplied is given below in a graphical presentation:



Supply of fertilizers along with saplings to the growers



Fertilizer distribution to growers



| Name of the<br>fertilizer | Quantity Supplied(M.T) |           |
|---------------------------|------------------------|-----------|
|                           | Andhra Pradesh         | Karnataka |
| AS                        | 6079.80                | 9652.20   |
| SSP                       | 4940.65                | 0.00      |
| SOP                       | 5446.73                | 9651.90   |
| DAP                       | 658.65                 | 3217.35   |
| 20:20:0:13                | 1662.35                | 0.00      |
| Total                     | 18788.18               | 22521.45  |

III. Farm Mechanization

The tobacco farmers were supplied with the following farm implements to help the farmers to come out from **labour shortages** in certain areas of operation.

| Sl. No | Name of the item | Quantity supplied on subsidy basis (Nos.) |
|--------|------------------|-------------------------------------------|
| 1      | PVC Pipes (AP)   | 3820                                      |
| 2      | Curometers (KK)  | 2522                                      |



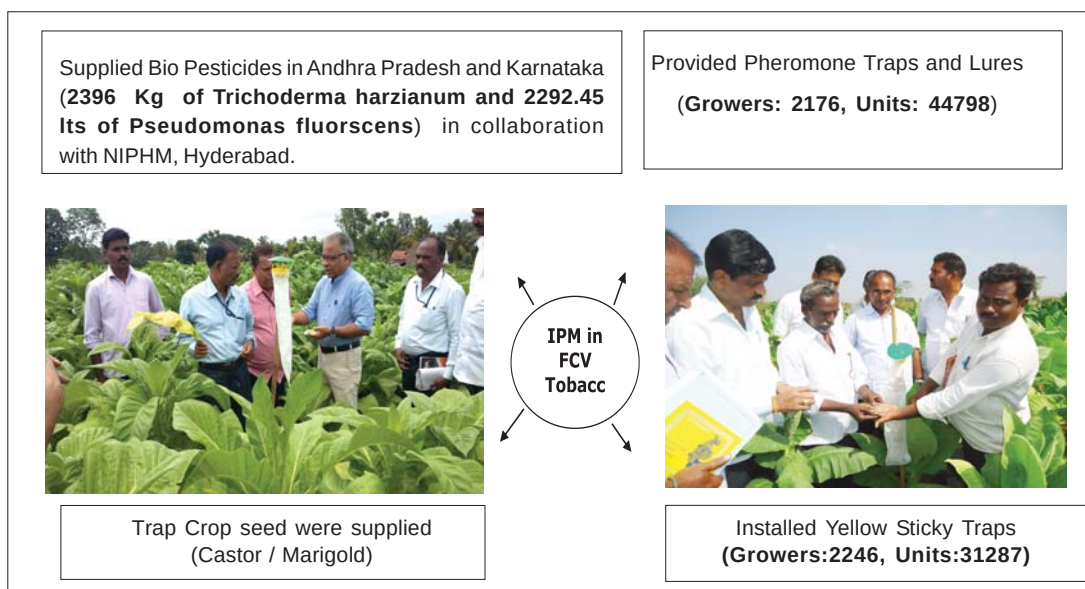
Life saving irrigation through pipes



Use of curometer to regulate temperature

#### IV. Integrated Pest Management (IPM):

**4.1** Under the scheme, a combination of all pest control methods i.e., biological, cultural, mechanical and botanical in addition to chemical methods were implemented for pest control.



#### 4.2 Concept of Bio Pesticides:



A demo to growers on use of bio pesticides



Training to growers on preparation of Bio pesticides at NIPHM- HYD

Board is supplying bio pesticides to growers as a part of Integrated Pest Management for **control of soil borne diseases** in collaboration with NIPHM, Hyderabad by extending subsidy.

Use of bio pesticides moved to be a forward step in control of application of CPA's and reduction in pesticide residual levels and thereby improving brand image of Indian Tobacco in the International Market.

There is a clear indication in the reduction of soil borne diseases in the fields where bio pesticide application was taken up.

## V. Topping and Desuckering:



A demo on Topping and desuckering



Timely topping to attain yield and quality

In order to ensure farmers take up timely topping and desuckering for achieving **better yields and good quality tobacco**. Board facilitated supply of Suckericides at competitive rates to tobacco farmers in Andhra Pradesh and Karnataka. A total quantity of **144690 lts** was supplied to growers in Andhra Pradesh and Karnataka. An area of **23150 hectares** had been covered under topping and desuckering.

## VI. Energy Conservation Measures:

Firewood is the major input and the Board is making efforts to reduce consumption of fuel wood through implementing the following schemes.

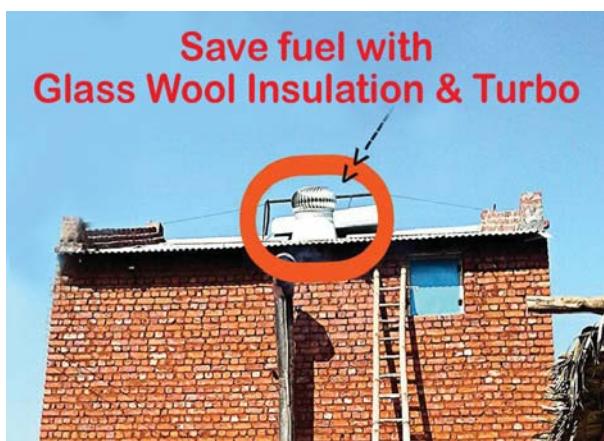
### 6.1 Venturi Furnace - An improvised design of furnace :



Ventury furnace to reduce the fuel usage

Venturi furnace is an improved furnace system, which facilitates better combustion of fuel and heat transfer ensuring adequate supply of oxygen avoiding soot deposition in the fluepipes and giving a 15% saving in fuel consumption. The Board had implemented this scheme in **71 barns** covering **71 beneficiaries**.

## 6.2. Implementation of Glass Wool Roof Insulation of barns along with Turbo Ventilator



Glass wool roof insulation with turbo ventilators

During 2016-17 crop season Board has implemented the scheme Glass Wool Roof Insulation of barns along with Turbo Ventilator in collaboration with trade by extending 25% of cost of insulation towards Board contribution in view of following benefits:

- Fuel wood saving up to 25 to 27%
- Improvement of curing quality
- Lesser scrap generation
- Better circulation of air in turbo hence there won't be any sponging effect on leaf
- Reduction of leaf caramalization
- Reduction in final cost of cultivation

50% of cost of insulation was borne by trade and balance 25% cost was met by grower beneficiary.

In 1998 barns, Glass Wool Roof Insulation along with Turbo Ventilator was implemented and Board spent an amount of ₹111.19 Lakhs towards 25% of cost of insulation.

Region wise no. of barns insulated with Glass Wool Roof Insulation along with Turbo Ventilator are as follows:

| Name of the Region | No. of growers covered | No. of barns insulated |
|--------------------|------------------------|------------------------|
| SLS                | 139                    | 113                    |
| SBS                | 444                    | 390                    |
| NLS (16 x 20 size) | 663                    | 631                    |
| NLS (16 x 16 size) | 847                    | 864                    |
| <b>Total</b>       | <b>2093</b>            | <b>1998</b>            |

The unit cost of 16x16 size barn is 21,250 / barn and 16x20 size is 23034 / barn.

### 6.3. Raising own fuel:

Board arranged saplings of select trees / fast growing tress to growers in Andhra Pradesh and Karnataka for planting the same in the vacant space nearby their barns / bulking sheds / houses and other waste lands at free of cost and thus avoid the tobacco farmers indulge in cutting the trees in nearby forests and reduce deforestation at farmers level. In Karnataka, Board arranged **87000** no. of saplings to registered growers on free of cost by procuring from Deputy Conservator of Forest, Hunsur (Mysore region) and Deputy Conservator of Forest, KR Nagar (Periyapatna region) @6.30/ sapling.



Distribution of saplings to growers in Andhra Pradesh and Karnataka

In Andhra Pradesh, Board arranged **1,29,320** number of saplings to growers on free of cost in Coordination with local Forest Department.

### VII. Elimination of NTRM:

The Board with a view to help farmers deliver **clean product and enhance integrity through elimination of NTRM** had supplied **7255 Silpaulin tarpaulins** at subsidized cost covering **7255 growers**



Display of various NTRMs



Distribution of Tarpaulins

### VIII. Bulking sheds:



Bulking shed for Better Storing and Quality Retention

The cured tobacco is hygroscopic in nature and tends to deteriorate unless proper care is taken in **bulking & storing the product**. Therefore, the Board is encouraging growers construct bulking sheds by extending financial assistance of ₹10,000/- to ₹16,000/- per unit subject to plinth area starting from 350sq.ft to a maximum of 600 sq.ft and arranging medium term loans at a competitive rate of interest. 8 units in Andhra Pradesh were constructed by 8 growers

### IX. Control and monitoring of agro-chemical residues:



Awareness on use of recommended pesticides



Analysis of leaf samples for pesticide residues

In an effort to reduce and further eliminate agro-chemical residues in leaf tobacco, the Board carried out analysis of **224 leaf samples** for determining the levels of **agro-chemical residues and chemical constituents in leaf tobacco** with support/assistance of CTRI & NIPHM and addressed the concerned to take corrective action accordingly.

### X. Input Loans:

The Board held negotiations with the banks and organized input loans to the growers at an interest rate of **7% in Andhra Pradesh and 4% in Karnataka**

The details of input loans arranged during 2016-17 season are as follows.

| Sl. No. | State             | Loan Amount (₹ in crore) |
|---------|-------------------|--------------------------|
|         | <b>Input Loan</b> |                          |
| 1.      | Andhra Pradesh    | 43.35                    |
| 2.      | Karnataka         | 72.99                    |
|         | <b>Total</b>      | <b>116.34</b>            |

## XI. Other Extension Programmes - Transfer of Technology

### 11.1 Training to field staff and farmers - Awareness Programmes:

The Board had organized a total no. of **343** programmes to the farmers at following stages of crop growth to create awareness on good agricultural practices across all the soil regions (Andhra Pradesh and Karnataka) Around **17,565 no. of growers** participated in the training programmes

- Seed bed preparation, Nursery Management, Pest and Disease control in seed beds
- Transplantation and gap fillings, Fertilizer application, Intercultural operations, IPM and Irrigation
- Exclusively on management of CPA residues
- Exclusively awareness programme on “Orobanche” control
- Topping and desuckering
- Harvesting, curing Grading & PHPM



Demo to growers on IPM practices



Training to Field staff

### 11.2 Growers/Officers training at NIPHM, Hyderabad

Following training was conducted to growers/officers of Andhra Pradesh at NIPHM, Hyderabad on “On Farm Production Of Bio Control Agents And Microbial Bio Pesticides To Promote Agro Eco system Analysis(AESA) Based Plant Health Management In Conjunction With Ecological Engineering For Pest Management”



Training to Andhra Pradesh farmers at NIPHM



Workshop on Bio pesticides preparation

| Details of Training Programme         | No. of persons | No. of days | Period                   | Results                                                                |
|---------------------------------------|----------------|-------------|--------------------------|------------------------------------------------------------------------|
| Training to growers of Andhra Pradesh | 30             | 3 days      | 13.04.2016 to 15.04.2016 | Acquainted knowledge on production of Mother Culture of Bio pesticides |

### 11.3 Study Tours:

The Board conducted **20 Study tours** for farmers to Threshing plants and visit to CTRI research stations. Farmers from different auction platforms took part in the study tours to the Threshing plants, to get acquainted with elimination of NTRM's in tobacco to maintain product integrity and visited CTRI research stations (Guntur) to study the new pipe line varieties and alternative crops





#### 11.4 Workshops:



**ANDHRA PRADESH** – Workshop on “Good Agricultural Practices in tobacco cultivation and Alternative crops to tobacco” for SBS/SLS regions was organized jointly by Regional Managers SLS/SBS regions on 19<sup>th</sup> January -2017 at Kandukur-I Auction platform. In the work shop scientist from CTRI Research Station Kandukur, Coordinator from DAATT Center, Ongole, Executives from the trade, Board Members and Officers from Board attended for the workshop.



In the workshop trends in production and marketing in black soils and light soils of southern region due to changed climatic conditions were explained to growers. Farmers were suggested to undertake proper leveling / cleaning of fields to avoid pest and disease problem.

CTRI scientist has given presentation on “Good Agricultural Practices in tobacco cultivation”.

- The growers were advised to apply the recommended fertilizers in recommended dosage and in recommended method i.e. PRPF method.
- Apply only White Potash (SOP) and not to use Red Potash (MOP)
- Use organic manures and raise green manure crop for improvement of soil physical / chemical properties, enhance nutrient uptake and improve soil microbial flora.
- Growers were advised to have a gap of 30 days after incorporation of green manure crop to take up tobacco plantation for proper decomposition and release of nutrients.
- Growers were advised to irrigate with water free chlorides and suggested to go for alternate furrow irrigation in water scarcity area.
- A presentation was given on “Orobanche Management”
- Coordinator of DATT Centre explained about selection of suitable short duration alternative crops with less water consumption viz. Kora, Gingelly, Sunflower, Ragi
- Farmers were advised to top only up to 15<sup>th</sup> November sown crop.

## KARNATAKA

**Workshop conducted on Production regulation and Good Agricultural Practices for FCV tobacco in Karnataka light soils on 13/06/2016 at Chilkunda Platform.**



One day work shop was conducted on production regulation and Good Agricultural Practices for FCV tobacco in KLS on 13<sup>th</sup> June-2016 at Chilkunda platform. Hon'ble Member of Parliament, Mysuru, Director (Auctions), Bengaluru and Regional Manager Mysuru / Periyapatna, Board Members, All Auction Superintendents of Karnataka and Scientist from ITC participated in the workshop. 150 growers covering all Auction platforms in Karnataka attended for the workshop.

Sri Pratap Simha, Hon'ble MP, Mysuru informed growers that due to better efforts, fertilizers were supplied to growers in time and advised growers to market NTRM free tobacco. Scientists from CTRI, Hunsur explained growers to follow following Good Agricultural Practices in order to produce better quality tobacco.

Regional Manager, Mysore has addressed the growers on importance of "Production regulation and Good Agricultural Practices" and requested growers produce better quality tobacco to fetch good average prices.

- Proper application of fertilizer
- Application of fertilizer on need basis as recommended by CTRI
- Advised growers to take up with resistant variety (FCH222) in with disease prevalent soils
- Advised farmers to take up sowing of green manure crops and application of FYM to enrich the soil condition.

Director (Auctions) addressed the growers on Anti-Tobacco policies taken up by Govt. of India, reduction in crop size, current price problems and raise own fuel to preserve nature.

#### 11.5 Publicity and Extension Literature:



Release of pamphlets to growers on GAP

The Board had brought out **leaflets** and some **booklets** on Green Manuring, Measures to be taken up for control of Orobanche, Good Agricultural Practices, IPM, Tray Nurseries, Elimination of NTRMs and Best curing practices. Awareness programmes were organized on NTRM's & CPA's to grower community at all platforms.

### 11.6 Field Friends:



Visit of Field Friends Team to nurseries and to give spot advices

Observation of the crop by Field Friends Team and advising the growers on Good Agricultural Practices



The Tobacco Board has implemented “**Field Friends**” by constituting teams consisting of scientists from CTRI, Field executives of M/s. ITC Ltd & M/s. GPI Ltd and Board's technical officers. These Field teams visited the tobacco growers villages in the APF's assigned to them and advised growers on improved package of practices on crop production & protection, harvesting, curing, reduction of usage of pesticides, topping & desuckering, elimination of NTRMs, Post-Harvest Product Management, etc.

### XII. On Farm Tests & Experimental Trials:

Board conducted **32 On-farm trials** to study various aspects of crop developmental activities in Andhra Pradesh and Karnataka. In SLS/SBS region of Andhra Pradesh On Farm Trials were conducted in the interested farm fields to know the performance of pipe line variety (TBST 2) with the established vaireities such as Siri and VT 1158 and in NLS region with hybrid varieties LV7/CH3 with the established varieties K 326(NLS) and in KLS with Integrated Nutrient Management Practices and green manure practices Vs farmers practices, and FCH222 with Kanchan Variety

in terms of yield and quality. “Field day” programme were also conducted at these plots by mobilizing farmers so as to help them to know about the performance of the crop in these plots, the results of these trials and the latest technological developments from the scientists.



Evaluation of the Good Agricultural Practices adopted in OFT Plot



Visit of Scientists/Trade to observe the Trial Plot

### XIII. Model Project Area:

To enhance the productivity, quality integrity and sustainability of Tobacco, Board has implemented Model Project in an area of **1180.06 ha in Karnataka** and **527.40 ha in Andhra Pradesh** and covered **995 growers in Karnataka** and **375 growers in Andhra Pradesh**. There are 5 Model Project Areas in Andhra Pradesh in NLS area and 12 MPA villages in Karnataka where best practices are implemented to enhance the productivity, Quality/Integrity and Sustainability of Tobacco in selected low yield areas.

M/s. ITC Ltd., - ABD – LTD, M/s. Godfrey Philips India Limited, M/s Alliance One Industries India Pvt. Ltd, M/s. Deccan Tobacco Enterprises are involved in developmental activities in MPA area fields by adopting MPA Village.



Evaluation of the Good Agricultural Practices



Visit of Scientists/Trade to observe the

#### XIV. Action Plan On Control Of Orobanche:

In light of the past two years experience of crop loss in Andhra Pradesh due to Orobanche infestation, Board in coordination with Central Tobacco Research Institute, Rajahmundry had been advised the FCV tobacco growers at all crop stages (before and after plantation) through Auction platform wise awareness camps, Field Friend Advisory Teams with Scientists / Board technical officers during the 2016-17 crop season.

The main concern is that, no single method of control proved to be effective, economical and complete in protection against this parasite. There is only an **integrated approach** in which a variety of such techniques are combined in order to maintain this parasite population below the thresh hold levels of damage.



Scientist addressing the growers on control of Orobanche

- ❖ **Grower meetings were conducted** in all Auction Platforms during the month of May and June'2015 and **growers were enlightened on deep summer ploughing, cleaning of stubbles and burning of same.**
- ❖ **Emphasized on** raising catch crops such as Gingelly and Jowar which can control the Orobanche to maximum extent. In addition raising crops like Cowpea, Black gram and Green gram have also proved to be effective.
- ❖ **In case of Orobanche infestation on standing crop** - advised to remove Orobanche before flowering and burning the same to avoid the spread of Root Parasite. To ensure that cattle and sheep don't graze the Orobanche shoots as they are the means in spreading the seeds to healthy fields through excreta.
- ❖ **Flexi banners for growers awareness were exhibited** before plantation (May) and after plantation (October) depicting the need for crop rotation, summer ploughing and raising of catch crops. Pamphlets on Orobanche control were distributed to growers.

#### **XV. Expenditure in 2016-17:**

An amount of **₹ 326.23 Lakhs** was incurred for all Extension & Developmental schemes.

#### **XIV. Targets & Achievements:**

The scheme wise Physical/Financial targets and achievements are given at Page Nos. **54-62**

### 2016-17 CROP SEASON - TARGETS & ACHIEVEMENTS - EXTENSION & DEVELOPMENTAL SCHEMES

| Sl. No   | Name of the Scheme           | Physical Target |       |              | No. of beneficiaries |             |             | Physical Achievement |      |              | Financial Outlay<br>(₹ in lakh) | Financial Achievement |                   |                   |
|----------|------------------------------|-----------------|-------|--------------|----------------------|-------------|-------------|----------------------|------|--------------|---------------------------------|-----------------------|-------------------|-------------------|
|          |                              | A.P             | KK    | Total        | A.P                  | KK          | Total       | A.P                  | KK   | Total        |                                 | A.P                   | KK                | Total             |
| <b>1</b> | <b>Farm Mechanization</b>    |                 |       |              |                      |             |             |                      |      |              |                                 |                       |                   |                   |
| i)       | PVC Pipes(units)             | 3880            | 0     | <b>3880</b>  | 228                  | 0           | <b>228</b>  | 3820                 | 0    | <b>3820</b>  |                                 | 568510.00             | 0.00              | <b>568510.00</b>  |
| ii)      | Weighing Scales(units)       | 0               | 0     | <b>0</b>     | 0                    | 0           | <b>0</b>    | 0                    | 0    | <b>0</b>     |                                 | 0.00                  | 0.00              | <b>0.00</b>       |
| iii)     | Curometers(units)            | 0               | 2525  | <b>2525</b>  | 0                    | 2214        | <b>2214</b> | 0                    | 2214 | <b>2214</b>  | 35.00                           | 0.00                  | 367524.00         | <b>367524.00</b>  |
| iv)      | Tyne Cultivator(units)       | 0               | 0     | <b>0</b>     | 0                    | 0           | <b>0</b>    | 0                    | 0    | <b>0</b>     |                                 | 0.00                  | 0.00              | <b>0.00</b>       |
| v)       | Knapsack Sprayers(units)     | 0               | 880   | <b>880</b>   | 0                    | 2064        | <b>2064</b> | 0                    | 2064 | <b>2064</b>  |                                 | 0.00                  | 1464868.00        | <b>1464868.00</b> |
|          | <b>Sub Total:</b>            |                 |       |              | <b>228</b>           | <b>4278</b> | <b>4506</b> |                      |      |              | <b>35.00</b>                    | <b>568510.00</b>      | <b>1832392.00</b> | <b>2400902.00</b> |
| <b>2</b> | <b>Improving Yield &amp;</b> |                 |       |              |                      |             |             |                      |      |              |                                 |                       |                   |                   |
|          | <b>Quality of Tobacco</b>    |                 |       |              |                      |             |             |                      |      |              |                                 |                       |                   |                   |
| i)       | Water Harvesting Structures  |                 |       |              |                      |             |             |                      |      |              |                                 |                       |                   |                   |
|          | (Farm Ponds)                 | 0               | 0     | <b>0</b>     | 0                    | 0           | <b>0</b>    | 0                    | 0    | <b>0</b>     | 0.00                            | 0                     | 0                 | <b>0</b>          |
| ii)      | Integrated Pest Management   |                 |       |              |                      |             |             |                      |      |              |                                 |                       |                   |                   |
|          | Practices                    | 0               | 0     | <b>0</b>     | 0                    | 0           | <b>0</b>    | 0                    | 0    | <b>0</b>     | <b>0.00</b>                     | 0.00                  | 0.00              | <b>0</b>          |
| a        | Pheromone traps              | 29200           | 17300 | <b>46500</b> | 1036                 | 456         | <b>1492</b> | 23836                | 7777 | <b>31613</b> | 8.20                            | 246362.00             | 87886.00          | <b>334248.00</b>  |
| b        | Yellow Sticky traps          | 19420           | 12700 | <b>32120</b> | 1060                 | 450         | <b>1510</b> | 16482                | 5749 | <b>22231</b> |                                 | 96050.00              | 31653.00          | <b>127703.00</b>  |

| Sl. No   | Name of the Scheme                                         | Physical Target |         |         | No. of beneficiaries |      |       | Physical Achievement |        |        | Financial Outlay (in lakh) | Financial Achievement |            |             |
|----------|------------------------------------------------------------|-----------------|---------|---------|----------------------|------|-------|----------------------|--------|--------|----------------------------|-----------------------|------------|-------------|
|          |                                                            | A.P             | KK      | Total   | A.P                  | KK   | Total | A.P                  | KK     | Total  |                            | A.P                   | KK         | Total       |
| iii)     | <b>Leaf/Pesticide Analysis</b>                             |                 |         |         |                      |      |       |                      |        |        |                            |                       |            |             |
| a        | Analysis of leaf for Pesticide residues                    | 123             | 101     | 224     | 0                    | 0    | 0     | 123                  | 101    | 224    | 22.00                      | 922870.00             | 747500.00  | 1670370.00  |
| b        | Analysis of leaf for Chemical Constituents                 | 123             | 101     | 224     | 0                    | 0    | 0     | 123                  | 101    | 224    |                            | 250098.00             | 226493.00  | 476591.00   |
| iv)      | Supply of Trays and Cocopeat for quality Seedlings (Trays) | 0               | 1348620 | 1348620 | 0                    | 3816 | 3816  | 0                    | 739887 | 739887 | 40.00                      | 0.00                  | 3605817.00 | 3605817.00  |
| v)       | Supply of Trays for raising Tray Nurseries(Trays)          | 0               | 0       | 0       | 0                    | 0    | 0     | 0                    | 0      | 0      |                            | 0.00                  | 0.00       | 0           |
| vi)      | Erection of Green houses / Poly houses (No.s)              | 0               | 0       | 0       | 0                    | 162  | 162   | 0                    | 162    | 162    | 6.60                       | 0.00                  | 316500.00  | 316500.00   |
| vii)     | <b>Supply of Bio Pesticides</b>                            |                 |         |         |                      |      |       |                      |        |        |                            |                       |            |             |
| a        | Trichoderma harzianum                                      | 0               | 0       | 0       | 110                  | 70   | 180   | 134                  | 223.20 | 357.20 |                            | 6844.00               | 12471.00   | 19315.00    |
| b        | Pseudomonas fluorescens                                    | 0               | 0       | 0       | 110                  | 117  | 227   | 135                  | 226.05 | 361.05 | 7.00                       | 8076.00               | 14025.00   | 22101.00    |
|          | <b>Sub Total:</b>                                          |                 |         |         | 2316                 | 5071 | 7387  |                      |        |        | 83.80                      | 1530300.00            | 5042345.00 | 6572645.00  |
| <b>3</b> | <b>Improvement of Curing Practices</b>                     |                 |         |         |                      |      |       |                      |        |        |                            |                       |            |             |
| i)       | Improved design of furnace in barns (Ventury furnace)      | 77              | 0       | 77      | 71                   | 0    | 71    | 71                   | 0      | 71     | 117.00                     | 357825.00             | 0.00       | 357825.00   |
| ii)      | Glass Wool Roof Insulation                                 | 2000            | 0       | 2000    | 2093                 | 0    | 2093  | 1998                 | 0      | 1998   |                            | 11119302.00           | 0.00       | 11119302.00 |



| Sl. No   | Name of the Scheme                                    | Physical Target |       |        | No. of beneficiaries |          |             | Physical Achievement |       |        | Financial Outlay (in lakh) | Financial Achievement |                  |                    |
|----------|-------------------------------------------------------|-----------------|-------|--------|----------------------|----------|-------------|----------------------|-------|--------|----------------------------|-----------------------|------------------|--------------------|
|          |                                                       | A.P             | KK    | Total  | A.P                  | KK       | Total       | A.P                  | KK    | Total  |                            | A.P                   | KK               | Total              |
| iii)     | Raising of fuel for curing of Tobacco(no.of saplings) | 341253          | 94000 | 435253 | 0                    | 0        | 0           | 129320               | 87000 | 216320 | 10.00                      | 165460.00             | 615388.00        | 780848.00          |
|          | <b>Sub Total:</b>                                     |                 |       |        | <b>2164</b>          | <b>0</b> | <b>2164</b> |                      |       |        | <b>127.00</b>              | <b>11642587.00</b>    | <b>615388.00</b> | <b>12257975.00</b> |
| <b>4</b> | <b>Elimination of NTRMs &amp; Product Integrity</b>   |                 |       |        |                      |          |             |                      |       |        |                            |                       |                  |                    |
| i)       | Tarpaulins (Non MPA & NTRM Free)                      | 2733            | 3000  | 5733   | 2460                 | 4202     | 6662        | 2460                 | 4202  | 6662   | 100.00                     | 3421206.00            | 3880208.00       | 7301414.00         |
| <b>5</b> | <b>Post Harvest Product Management</b>                |                 |       |        |                      |          |             |                      |       |        |                            |                       |                  |                    |
| i)       | Construction of Bulking Sheds                         | 90              | 0     | 90     | 8                    | 0        | 8           | 8                    | 0     | 8      | 6.00                       | 105000.00             | 0.00             | 105000.00          |
| <b>6</b> | <b>Other Extension Programmes</b>                     |                 |       |        |                      |          |             |                      |       |        |                            |                       |                  |                    |
| i)       | <b>Training to farmers &amp; staff</b>                |                 |       |        |                      |          |             |                      |       |        |                            |                       |                  |                    |
| a        | Work shops                                            | 0               | 0     | 0      | 294                  | 255      | 549         | 2                    | 2     | 4      |                            | 61950.00              | 58037.00         | 119987.00          |
| b        | Trng.Progs by Regional Managers                       | 0               | 0     | 0      | 0                    | 130      | 130         | 0                    | 1     | 1      |                            | 0.00                  | 24952.00         | 24952.00           |
| c        | Trng.progs by Auction Superintendents                 | 120             | 120   | 240    | 12254                | 5181     | 17435       | 231                  | 111   | 342    | 15.00                      | 487348.00             | 239979.00        | 727327.00          |
| d        | Trng.prog to Officers/ Staff/Growers at NIPHM         | 0               | 0     | 0      | 30                   | 0        | 30          | 1                    | 0     | 1      |                            | 197550.00             | 0.00             | 197550.00          |

| Sl. No   | Name of the Scheme                             | Physical Target |    |       | No. of beneficiaries |             |              | Physical Achievement |      |       | Financial Outlay (in lakh) | Financial Achievement |                  |                   |
|----------|------------------------------------------------|-----------------|----|-------|----------------------|-------------|--------------|----------------------|------|-------|----------------------------|-----------------------|------------------|-------------------|
|          |                                                | A.P             | KK | Total | A.P                  | KK          | Total        | A.P                  | KK   | Total |                            | A.P                   | KK               | Total             |
| E        | Trng.prog to Officers/Staff/ Growers at CTRI   | 0               | 0  | 0     | 0                    | 0           | 0            | 0                    | 0    | 0     |                            | 36000.00              | 0.00             | 36000.00          |
| ii)      | Publicity & Extension Literature               | 0               | 0  | 0     | 0                    | 0           | 0            | 0                    | 0    | 0     | 3.00                       | 57000.00              | 0.00             | 57000.00          |
| iii)     | Study Tours                                    | 20              | 0  | 20    | 469                  | 0           | 469          | 20                   | 0    | 20    | 15.00                      | 203184                | 0.00             | 203184.00         |
| iv)      | Awards to growers                              | 0               | 0  | 0     | 0                    | 0           | 0            | 0                    | 0    | 0     | 3.00                       | 0.00                  | 0.00             | 0.00              |
| v)       | Field Friend Teams                             | 0               | 0  | 0     | 0                    | 0           | 0            | 16                   | 8    | 24    | 6.00                       | 37871.00              | 4800.00          | 42671.00          |
|          | <b>Sub Total:</b>                              |                 |    |       | <b>13047</b>         | <b>5566</b> | <b>18613</b> |                      |      |       | <b>42.00</b>               | <b>1080903.00</b>     | <b>327768.00</b> | <b>1408671.00</b> |
| <b>7</b> | <b>On Farm Tests &amp; Experimental Trials</b> | 0               | 0  | 0     | 1285                 | 755         | 2040         | 20                   | 12   | 32    | 6.50                       | 231141.00             | 140474.00        | 371615.00         |
| <b>8</b> | <b>Model Project Area (Ha.)</b>                |                 |    |       |                      |             |              |                      |      |       |                            |                       |                  |                   |
| i)       | PVC Pipes                                      | 0               | 0  | 0     | 0                    | 0           | 0            | 0                    | 0    | 0     | 40.00                      | 0.00                  | 0.00             | 0                 |
| ii)      | Curometers                                     | 0               | 0  | 0     | 0                    | 308         | 308          | 0                    | 308  | 308   |                            | 0.00                  | 51128.00         | 51128.00          |
| iii)     | Knapsack Sprayers(units)                       | 0               | 0  | 0     | 0                    | 191         | 191          | 0                    | 191  | 191   |                            | 0.00                  | 119352.00        | 119352.00         |
| iv)      | Pheromone traps                                | 0               | 0  | 0     | 156                  | 528         | 684          | 3852                 | 9333 | 13185 |                            | 39827.00              | 105457.00        | 145284.00         |
| v)       | Yellow Sticky traps                            | 0               | 0  | 0     | 151                  | 585         | 736          | 2223                 | 6833 | 9056  |                            | 12948.00              | 37597.00         | 50545.00          |



| Sl. No | Name of the Scheme                           | Physical Target |    |       | No. of beneficiaries |       |       | Physical Achievement |         |         | Financial Outlay (in lakh) | Financial Achievement |             |             |
|--------|----------------------------------------------|-----------------|----|-------|----------------------|-------|-------|----------------------|---------|---------|----------------------------|-----------------------|-------------|-------------|
|        |                                              | A.P             | KK | Total | A.P                  | KK    | Total | A.P                  | KK      | Total   |                            | A.P                   | KK          | Total       |
| vi)    | <b>Bio Pesticides</b>                        |                 |    |       |                      |       |       |                      |         |         |                            |                       |             |             |
| a      | Trichoderma harzianum                        | 0               | 0  | 0     | 108                  | 677   | 785   | 113.5                | 1925.28 | 2038.78 |                            | 5552.00               | 97889.00    | 103441.00   |
| b      | Pseudomonas fluorescens                      | 0               | 0  | 0     | 108                  | 682   | 790   | 115.0                | 1816.44 | 1931.44 |                            | 6783.00               | 113738.00   | 120521.00   |
| vii)   | Trays & Cocopeat                             | 0               | 0  | 0     | 0                    | 171   | 171   | 0                    | 37890   | 37890   |                            | 0.00                  | 350539.00   | 350539.00   |
| viii)  | Trays                                        | 0               | 0  | 0     | 0                    | 0     | 0     | 0                    | 0       | 0       |                            | 0.00                  | 0.00        | 0.00        |
| ix)    | Suckericides(lts)                            | 0               | 0  | 0     | 0                    | 0     | 0     | 0                    | 0       | 0       |                            | 0.00                  | 0.00        | 0.00        |
| x)     | Improved design of furnace (VF,GWR)          | 0               | 0  | 0     | 0                    | 0     | 0     | 0                    | 0       | 0       |                            | 0.00                  | 0.00        | 0.00        |
| xi)    | Bulking Sheds                                | 0               | 0  | 0     | 0                    | 0     | 0     | 0                    | 0       | 0       |                            | 0.00                  | 0.00        | 0.00        |
| xii)   | Tarpaulins                                   | 0               | 0  | 0     | 202                  | 391   | 593   | 202                  | 391     | 593     |                            | 384810.00             | 347572.00   | 732382.00   |
| xiii)  | Extension workers/Master curers/Fileld men   | 0               | 0  | 0     | 0                    | 0     | 0     | 0                    | 0       | 0       |                            | 0.00                  | 274254.00   | 274254.00   |
| xiv)   | Training Programmes to officers/staff in MPA | 0               | 0  | 0     | 516                  | 698   | 1214  | 10                   | 11      | 21      |                            | 175182.00             | 82710.00    | 257892.00   |
|        | <b>Sub Total:</b>                            |                 |    |       | 1241                 | 4231  | 5472  |                      |         |         | 40.00                      | 625102.00             | 1580236.00  | 2205338.00  |
|        | <b>Grand Total:</b>                          |                 |    |       | 22749                | 24103 | 46852 |                      |         |         | 440.30                     | 19204749.00           | 13418811.00 | 32623560.00 |

**COVERAGE OF SC/ST/WOMEN & OTHER GROWERS UNDER VARIOUS EXTENSION AND DEVELOPMENTAL SCHEMES DURING 2016-17**

| Sl. No | Name of the scheme                                 | Beneficiaries |     |       |        |       | Achievements     |       |        |        |        | Financial (subsidy in) |           |           |            |            |
|--------|----------------------------------------------------|---------------|-----|-------|--------|-------|------------------|-------|--------|--------|--------|------------------------|-----------|-----------|------------|------------|
|        |                                                    |               |     |       |        |       | Physical (units) |       |        |        |        |                        |           |           |            |            |
|        |                                                    | S.C           | S.T | Women | Others | Total | S.C              | S.T   | Women  | Others | Total  | S.C                    | S.T       | Women     | Others     | Total      |
| 1      | Farm Mechanisation                                 |               |     |       |        |       |                  |       |        |        |        |                        |           |           |            |            |
| i)     | PVC Pipes                                          | 17            | 0   | 46    | 165    | 228   | 290              | 0     | 790    | 2740   | 3820   | 77840.00               | 0.00      | 109810.00 | 380860.00  | 568510.00  |
| ii)    | Curometers                                         | 181           | 89  | 495   | 1449   | 2214  | 181              | 89    | 495    | 1449   | 2214   | 30046.00               | 14774.00  | 82170.00  | 240534.00  | 367524.00  |
| iii)   | Knapsack Sprayers                                  | 309           | 119 | 361   | 1275   | 2064  | 309              | 119   | 361    | 1275   | 2064   | 363075.00              | 139825.00 | 212268.00 | 749700.00  | 1464868.00 |
|        | Sub Total:                                         | 507           | 208 | 902   | 2889   | 4506  |                  |       |        |        |        | 470961.00              | 154599.00 | 404248.00 | 1371094.00 | 2400902.00 |
| 2      | Improving Yield & Quality of Tobacco               |               |     |       |        |       |                  |       |        |        |        |                        |           |           |            |            |
| i)     | Water Harvesting Structures (Farm Ponds)           | 0             | 0   | 0     | 0      | 0     | 0                | 0     | 0      | 0      | 0      | 0.00                   | 0.00      | 0.00      | 0.00       | 0          |
| ii)    | Integrated Pest Management Practices               |               |     |       |        |       |                  |       |        |        |        |                        |           |           |            |            |
| a      | Pheromone traps                                    | 37            | 31  | 322   | 1102   | 1492  | 576              | 550   | 7416   | 23071  | 31613  | 6378.00                | 5879.00   | 78103.00  | 243888.00  | 334248.00  |
| b      | Yellow Sticky traps                                | 27            | 31  | 310   | 1142   | 1510  | 308              | 399   | 4677   | 16847  | 22231  | 1694.00                | 2286.00   | 26918.00  | 96805.00   | 127703.00  |
| iii)   | Leaf/Pesticide Analysis                            |               |     |       |        |       |                  |       |        |        |        |                        |           |           |            |            |
| a      | Analysis of leaf for Pesticide Residues            | 0             | 0   | 0     | 0      | 0     | 0                | 0     | 0      | 0      | 224    | 0.00                   | 0.00      | 0.00      | 0.00       | 1670370.00 |
| b      | Analysis of leaf for Chemical Constituents         | 0             | 0   | 0     | 0      | 0     | 0                | 0     | 0      | 0      | 224    | 0.00                   | 0.00      | 0.00      | 0.00       | 476591.00  |
| iv)    | Supply of Trays and Cocopeat for quality Seedlings | 337           | 150 | 707   | 2622   | 3816  | 69246            | 29838 | 140877 | 499926 | 739887 | 448302                 | 193167    | 651693    | 2312655    | 3605817    |



| Sl. No | Name of the scheme                                      | Achievements  |     |       |        |       |                  |       |       |        |        |                        |           |            |            |       |             |
|--------|---------------------------------------------------------|---------------|-----|-------|--------|-------|------------------|-------|-------|--------|--------|------------------------|-----------|------------|------------|-------|-------------|
|        |                                                         | Beneficiaries |     |       |        |       | Physical (units) |       |       |        |        | Financial (subsidy in) |           |            |            |       |             |
|        |                                                         | S.C           | S.T | Women | Others | Total | S.C              | S.T   | Women | Others | Total  | S.C                    | S.T       | Women      | Others     | Total |             |
| vi)    | Trays                                                   |               |     |       |        |       |                  |       |       |        |        |                        |           |            |            |       |             |
| vii)   | Green Houses/Poly Houses material for raising nurseries | 10            | 5   | 19    | 128    | 162   | 10               | 5     | 19    | 128    | 162    | 18500.00               | 7500.00   | 28500.00   | 262000.00  |       | 316500.00   |
| viii)  | Supply of Bio Pesticides:                               |               |     |       |        |       |                  |       |       |        |        |                        |           |            |            |       |             |
| a      | Trichoderma harzianum                                   | 7             | 14  | 30    | 129    | 180   | 24.00            | 40.50 | 46.35 | 246.35 | 357.20 | 1935.00                | 3265.00   | 2234.00    | 11881.00   |       | 19315.00    |
| b      | Pseudomonas fluorescens                                 | 7             | 9   | 42    | 169    | 227   | 21.00            | 11.00 | 55.87 | 273.18 | 361.05 | 1998.00                | 1078.00   | 3233.00    | 15792.00   |       | 22101.00    |
|        | Sub Total:                                              | 425           | 240 | 1430  | 5292   | 7387  |                  |       |       |        |        | 478807.00              | 213175.00 | 790681.00  | 2943021.00 |       | 6572645.00  |
| 3      | Improvement of Curing Practices                         |               |     |       |        |       |                  |       |       |        |        |                        |           |            |            |       |             |
| i)     | Improved design of furnace (VF)                         | 2             | 2   | 18    | 49     | 71    | 2                | 2     | 18    | 49     | 71     | 13000.00               | 13000.00  | 92725.00   | 239100.00  |       | 357825.00   |
| ii)    | Glass wool roof insulation                              | 142           | 100 | 533   | 1318   | 2093  | 131              | 91    | 519   | 1257   | 1998   | 731565.00              | 499691.00 | 2880207.00 | 7007839.00 |       | 11119302.00 |
| iii)   | Raising of fuel for curing of Tobacco (in acres)        | 0             | 0   | 0     | 0      | 0     | 0                | 0     | 0     | 0      | 216320 | 0.00                   | 0.00      | 0.00       | 0.00       |       | 780848.00   |
| 4      | Elimination of NTRMs & Product Integrity                |               |     |       |        |       |                  |       |       |        |        |                        |           |            |            |       |             |
| i)     | Tarpaulins (Non MPA + NTRM)                             | 547           | 324 | 1269  | 4522   | 6662  | 547              | 324   | 1269  | 4522   | 6662   | 750765.00              | 492200.00 | 1355869.00 | 4702580.00 |       | 7301414.00  |
| 5      | Post Harvest Product Management                         |               |     |       |        |       |                  |       |       |        |        |                        |           |            |            |       |             |
| i)     | Construction of Bulking Sheds                           | 0             | 0   | 0     | 8      | 8     | 0                | 0     | 0     | 8      | 8      | 0.00                   | 0.00      | 0.00       | 105000.00  |       | 105000.00   |

| Sl. No | Name of the scheme                                     | Achievements  |     |       |        |       |                  |     |       |        |       |                        |      |       |        |            |
|--------|--------------------------------------------------------|---------------|-----|-------|--------|-------|------------------|-----|-------|--------|-------|------------------------|------|-------|--------|------------|
|        |                                                        | Beneficiaries |     |       |        |       | Physical (units) |     |       |        |       | Financial (subsidy in) |      |       |        |            |
|        |                                                        | S.C           | S.T | Women | Others | Total | S.C              | S.T | Women | Others | Total | S.C                    | S.T  | Women | Others | Total      |
| 6      | Other Extension Programmes                             |               |     |       |        |       |                  |     |       |        |       |                        |      |       |        |            |
| i)     | Training to farmers & staff                            |               |     |       |        |       |                  |     |       |        |       |                        |      |       |        |            |
| a      | Workshops                                              | 0             | 0   | 0     | 0      | 549   | 0                | 0   | 0     | 0      | 4     | 0.00                   | 0.00 | 0.00  | 0.00   | 119987.00  |
| b      | Training Programmes by Regional Managers               | 0             | 0   | 0     | 0      | 130   | 0                | 0   | 0     | 0      | 1     | 0.00                   | 0.00 | 0.00  | 0.00   | 24952.00   |
| c      | Training Programmes by Auction Superintendents         | 0             | 0   | 0     | 0      | 17435 | 0                | 0   | 0     | 0      | 342   | 0.00                   | 0.00 | 0.00  | 0.00   | 727327.00  |
| d      | Training programme to Officers/Staff/ Growers at NIPHM | 0             | 0   | 0     | 0      | 30    | 0                | 0   | 0     | 0      | 1     | 0.00                   | 0.00 | 0.00  | 0.00   | 197550.00  |
| e      | Training programme to Officers/Staff/ Growers at CTRI  | 0             | 0   | 0     | 0      | 0     | 0                | 0   | 0     | 0      | 0     | 0.00                   | 0.00 | 0.00  | 0.00   | 36000.00   |
| ii)    | Publicity & Extension Literature                       | 0             | 0   | 0     | 0      | 0     | 0                | 0   | 0     | 0      | 0     | 0.00                   | 0.00 | 0.00  | 0.00   | 57000.00   |
| iii)   | Study Tours                                            | 0             | 0   | 0     | 0      | 469   | 0                | 0   | 0     | 0      | 20    | 0.00                   | 0.00 | 0.00  | 0.00   | 203184.00  |
| iv)    | Awards to growers                                      | 0             | 0   | 0     | 0      | 0     | 0                | 0   | 0     | 0      | 0     | 0.00                   | 0.00 | 0.00  | 0.00   | 0.00       |
| v)     | Field Friend Teams                                     | 0             | 0   | 0     | 0      | 0     | 0                | 0   | 0     | 0      | 24    | 0.00                   | 0.00 | 0.00  | 0.00   | 42671.00   |
|        | Sub Total :                                            | 0             | 0   | 0     | 0      | 18613 |                  |     |       |        |       | 0.00                   | 0.00 | 0.00  | 0.00   | 1408671.00 |
| 7      | On Farm Tests & Experimental Trials                    | 0             | 0   | 0     | 0      | 2040  | 0                | 0   | 0     | 0      | 32    | 0.00                   | 0.00 | 0.00  | 0.00   | 371615.00  |

| Sl. No | Name of the scheme                              | Achievements  |      |       |        |       |                  |       |        |         |         |                        |            |            |             |             |  |
|--------|-------------------------------------------------|---------------|------|-------|--------|-------|------------------|-------|--------|---------|---------|------------------------|------------|------------|-------------|-------------|--|
|        |                                                 | Beneficiaries |      |       |        |       | Physical (units) |       |        |         |         | Financial (subsidy in) |            |            |             |             |  |
|        |                                                 | S.C           | S.T  | Women | Others | Total | S.C              | S.T   | Women  | Others  | Total   | S.C                    | S.T        | Women      | Others      | Total       |  |
| 8      | Model Project Area (Ha.)                        |               |      |       |        |       |                  |       |        |         |         |                        |            |            |             |             |  |
| i)     | PVC Pipes                                       | 0             | 0    | 0     | 0      | 0     | 0                | 0     | 0      | 0       | 0       | 0.00                   | 0.00       | 0.00       | 0.00        | 0           |  |
| ii)    | Curometers                                      | 12            | 15   | 86    | 195    | 308   | 12               | 15    | 86     | 195     | 308     | 1992.00                | 2490.00    | 14276.00   | 32370.00    | 51128.00    |  |
| iii)   | Knapsack Sprayers                               | 6             | 6    | 28    | 151    | 191   | 6                | 6     | 28     | 151     | 191     | 7050.00                | 7050.00    | 16464.00   | 88788.00    | 119352.00   |  |
| iii)   | Pheromone traps                                 | 25            | 33   | 142   | 484    | 684   | 435              | 650   | 2970   | 9130    | 13185   | 4916.00                | 7345.00    | 32320.00   | 100703.00   | 145284.00   |  |
| iv)    | Yellow Sticky traps                             | 38            | 37   | 145   | 516    | 736   | 431              | 457   | 1855   | 6313    | 9056    | 2372.00                | 2514.00    | 10446.00   | 35213.00    | 50545.00    |  |
| v)     | Bio Pesticides                                  |               |      |       |        |       |                  |       |        |         |         |                        |            |            |             |             |  |
| a      | Trichoderma harzianum                           | 36            | 36   | 168   | 545    | 785   | 80.59            | 74.19 | 450.88 | 1433.12 | 2038.78 | 6490.00                | 5979.00    | 21765.00   | 69207.00    | 103441.00   |  |
| b      | Pseudomonas fluorescens                         | 36            | 36   | 169   | 549    | 790   | 87.87            | 91.17 | 438.63 | 1313.77 | 1931.44 | 8612.00                | 8934.00    | 25813.00   | 77162.00    | 120521.00   |  |
| vi)    | Trays & Cocopeat                                | 10            | 3    | 31    | 127    | 171   | 2442             | 618   | 7518   | 27312   | 37890   | 22593.00               | 5718.00    | 69552.00   | 252676.00   | 350539.00   |  |
| vii)   | Trays                                           | 0             | 0    | 0     | 0      | 0     | 0                | 0     | 0      | 0       | 0       | 0.00                   | 0.00       | 0.00       | 0.00        | 0.00        |  |
| viii)  | Improved design of furnace (Venturi Furnace)    | 0             | 0    | 0     | 0      | 0     | 0                | 0     | 0      | 0       | 0       | 0.00                   | 0.00       | 0.00       | 0.00        | 0.00        |  |
| ix)    | Tarpaulins                                      | 16            | 11   | 129   | 437    | 593   | 16               | 11    | 129    | 437     | 593     | 23165.00               | 13640.00   | 173155.00  | 522422.00   | 732382.00   |  |
| x)     | Training & Other Expenditure                    | 0             | 0    | 0     | 0      | 1214  | 0                | 0     | 0      | 0       | 21      | 0.00                   | 0.00       | 0.00       | 0.00        | 257892.00   |  |
| xi)    | Extension Workers/ Consultants/ Field Men Wages | 0             | 0    | 0     | 0      | 0     | 0                | 0     | 0      | 0       | 0       | 0.00                   | 0.00       | 0.00       | 0.00        | 274254.00   |  |
|        | Sub Total:                                      | 179           | 177  | 898   | 3004   | 5472  |                  |       |        |         |         | 77190.00               | 53670.00   | 363791.00  | 1178541.00  | 2205338.00  |  |
|        | Grand Total:                                    | 1802          | 1051 | 5050  | 17082  | 46852 |                  |       |        |         |         | 2522288.00             | 1426335.00 | 5887521.00 | 17547175.00 | 32623560.00 |  |

## GROWER WELFARE INITIATIVES

### I. Growers Welfare Schemes:

Tobacco Board is undertaking various welfare measures, to ensure overall welfare of around 89000 Tobacco Growers and their families in the states of Andhra Pradesh, Karnataka, Telangana & Odisha by establishing "Tobacco Board's Growers' Welfare Schemes" in 2009-10 with the approval of Department of Commerce, Ministry of Commerce & Industry, Government of India.

The Welfare Scheme provides financial assistance, in the form of Death Grants and Interest Free Loans, to perform Girl Marriage, Education of Dependent Children, Treatment for major Illness / Accident cases requiring surgery and repairs to barns damaged due to Natural Calamities / Fire Accidents. Since the inception of the scheme, Tobacco Board had provided financial relief to 10,843 growers, in terms of Grants and Loans so far. Grants worth ₹ 22.03 crore were sanctioned to 7,637 beneficiaries and interest free loans of ₹ 5.19 crore were sanctioned to 3,206 growers.

By the end of 2016-17 since the inception of the scheme, a total amount of ₹ **55.08 crore** was available in Tobacco Board's Growers' Welfare Fund.

During 2016-17, ₹ **4.32 crore** were disbursed in the form of Grants and ₹ **0.34 crore** in the form of Interest Free Loans, totaling to ₹ **4.66 crore**. The details of Grants/Interest Free Loans extended scheme wise during 2016-17 are given at page No. **64**.

| DESCRIPTION<br>(GRANTS / LOANS)                                      | Since Inception of the Scheme to 31.03.2017 |                         |                             |                         |                             |                         | During 2016-17<br>(01.04.2016 to 31.03.2017) |                         |                             |                         |                             |                         |
|----------------------------------------------------------------------|---------------------------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|----------------------------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|
|                                                                      | A.P                                         |                         | K.K.                        |                         | TOTAL                       |                         | A.P                                          |                         | K.K.                        |                         | TOTAL                       |                         |
|                                                                      | No. of<br>Benefi<br>ciaries                 | Amount<br>₹<br>In.Lakhs | No. of<br>Benefi<br>ciaries | Amount<br>₹<br>In.Lakhs | No. of<br>Benefi<br>ciaries | Amount<br>₹<br>In.Lakhs | No. of<br>Benefi<br>ciaries                  | Amount<br>₹<br>In.Lakhs | No. of<br>Benefi<br>ciaries | Amount<br>₹<br>In.Lakhs | No. of<br>Benefi<br>ciaries | Amount<br>₹<br>In.Lakhs |
| <b>GRANTS:</b>                                                       |                                             |                         |                             |                         |                             |                         |                                              |                         |                             |                         |                             |                         |
| Natural<br>Death                                                     | 3620                                        | 914.75                  | 3735                        | 1137.05                 | 7355                        | <b>2051.80</b>          | 327                                          | 163.85                  | 403                         | 230.15                  | 730                         | 394.00                  |
| Accidental Death                                                     | 186                                         | 107.50                  | 96                          | 61.00                   | 282                         | <b>168.50</b>           | 20                                           | 19.50                   | 19                          | 19.00                   | 39                          | 38.50                   |
| <b>TOTAL</b>                                                         | <b>3806</b>                                 | <b>1022.25</b>          | <b>3831</b>                 | <b>1198.05</b>          | <b>7637</b>                 | <b>2220.30</b>          | <b>347</b>                                   | <b>183.35</b>           | <b>422</b>                  | <b>249.15</b>           | <b>769</b>                  | <b>432.50</b>           |
| <b>LOANS:</b>                                                        |                                             |                         |                             |                         |                             |                         |                                              |                         |                             |                         |                             |                         |
| Girl Marriage<br>Assistance                                          | 57                                          | 13.50                   | 556                         | 145.00                  | 613                         | 158.50                  | 3                                            | 1.00                    | 49                          | 17.25                   | 52                          | 18.25                   |
| Treatment for<br>Major Illness/<br>Accident cases<br>require surgery | 31                                          | 10.65                   | 54                          | 14.50                   | 85                          | 25.15                   | 3                                            | 1.50                    | 2                           | 1.00                    | 5                           | 2.50                    |
| Repair for<br>Damaged<br>Barns/Fire<br>Accident                      | 2224                                        | 260.05                  | 6                           | 1.40                    | 2230                        | 261.45                  | 7                                            | 1.10                    | 5                           | 1.30                    | 12                          | 2.40                    |
| Education Loan to<br>Dependent<br>Children                           | 212                                         | 57.56                   | 66                          | 16.75                   | 278                         | 74.31                   | 21                                           | 9.81                    | 2                           | 0.75                    | 23                          | 10.56                   |
| <b>TOTAL</b>                                                         | <b>2524</b>                                 | <b>341.76</b>           | <b>682</b>                  | <b>177.65</b>           | <b>3206</b>                 | <b>519.41</b>           | <b>34</b>                                    | <b>13.41</b>            | <b>58</b>                   | <b>20.30</b>            | <b>92</b>                   | <b>33.71</b>            |
| <b>GRAND TOTAL<br/>(GRANTS+LOANS)</b>                                | <b>6330</b>                                 | <b>1364.01</b>          | <b>4513</b>                 | <b>1375.70</b>          | <b>10843</b>                | <b>2739.71</b>          | <b>381</b>                                   | <b>196.76</b>           | <b>480</b>                  | <b>269.45</b>           | <b>861</b>                  | <b>466.21</b>           |

## II. Production related services to farmers:

### A. Soil and Water Analysis

Tobacco Board every year organizes collection and analysis of soil and water samples of registered tobacco growers free of cost. Basing on analysis results, Board advises growers on suitability of soil and irrigation water for tobacco cultivation and on usage of correct doses of fertilizers for improving quality and yields. During 2016-17 crop season, **6500** soil samples and **680** water samples are analyzed and results were communicated to the concerned growers. In addition to the above, 950 soil samples in Andhra Pradesh and 180 soil samples in Karnataka are analyzed for micro nutrients – Fe, Zn, Mn and Cu during 2016-17 crop season.

| State          | Soil Samples | Water Samples |
|----------------|--------------|---------------|
| Andhra Pradesh | 2300         | 620           |
| Karnataka      | 4200         | 60            |
| <b>Total</b>   | <b>6500</b>  | <b>680</b>    |

### B. Barn and stock insurance for FCV tobacco growers:

The Board is facilitating insurance coverage of barns and tobacco stocks during curing and storage through Standard Fire and Allied Perils Policy since 2003. Registered tobacco growers are also being covered under Group Personal Accident Policy (GPA) every year. During 2016-17 crop season, The United India Insurance Company Limited, Guntur provided a cover of **₹1,492** crore for **30,798** growers and **29,586** barns in Andhra Pradesh.

### C. Credit facilities to growers:

Tobacco Board facilitated the advance of following crop loans and barn repair loans by commercial banks to FCV tobacco growers for cultivation of FCV tobacco during 2016-17.

| Type of Loan      | Andhra Pradesh |                        | Karnataka     |                        |
|-------------------|----------------|------------------------|---------------|------------------------|
|                   | Beneficiaries  | Amount<br>(₹ in crore) | Beneficiaries | Amount<br>(₹ in crore) |
| Crop Loans        | 41732          | 1337.97                | 36881         | 320.343                |
| Barn Repair Loans | 5182           | 55.81                  | 5978          | 18.905                 |

## III Study Projects:

- Tobacco Board has taken up a project for estimation of tobacco acreage and production in West Godavari District using remote sensing and GIS & GPS Techniques with the technical help of Andhra Pradesh Space Application Centre, Vijayawada for 2 years (2016-17 & 2017-18).

- As per the directions of The Department-Related Parliamentary Standing Committee on Science & Technology, Environment & Forests a study on “Environmental Impact Assessment of Tobacco Curing” is being taken up by National Academy of Agricultural Research Management (NAARM), Hyderabad.
- Tobacco Board has also taken up a study on “An economic analysis of FCV tobacco production vis-à-vis alternative crops” using the services of Regional Agricultural Research Station (RARS), Acharya N.G.Ranga Agricultural University LAM, GUNTUR. Tobacco Board is also sponsoring a research project on “Assessment of soil fertility and development of online recommendation system for FCV tobacco growing soils of India” by ICAR–Central Tobacco Research Institute (CTRI), Rajahmundry for a period of 4 years.

## AUCTIONEERING SERVICES AT PLATFORMS:

The Tobacco Board has introduced auction system for sale of FCV tobacco during 1984 in Karnataka and during 1985 in Andhra Pradesh by establishing auction platforms to ensure fair and remunerative prices to the tobacco growers by creating an element of competition among the buyers, inter-alia to ensure prompt payment to the growers and correct weighment of tobacco. Since then, the Board has been implementing the auction system for the sale of FCV tobacco successfully.



E-auctioning of FCV tobacco

### 1 AUCTIONS FOR SALE OF 2015-16 FCV TOBACCO IN ANDHRA PRADESH:

#### 1.1 Volume and Prices:

The auctions in Andhra Pradesh for sale of 2015-16 FCV tobacco crop spreads over 2 financial years. The auctions for sale of 2015-16 FCV crop commenced in the Financial Year 2015-16 (25/02/2016) and concluded in the Financial Year 2016-17 (31/08/2016). Likewise, the auctions for sale of 2016-17 FCV crop also spreads in two Financial Years, i.e. commenced in 2016-17 (15/03/2017) and concludes in the Financial Year 2017-18. During the financial year 2015-16, as on 31/03/2016, a quantity of 8.94 million kg of 2015-16 FCV tobacco was marketed at an average price of ₹ 137.01 per kg and the balance tobacco was marketed during 2016-17 financial year.

The auctions for sale of 2015-16 crop in Andhra Pradesh concluded on 31/08/2016. A total quantity of 118.24 million kg of tobacco was marketed at an average price of ₹ 116.09 per kg at the end of the auction season, out of which a quantity of 109.30 million kg of tobacco was marketed at an average price of ₹ 114.37 per kg during the period from 01/04/2016 to 31/08/2016 i.e. during 2016-17 Financial Year. A statement showing auction platform wise quantity of tobacco of 2015-16 crop marketed during the period from 01/04/2016 to 31/08/2016 is placed at **Page No. 80.**

### 1.1 Buyers' Participation:

A total number of 98 buyers have participated in 2016 Andhra Pradesh auctions as against 100 buyers last year.

### 1.3 Permission to growers to sell excess and unauthorized crop:

Government of India vide Notification Nos.S.O.2240(E) & 2241(E) dated 28<sup>th</sup> June, 2016 permitted the sale of excess quantity of tobacco produced by the registered growers in Andhra Pradesh State subject to payment of 7.5% service charges and extra fee of ₹ 2.00 per kg up to the extent of 10% of the quota authorized and also permitted to sale the tobacco produced over and above the limit of 10% of the quota authorized by the registered growers and also by every unregistered grower of flue cured Virginia tobacco, who produced tobacco during 2015-16 crop season upon payment of 15% services charges and extra fee of ₹ 2.00 per kg.

The particulars of quantity of excess tobacco sold by the registered growers and unauthorized tobacco sold by the unregistered growers in Andhra Pradesh, were as follows:

| Sl. No. | Category of the growers | No. of growers | Qty. marketed (mkg) | Avg. Price ( ₹ / kg ) |
|---------|-------------------------|----------------|---------------------|-----------------------|
| 1.      | Registered growers      | 23052          | 11.82               | 93.19                 |
| 2.      | Un-registered growers   | 64             | 0.07                | 86.39                 |

### 1.4 Minimum Guaranteed Prices:

There was no Minimum Guaranteed Price for 2015-16 Andhra Pradesh FCV Tobacco crop.

### 1.5 Payment by buyers:

During 2015-16 Andhra Pradesh auctions, the buyers paid the value of tobacco purchased including service charges @1% on the value of the tobacco purchased. The total value of the tobacco of 2015-16 Andhra Pradesh crop purchased is ₹ 1,372.61 crore.

### 1.6 Payment to growers:

During 2015-16 auctions in Andhra Pradesh the Board made payment of ₹ 1,372.61 crore to the growers towards their sale proceeds of tobacco by crediting the amount directly through the bank accounts maintained in various banks.

### 1.7 Tobacco Cess:

During 2015-16 Andhra Pradesh auctions, an amount of ₹ 3,28,537/- was collected from the growers at the auction platforms towards 'Tobacco Cess' @ one paise per kg on the tobacco sold at the auction platforms when compared to ₹ 19,02,425/- collected last year. The amount was credited to Consolidated Fund of India. The poor collection of cess during 2015-16 auctions was due to abolish of levy and collection of cess on tobacco by the Government of India w.e.f. 14/05/2016 vide Gazette No.32 dated 14/05/2016.

### 1.8 Service Charges:

An amount of ₹ 25.24 crore was collected from the growers as well as buyers towards service charges including additional service charges and extra fee of ₹ 2/- per kg on the quantity of excess tobacco produced over the authorized and sold by the registered growers and unauthorized tobacco produced by the unregistered growers for 2015-16 Andhra Pradesh crop as against ₹ 48.72 crore collected for 2014-15 Andhra Pradesh crop.

### 1.9 Buyers' Performance:

The quantities of tobacco purchased and average prices paid by Manufacturers, Exporters and Dealers compared to their purchases last year were as follows:

| Sl. No. | Category of Buyer | 2015 Andhra Pradesh auctions |         |                  | 2016 Andhra Pradesh auctions |         |                  |
|---------|-------------------|------------------------------|---------|------------------|------------------------------|---------|------------------|
|         |                   | Qty. (mkg)                   | % share | Avr.Pri. (₹ /kg) | Qty. (mkg)                   | % share | Avr.Pri. (₹ /kg) |
| 1.      | Manufacturers     | 100.26                       | 52.76   | 99.71            | 59.82                        | 50.60   | 121.63           |
| 2.      | Exporters         | 74.45                        | 39.17   | 90.87            | 46.34                        | 39.20   | 116.35           |
| 3.      | Others(Dealers)   | 15.34                        | 8.07    | 60.32            | 12.08                        | 10.20   | 87.67            |
|         | Total             | 190.05                       | 100.00  | 93.07            | 118.24                       | 100.00  | 116.09           |

### 1.10 Highlights of 2016 Andhra Pradesh Auction Sales:

#### Crop size fixed and estimated production:

Considering the huge carryover stocks in global tobacco market, difficult market conditions prevailed last year and demand for the crop, Board has fixed a crop size of 120 million kg for all the soil regions put together in Andhra Pradesh during 2015-16 crop season as against 172 million kg fixed for the previous year.

Overall, growers have co-operated with the Board's production plans and restricted the area under tobacco plantation. This coupled with un-favourable weather conditions resulted production of 118.24 million kg of FCV tobacco which is more or less in line with the target crop for the year.

During the season, the transplantations were badly delayed in SLS Region and SBS Region auction platforms, due to deficit rainfall conditions prior to transplantations. Heavy rains received in the month of November in Kaligiri, D.C.Palli and Kandukur auction platforms caused damage to the barns and also just planted crop. After establishment of crop, there were no rains and crop was subjected to dry spell during its grand growth period. Dry weather condition during crop growth period led to stunted growth thereby affected the yields. Though, the yields were affected to some extent, the prolonged dry spell during crop growth period has favoured the production of more of Bright Grade Tobacco. In certain pockets the root parasite 'Orobanche' infestation led to production of thin bodied tobacco, to some extent. Overall, the quality of the crop was reasonably good.

Soil region wise crop size targeted, estimated production and quantity marketed during 2015-16 was furnished hereunder:

| Sl. No. | Soil Region        | Targeted Crop (mkg) | Estimated Production (mkg) | Quantity marketed (mkg) |
|---------|--------------------|---------------------|----------------------------|-------------------------|
| 1       | NBS Region         | 3.00                | 2.66                       | 2.70                    |
| 2       | SBS Region         | 37.00               | 40.60                      | 42.60                   |
| 3       | SLS Region         | 45.00               | 40.24                      | 33.39                   |
| 4       | NLS Region         | 35.00               | 42.84                      | 39.54                   |
|         | <b>Grand Total</b> | <b>120.00</b>       | <b>126.34</b>              | <b>118.24</b>           |

#### Grade out turn:

The actual bright, medium and low grade tobaccos marketed during 2015-16 season were 40%, 31% & 29% respectively as against 30%, 39% & 31% of bright, medium and low grade tobaccos respectively marketed during 2014-15 season.

#### Commencement of Auction sales:

Auctions for sale of 2015-16 season FCV tobacco crop were commenced in 3 phases as per the schedule given hereunder:

| Sl. No. | Phase                 | Date of commencement of auction sales | Auction platforms                                                     |
|---------|-----------------------|---------------------------------------|-----------------------------------------------------------------------|
| 1.      | 1 <sup>st</sup> Phase | 25/02/2016 Thursday                   | 7 Auction Platforms in SLS Region                                     |
| 2.      | 2 <sup>nd</sup> Phase | 11/03/2016 Friday                     | 7 Auction Platforms in SBS Region & 5 Auction Platforms in NLS Region |
| 3.      | 3 <sup>rd</sup> Phase | 11/04/2016 Monday                     | 1 Auction Platform in NBS Region                                      |

#### Market position:

Meeting the expectations of the farmers, the highest price recorded on the starting day of auctions in NBS, SBS, SLS & NLS regions were ₹130.00, ₹146.00, ₹ 140.00 and ₹156.00 respectively as against ₹115.00, ₹126.00, ₹125.00 & ₹141.00 recorded during last year. The highest prices touched to ₹170.00, ₹155.00, ₹155.00 and ₹185.00 under NBS, SBS, SLS & NLS regions respectively during the crop season for the quality tobacco.

With the drastic cut in crop production during 2015-16 season compared to previous year production of 190.05 million kg, the auctions have commenced on a positive note and this was not continued after 20 days of auctions as the major exporters have reduced their purchases after initial purchases for sample purpose and waiting for confirmation of export orders. By 30 days of auctions the pace of auctions has further slowed down as no takers for certain off-styles, greens and low grades and there was also drop in price by ₹5/- to ₹10/- for certain other off-styles, from the initial highs.

Since the market has witnessed the price drop from the initial highs and also no buyers for certain off styles, greens & low grades rejection percentage has gone up to 30 to 35 % resulting in fewer offerings to the market. Due to this, during the months of April, May & June only 5,000 to 6,000 bales were able to push daily as against the handling potential of 20,000 bales per day.

In farmers' point of view, in 2015-16 crop season, though the quality was good, since the yields were poor, worried that any fall in market price will adversely affect their financial position and drive them into irrecoverable debts. During this period of subdued market conditions, the farmers were under tremendous pressure, worried about even recovery of cost of production and therefore naturally disturbed, expressed their anguishes and protest by way of agitations and pleading the elected representatives for interventions.

With the lapse in time, the farmers could not able to bear the pressure as they could not dispose of their tobacco and agitated for better prices. The Hon'ble Agricultural Minister of State Government of Andhra Pradesh has reviewed the situation with the Officials of Tobacco Board, Indian Tobacco Association & trade representatives on 12/04/2016. During the review the Hon'ble Minister has directed the trade on the following issues.

1. The Minister requested the trade to increase the highest price paid for tobacco in NLS Region to ₹160/- per kg to enable the farmers start offer their tobacco for market. The Trade had agreed for this and started paying ₹160/- per kg and the top price has gone up to ₹185/- per kg during the season.

2. The Minister requested the Exporters to actively participate in auctions especially in Prakasam and Nellore districts so as to increase the pace of auctions and liquidate stocks as early as possible.

At this juncture Chairman, Tobacco Board has also convened a meeting with the Indian Tobacco Association and trade on 22/04/2016 and prevailed on them to liquidate the tobacco at remunerative prices.

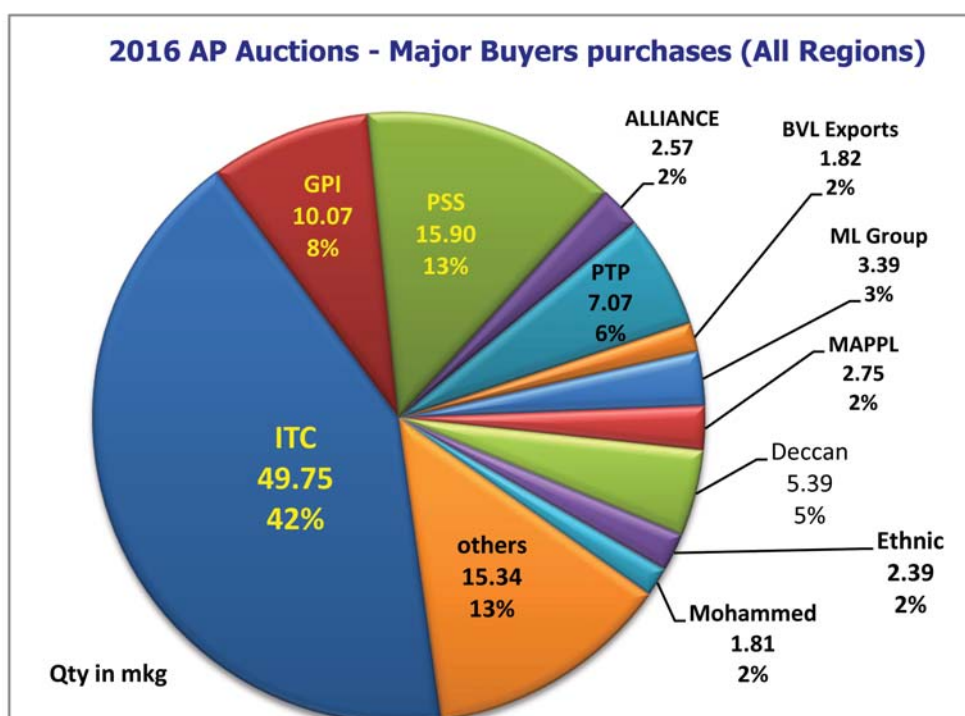
By the end of May the pace of the market was gradually improved with the increased participation of the exporters and picking up of the tobacco across the grades. The rejections percentage was also gradually came down and auctioned sizeable quantity daily.

Later on the market did not see any major problems and went on some how smoothly.

Quantity of tobacco marketed and grade wise average price realised during 2016 auctions in terms of Bright, Medium and Low Grades compared to 2015 auctions were given hereunder:

| Soil Region        | Grade         | 2016 Auctions           |                       | 2015 Auctions           |                       | Difference in Average Price of 2016 over 2015 auctions |
|--------------------|---------------|-------------------------|-----------------------|-------------------------|-----------------------|--------------------------------------------------------|
|                    |               | Quantity Marketed (mkg) | Average Price (₹ /kg) | Quantity Marketed (mkg) | Average Price (₹ /kg) |                                                        |
| <b>NBS</b>         | <b>Bright</b> | 0.96                    | 122.24                | 0.96                    | 103.12                | 19.12                                                  |
|                    | <b>Medium</b> | 1.24                    | 96.16                 | 2.37                    | 74.34                 | 21.82                                                  |
|                    | <b>Low</b>    | 0.50                    | 62.35                 | 0.87                    | 47.38                 | 14.97                                                  |
|                    | <b>Total</b>  | 2.70                    | 99.28                 | 4.20                    | 75.38                 | 23.90                                                  |
| <b>SBS</b>         | <b>Bright</b> | 16.52                   | 137.87                | 19.93                   | 114.44                | 23.43                                                  |
|                    | <b>Medium</b> | 9.62                    | 112.72                | 18.63                   | 91.78                 | 20.94                                                  |
|                    | <b>Low</b>    | 16.46                   | 73.56                 | 25.92                   | 53.85                 | 19.71                                                  |
|                    | <b>Total</b>  | <b>42.60</b>            | <b>107.35</b>         | <b>64.67</b>            | <b>83.54</b>          | <b>23.81</b>                                           |
| <b>SLS</b>         | <b>Bright</b> | 13.67                   | 136.09                | 13.20                   | 114.13                | 21.96                                                  |
|                    | <b>Medium</b> | 9.25                    | 114.99                | 19.91                   | 92.61                 | 22.38                                                  |
|                    | <b>Low</b>    | 10.47                   | 68.73                 | 23.89                   | 49.35                 | 19.38                                                  |
|                    | <b>Total</b>  | 33.39                   | 109.12                | 57.01                   | 79.46                 | 29.66                                                  |
| <b>NLS</b>         | <b>Bright</b> | 15.55                   | 157.60                | 22.20                   | 131.10                | 26.50                                                  |
|                    | <b>Medium</b> | 16.45                   | 129.95                | 33.02                   | 117.57                | 12.38                                                  |
|                    | <b>Low</b>    | 7.54                    | 86.49                 | 9.13                    | 72.33                 | 14.16                                                  |
|                    | <b>Total</b>  | <b>39.54</b>            | <b>132.53</b>         | <b>64.36</b>            | <b>115.82</b>         | <b>16.71</b>                                           |
| <b>All Regions</b> | <b>Bright</b> | 46.71                   | 143.59                | 56.30                   | 120.75                | 22.84                                                  |
|                    | <b>Medium</b> | 36.56                   | 120.48                | 73.94                   | 102.96                | 17.52                                                  |
|                    | <b>Low</b>    | 34.97                   | 74.74                 | 59.81                   | 54.78                 | 19.96                                                  |
| <b>Grand Total</b> |               | <b>118.24</b>           | <b>116.09</b>         | <b>190.05</b>           | <b>93.07</b>          | <b>23.02</b>                                           |

Purchases of major companies during 2016 AP auctions were given hereunder:



#### Conclusion of auction sales:

Overall, it took 150 auction days to market the 118.24 mkg of tobacco. The average price realised during 2016 auctions is ₹116.09 per kg which was higher by ₹23.02 per kg over 2015 auctions. Auction sales were concluded for the season by 31<sup>st</sup> August, 2016.

## II. AUCTIONS FOR SALE OF 2016-17 FCV TOBACCO IN KARNATAKA:

### 2.1 Report on 2016 Karnataka auctions:

Board has fixed a crop size of 95 mkg for 2016-17 FCV Tobacco Crop season in Karnataka, keeping in view of the estimated internal and external demand.

During the crop season timely rains were received which helped to take up the transplantations early in the season. After transplantations also the spread of rains was good during the months of May, June & July, helps uniform crop growth and production of good quality tobacco.

It was estimated the production of 89.10 mkg of cured FCV tobacco against the target crop size of 95 mkg. The low production was mainly attributed to the facts that farmers restricted the area under tobacco plantations and non-receipt of sufficient rains in the month of August & September.

The Bright, Medium and Low grades out turn estimated for the crop were 31%, 42% & 27% respectively.

Auctions for sale of 2016-17 FCV tobacco in Karnataka have commenced on 14/09/2016 at 12 auction platforms to market the estimated cured tobacco of 89.10 mkg through e-auction system.

The average prices realized for Bright, Medium and Low grades were ₹163.42, ₹143.53 and ₹98.68 per kg respectively.

The highest price recorded on the starting day of auctions was ₹156/- per kg and ₹182/- per kg was recorded during the season for quality tobacco.

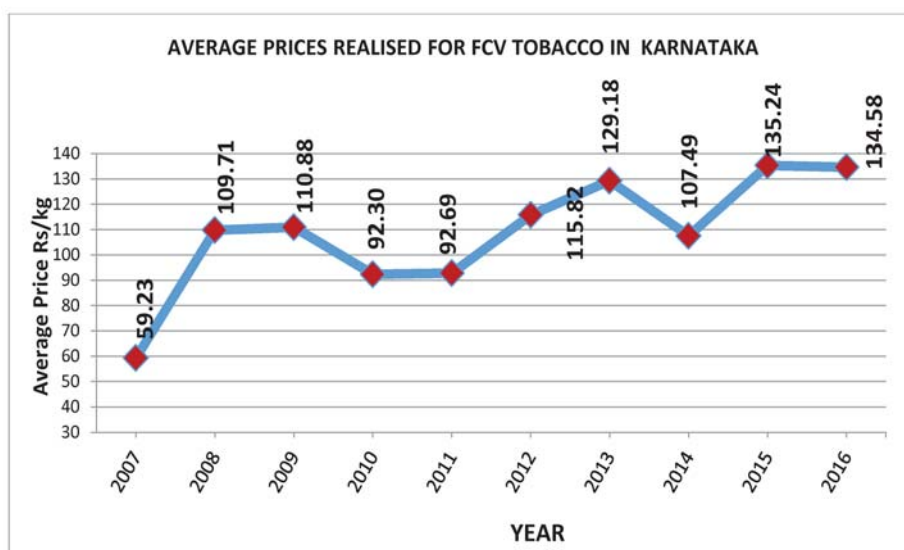
The average price realised ₹134.58 per kg was lower by ₹0.66 per kg over last year average price realized for total quantity marketed i.e. 71.95 mkg.

Quantity of tobacco marketed and average price realised during the season for Bright, Medium & Low grade tobaccos compared with previous year were given hereunder:

| Sl. No | Grade        | 2016 Auctions    |                  | 2015 Auctions      | Difference in Avg. Price of 2016 over 2015 auctions |
|--------|--------------|------------------|------------------|--------------------|-----------------------------------------------------|
|        |              | Qty. Mktd. (mkg) | Avg. Pri. (₹/kg) | Avg. Price (Rs/kg) |                                                     |
| 1      | Bright       | 28.52            | 163.42           | 165.01             | -1.59                                               |
| 2      | Medium       | 37.83            | 143.54           | 143.28             | 0.26                                                |
| 3      | Low          | 32.37            | 98.68            | 87.65              | 11.03                                               |
|        | <b>Total</b> | <b>98.72</b>     | <b>134.58</b>    | <b>135.24</b>      | <b>-0.66</b>                                        |

Auction platform wise quantities of tobacco sold and average prices realised for sale of 2016-17 Karnataka FCV tobacco were given at **page No. 81**.

Graph depicting average prices realised in Karnataka auctions since 2007 were given below:



Though, the average prices realised during the early part of the auctions were lower by ₹10/- to ₹17/- per kg compared to previous year, farmers offered good number of bales to the market to monetize their produce as they were in desperate condition due to failure of other cash crops and therefore no revenue sources.

As auctions were progressing, the prices have improved to the tune of previous year average prices. Particularly the average price for low grade tobacco was good and exceeded the previous year's average price by around ₹11.03 per kg.

All throughout the season the rejections percentage was high and has not come down due to one or other reasons such as lower prices for off-style tobaccos, tobacco not fetched lowest bid maintained by the Board, Rythu Rejections (RRs) for want of better prices etc. Therefore, the rejections recorded were at about 23% of the tobacco handled.

Purchases of major companies in the 2016 Karnataka FCV Tobacco auctions were given hereunder:

| Sl. No. | Name of the Buyer                               | Quantity in mkg |
|---------|-------------------------------------------------|-----------------|
| 1       | M/s. ITC Limited                                | 44.79           |
| 2       | M/s. Polisetty Somasundaram                     | 11.85           |
| 3       | M/s. Godfrey Phillips India Limited             | 9.70            |
| 4       | M/s. DTE Exports Pvt. Limited                   | 8.02            |
| 5       | M/s. Ethnic Agros Limited                       | 4.99            |
| 6       | M/s. Alliance One Industries India Pvt. Limited | 3.30            |
| 7       | M/s. Mohammed Enterprises Pvt. Limited          | 2.91            |
| 8       | M/s. Mittapalli Agro Products Pvt. Limited      | 1.95            |
| 9       | M/s. ITT Group                                  | 1.30            |
| 10      | M/s. Premier Tobacco Packers Pvt. Limited       | 0.96            |
| 11      | Others                                          | 8.95            |

### Conclusion of auction sales:

The auction sales were concluded on 15/03/2017 in 27 weeks. A quantity of 98.72 mkg was marketed at an average price of ₹134.58 per kg in 141 auction days.

### 2.2 Permission to growers to sell excess crop and unauthorized crop:

Government of India vide notifications Nos.S.O.31(E) & 32(E), dated 4<sup>th</sup> January, 2017 permitted the sale of excess quantity of tobacco produced by the registered growers in Karnataka State subject to payment of 7.5% service charges and extra fee of ₹2.00 per kg up to the extent of 10% of the quota authorized and also permitted to sale the tobacco produced over and above the limit of 10% of the quota authorized by the registered growers and also by every unregistered

grower of flue cured Virginia tobacco, who produced tobacco during 2016-17 crop season upon payment of 15% services charges and extra fee of ₹2.00 per kg.

### 2.3 Buyers' Participation:

A total number of 45 buyers participated during 2016-17 Karnataka FCV tobacco auctions as against 38 buyers participated in 2015-16 auction season.

### 2.4 Buyers' Performance:

The details of quantity of tobacco purchased, percentage share and average prices paid by the manufacturers, exporters and dealers (others) during 2016-17 Karnataka auctions in comparison with previous year were as follows:

| Sl. No. | Category of Buyer | 2015-16 Karnataka auctions |               |                       | 2016-17 Karnataka auctions |               |                       |
|---------|-------------------|----------------------------|---------------|-----------------------|----------------------------|---------------|-----------------------|
|         |                   | Quantity (mkg)             | % share       | Average price (₹ /kg) | Quantity (mkg)             | % share       | Average price (₹ /kg) |
| 1       | Manufacturers     | 42.82                      | 59.52         | 144.11                | 54.49                      | 55.20         | 146.09                |
| 2       | Exporters         | 26.56                      | 36.91         | 121.71                | 39.51                      | 40.02         | 120.27                |
| 3       | Others (Dealers)  | 2.57                       | 3.57          | 127.15                | 4.72                       | 4.78          | 121.43                |
|         | <b>Total</b>      | <b>71.95</b>               | <b>100.00</b> | <b>135.24</b>         | <b>98.72</b>               | <b>100.00</b> | <b>134.58</b>         |

### 2.5 Service Charges:

An amount of ₹43.87 crore was collected from the growers as well as buyers towards service charges including additional service charges and extra fee of ₹2/- per kg on the quantity of excess tobacco sold by the registered growers and unauthorized tobacco produced by the unregistered growers for 2016-17 Karnataka crop as against ₹23.94 crore collected for 2015-16 Karnataka crop.

Value of the tobacco sold by the growers in Karnataka during 2016 auctions was ₹1,328.56 crore.

## III. AUCTIONS FOR SALE OF 2016-17 FCV TOBACCO IN ANDHRA PRADESH

### 3.1 REPORT ON 2017 ANDHRA PRADESH AUCTIONS

Board has fixed a crop size of 130 million kg for all the soil regions put together in Andhra Pradesh during 2016-17 crop season.

The scanty and late receipt of rainfall prior to transplantations led to delayed transplantations. The area planted under tobacco has come down, and it was less than the area authorised. After transplantations also there was no sufficient rainfall led to stunted growth thereby poor yield. The

crop stand in the fields was highly heterogeneous. Added to the climatic adversities, the menace of debilitating root parasite “Orobanche” outbreak was continued this year also. This also contributed to the poor yields. Due to the prevalence of adverse weather, farmers could not able to take up any other crops also and some farmers have burnt their fingers by taking up of other crops as they failed to yield hardly anything. Farmers, by incurring huge expenditure, have provided lifesaving irrigation, wherever possible.

Overall, nature has played a major role in restricting the area under tobacco plantation as well as production in SLS & SBS soil regions.

With the adverse weather conditions experienced throughout crop season, increased cost of cultivation and reduced production levels, farmers particularly under SLS & SBS soil regions were under severe depressed condition.

However, the influence of deficient rainfall was not been reflected on NLS region crop, as the crop in this area was totally being taken-up under irrigated condition. Crop in this area was come up well and yielded good produce.

Soil region wise crop size targeted and estimated production during this year was furnished hereunder:

| Sl. No. | Soil Region        | Targeted Crop (mkg) | Estimated Production (mkg) |
|---------|--------------------|---------------------|----------------------------|
| 1       | NBS Region         | 4.00                | 3.17                       |
| 2       | SBS Region         | 39.00               | 30.50                      |
| 3       | SLS Region         | 45.00               | 24.72                      |
| 4       | NLS Region         | 32.00               | 45.79                      |
|         | <b>Grand Total</b> | <b>130.00</b>       | <b>104.18</b>              |

### 3.2 Grade Outturn:

The estimated Bright, Medium and Low grade percentages for 2016-17 crop were 43%:38%:19% vis-à-vis 40%:31%:29% during last year.

### 3.3 Commencement of Auction sales:

Auctions for sale of 2016-17 season FCV tobacco crop in Andhra Pradesh have commenced as given hereunder:

| Sl. No. | Phase                                             | Date of commencement of auction sales | Auction platforms    |
|---------|---------------------------------------------------|---------------------------------------|----------------------|
| 1.      | 1 <sup>st</sup> Phase<br>(SLS, SBS & NLS Regions) | 15/03/2017 Wednesday                  | 17 Auction Platforms |
| 2.      | 2 <sup>nd</sup> Phase<br>(NBS Region)             | 06/04/2017 Thursday                   | 1 Auction Platform   |

Considering the small size of crop production at Vellampalli & Podili areas, it was decided to auction the tobacco produced under Vellampalli-I auction platform jurisdiction at Vellampalli-II auction platform and also to market the tobacco produced under Podili-II auction platform jurisdiction at Podili-I auction platform. Therefore, only 18 auction platforms were being operated during the current auction season as against 20 auction platforms last year.

Auctions in 1st phase at 17 auction platforms have commenced on a positive note. The highest bids recorded on the starting day and at the end of March 2017 were given hereunder:

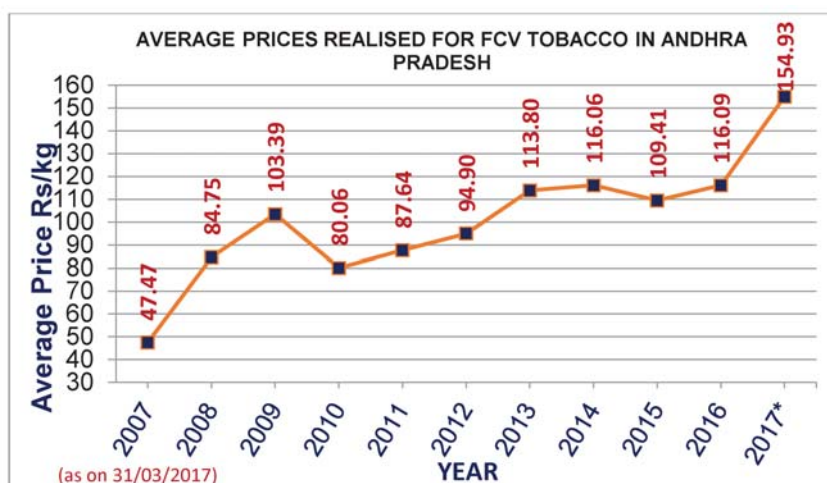
(₹ per kg)

| Soil Region | Starting day  |                                                   | As on 31/03/2017<br>in 2017 auctions |
|-------------|---------------|---------------------------------------------------|--------------------------------------|
|             | 2016 Auctions | 2017 Auctions                                     |                                      |
| <b>SLS</b>  | 140.00        | 161.00                                            | 166.00                               |
| <b>SBS</b>  | 146.00        | 162.00                                            | 168.00                               |
| <b>NLS</b>  | 156.00        | 166.00                                            | 166.00                               |
| <b>NBS</b>  | 130.00        | Auction sales scheduled to commence on 06/04/2017 |                                      |

### 3.4 Volume and Prices:

A total quantity of 2.89 mkg of tobacco was marketed at an average price of ₹154.93 per kg by the end of March, 2017.

### 3.5 Graph depicting average prices realized in Andhra Pradesh auctions since 2007 was given below:



**3.6 Average prices realized for Bright, Medium and low grades as on 31/03/2017 were as follows:**

| Grade        | Quantity (mkg) | % Share       | Average Price (₹ /kg) |
|--------------|----------------|---------------|-----------------------|
| Bright       | 2.36           | 81.83         | 157.44                |
| Medium       | 0.51           | 17.62         | 144.74                |
| Low          | 0.02           | 0.55          | 107.63                |
| <b>Total</b> | <b>2.89</b>    | <b>100.00</b> | <b>154.93</b>         |

A statement showing auction platform wise quantities of tobacco marketed and average prices realized as on 31/03/2017 was placed **at Page No. 80.**

#### **IV. TOTAL QUANTITY OF TOBACCO MARKETED**

The total quantity of tobacco marketed during the period 01/04/2016 to 31/03/2017, at all the auction platforms both in Andhra Pradesh and Karnataka was 210.91 mkg and the average price realized was ₹124.39 per kg. The particulars were placed **at Page Nos. 83 & 84.**

#### **4.1 BUYERS' PERFORMANCE**

The details of quantity of tobacco purchased, percentage share and average prices paid by manufacturers, exporters and dealers both in Andhra Pradesh and Karnataka during the period 01/04/2016 to 31/03/2017 were placed **at Page Nos. 85 & 86.**

#### **4.2 SUPPLY OF STANDARDIZED BALE PACKING MATERIAL TO THE FARMERS**

Regulation 7 of the Tobacco Board (Auction) Regulations, 1984, envisages use of standardized bale packing material by all growers for packing their tobacco brought for auction sales. According to Regulation 7(7) of the Tobacco Board (Auction) Regulation, the packing material along with the string used for packing a bale shall not weigh more than one kg.

Accordingly, Board has standardized the packing material and arranged to supply to the growers, through the Indian Tobacco Association (ITA) at free of cost. The ITA supplied 9,57,400 units of bale packing material to tobacco growers of Karnataka and 8,02,268 units to the growers of Andhra Pradesh for 2016-17 crop at free of cost. The Board arranged for distribution of bale packing material to the growers, recovery of the cost from the traders and remitting of the same to the ITA.

**Auction Platform wise quantity of tobacco marketed in Andhra Pradesh  
and Karnataka during the period 01/04/16 to 31/03/17**

| Sl. No.           | Name of the Auction Platform | 2016 AP auctions<br>Quantity marketed during the period<br>01/4/16 to 31/08/16 |                  | 2017 AP auctions<br>quantity marketed during the period<br>15/03/17 to 31/03/17 |                  | Total Qty. marketed during the period<br>01/04/16 to 31/03/17 |                  |
|-------------------|------------------------------|--------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------|------------------|---------------------------------------------------------------|------------------|
|                   |                              | Qty. Mktd. (kg)                                                                | Avg. Pri. (₹/kg) | Qty. Mktd. (kg)                                                                 | Avg. Pri. (₹/kg) | Qty. Mktd. (kg)                                               | Avg. Pri. (₹/kg) |
| I. ANDHRA PRADESH |                              |                                                                                |                  |                                                                                 |                  |                                                               |                  |
| 1                 | Thorredu                     | 2704784.7                                                                      | 99.28            | 0                                                                               | 0.00             | 2704784.7                                                     | 99.28            |
| TOTAL (NBS)       |                              | 2704784.7                                                                      | 99.28            | 0                                                                               | 0.00             | 2704784.7                                                     | 99.28            |
| 2                 | Vellampally-I                | 4086882.0                                                                      | 99.95            | 0.0                                                                             | 0.00             | 4086882.0                                                     | 99.95            |
| 3                 | Vellampally-II               | 3177112.0                                                                      | 101.26           | 214323.6                                                                        | 154.25           | 3391435.6                                                     | 104.61           |
| 4                 | Ongole-I                     | 6641985.0                                                                      | 104.37           | 172890.6                                                                        | 154.53           | 6814875.6                                                     | 105.64           |
| 5                 | Ongole-II                    | 7686667.0                                                                      | 105.58           | 192782.3                                                                        | 155.20           | 7879449.3                                                     | 106.79           |
| 6                 | Tangutur-I                   | 5869504.2                                                                      | 107.51           | 261535.8                                                                        | 156.46           | 6131040.0                                                     | 109.60           |
| 7                 | Tangutur-II                  | 5038428.8                                                                      | 106.89           | 159466.4                                                                        | 157.89           | 5197895.2                                                     | 108.45           |
| 8                 | Kondepi                      | 6948301.6                                                                      | 105.88           | 256034.5                                                                        | 158.84           | 7204336.1                                                     | 107.76           |
| TOTAL (SBS)       |                              | 39448880.6                                                                     | 104.95           | 1257033.2                                                                       | 156.29           | 40705913.8                                                    | 106.54           |
| 9                 | Podili-I                     | 2904684.4                                                                      | 97.98            | 159008.9                                                                        | 153.10           | 3063693.3                                                     | 100.84           |
| 10                | Podili-II                    | 2429048.8                                                                      | 98.46            | 0.0                                                                             | 0.00             | 2429048.8                                                     | 98.46            |
| 11                | Kandukur-I                   | 6689352.0                                                                      | 110.21           | 223009.9                                                                        | 158.47           | 6912361.9                                                     | 111.77           |
| 12                | Kandukur-II                  | 5534184.2                                                                      | 108.26           | 268439.3                                                                        | 155.24           | 5802623.5                                                     | 110.43           |
| 13                | Kanigiri                     | 2453465.6                                                                      | 98.39            | 183496.5                                                                        | 155.98           | 2636962.1                                                     | 102.40           |
| 14                | Kaligiri                     | 3617541.4                                                                      | 102.01           | 83607.3                                                                         | 156.93           | 3701148.7                                                     | 103.25           |
| 15                | D.C.Palli                    | 4479130.6                                                                      | 100.56           | 134740.1                                                                        | 156.28           | 4613870.7                                                     | 102.19           |
| TOTAL (SLS)       |                              | 28107407.0                                                                     | 103.92           | 1052302.0                                                                       | 156.00           | 29159709.0                                                    | 105.80           |
| 16                | Devarapalli                  | 6295925.6                                                                      | 136.83           | 63819.9                                                                         | 148.29           | 6359745.5                                                     | 136.95           |
| 17                | J.R.Gudem-I                  | 9115473.2                                                                      | 129.14           | 210704.3                                                                        | 149.17           | 9326177.5                                                     | 129.59           |
| 18                | J.R.Gudem-II                 | 9114241.0                                                                      | 132.49           | 114157.3                                                                        | 150.99           | 9228398.3                                                     | 132.72           |
| 19                | Koyyalagudem                 | 8188573.7                                                                      | 132.34           | 127763.3                                                                        | 151.14           | 8316337.0                                                     | 132.63           |
| 20                | Gopalapuram                  | 6322034.8                                                                      | 133.06           | 62031.8                                                                         | 150.56           | 6384066.6                                                     | 133.23           |
| TOTAL (NLS)       |                              | 39036248.3                                                                     | 132.47           | 578476.6                                                                        | 150.02           | 39614724.9                                                    | 132.73           |
| SUB TOTAL         |                              | 109297320.6                                                                    | 114.37           | 2887811.8                                                                       | 154.93           | 112185132.4                                                   | 115.41           |

## II. KARNATAKA

| Sl. No.            | Name of the Auction Platform | 2016 Karnataka auctions<br>Quantity marketed during the period<br>14/09/16 to 15/03/17 |                  | Total Qty. marketed during the period<br>01/04/16 to 31/03/17 |                  |
|--------------------|------------------------------|----------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------|------------------|
|                    |                              | Qty. Mktd. (kg)                                                                        | Avg. Pri. (₹/kg) | Qty. Mktd. (kg)                                               | Avg. Pri. (₹/kg) |
| 1                  | H.D.Kote-I                   | 4337122.5                                                                              | 131.41           | 4337122.5                                                     | 131.41           |
| 2                  | H.D.Kote-II                  | 4288583.1                                                                              | 128.74           | 4288583.1                                                     | 128.74           |
| 3                  | Hunsur-I                     | 7951985.5                                                                              | 133.71           | 7951985.5                                                     | 133.71           |
| 4                  | Hunsur-II                    | 7895992.7                                                                              | 134.62           | 7895992.7                                                     | 134.62           |
| 5                  | Hunsur-III                   | 6575319.7                                                                              | 137.20           | 6575319.7                                                     | 137.20           |
| 6                  | Kampalapura-I                | 8651715.9                                                                              | 132.14           | 8651715.9                                                     | 132.14           |
| 7                  | Chilkunda                    | 10707509.2                                                                             | 133.96           | 10707509.2                                                    | 133.96           |
| 8                  | Periyapatna-I                | 10710609.0                                                                             | 134.76           | 10710609.0                                                    | 134.76           |
| 9                  | Periyapatna-II               | 10955876.3                                                                             | 137.23           | 10955876.3                                                    | 137.23           |
| 10                 | Periyapatna-III              | 9980606.4                                                                              | 137.17           | 9980606.4                                                     | 137.17           |
| 11                 | Ramanathapura-I              | 9340374.7                                                                              | 134.32           | 9340374.7                                                     | 134.32           |
| 12                 | Ramanathapura-II             | 7326619.4                                                                              | 134.75           | 7326619.4                                                     | 134.75           |
| <b>SUB TOTAL</b>   |                              | <b>98722314.4</b>                                                                      | <b>134.58</b>    | <b>98722314.4</b>                                             | <b>134.58</b>    |
| <b>GRAND TOTAL</b> |                              | <b>101610126.2</b>                                                                     | <b>135.16</b>    | <b>210907446.8</b>                                            | <b>124.39</b>    |

### 2016 KARNATAKA AUCTIONS:: AUCTION PLATFORMWISE SALE PARTICULARS (As on 31.03.2017)

| Sl. No.            | Name of the Platform | APF No. | Opening date   | No. of bales sold | Quantity sold (kg) | Value (₹)             | Avg. Pri. (₹ /kg) | Highest bid (₹ /kg) | Lowest bid (₹ /kg) | Avg. bale weight (kg) |
|--------------------|----------------------|---------|----------------|-------------------|--------------------|-----------------------|-------------------|---------------------|--------------------|-----------------------|
| 1                  | H.D. Kote-I          | 1       | 14.9.16        | 45234             | 4337122.5          | 569954226.00          | 131.41            | 180.00              | 12.00              | 95.9                  |
| 2                  | H.D. Kote-II         | 65      | 14.9.16        | 44100             | 4288583.1          | 552096013.10          | 128.74            | 180.00              | 15.00              | 97.2                  |
| 3                  | Hunsur - I           | 2       | 14.9.16        | 82881             | 7951985.5          | 1063237414.00         | 133.71            | 180.00              | 11.00              | 95.9                  |
| 4                  | Hunsur - II          | 3       | 14.9.16        | 82781             | 7895992.7          | 1062925319.20         | 134.62            | 181.00              | 9.00               | 95.4                  |
| 5                  | Hunsur - III         | 64      | 14.9.16        | 66651             | 6575319.7          | 902108108.40          | 137.19            | 180.00              | 11.00              | 98.7                  |
| 6                  | Kampalapura-I        | 61      | 14.9.16        | 88863             | 8651715.9          | 1143266457.10         | 132.14            | 182.00              | 9.00               | 97.4                  |
| 7                  | Chilkunda            | 62      | 14.9.16        | 110696            | 10707509.2         | 1434327869.00         | 133.96            | 182.00              | 9.00               | 96.7                  |
| 8                  | Periyapatna - I      | 4       | 14.9.16        | 106145            | 10710609.0         | 1443323355.20         | 134.76            | 182.00              | 10.00              | 100.9                 |
| 9                  | Periyapatna - II     | 5       | 14.9.16        | 108690            | 10955876.3         | 1503495699.10         | 137.23            | 181.00              | 11.00              | 100.8                 |
| 10                 | Periyapatna - III    | 6       | 14.9.16        | 97923             | 9980606.4          | 1369036702.00         | 137.17            | 181.00              | 8.00               | 101.9                 |
| 11                 | Ramanathapura-I      | 7       | 14.9.16        | 97159             | 9340374.7          | 1254587060.20         | 134.32            | 180.00              | 11.00              | 96.1                  |
| 12                 | Ramanathapura-II     | 63      | 14.9.16        | 75622             | 7326619.4          | 987247461.40          | 134.75            | 180.00              | 12.00              | 96.9                  |
| <b>Grand Total</b> |                      |         | <b>14.9.16</b> | <b>1006745</b>    | <b>98722314.4</b>  | <b>13286049071.95</b> | <b>134.58</b>     | <b>182.00</b>       | <b>8.00</b>        | <b>98.1</b>           |

**2017 AP AUCTIONS - PLATFORM WISE QUANTITY OF TOBACCO MARKETED, AVERAGE PRICE REALISED, HIGHEST & LOWEST BIDS RECORDED AS ON 31/03/2017**

| Sl. No. | Name of the Auction platform | Apf. No. | Quantity (mkg) |              | Date of commencement | No. of bales sold | Highest bid (₹ /kg) | Lowest bid (₹ /kg) | Quantity marketed (kg) | Value of tobacco (₹)              | Avg. price (₹ /kg) | Avg. bale weight (kg) |
|---------|------------------------------|----------|----------------|--------------|----------------------|-------------------|---------------------|--------------------|------------------------|-----------------------------------|--------------------|-----------------------|
|         |                              |          | Targeted       | Estimated    |                      |                   |                     |                    |                        |                                   |                    |                       |
| 1       | Thorredu                     | 15       | 4.00           | 3.17         | 06.04.2017           |                   |                     |                    |                        | Auction sales yet to be commenced |                    |                       |
|         | <b>TOTAL(NBS)</b>            |          | <b>4.00</b>    | <b>3.17</b>  |                      |                   |                     |                    |                        |                                   |                    |                       |
| 2       | Vellampally - II             | 31       | 8.47           | 5.3          | 15.03.2017           | 1613              | 163.00              | 116.00             | 214323.6               | 33057272.06                       | 154.24             | 132.9                 |
| 3       | Ongole - I                   | 20       | 7.01           | 5.00         | 15.03.2017           | 1331              | 162.00              | 105.00             | 172890.6               | 26716784.42                       | 154.53             | 129.9                 |
| 4       | Ongole - II                  | 23       | 8.22           | 5.20         | 15.03.2017           | 1511              | 164.00              | 107.00             | 192782.3               | 29919812.96                       | 155.20             | 127.6                 |
| 5       | Tangutur-I                   | 24       | 6.01           | 5.80         | 15.03.2017           | 2031              | 167.00              | 135.00             | 261535.8               | 40919891.27                       | 156.46             | 128.8                 |
| 6       | Tangutur-II                  | 34       | 5.21           | 4.20         | 15.03.2017           | 1239              | 162.00              | 104.00             | 159466.4               | 25178149.90                       | 157.89             | 128.7                 |
| 7       | Kondepi                      | 25       | 7.67           | 5.00         | 15.03.2017           | 1889              | 163.00              | 104.00             | 256034.5               | 40668519.98                       | 158.84             | 135.5                 |
|         | <b>TOTAL (SBS)</b>           |          | <b>42.59</b>   | <b>30.50</b> | <b>15.03.2017</b>    | <b>9614</b>       | <b>167.00</b>       | <b>104.00</b>      | <b>1257033.2</b>       | <b>196460430.6</b>                | <b>156.29</b>      | <b>130.8</b>          |



| Sl. No.            | Name of the Auction platform | Apt. No. | Quantity (mkg) |               | Date of commencement | No. of bales sold | Highest bid (₹/kg) | Lowest bid (₹/kg) | Quantity marketed (kg) | Value of tobacco (₹) | Avg. price (₹/kg) | Avg. bale weight (kg) |
|--------------------|------------------------------|----------|----------------|---------------|----------------------|-------------------|--------------------|-------------------|------------------------|----------------------|-------------------|-----------------------|
|                    |                              |          | Targeted       | Estimated     |                      |                   |                    |                   |                        |                      |                   |                       |
| 8                  | Podili - II                  | 21       | 10.93          | 2.72          | 15.03.2017           | 1160              | 160.00             | 100.00            | 159008.9               | 24344262.59          | 153.10            | 137.1                 |
| 9                  | Kandukur - I                 | 26       | 7.74           | 8.00          | 15.03.2017           | 1670              | 163.00             | 141.00            | 223009.9               | 35340378.85          | 158.47            | 133.5                 |
| 10                 | Kandukur - II                | 27       | 7.00           | 5.87          | 15.03.2017           | 1994              | 163.00             | 107.00            | 268439.3               | 41672516.93          | 155.24            | 134.6                 |
| 11                 | Kanigiri                     | 35       | 4.50           | 1.86          | 15.03.2017           | 1331              | 161.00             | 101.00            | 183496.5               | 28621784.07          | 155.98            | 137.9                 |
| 12                 | Kaligiri                     | 28       | 5.03           | 2.58          | 15.03.2017           | 621               | 161.00             | 135.00            | 83607.3                | 13120493.59          | 156.93            | 134.6                 |
| 13                 | D.C. Palli                   | 29       | 6.21           | 3.69          | 15.03.2017           | 973               | 162.00             | 128.00            | 134740.1               | 21057182.83          | 156.28            | 138.5                 |
| <b>TOTAL (SLS)</b> |                              |          | <b>41.41</b>   | <b>24.72</b>  | <b>15.03.2017</b>    | <b>7749</b>       | <b>163.00</b>      | <b>100.00</b>     | <b>1052302.0</b>       | <b>164156618.9</b>   | <b>156.00</b>     | <b>135.8</b>          |
| 14                 | Devarapalli                  | 17       | 6.84           | 7.21          | 15.03.2017           | 476               | 165.00             | 138.00            | 63819.9                | 9463852.97           | 148.29            | 134.1                 |
| 15                 | J.R. Gudem - I               | 18       | 9.47           | 10.54         | 15.03.2017           | 1587              | 166.00             | 105.00            | 210704.3               | 31430760.43          | 149.17            | 132.8                 |
| 16                 | J.R. Gudem - II              | 32       | 9.60           | 10.64         | 15.03.2017           | 855               | 165.00             | 109.00            | 114157.3               | 17236610.73          | 150.99            | 133.5                 |
| 17                 | Koyyalagudem                 | 30       | 8.9            | 9.81          | 15.03.2017           | 965               | 165.00             | 108.00            | 127763.3               | 19310145.16          | 151.14            | 132.4                 |
| 18                 | Gopalapuram                  | 33       | 7.19           | 7.59          | 15.03.2017           | 469               | 166.00             | 103.00            | 62031.8                | 9339507.81           | 150.56            | 132.3                 |
| <b>TOTAL (NLS)</b> |                              |          | <b>42.00</b>   | <b>45.79</b>  | <b>15.03.2017</b>    | <b>4352</b>       | <b>166.00</b>      | <b>103.00</b>     | <b>578476.6</b>        | <b>86780877.10</b>   | <b>150.02</b>     | <b>132.9</b>          |
| <b>GRAND TOTAL</b> |                              |          | <b>130.00</b>  | <b>104.18</b> | <b>15.03.2017</b>    | <b>21715</b>      | <b>167.00</b>      | <b>100.00</b>     | <b>2887811.8</b>       | <b>447397926.5</b>   | <b>154.93</b>     | <b>133.0</b>          |

**BUYER WISE PURCHASES BOTH IN ANDHRA PRADESH AND KARNATAKA DURING THE PERIOD  
01/04/2016 TO 31/03/2017**

| Sl. No        | Name of the Buyer                         | 2015-16 AP CROP<br>FROM 01/04/2016<br>TO 31/08/2016 |                         |            | 2016-17 AP CROP<br>FROM 15/03/2017<br>TO 31/03/2017 |                         |            | 2016-17 KARNATAKA CROP<br>FROM 14/09/2016 TO<br>15/03/2017 |                         |            | TOTAL             |                         |            |
|---------------|-------------------------------------------|-----------------------------------------------------|-------------------------|------------|-----------------------------------------------------|-------------------------|------------|------------------------------------------------------------|-------------------------|------------|-------------------|-------------------------|------------|
|               |                                           | Quantity<br>in kg                                   | Avg.<br>price<br>(₹/kg) | %<br>share | Quantity<br>in kg                                   | Avg.<br>price<br>(₹/kg) | %<br>share | Quantity<br>in kg                                          | Avg.<br>price<br>(₹/kg) | %<br>share | Quantity<br>in kg | Avg.<br>price<br>(₹/kg) | %<br>share |
| MANUFACTURERS |                                           |                                                     |                         |            |                                                     |                         |            |                                                            |                         |            |                   |                         |            |
| 1             | ITC LTD                                   | 46311489.7                                          | 124.99                  | 42.37      | 1533058.8                                           | 152.84                  | 53.09      | 44791156.8                                                 | 146.86                  | 45.37      | 92635705.3        | 136.03                  | 32.09      |
| 2             | GPI LTD                                   | 9517518.5                                           | 99.56                   | 8.71       | 223076.5                                            | 156.17                  | 7.72       | 9703381.9                                                  | 142.50                  | 9.83       | 19443976.9        | 121.64                  | 6.74       |
|               | Sub-Total                                 | 55829008.2                                          | 120.66                  | 51.08      | 1756135.3                                           | 153.26                  | 60.81      | 54494538.7                                                 | 146.09                  | 55.20      | 112079682.2       | 133.54                  | 38.82      |
| EXPORTERS     |                                           |                                                     |                         |            |                                                     |                         |            |                                                            |                         |            |                   |                         |            |
| 1             | Polisetty<br>Somasundaram                 | 15204020.6                                          | 118.97                  | 13.91      | 181877.9                                            | 157.16                  | 6.30       | 11849271.0                                                 | 121.27                  | 12.00      | 27235169.5        | 120.23                  | 9.43       |
| 2             | Alliance One<br>Industries Ind. Ltd.      | 2244085.7                                           | 110.30                  | 2.05       | 105461.8                                            | 157.93                  | 3.65       | 3303556.9                                                  | 133.01                  | 3.35       | 5653104.4         | 124.46                  | 1.96       |
| 3             | ITT Group                                 | 1961062.5                                           | 125.17                  | 1.80       | 3036.7                                              | 162.79                  | 0.11       | 1299866.7                                                  | 156.49                  | 1.32       | 3263965.9         | 137.68                  | 1.13       |
| 4             | Premier Tob.<br>Packers Pvt.Ltd.          | 5297733.5                                           | 132.14                  | 4.85       | 288680.1                                            | 157.02                  | 10.00      | 962705.8                                                   | 135.70                  | 0.98       | 6549119.4         | 133.76                  | 2.27       |
| 5             | M.L. & Co. group                          | 3335053.7                                           | 123.42                  | 3.05       | 18201.1                                             | 158.24                  | 0.63       | 573679.1                                                   | 96.79                   | 0.58       | 3926933.9         | 119.69                  | 1.36       |
| 6             | Mittapalli Adinarayana<br>Ent. Pvt Ltd.   | 541000.1                                            | 108.53                  | 0.49       | 12726.3                                             | 156.77                  | 0.44       | 839654.6                                                   | 109.11                  | 0.85       | 1393381.0         | 109.32                  | 0.48       |
| 7             | Yarlagadda Exports                        | 512731.4                                            | 104.25                  | 0.47       |                                                     |                         |            | 288053.7                                                   | 124.09                  | 0.29       | 800785.1          | 111.39                  | 0.28       |
| 8             | Mittapalli Agro<br>Products Pvt. Ltd.(R ) | 2588792.9                                           | 72.60                   | 2.37       | 34271.2                                             | 143.56                  | 1.19       | 1951735.4                                                  | 96.27                   | 1.98       | 4574799.5         | 83.23                   | 1.58       |
| 9             | Bommidala Purnaiah<br>Holdings Pvt.Ltd.   | 232020.0                                            | 119.13                  | 0.21       | 1233.0                                              | 159.48                  | 0.04       | 398461.5                                                   | 126.77                  | 0.40       | 631714.5          | 124.03                  | 0.22       |
| 10            | Lakshmi Enterprises                       |                                                     |                         |            | 124.6                                               | 160.00                  | 0.00       |                                                            |                         |            |                   |                         |            |
| 11            | Prapalsha Agros Ltd.                      | 57709.2                                             | 80.32                   | 0.05       | 6118.6                                              | 152.67                  | 0.21       | 231683.0                                                   | 99.36                   | 0.23       | 295510.8          | 96.75                   | 0.10       |



| Sl. No | Name of the Buyer             | 2015-16 AP CROP<br>FROM 01/04/2016<br>TO 31/08/2016 |                         |            |                   | 2016-17 AP CROP<br>FROM 15/03/2017<br>TO 31/03/2017 |            |                   |                         | 2016-17 KARNATAKA CROP<br>FROM 14/09/2016 TO<br>15/03/2017 |                   |                         |            | TOTAL             |                         |            |  |
|--------|-------------------------------|-----------------------------------------------------|-------------------------|------------|-------------------|-----------------------------------------------------|------------|-------------------|-------------------------|------------------------------------------------------------|-------------------|-------------------------|------------|-------------------|-------------------------|------------|--|
|        |                               | Quantity<br>in kg                                   | Avg.<br>price<br>(₹/kg) | %<br>share | Quantity<br>in kg | Avg.<br>price<br>(₹/kg)                             | %<br>share | Quantity<br>in kg | Avg.<br>price<br>(₹/kg) | %<br>share                                                 | Quantity<br>in kg | Avg.<br>price<br>(₹/kg) | %<br>share | Quantity<br>in kg | Avg.<br>price<br>(₹/kg) | %<br>share |  |
| 12     | Chaitanya Tobacco Co.         | 3420.8                                              | 152.33                  | 0.00       |                   |                                                     |            |                   |                         |                                                            | 3420.8            | 152.33                  | 0.00       |                   |                         |            |  |
| 13     | Avinash Tobaccos              | 2921.8                                              | 144.12                  | 0.00       |                   |                                                     |            |                   |                         |                                                            | 227940.0          | 123.90                  | 0.23       | 230861.8          | 124.16                  | 0.08       |  |
| 14     | Panchajanya Tobacco           |                                                     |                         |            |                   |                                                     |            |                   |                         |                                                            | 135196.1          | 98.13                   | 0.14       | 135196.1          | 98.13                   | 0.05       |  |
| 15     | Mohammed Enterprises Pvt.Ltd. | 1693559.6                                           | 120.16                  | 1.55       | 117062.2          | 160.43                                              | 4.05       |                   |                         |                                                            | 2908227.2         | 143.78                  | 2.95       | 4718849.0         | 135.72                  | 1.63       |  |
| 16     | Venkata Suresh Enterprises    |                                                     |                         |            |                   |                                                     |            |                   |                         |                                                            | 93565.4           | 92.67                   | 0.09       | 93565.4           | 92.67                   | 0.03       |  |
| 17     | Vani Tobaccos                 |                                                     |                         |            |                   |                                                     |            |                   |                         |                                                            | 745924.1          | 107.56                  | 0.76       | 745924.1          | 107.56                  | 0.26       |  |
| 18     | Ethnic Group                  | 2293974.7                                           | 93.03                   | 2.10       | 36390.5           | 151.97                                              | 1.26       |                   |                         |                                                            | 4990945.9         | 85.41                   | 5.06       | 7321311.1         | 88.13                   | 2.54       |  |
| 19     | Deccan Tobacco Company group  | 5064497.1                                           | 110.37                  | 4.63       | 5278.2            | 160.79                                              | 0.18       |                   |                         |                                                            | 8023064.2         | 130.07                  | 8.13       | 13092839.5        | 122.46                  | 4.54       |  |
| 20     | Shaik Masthan Saheb Tobacco   | 174630.2                                            | 75.14                   | 0.16       | 7348.7            | 122.64                                              | 0.25       |                   |                         |                                                            |                   |                         |            | 181978.9          | 77.06                   | 0.06       |  |
| 21     | Venkata Sai Tobacco Co        | 103755.6                                            | 56.75                   | 0.09       |                   |                                                     |            |                   |                         |                                                            | 2120.7            | 124.45                  | 0.00       | 105876.3          | 58.11                   | 0.04       |  |
| 22     | Hamid Exports                 | 24624.0                                             | 52.75                   | 0.02       |                   |                                                     |            |                   |                         |                                                            | 37336.7           | 136.19                  | 0.04       | 61960.7           | 103.03                  | 0.02       |  |
| 23     | Cartel Tobaccos               | 56085.7                                             | 49.64                   | 0.05       |                   |                                                     |            |                   |                         |                                                            | 450368.3          | 107.26                  | 0.46       | 506454.0          | 100.88                  | 0.18       |  |
| 24     | Sri Hanuma Ent.               | 574691.6                                            | 72.90                   | 0.53       | 29792.2           | 161.06                                              | 1.03       |                   |                         |                                                            | 194766.7          | 127.87                  | 0.20       | 799250.5          | 89.58                   | 0.28       |  |
|        | Sub-Total                     | 41966370.7                                          | 114.08                  | 38.40      | 847603.1          | 156.75                                              | 29.35      |                   |                         |                                                            | 39508123.0        | 120.27                  | 40.02      | 82322096.8        | 117.49                  | 28.52      |  |
|        | OTHERS (Dealers)              | 11501941.7                                          | 84.94                   | 10.52      | 284073.4          | 159.78                                              | 9.84       |                   |                         |                                                            | 4719652.7         | 121.43                  | 4.78       | 16505667.8        | 96.66                   | 5.72       |  |
|        | GRAND TOTAL                   | 109297320.6                                         | 114.37                  | 100.00     | 2887811.8         | 154.93                                              | 100.00     |                   |                         |                                                            | 98722314.4        | 134.58                  | 100.00     | 210907446.8       | 124.39                  | 73.06      |  |

## TRADING WING

The Board may and if so, directed by the Central Government shall, purchase Virginia tobacco from the growers of such tobacco in India when the Board or as the case may be the Central Government is satisfied that such a step is necessary or expedient to protect the interests of the growers.

The Government of India has created Trading Wing in 1984 with margin money of 1.25 crores for its operations. The objective of Trading Wing is to mop up the unsold tobacco on the Auction Platforms at prices fixed by the government with a view to stabilize the market and thereby protecting the interest of growers.

### I. PRICE SUPPORT OPERATIONS:

There were no price support operations by the Trading Wing during 2016-17, as the market was buoyant and the growers received better price.

The margin money available with the Board, including the profit made by trading in the earlier years and interest accrued, accumulated as on 31.03.2017 to 19.40 crores.

### II. REGISTRATION AS PROCESSOR/MANUFACTURER/COMMERCIAL GRADERS OF VIRGINIA TOBACCO / EXPORTER OF TOBACCO AND TOBACCO PRODUCTS/ PACKERS/DEALERS IN TOBACCO:

Under Sections 11A, 11B(i) and 12 of Tobacco Board Act, 1975, no person shall process Virginia Tobacco, Manufacture Virginia Tobacco Products, take up grading work relating to Virginia tobacco for commercial purposes, export tobacco or any tobacco products, function as a packer, auctioneer, or dealer in tobacco, unless he registers himself with the Board in accordance with the rules made under this Act.

Individuals, firms or companies have to carry out the above operations only after obtaining Registration/Renewal of registration from the Tobacco Board for each category separately. The registration or renewal of registration granted is valid for Calendar year.

In line with the Government of India initiative on Digital India, Tobacco Board had introduced online system for e-filing of applications to provide transparent and integrated electronic services to the tobacco trade. E-filing of applications has been made mandatory for obtaining registration/ renewal of registration by all categories of traders from the calendar year 2016 through portal [www.tobaccoboard.in](http://www.tobaccoboard.in). Accordingly, Tobacco Board had achieved 100% on e-filing of applications and grant of registration/renewal of registration to the traders for the year 2016 and 2017.

The Registration / Renewal of registration granted to different categories of traders for the year 2016 and for the year 2017 (as on 31.03.2017) is as detailed below:

| S. No. | Category                              | No. of Companies Registered |                            |
|--------|---------------------------------------|-----------------------------|----------------------------|
|        |                                       | 2016                        | 2017<br>(As on 31.03.2017) |
| 1      | Processor of Virginia Tobacco         | 15                          | 15                         |
| 2      | Manufacturer of Virginia Tobacco      | 35                          | 27                         |
| 3      | Exporter of Tobacco                   | 162                         | 151                        |
| 4      | Exporter of Tobacco Products          | 270                         | 246                        |
| 5      | Dealer in Tobacco                     | 625                         | 549                        |
| 6      | Packer of Tobacco                     | 25                          | 23                         |
| 7      | Commercial Grader of Virginia tobacco | 35                          | 33                         |
|        | <b>Total:</b>                         | <b>1167</b>                 | <b>1044</b>                |

The Board had levied and collected the following penalties in 2016 as resolved by the Board.

|    |                                                                                                                                                                                                            |                       |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 1. | For Non/Late submission of Statutory Returns                                                                                                                                                               | ₹ 12,13,000.00        |
| 2. | For late submission of information called for and rectification of defects in the applications beyond the stipulated period/late fee for late submission of applications/old dues & Vigilance penalty etc. | ₹ 18,11,018.00        |
|    | <b>TOTAL</b>                                                                                                                                                                                               | <b>₹ 30,24,018.00</b> |

## MARKETING & EXPORTS OF TOBACCO AND TOBACCO PRODUCTS FROM INDIA

The Indian exports in all segments viz. FCV tobacco, Non-FCV tobacco and tobacco products have decreased during 2016-17 when compared to exports during 2015-16. A total quantity of 2,31,800 Metric tons of tobacco and tobacco products valued at ₹5,975.08 crore was exported. Total value of exports was US\$ 891.91 Million in dollar terms.

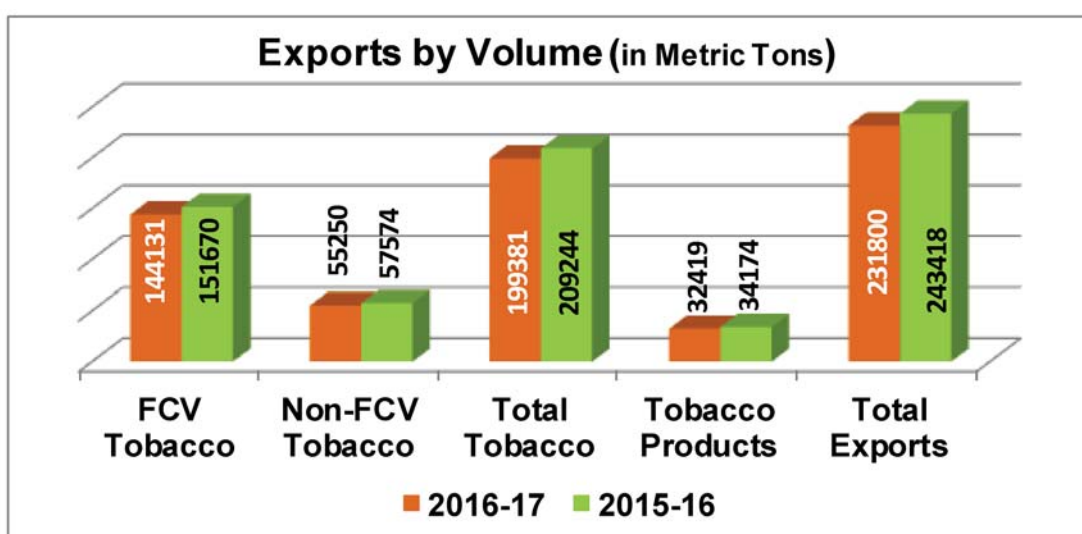
### I. TOBACCO EXPORTS FROM INDIA

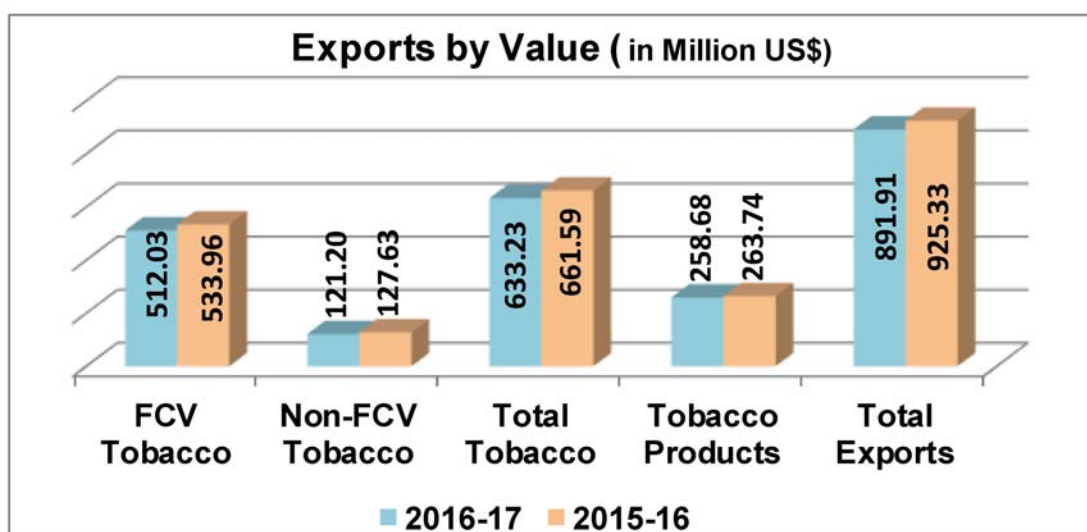
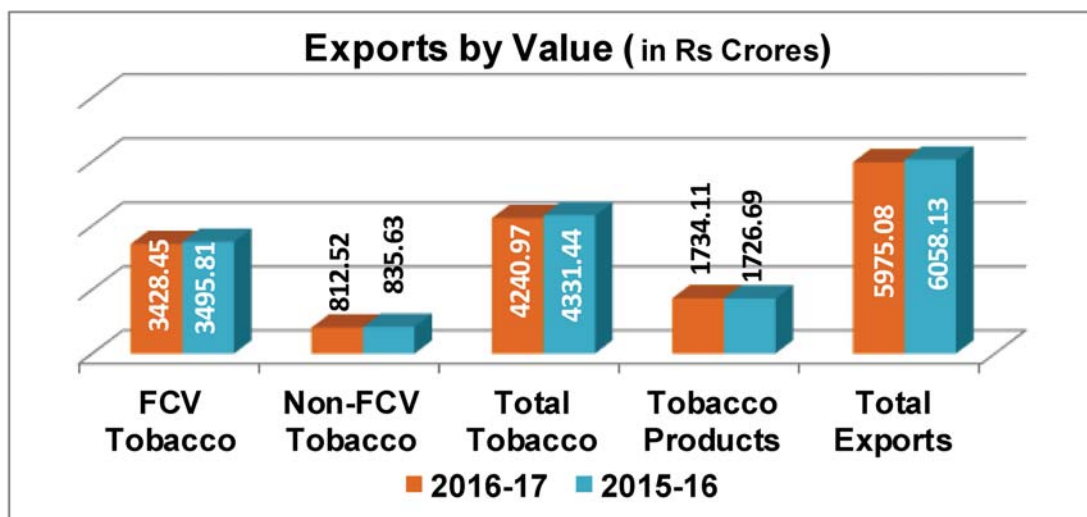
#### A. Overall performance:

Exports of tobacco and tobacco products from India for the year 2016-17 have decreased by 5%, 1% and 4% in terms of quantity, value in rupees and US dollars respectively in comparison with the exports made in the previous year. Exports of unmanufactured tobacco (FCV & Non-FCV tobacco) and tobacco products from India during 2016-17 in comparison with exports during the previous year are as follows:

| S. No | Categories                         | 2016-17             |                  |                        |                     | 2015-16          |                        |
|-------|------------------------------------|---------------------|------------------|------------------------|---------------------|------------------|------------------------|
|       |                                    | Qty. in Metric Tons | Value ₹ in Crore | Value in Million US\$. | Qty. in Metric Tons | Value ₹ in Crore | Value in Million US\$. |
| I     | Unmanufactured Tobacco             |                     |                  |                        |                     |                  |                        |
| a     | FCV Tobacco                        | 144131              | 3428.45          | 512.03                 | 151670              | 3495.81          | 533.96                 |
| b     | Non FCV Tobacco                    | 55250               | 812.52           | 121.20                 | 57574               | 835.63           | 127.63                 |
|       | <b>Total</b>                       | <b>199381</b>       | <b>4240.97</b>   | <b>633.23</b>          | <b>209244</b>       | <b>4331.44</b>   | <b>661.59</b>          |
| II    | Tobacco Products                   | 32419               | 1734.11          | 258.68                 | 34174               | 1726.69          | 263.74                 |
|       | <b>Grand Total</b>                 | <b>231800</b>       | <b>5975.08</b>   | <b>891.91</b>          | <b>243418</b>       | <b>6058.13</b>   | <b>925.33</b>          |
|       | <b>% Change over previous Year</b> | <b>-5</b>           | <b>-1</b>        | <b>-4</b>              | <b>-2</b>           | <b>7</b>         | <b>0.11</b>            |

Conversion factor for the Year 2016-17: 1 US\$ = ₹66.99





F C V tobacco exports during 2016-17 were in the order of 1,44,131 Metric tons valued at ₹3,428.45 crore as against 1,51,670 Metric tons valued at Rs.3,495.81 crores during same period last year showing a decrease of 5%, 2% and 4% in terms of quantity, value in rupees and US dollars respectively.

Exports of unmanufactured tobacco for the year 2016-17 have decreased by 5%, 2% and 4% in terms of quantity, value in rupees and US dollars respectively compared to the exports made during the previous year.

As far as exports of tobacco products are concerned, the same have decreased by 5%, and 2% in terms of quantity and value in US dollars respectively during 2016-17 compared to the exports made during the previous year. However, the same have recorded a marginal increase of 0.43% in Rupee terms.

Overall tobacco and tobacco product exports during 2016-17 were 2,31,800 Metric tons valued at ₹5,975.08 crore in rupee terms and US \$ 891.91 million in dollar terms. Exports of tobacco and tobacco products for the period under report have declined by 5%, 1% and 4% in terms of quantity, value in rupees & US dollars respectively when compared to the exports made during the previous year.

## B. Unmanufactured tobacco exports:

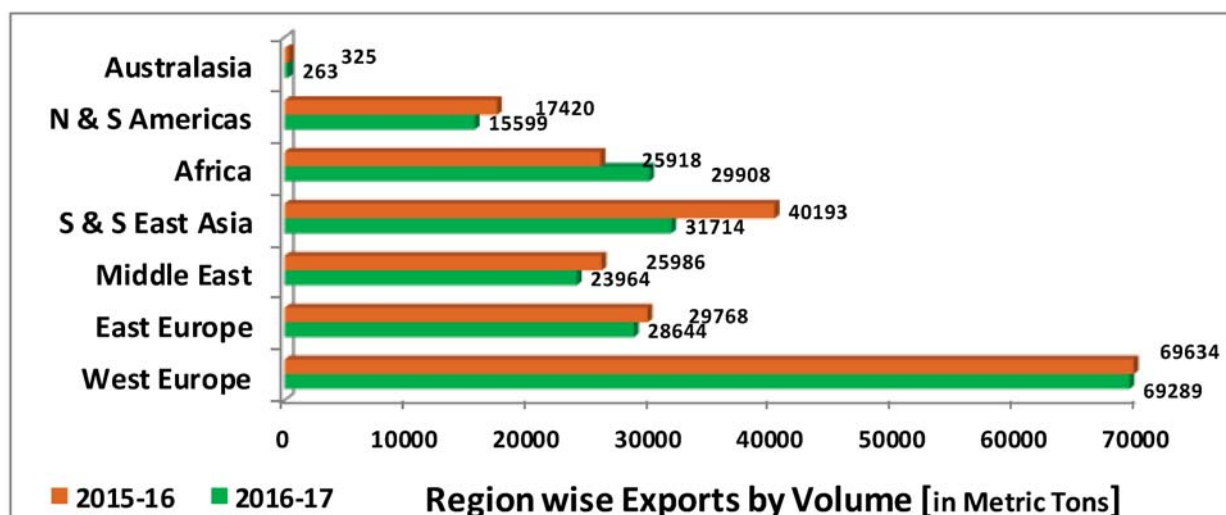
During 2016-17, India's unmanufactured tobacco exports accounted for 86% of total exports of tobacco and tobacco products in terms of quantity and 71% in terms of value in rupees. The same have decreased by 5%, 2% and 4% in terms of quantity, value in rupees & US dollars respectively compared to the exports made during the previous year.

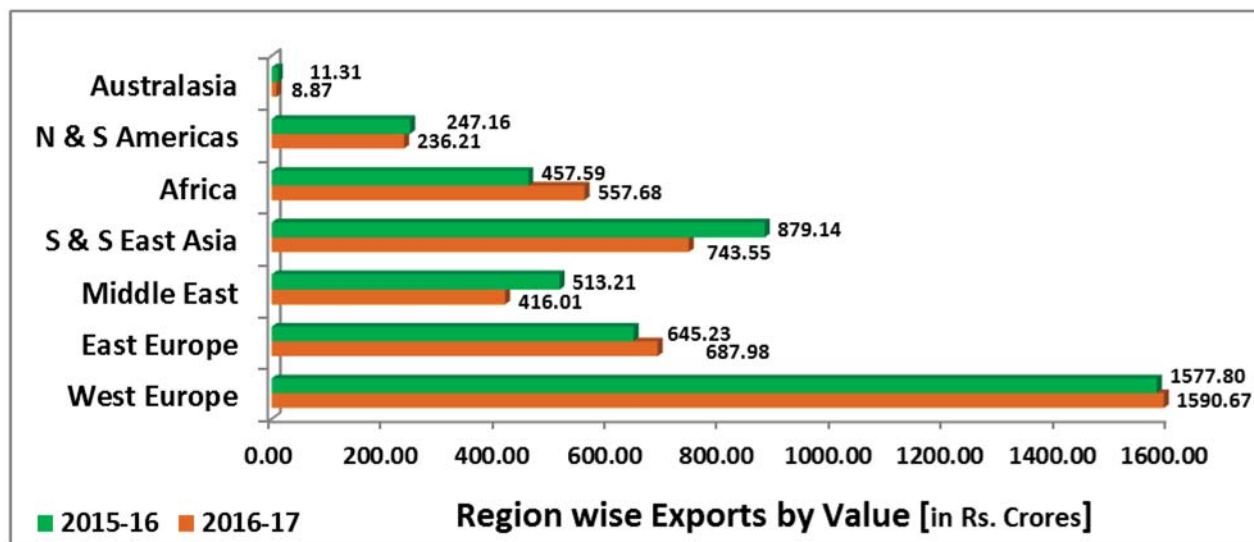
In Volume terms, Belgium continued to be the leading export destination for Indian tobaccos during 2016-17 followed by other important markets viz. Egypt, UAE, Russia, and South Korea. Out of the top five destinations, exports to Belgium, Egypt and UAE have improved on Year-on-Year basis whereas the same have declined in the case of Russia and South Korea.

## C. Region wise exports of unmanufactured tobacco:

(Quantity in Metric Tons, Value in ₹ Crore)

| Region                  | 2016-17             |                  |                  |                  | 2015-16             |                  |                  |                  |
|-------------------------|---------------------|------------------|------------------|------------------|---------------------|------------------|------------------|------------------|
|                         | Qty. in Metric Tons | % share in total | Value in ₹ crore | % share in total | Qty. in Metric Tons | % share in total | Value in ₹ crore | % share in total |
| West Europe             | 69289               | 34.75            | 1590.67          | 37.51            | 69634               | 33.28            | 1577.80          | 36.43            |
| East Europe             | 28644               | 14.37            | 687.98           | 16.22            | 29768               | 14.23            | 645.23           | 14.90            |
| Middle East             | 23964               | 12.02            | 416.01           | 9.81             | 25986               | 12.42            | 513.21           | 11.85            |
| South & South East Asia | 31714               | 15.91            | 743.55           | 17.53            | 40193               | 19.21            | 879.14           | 20.30            |
| Africa                  | 29908               | 15.00            | 557.68           | 13.15            | 25918               | 12.39            | 457.59           | 10.56            |
| North & South Americas  | 15599               | 7.82             | 236.21           | 5.57             | 17420               | 8.31             | 247.16           | 5.71             |
| Australasia             | 263                 | 0.13             | 8.87             | 0.21             | 325                 | 0.16             | 11.31            | 0.25             |
| Total                   | 199381              | 100              | 4240.97          | 100              | 209244              | 100              | 4331.44          | 100              |



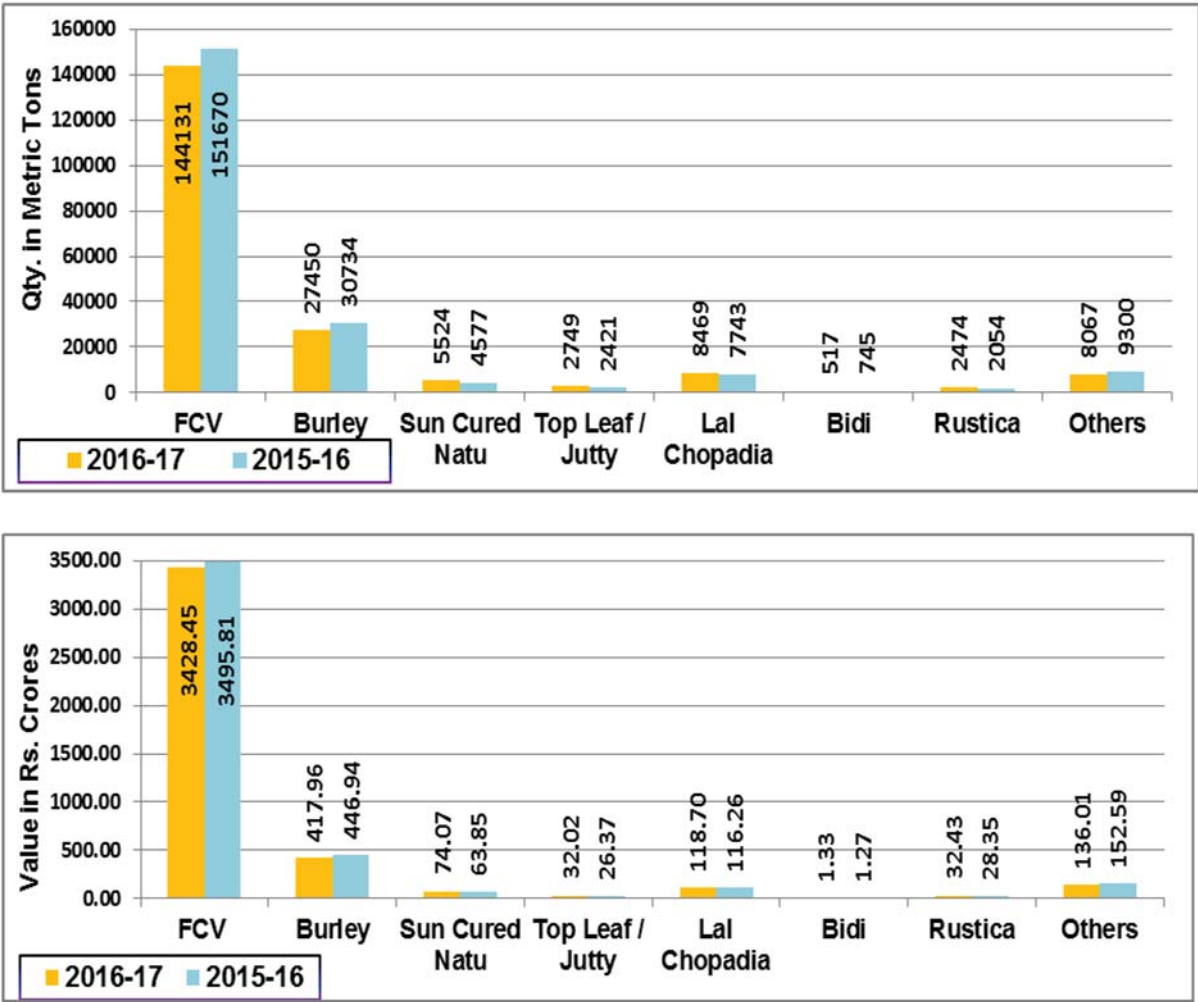


#### D. Tobacco type wise exports of unmanufactured tobacco:

Out of the total exports of Indian unmanufactured tobacco during the year 2016-17, FCV Type tobacco was 1,44,131 Metric Tons valued at ₹3,428.45 crore which constituted 72% in quantity terms and 81% in rupee terms. Non-FCV tobacco exports accounted for the balance 28% in quantity terms and 19% in rupee terms with a quantity of 55,250 metric tons valued at ₹812.52 crore. Tobacco type wise breakup of exports during the year 2016-17 in comparison to that of 2015-16 is as follows.

(Quantity in Metric Tons, Value ₹ in crore)

| Variety                         | 2016-17       |                |                |                | 2015-16       |                |
|---------------------------------|---------------|----------------|----------------|----------------|---------------|----------------|
|                                 | Quantity      | % change Y-o-Y | Value          | % change Y-o-Y | Quantity      | Value          |
| Flue Cured Virginia             | 144131        | -5             | 3428.45        | -2             | 151670        | 3495.81        |
| <b>Sub-Total (FCV Type)</b>     | <b>144131</b> | <b>-5</b>      | <b>3428.45</b> | <b>-2</b>      | <b>151670</b> | <b>3495.81</b> |
| Burley                          | 27450         | -11            | 417.96         | -6             | 30734         | 446.94         |
| Sun Cured Natu                  | 5524          | 21             | 74.07          | 16             | 4577          | 63.85          |
| Top Leaf / Jutty                | 2749          | 14             | 32.02          | 21             | 2421          | 26.37          |
| Lal Chopadia                    | 8469          | 9              | 118.70         | 2              | 7743          | 116.26         |
| Bidi                            | 517           | -31            | 1.33           | 5              | 745           | 1.27           |
| Rustica                         | 2474          | -20            | 32.43          | 14             | 2054          | 28.35          |
| Others                          | 8067          | -13            | 136.01         | -11            | 9300          | 152.59         |
| <b>Sub-Total (Non-FCV Type)</b> | <b>55250</b>  | <b>-4</b>      | <b>812.52</b>  | <b>-3</b>      | <b>57574</b>  | <b>835.63</b>  |
| <b>Total</b>                    | <b>199381</b> | <b>-5</b>      | <b>4240.97</b> | <b>-2</b>      | <b>209244</b> | <b>4331.44</b> |

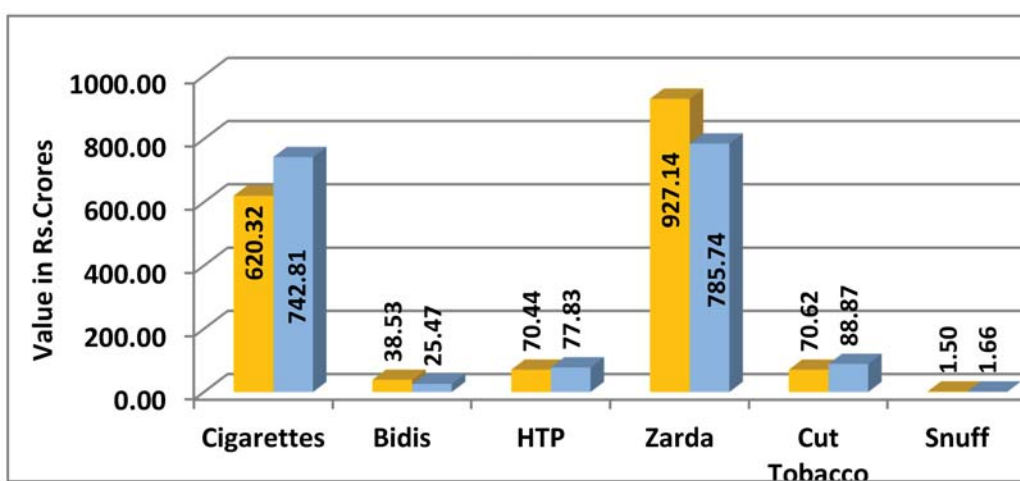
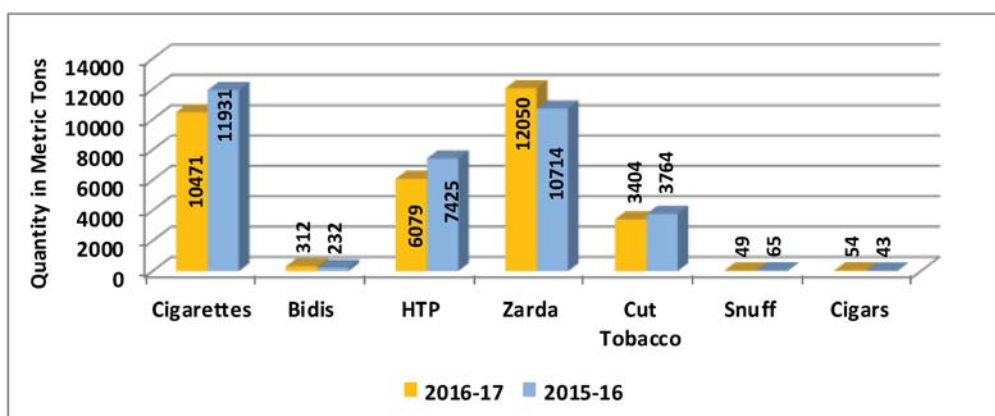


**E. Exports of Tobacco Products:**

Of the total Indian exports of tobacco and tobacco products during 2016-17, exports of tobacco products accounted for 14% in quantity terms and 29% in rupee terms. The same have decreased by 5% and 2% in terms of quantity and value in US dollars respectively compared to the exports made during the previous year. However, the same have recorded a marginal increase of 0.43% in Rupee terms.

(Quantity in Metric Tons, Value in ₹ Crore)

| Sl. No. | Tobacco Product Category | 2016-17      |                |                  |                | 2015-16      |                  |
|---------|--------------------------|--------------|----------------|------------------|----------------|--------------|------------------|
|         |                          | Quantity     | % change Y-o-Y | Value ₹ in crore | % change Y-o-Y | Quantity     | Value ₹ in crore |
| 1       | Cigarettes               | 10471        | -12            | 620.32           | -16            | 11931        | 742.81           |
| 2       | Bidis                    | 312          | 34             | 38.53            | 51             | 232          | 25.47            |
| 3       | Hookah to bacco paste    | 6079         | -18            | 70.44            | -9             | 7425         | 77.83            |
| 4       | Chewing Tobacco          | 12050        | 12             | 927.14           | 18             | 10714        | 785.74           |
| 5       | Cut Tobacco              | 3404         | -10            | 70.62            | -21            | 3764         | 88.87            |
| 6       | Snuff                    | 49           | -25            | 1.50             | -10            | 65           | 1.66             |
| 7       | Cigars                   | 54           | 26             | 5.56             | 29             | 43           | 4.31             |
|         | <b>TOTAL</b>             | <b>32419</b> | <b>-5</b>      | <b>1734.11</b>   | <b>0.43</b>    | <b>34174</b> | <b>1726.69</b>   |



## II. EXPORT PROMOTION ACTIVITIES

### A. Fairs and Exhibitions Abroad:

Tobacco Board has participated in the following international Trade Fairs/ Exhibitions during 2016-17 for export promotion and brand image of Indian tobacco and tobacco products in the international markets.

#### 1. Global Tobacco Nicotine Forum (GTNF) 2016, Brussels, Belgium :

GTNF 2016 was organized by Tobacco Reporter at Brussels, Belgium from 27th to 29th September 2016. Shri Manoj Kumar, Dwivedi, I.A.S., Chairman, Tobacco Board & Joint Secretary, Ministry of Commerce & Industry, Department of Commerce has participated in the event on behalf of Tobacco Board.

#### 2. World Tobacco Europe 2016, Hamburg, Germany

Tobacco Board participated in World Tobacco Europe 2016, Hamburg during 8th - 10th November 2016 organized by Quartz Ltd. in association with Tobacco Journal International. Shri C.S.S.Patnaik, Secretary and Shri R.Srinivasa, Auction Superintendent have participated in the event on behalf of Tobacco Board. Shri R.S.Panjiar, Section officer, Department of Commerce has also participated representing Ministry of Commerce & Industry, Government of India.

### B. Trade Delegations to Abroad :

During 2016-17, no delegations were taken up to Abroad.

### C. Trade Delegation from Abroad :

#### 1. Trade Delegation from Belarus:

A tobacco trade delegation from JSC Grodno Tobacco Factory, Neman, Belarus, a Government Tobacco Monopoly visited Tobacco Board between 4th - 7th April 2016

A team comprising of 3 delegates viz., Ms Yauhenia Salauyova, Acting Head of Export Department, Ms Maria Karachentsava, Blender & Ms Liudmila Shyliuk, Head of Tobacco Purchasing Division representing JSC Grodno Tobacco Factory, Neman have participated in discussions with Tobacco Board, India and individual tobacco exporters.

## HINDI IMPLEMENTATION

During the period under report every efforts have been made to accelerate the implementation of the Official Language Act.

### I. MEASURES TAKEN FOR IMPLEMENTATION OF OFFICIAL LANGUAGE ACT.

- Letters received in Hindi were replied in Hindi.
- General orders were issued bilingually
- Correspondence with the offices situated in Region A was made in Hindi. Some of the letters were issued bilingual to offices located in Regions B & C.
- Administrative and other reports of the Board, which are to be placed before Parliament were prepared and submitted both in Hindi and English.
- The forms and applications of different sections of Board were printed in bilingual.
- Standard stationery is printed bilingually e.g. Envelops, File folders, Letter heads etc.
- All rubber stamps were made bilingual and all name plates were made trilingual/bilingual.
- Addresses on envelopes which were sent to the Ministry and other offices situated in Region A were printed in Hindi and in Region C were printed in bilingual.

### II. PROGRAMME OF HINDI TEACHING SCHEME

Eligible employees of the Board were nominated to the Classes of Hindi Teaching Scheme. During November, 2016 session Parangath (03), Prabodh (01), Praveen (04) and Pragya (01) employees were completed their training.

### III. PROPOGATION OF HINDI SCHEME OF LEARN A WORD A DAY

Every day a Hindi word with its English meaning is being displayed at presto sign board at the entrance of the office. Hindi quotation of Great men were displayed at some important eye-catching places.

### IV. OFFICIAL LANGUAGE IMPLEMENTATION COMMITTEE IN THE BOARD'S OFFICE

Three meetings i.e., 113<sup>th</sup> (05/05/2016), 114<sup>th</sup> & 115<sup>th</sup> (27/10/2016) (Joint Meeting) of the Committee were held during the period under report, in which decisions regarding quick implementation of the Official Language policy were taken. Efforts were made to implement these decisions.

### V. HINDI WEEK:

Hindi Week was celebrated from 14<sup>th</sup> Sep to 20<sup>th</sup> September, 2016 in the Tobacco Board. As a part of celebrations, Eight Table Hindi workshops (Eight Sections) were conducted on 14<sup>th</sup> Sep to 19<sup>th</sup> Sep, 2016 to improve the working efficiency of Hindi trained employees. On the

closing day prominent Hindi speakers were invited to give lectures on importance of Hindi, to the employees of Tobacco Board. Mementos and prizes were distributed to the participants in the Table workshop.

## **VI. HINDI PERIODICALS AND LIBRARY**

One Hindi daily “Hindi Milap” Newspaper was made available in the Board at present along with some Hindi Periodicals. Some Hindi Books, Novels, Epics like Ramayana, Mahabharat etc., short story books, different dictionaries, Glossaries, etc., were also made available in the Library.

## **VII. HINDI ON COMPUTERS**

Hindi Software has been loaded in all computers and they are being used.

## **VIII. WORKSHOP IN HINDI**

Eight Table Hindi Workshops (04 Days- Each day 02 Sections) were conducted during Hindi Week i.e., from 14<sup>th</sup> September, 2016 to 19<sup>th</sup> Sep, 2016. It is an innovative idea of the Hindi Department of the Tobacco Board, where in Hindi Staff goes to the employees table and clarify their doubts, so that the work in Hindi is implemented effectively.

Tobacco Board has achieved the targets fixed in implementing the Official Language Policy, during the year under report.

## FINANCE AND ACCOUNTS

As per the provision under section 16 of Tobacco Board Act 1975 the Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Board by way of grants or loans such sums of money as the Central Government may think fit for being utilized for the purposes of this Act.

Tobacco Board did not draw grant or loan both under Plan and Non-Plan from the Central Government since 1991-92.

### I) INTERNAL RESOURCES:

As per the provision under Section 14A of the Tobacco Board Act 1975, the Tobacco Board levies fees in the form of "Service charges" for the services rendered @ 2% on the value of tobacco marketed on its auction platforms. The service charges so levied are equally collected from the grower and buyer @ 1% each on the value of tobacco sold by the grower and purchased by the buyer. In addition, as per the rule 13(2) of Tobacco Board (General) Regulations 1984 the Board collects "Authorization fee" from the buyers who participate in the auctions. Apart from the above, the Board collects registration fees from growers, barn operators, dealers, exporters, packers, processors and manufacturers.

### II) CESS:

As per the provision of Cess Act 1975 under section 3(1) (Duties of excise on Virginia tobacco 4 of 1975) of the Tobacco Cess Act, 1975 there shall be levied and collected by way of a Cess for the purposes of the Tobacco Board Act 1975 a duty of excise @ one paise per kilogram on Virginia tobacco which is produced in India and sold at an auction platform and remitted the same to the Consolidated Fund of India.

During the Financial year 2016-17, no cess is collected from the growers in Andhra Pradesh and Karnataka due to abolishing of Tobacco Cess Act with effect from 14/05/2016 onwards.

### III) BUDGET ESTIMATES:

As per the provision of rule 21 of the Tobacco Board Rules 1976, the Board shall in each year, prepare Budget Estimates for the ensuing year and Revised Estimates for the current year and shall submit them for the sanction of Central Government on or before such dates as may be fixed by the Government.

Accordingly, the budget proposals for the year 2016-17 have been prepared i.e. Budget Estimates and Revised Estimates with an outlay of ₹4,291.00 lakh and ₹2,102.30 lakh respectively under Plan Schemes covering the Capital Expenditure, Extension & Developmental schemes, Production schemes and Trading Wing schemes. Similarly, an amount of ₹12,021.35 lakhs for Budget Estimates and ₹14,490.10 lakhs for Revised Estimates under Non-Plan for the year 2016-17 have been prepared and submitted to Government for its approval.

An amount of ₹11,597.45 lakh has been booked as expenditure under both Plan & Non-Plan as against the budget outlay of ₹16,592.40 lakh. Of which, the Plan expenditure was ₹748.37 lakhs and the Non-Plan Expenditure was ₹10,849.08 lakhs.

During the Financial Year 2016-17, an amount of ₹14,399.60 lakhs has been realized as Internal Resources of the Board consisting of Service Charges, Buyer Authorization fee, Registration Fee from Traders & Growers, Interest on Fixed Deposits etc., as against the budget provision (receipts) of ₹10,258.35 lakhs made in Revised Estimates 2016-17.

Statement showing the actual funds flow under Plan and Non-Plan since 2005-06 to 2016-17 is placed at **Page. 131.**

#### **IV) ACCOUNTS AND AUDIT:**

As per Section 19 of the Tobacco Board Act 1975-

- (1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the Income and Expenditure account and the Balance Sheet in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor General of India.
- (2) The accounts of the Tobacco Board shall be audited by the Comptroller and Auditor General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Board to the Comptroller and Auditor General.
- (3) The Comptroller and Auditor General of India and any person appointed by him in connection with the audit of the accounts of the Board shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor General has in connection with the audit of Government accounts and in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Board.
- (4) The accounts of the Board as certified by the Comptroller and Auditor General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and the Government shall cause the same to be laid before each House of Parliament.

The financial statements of the Balance Sheet, Income & Expenditure account and Receipts & Payments Statement for the accounts of Tobacco Fund of the Tobacco Board for year 2016-17 includes the earmarked fund accounts of Margin Money for Commercial Operations(Grant-in-aid to Trading Wing), Tobacco Board Employees General Provident Fund, Tobacco Board Employees' Pension Fund, Tobacco Board Employees New Pension Scheme(Tier-I), Tobacco Growers Welfare Fund along with the Notes on accounts and Fund Flow statement for the period from 2005-06 to 2016-17 are enclosed herewith to incorporate into the Annual Report of the Board for the year 2016-17.

The financial statements of the Tobacco Board for the year 2016-17 submitted to the Indian Audit and Accounts Department, Hyderabad on 29.06.2017. The Audit Team from the Indian Audit and Accounts Department will commence the audit on the accounts of the Board on sending the minutes copy on the approval of the accounts by the Executive Committee/Board for issue of Audit Report after completion of audit to incorporate the same in the Annual Report of the Board for the year 2016-17.

**SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF  
INDIA ON THE ACCOUNTS OF THE TOBACCO BOARD, GUNTUR  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

We have audited the attached Balance Sheet of Tobacco Board, Guntur as at 31 March 2017 and the Income & Expenditure Account / Receipt & Payment Account for the year ended as on that date under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 19(2) of the Tobacco Board Act, 1975. These financial statements include the accounts of all Auction Platforms, Liaison and Regional Offices and the Directorate of Auctions, Bangalore. These financial statements are the responsibility of the Tobacco Board's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This separate Audit Report contains the comments of the Comptroller and Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules and Regulations (Propriety and Regularity) and efficiency – cum – performance aspects etc., if any, are reported through inspection reports / CAG's Audit Report separately.
3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amount and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
4. Based on our audit, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii) The Balance Sheet and Income & Expenditure Account / Receipt & Payment Account dealt with by this report have been drawn up in the format prescribed by the Ministry of Finance.
  - iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Tobacco Board as required under Section 19(1) of the Tobacco Board Act, 1975 read with Rule 22 of the Tobacco Board Rules, 1976 in so far as it appears from our examination of such books.
  - iv. We further report that:

## A. Income and Expenditure Account

### Depreciation 499.60 Lakh

Above is understated by 46.66 Lakh due to incorrect depiction of depreciation pertaining to previous year as appropriation from excess of income over expenditure. This has resulted in understatement of depreciation and overstatement of excess of income over expenditure by 46.66 Lakh.

## B. Management Letter

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Chairman, Tobacco Board, Guntur through a Management Letter issued separately for remedial / corrective action.

- v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Income & Expenditure Account/Receipt & Payment Account dealt with by this report are in agreement with the books of accounts.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the accounting Policies and notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure to this Separate Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:
  - a. In so far as it relates to the Balance sheet, of the state of affairs of the Tobacco Board as at 31 March 2017; and
  - b. In so far as it relates to income & Expenditure Account, of the surplus for the year ended as on that date.

For and on the behalf of the  
Comptroller and Auditor General of India

Sd/xx xx xx

(L.Tochhawng)

Director General

O/o the Director General of Commercial Audit &

Ex-Officio Member, Audit Board,

Hyderabad

Place: Hyderabad

Date: 16 October 2017

**ANNEXURE****1. Adequacy of Internal Audit System**

Internal Audit system of the Tobacco Board is not commensurate with the size and nature of business of the Board.

**2. Adequacy of Internal Control System**

Internal Control system of the Tobacco Board is adequate and commensurate in relation to the size of the organization and nature of business.

**3. System of Physical Verification of Fixed Assets**

System of Physical Verification of Fixed Assets of the Tobacco Board is reasonable and adequate in relation to the size of the organization and nature of business.

**4. System of Physical Verification of Inventory**

System of physical Verification of inventory of the Tobacco Board is reasonable and adequate in relation to the size of the organization and nature of business.

**5. Regularity in payment of statutory dues**

The Board has remitted the statutory dues like Property Tax and the Service Tax within the stipulated date.

Sd/xx xx xx

(L.Tochhawng)

Director General

O/o the Director General of Commercial Audit &

Ex-Officio Member, Audit Board,

Hyderabad

**TOBACCO BOARD**

MINISTRY OF COMMERCE & INDUSTRY, DEPARTMENT OF COMMERCE,  
GOVERNMENT OF INDIA, GUNTUR

**TOBACCO FUND ACCOUNT - FINANCIAL STATEMENTS**  
**BALANCE SHEET AS AT 31/03/2017**

(₹ In thousands)

| Particulars                                                            | Sche-<br>dule | Current<br>Year     | Previous<br>Year |
|------------------------------------------------------------------------|---------------|---------------------|------------------|
| <b>CORPUS / CAPITAL FUND AND LIABILITIES</b>                           |               |                     |                  |
| 1. Corpus/Capital Fund                                                 | 1             |                     |                  |
| a) Tobacco Fund                                                        |               | 6100877             | 6079018          |
| 2. Reserves and Surplus                                                | 2             | 0                   | 0                |
| 3. Earmarked/Endowment Funds                                           | 3             |                     |                  |
| a) Margin money for Comm. Operations<br>(Grant-in-aid to Trading Wing) |               | 204275              | 188885           |
| b) Tobacco Board Employees General Provident Fund                      |               | 243297              | 239865           |
| c) Tobacco Board Employees Pension Fund                                |               | 1308735             | 1003605          |
| d) Tobacco Board Employees New Pension Scheme                          |               | 7007                | 25283            |
| e) Tobacco Growers Welfare Fund Scheme                                 |               | 550839              | 500816           |
| 4. Secured Loans and Borrowings                                        | 4             | 0                   | 0                |
| 5. Unsecured Loans and Borrowings                                      | 5             | 0                   | 0                |
| 6. Deferred Credit Liabilities                                         | 6             | 0                   | 0                |
| 7. Current Liabilities and Provisions                                  |               |                     |                  |
| a) Tobacco Fund                                                        | 7             | 1109808             | 952579           |
| <b>TOTAL</b>                                                           |               | <b>9524838</b>      | <b>8990051</b>   |
| <b>ASSETS</b>                                                          |               |                     |                  |
| 1. Fixed Assets                                                        | 8             |                     |                  |
| a) Tobacco Fund                                                        | 8             | 1141497             | 1174480          |
| 2. Investments from earmarked/Endowment Funds                          | 9             | 0                   | 0                |
| 3. Investments: Others                                                 | 10            | 0                   | 0                |
| 4. Current Assets, Loans and Advances etc.                             | 11            |                     |                  |
| a) Tobacco Fund                                                        |               | 6069188             | 5857117          |
| b) Margin money for Comm. Operations<br>(Grant-in-aid to Trading Wing) |               | 204275              | 188885           |
| c) Tobacco Board Employees General Provident Fund                      |               | 243297              | 239865           |
| d) Tobacco Board Employees Pension Fund                                |               | 1308735             | 1003605          |
| e) Tobacco Board Employees New Pension Scheme                          |               | 7007                | 25283            |
| f) Tobacco Growers Welfare Fund Scheme                                 |               | 550839              | 500816           |
| 5. Miscellaneous Expenditure                                           |               | 0                   | 0                |
| <b>TOTAL</b>                                                           |               | <b>9524838</b>      | <b>8990051</b>   |
| Significant Accounting Policies                                        | 24            | Placed at Schedules |                  |
| Contingent Liabilities and Notes on Accounts                           | 25            | Placed at Schedules |                  |

Sd/xx xx xx  
(T. VENKATESH)  
EXECUTIVE DIRECTOR & CHAIRMAN

**TOBACCO BOARD,**  
**MINISTRY OF COMMERCE & INDUSTRY, DEPARTMENT OF COMMERCE,**  
**GOVERNMENT OF INDIA, GUNTUR**

**TOBACCO FUND ACCOUNT – FINANCIAL STATEMENTS**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

(₹ In thousands)

| Particulars                                                                        | Schedule | Current Year        | Previous Year  |
|------------------------------------------------------------------------------------|----------|---------------------|----------------|
| <b>1. INCOME</b>                                                                   |          |                     |                |
| I. Income from Sales/Services                                                      | 12       | 532936              | 602904         |
| II. Grants/Subsidies                                                               | 13       | 0                   | 0              |
| III. Fees/Subscriptions                                                            | 14       | 19298               | 20908          |
| IV. Income from Investments (From earmarked/ endowment funds transferred to Funds) | 15       | 420069              | 434913         |
| V. Income from Royalty and Publications                                            | 16       | 375                 | 317            |
| VI. Interest earned                                                                | 17       | 1248                | 1818           |
| VII. Other Income                                                                  | 18       | 517376              | 460252         |
| VIII. Increase/(Decrease) in stock of Finished Goods and Works in Progress         | 19       | 0                   | 0              |
| <b>Total</b>                                                                       |          | <b>1491302</b>      | <b>1521112</b> |
| <b>2. EXPENDITURE</b>                                                              |          |                     |                |
| I. Establishment Expenses                                                          |          |                     |                |
| a) Non-Plan                                                                        | 20       | 1163986             | 769903         |
| II. Other Administrative Expenses                                                  |          |                     |                |
| a) Non-Plan                                                                        | 21       | 218388              | 473593         |
| b) Plan                                                                            | 21       | 32443               | 23596          |
| III. Expenditure on Grants, Subsidies                                              | 22       | 0                   | 0              |
| VI. Interest                                                                       | 23       | 0                   | 0              |
| V. Depreciation (Net Total at the year-end - Corresponding to Schedule 8)          | 8        | 49960               | 43552          |
| <b>Total</b>                                                                       |          | <b>1464777</b>      | <b>1310644</b> |
| 3. Balance being excess of income over Expenditure (1-2)                           |          | 26525               | 210468         |
| VI) Transfer of Special Reserve (Specify each)                                     |          | 0                   | 0              |
| VII) Transfer of General Reserve                                                   |          | 0                   | 0              |
| VIII) Previous Years payments                                                      |          |                     |                |
| a) Depreciation of previous years (-)                                              |          | 4666                | 17759          |
| 4. Balance being surplus / deficit carried to Corpus / Capital Fund                |          | 21859               | 192709         |
| 5. SIGNIFICANT ACCOUNTING POLICIES                                                 | 24       | Placed at schedules |                |
| 6. CONTINGENT LIBAILITIES AND NOTES ON ACCOUNTS                                    | 25       | Placed at schedules |                |

Sd/xx xx xx  
(T. VENKATESH)

## **SCHEDULE-24: SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2017**

### **1. ACCOUNTING CONVENTION:**

As per rule 22 of Tobacco Board Rules 1976, the accounts of the Board are as under:

1. The Board shall maintain accounts of all receipts and expenditure relating to each year.
2. The expenditure incurred in a particular year shall be shown under separate heads and sub-heads.
3. The opening balance, if any shall be stated as such separately.
4. The closing balance of the year shall be shown at the foot of the accounts on the expenditure side. (Shown in Receipts & Payments statement on the expenditure side).
5. An annual proforma account on accrual basis shall also be prepared for bringing out assets and liabilities as well as the details of reserves and investments.

### **2. Inventory Valuation:**

The stores of stationery and consumable items available at the end of the current year valued at actual purchase price of the item and shown the same under closing Stock account in the Balance Sheet. The value of stationery and consumable items is shown as the opening balance for the ensuing year.

### **3. Investments:**

As per the provision of rule 23 of the Tobacco Board Rules 1976 –

1. Money required for the current expenditure of the Board with the exception of the petty cash and surplus moneys shall be kept in the Personal Ledger Account in the District Treasury or Sub-Treasury or in current account with the State Bank of India \* (or any other Nationalized Bank) or any of its subsidiaries.
2. Any funds not required for current expenditure may be placed in deposit account with the Central Government in the public account or in the fixed deposits in the State Bank of India or any other Nationalized Bank of any of its subsidiaries.

Provided that the funds in the Board's pension fund or provident fund not required for current expenditure may be invested in Trustee Securities or Ten Year Treasury Savings Deposit Certificates or National Defense Certificates to the extent permissible or in fixed deposit with the State Bank of India + (or any other Nationalized Bank or any of its subsidiaries). (Explanation: for the purposes of sub-rule (1) and this sub rule, Nationalized Bank means a corresponding new bank as defined in the Banking Companies (Acquisition and transfer of undertakings) Act, 1970 (5 of 1970).

3. Payment by or on behalf of the Board shall be made in cash or by cheque drawn against the current account of the Board.

**4. Excise Duty: Nil**

**5. Fixed Assets**

The Tobacco Board acquires land & buildings and purchase of other assets like furniture & fixtures, office equipment, electrical equipment, motor vehicles, weighing scales, trolleys, computers and cycles etc., as per provisions of General Financial Rules of the Central Government and are being taken on cost basis. The value of the unserviceable assets is being deleted from the assets on its disposal/sale.

The constructions of civil and electrical works of the Tobacco Board are being carried out through the Government agencies of CPWD and RITES. On receipt of the estimates from the agencies for our proposal for construction of works, the Board releases funds as per the norms in phased manner till its completion of work. On receipt of the expenditure statement for the works completed or works in progress in Form-65, the same is being capitalized as assets of the Board.

**6. Depreciation:**

The method of depreciation on the assets have been adopted under SLM method and as per the rates prescribed in the Companies Act 2013. The depreciation is calculated on the gross value of the asset and provided depreciation up to 95% of the asset by keeping 5% of asset value as residual value till its disposal/sale except the assets of leasehold land and buildings, Trolleys, Fire Extinguishers and Copier Machine. The depreciation on the leasehold land and buildings has been taken based on the lease period and in the case of trolleys, Fire Extinguishers and Copier Machine on its usage of the asset and period. In the case of construction works, the depreciation of previous year is also taken into account. The rates of depreciation on each asset are mentioned under schedule-8 of the fixed assets statement.

**7. Miscellaneous Expenditure:**

No deferred revenue expenditure is in the Tobacco Board to written off over a period of 5 years. The expenditure incurred on recurring nature under different heads of accounts of Maintenance of Generators, Purchase of Water, Electrical Repairs & Replacement of tubes & lights etc., Expenditure on Sweepings and consumable items of twine, marking ink, towels, and buckets etc. which are not covered regular heads of accounts have been taken under Misc. Expenditure.

**8. Accounting for Sales:**

There are no sales operations directly took place in Tobacco Board. The Tobacco Board conducted auctions for sale of FCV tobacco brought by the tobacco growers and purchased by the traders on the established auction platforms in Andhra Pradesh and Karnataka as per

the provisions of the Tobacco Board Act 1975. Power to levy fees as per the provisions of the Tobacco Board Act 1975 is as under:

- a) Under Section 14A(1) – Where Virginia tobacco is sold at any auction platform established by the Board under this Act, it shall be competent for the Board or for any officer of the Board authorize by it in this behalf to levy fees, for the services rendered by the Board in relation to such sale, at such rate not exceeding two percent of the value of such tobacco as the Central Government may from time to time, by notification in the official gazette, specify;
- b) Under Section 14(2) – The fees levied under sub section (1) shall be collected by the Board or such officer, equally from the seller of the Virginia tobacco and the purchaser of such tobacco, in such manner as may be prescribed.

#### **Fees leviable on the seller under section 14A**

Rule 42 of Tobacco Board Rules 1976, the fee leviable by the Board under section 14A of the Act on a seller shall be on one percent of the value of the tobacco sold by him at auction platform

#### **Mode of recovery of fees from seller:**

Rule 43 of Tobacco Board Rules 1976, the Board or any officer of the Board authorized by it in this behalf, may recover the fees under section 14A by deducting the same from the sale proceeds of the tobacco.

#### **Fees leviable on purchaser under section 14A**

Rule 44 of Tobacco Board Rules 1976, the fee leviable by the Board under section 14A of the Act on a purchaser shall be on one percent of the value of the tobacco purchased by him at auction platform

#### **Mode of recovery of fees from purchaser:**

Rule 45 of Tobacco Board Rules 1976, the Board or any officer of the Board authorized by it in this behalf, may recover the fees under section 14A by adding the same to the price of the tobacco purchased by him.

### **9. Government Grants/Subsidies:**

The Tobacco Board receives/draw grants-subsidies from the Central Government as per provisions under section 16 of the Tobacco Board Act 1975 – The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Board by way of grants or loans such sums of money as the Central Government may think fit for being utilized for the purposes of this act.

**10. Foreign Currency Transactions:**

As per Rule 24(4) of Tobacco Board Rules 1976, the Board shall not incur expenditure outside India in excess of fifteen thousand rupees on any single item without the previous sanction of the Central Government.

The expenditure incurred on foreign currency transactions involved towards advertisement charges in foreign magazines under brand publicity and travelling & boarding expenses for participating in the Fairs & Exhibitions in Abroad & in India, Trade Delegations to Abroad to boost up the exports of Indian tobacco and tobacco products with the prior approval of Government of India.

**11. Lease:**

The Board hires the premises/office buildings on lease for field level activities and for conducting of auctions for sale of FCV tobacco as provisions of the Tobacco Board Act, both in Andhra Pradesh and Karnataka by following the usual procedures as per GFR.

**12. Retirement Benefits:**

As per Section 5 of the Tobacco Board Act 1975, the Chairman shall be entitled to such salary and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may from time to time fixed by the Central Government.

As per section 6(3) of the Tobacco Board Act 1975, The Executive Director and the Secretary shall be entitled to such salaries and allowances and such conditions of service in respect of leave pension, provident fund and other matters as may from time to time be fixed by the Central Government.

As per section 6(4) of the Tobacco Board Act 1975, Subject to such control, restrictions and conditions (including conditions as to appointment of the officers and other employees of the Tobacco Export Promotion Council, in the events of the said Council being wound up) as may be prescribed, the Board may appoint such officers and employees as may be necessary for the efficient performance of its functions.

**Condition of service of officers and employees of the Tobacco Board:**

As per regulation 13(1) of the Tobacco Board (General) Regulations 1984, the pay and allowances, leave, pension and retirement benefits, provident fund, disciplinary proceedings and imposition of penalty and other conditions of the service including age of superannuation and other facilities such as advances of pay advances for the purchase of conveyances, construction of houses and the like in respect of officers employed in or appointed by the Board shall if no provision is made in this regulation separately, be regulated in accordance with such rules and regulations which are for the time being applicable to the officers and employees of the Central Government of the corresponding grades or status stationed at these places.

**SCHEDULE 25: CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS FOR  
THE YEAR ENDING 31<sup>st</sup> March 2017.**

**1. Contingent Liabilities:** The details of contingent liabilities are indicated in the Balance sheet.

**2. Capital commitment:** Nil.

**3. Lease Obligations:**

The Tobacco Board has taken following premises on lease the auction platforms at Ongole-II, Kondepi and Tangutur-II in Andhra Pradesh and Kampalapura-II in Karnataka and the offices of the Directorate of Auctions, Bangalore & Regional Manager Office Periyapatna in Karnataka and Regional Manager Office Rajahmundry in Andhra Pradesh, Liaison offices of Hyderabad and New Delhi.

**4. Current Assets, Loans and Advances:**

The details of current assets, loans and advances held by the Board are given under schedule No.11 of the Balance Sheet.

**5. Taxation:**

Tobacco Board is exempted from payment of Income Tax as per section 10(29A) (d) of the Income Tax Act, 1961.

## NOTES ON ACCOUNTS:

### a) **FORMATION:**

The Tobacco Board was constituted under an act of Parliament in 1975 with the headquarters at Guntur, Andhra Pradesh.

### b) **OBJECTIVE:**

It is hereby declared that it is expedient in the public interest that the Union should take under its control the tobacco industry.

The Trading Wing was created by the Government of India in the year 1984 with a Margin Money of 1.25 Crores for MSP operations. The objective of Trading Wing is to mop up the unsold Tobacco on auction platforms at Minimum Support Price (MSP) fixed by the Government and to stabilize the market thereby protecting the interests of growers.

### c) **COMPOSITION OF THE BOARD:**

Under section 4(4) of the Tobacco Board Act 1975 the Board shall consists of the following members namely:

- a) A Chairman to be appointed by the Central Government.
- b) Three members of Parliament of whom two shall be elected by the House of the people and one by the Council of States.
- c) Eight members to be appointed by the Central Government to represent respectively:
  - i) The Ministry of the Central Government dealing with Agriculture;
  - ii) The Ministry of the Central Government dealing with Commerce;
  - iii) The Ministry of the Central Government dealing with Finance;
  - iv) The Ministry of the Central Government dealing with Industrial Development;
  - v) The Indian Council of Agricultural Research;
  - vi) The Government of Gujarat and
  - vii) The Government of Karnataka.
- d) Two members to be appointed by the Central Government by rotation in the alphabetical order, to represent the Governments of tobacco growing States other than the States of Andhra Pradesh, Gujarat and Karnataka.
- e) Not more than + ten members to be appointed by the Central Government from amongst Growers, Tobacco Dealers and Exporters (including Packers) of tobacco and tobacco products, manufacturers of tobacco products and from amongst persons who in the opinion of the Central Government are experts in tobacco marketing or agricultural economics.

- \* Provided that the number of members appointed under this clause from amongst the growers of tobacco shall not exceed six.
- f) the Agricultural Marketing Advisor to the Government of India, Department of Rural Development, ex-officio;
- g) the Executive Director, ex-officio;

**d) FUNCTIONS:**

The Tobacco Board discharges its functions as per the provisions under section 8 of the Tobacco Board Act 1975.

**e) FINANCE, ACCOUNTS AND AUDIT:**

As per section 17(1) of the Tobacco Board Act 1975, there shall be formed a Fund to be called Tobacco Fund and there shall be credited there to:

- a) the fees levied and collected under this act or the rules made there under;
- b) any sums of money paid or any loans granted by the Central Government for the purposes of this act;
- c) any grants or loans that may be made by any person for the purposes of this act;
- d) the sums, if any, realized by the Board in carrying out the measures referred to in section 8;

As per Section 17(2) of the Tobacco Board Act 1975, the fund shall be applied:

- a) for meeting the cost of the measures referred to in section 8;
- b) for meeting the salaries, allowances and other remuneration of the officers and other employees of the Board;
- c) for meeting the other administrative expenses of the Board;
- d) for repayment of any loans.

**f) FINANCIAL TRANSACTIONS IN GENERAL:**

Under rule 27 of the Tobacco Board Rules, 1976 - Except as otherwise provided in these rules, the provisions of the Central Treasury Rules, the Delegation of Financial Power Rules 1958 and the General Financial Rules 1962 of the Central Government, for the time being in force, shall subject to such modifications or adaptations as may be made by the Board therein with the previous approval of the Central government apply to all financial transactions of the Board.

**g) MAJOR ISSUES ON ASSETS AND LIABILITIES:**

1. The Board has adopted the accounting figures rounded off to thousands in Balance Sheet and Income & Expenditure account whereas in schedules the amounts have been projected in actual figures for better understanding and readability of the financial statements.

2. All the Known liabilities are brought under Current Liabilities and all the provisional liabilities are Provisions as per Uniform Format of Accounts. An amount of ₹26,75,87,249.90 is total outstanding liabilities amount for the year ending 31.03.2017.
3. The details of freehold and lease hold lands are indicated in the fixed assets statements of annexure-I to III (Schedule-8) of the Balance Sheet of the Board.
4. The stationery and consumable items for the year ending 31.03.2017 valued at ₹7,40,081.50 have been shown under closing stock account by taking into consideration of the actual purchase price of the items.
5. The total investments of Tobacco Fund are with the nationalized banks in Andhra Pradesh and Karnataka for the year ending 2016-17 was ₹541,67,95,973.44. As suggested by the audit, these fixed deposits amount exhibited in the schedule-11 of current assets, loans & advances: with scheduled banks-on deposit accounts (FDRs of the Balance sheet). All the fixed deposit receipts have been physically verified. The details of fixed deposits have been prepared in the form of statement and annexed to the statements are found in order.
6. The depreciation on fixed assets has been calculated on pro-rata monthly basis. The rates of depreciation on different assets adopted by the Board are as under:
  - a. Land – Leasehold : 360 months period
  - b. Buildings – On lease hold lands: 276 months period
  - c. Freehold Buildings : 1.58% (RCC Roof) & 3.17% Non-RCC
  - d. Furniture & Fittings, Electrical Equipment : 9.50%  
Cycles, Library Books, Misc. Equipment, Tarpaulins: 9.50%  
Trolleys, Weighing Scales, & Cubicles: 9.50%
  - e. Office Equipment, Demonstration Equipment: 19.00%  
Scientific Equipment, Copier Machine: 19.00%
  - f. Fire Extinguishers : 19%
  - g. Computers: 31.67%

The depreciation on Trolleys, there is no specific percentage available in the Companies Act. The usage of trolleys is very rough by the mutta Labour. The wear and tear for these trolleys is very high and it will become unserviceable. Hence, the rate of depreciation on trolleys is fixed at 9.50%.

The rate of depreciation on Fire Extinguishers is fixed at 19% as the material used in the cylinders became obsolete after 5 years unless the cylinder is properly placed. Once it is break opened for use at the time of fire accident, it is required to refill with the material by the authorized agency which results cost expensive.

Similarly, the rate of depreciation on Copier Machine is fixed at 19% based on the life span on usage of Xeroxing papers from the copier machine which is 5,00,000 copies. On expiry of 5,00,000 copies Xeroxing, the cost of usage is expensive which involves huge expenditure on maintenance.

An amount of ₹5,46,25,848.80 was depreciated on the fixed assets of Tobacco Board as on 31/03/2017 along with previous years depreciation on the assets.

7. The assets have been capitalized during the financial year ending 31<sup>st</sup> March 2017 as against the advances released to the executing agencies of CPWD and RITES. As per the expenditure statement in Form-65, an amount of ₹2,24,77,753.00 was capitalized towards capital works, maintenance works and electrical works.

8. An amount of ₹96,13,143.88 was incurred on account of Misc. Expenditure account for the year ending 31<sup>st</sup> March 2017 which consists of maintenance of generators, purchase of water, electrical repairs & replacements, expenditure on sweepings and expenditure on vigilance operations etc.

An amount of ₹2,97,86,294.18 was realized on account of Misc. Receipts account for the year ending 31<sup>st</sup> March 2017 which consists of penalties on vigilance operations, sale of GSP certificates, Subscriptions to newsletters, sale of newspapers, difference cost of bale pattas from growers, surplus interest under input loan account, sale of tender forms etc.

9. An amount of ₹53,29,36,335.59 was realized on account of Service Charges on FCV tobacco @ 1% each from buyers and growers for the year ending 31<sup>st</sup> March 2017.
10. The Tobacco Board did not draw any grant-in-aid from the Government during the financial year 2016-17.
11. An amount of ₹11,89,594.80 was incurred on account of Fairs & Exhibitions: Abroad for the year ending 31<sup>st</sup> March 2017.
12. An amount of ₹14,52,75,697.00 is the amount paid on account of retirement benefits such as gratuity, leave encashment and commutation of pension to the officials on attaining age of superannuation including the liability for payment of retirement benefits as per enhanced rates of 7<sup>th</sup> CPC.

13. An amount of ₹606,91,88,043.97 was available under Current assets, loans and advances account as per the schedule-11 of the Balance Sheet as on 31.03.2017.

14. An amount of ₹16,02,484.00 is outstanding from the principal borrowers (farmers) pertaining to 1977 cyclone loan account. General suits and EPs have been filed before the respective Hon'ble Courts in the platform jurisdictions and they are subjudice. The Board has made vigorous efforts to recover the loan amounts by giving various concessions viz. 50% in interest and waiver of legal charges for recovery of outstanding dues under one time settlement, as the recovery of dues was very poor. The most of the borrowers are not growing tobacco and untraceable. In spite of all efforts made by the Board, the recovery of the due amount is a remote possibility as there is no mortgaged property to proceed legally for recovery. In certain

cases where the Board has approached the courts, the legal expenditure is exceeding the due amounts of cases. The issue was placed before the Board in its 122<sup>nd</sup> meeting held on 28.07.2007 at Hyderabad and resolved to send the proposals to the Government for writing of losses in respect of 1977 cyclone loans granted to the farmers as the Government is the competent authority to write off losses as per Rule 24(2) of Tobacco Board Rules 1976. In this regard, the Board written a letter vide No. 3(20)/2006-07/LRC dated 27.09.2007 and reminders dated 07.01.2008, 13.05.2008, 23.03.2009, 12.04.2010, 11.10.2010, 30.04.2013, 07.02.2014, 24.10.2014, 28.07.2015, 09.06.2016 and 20.02.2017. The approval of the Government in respect of the said proposals is awaited.

15. The contingent liability amount of ₹110.65 lakhs is under sub judice as a case in the Additional District Judge Court, Kovvuru in respect of Gopalapuram auction platform on account of non-eviction of the premises taken on lease by the Tobacco Board in time.
16. The Contingent liability amount of ₹13.38 lakhs is under sub judice as a case in the Additional Senior Civil Judge Court, Ongole, Prakasam District, Andhra Pradesh in respect of Ongole-II auction platform. The petitioner claiming loss of rents for early evicting of his premises taken on lease by the Board against the agreement time. The damages claimed are ₹13.38 lakhs + 18% interest on it from 31.12.2015 and other legal costs.
17. An amount of ₹25,000/- is available with the State Redressal Commission, Bangalore as per the orders the Karnataka State Consumer Disputes Redressal Commission and shown under the assets side of the Balance sheet as on 31.03.2017.
18. The Fund accounts are being maintained the following accounts for the purposes of Margin Money for Commercial Operations (Grant-in-aid to Trading Wing), Tobacco Board Employees General Provident Fund, Tobacco Board Employees' Pension Fund, Tobacco Board Employees New Pension Scheme (Tier-I) and Tobacco Growers Welfare Fund are exhibited under schedule-3 of Earmarked/Endowment funds as suggested the by Audit.
19. Funds under Margin Money for Commercial Operations (Grant-in-aid to Trading Wing) account, an amount of ₹20,42,75,409.00 was available as per the books of accounts. The Trading Wing was created by the Government of India in the year 1984 with a Margin Money of ₹1.25 Crores for MSP operations. Further, the Board earns profit of ₹0.91 crores while taking up MSP operations during 1987 and 2000 and ₹18.27 crores realized towards interest on Fixed deposits as on 31.03.2017.
20. Funds under Tobacco Board Employees General Provident Fund account, an amount of ₹24,32,96,847.45 was available as per the books of accounts. As per Broad sheet the amount payable to officials was ₹23,17,48,317.00 includes interest on subscriptions. Surplus amount of ₹1,15,48,530.45 is on account of interest realized on Fixed deposits is more than the interest payable to official's GPF contributions.
21. Funds under Tobacco Board Employees Pension Fund account, an amount of ₹130,87,35,001.17 was available as per books accounts in the form of Deposit with LIC of

India Vijayawada ₹130,85,47,888.00 and cash at bank ₹1,87,113.17. The LIC of India has submitted the proposal for the total fund requirement of ₹171.55 crore as on 31.03.2017 as per actuarial valuation of fund account and requested to deposit an amount of ₹40.70 crore after taking into consideration available funds of ₹130.85 crore. Hence, the balance amount of ₹40.70 crore is taken as liability in the books of accounts.

22. Funds under Tobacco Board Employees New Pension Scheme account, an amount of ₹70,07,474.00 was available as per books of accounts. An amount of ₹59,21,569.00 is the payable amount to the officials under New Pension Scheme with reference to the contributions of employees and employer along with interest at GPF rates. Surplus amount of ₹10,85,905.00 on account of interest realized on FDRs is more than the interest payable to officials contribution under NPS.

The Board has created a New Pension Scheme for those employees who were recruited on or after 01.01.2004. The required portion of contribution by the Board vis-à-vis, the employees has been deposited in the bank by opening account in the name of Tobacco Board Employees New Pension Scheme.

As on 31/03/2017 under NPS account, there are 121 officials recruited after 01/01/2004. From the officials under NPS, an amount of ₹1,36,70,910.00 was deducted pension contribution from their salaries every month and the Board contributed the equal amount of ₹1,36,70,910.00 and credited their interest on contributions at GPF rates for ₹58,47,919.00 and Total Fund comes to ₹3,31,89,739.00. From the available amount with the Board under NPS, an amount of ₹2,72,68,170.00 was transferred the Trustee Bank of Axis Bank Mumbai by uploading individual data of contributions to the PRAN obtained officials. An amount of ₹59,21,569.00 is the pending amount under NPS account with the Board to the Non-PRAN obtained officials from NSDL Mumbai

23. Funds under Tobacco Growers Welfare Fund scheme account, an amount of ₹55,08,39,092.58 was the available as per the books of accounts (Andhra Pradesh: ₹30,60,57,743.46 + Karnataka ₹24,47,81,349.12).

Government of India vide its letter No.6/5/2007-EP (Agri. VI), dated 28.07.2008 conveyed the approval for creation of Tobacco Growers Welfare Fund with the contribution in the ratio of 1:2 among the Tobacco Farmers and the Tobacco Board from the penalties collected on sale of unauthorized tobacco and excess tobacco by the growers and created the fund account during 2009-10.

24. The proposal for creation of fund account for Gratuity and Leave Encashment was sent to the Ministry and the approval from the Government is yet to be received. On receipt of the approval from the Government, the exact calculation amount of gratuity, leave salary and half pay will be worked out and provided the actual liability after making actual payments to the fund account. In this connection, a total liability of ₹15.00 crore has been provided towards payment of Leave Salary, Gratuity and half pay leave for the years 2013-14, 2014-15, 2015-16 and 2016-17.

25. The amounts payable to Service Tax Department towards service tax on the services of auctioneer service (Buyer Authorization fee, Demurrage Charges & Bale Pattas), Legal consultancy services (Legal Charges) and Rent-a-Cab Operators Service (Hiring of Vehicles) taken as provisional liability for ₹1,66,98,147.00 as the cases are under subjudice with CESTAT Bangalore, Hyderabad and the Commissioner (Appeals), Central Excise & Service Tax, Guntur. The amounts due from companies for ₹6,19,339.58 shown as current assets in the books of accounts.
26. An amount of ₹57.24 lakhs is provided as liability towards payment of Bonus to the employees of the Board for the years 2014-15 (arrears of @ ₹3500/- to each due to enhancement of amount from ₹3500/- to ₹7000/- ) and amount for 2015-16 @ ₹7000/- to each.
27. An amount of ₹12,26,14,107.00 provided towards liability for the outstanding payment of 7<sup>th</sup> CPC arrears to the officials of the Board from 01.01.2016 to 31.03.2017.
28. The amounts payable towards retirement benefits, property tax, maintenance of computers, Tobacco Growers Welfare Fund (Board's Share) and amount payable to executive agencies of CPWD & RITES etc. have been provided as outstanding liabilities in the books of accounts as on 31.03.2017.
29. M/s. Stesalit Limited Kolkata was issued work order to execute the project Design, Development and Implementation of FCV Tobacco Growers Information System for Tobacco Board. The time schedule for completion of project work fixed by 31.01.2015 as per terms and conditions. The firm failed to complete the project by 31.01.2015 and sought extension of time as the firm did not complete project as per SRS document and hence considered the due date for completion of the project by 30.06.2015. The Board reviewed the status of the project on 23.07.2015 and found that the software is incomplete and reports in all modules are to yet to be developed. Hence, the work order issued to M/s. Stesalit Limited was cancelled and intimated the same vide letter dated 15.07.2016. The provisional liability created for ₹42.27 lakhs during 2015-16 taken back into books of accounts during 2016-17.
30. Tobacco Board is procuring and distributing the chemical fertilizers to the indented registered FCV tobacco growers. Up to 2008-09, the Board had engaged the services of Spices Trading Corporation of India Ltd. (STCL) for distribution of fertilizers to the growers. During 2009-10, Board had taken up the distribution of fertilizers to the growers due to non-availability of services of M/s. STCL. For these operations, the Deputy Commissioner, Commercial Taxes, Mysore vide his assessment order dated 27/05/2011 issued to the Board to pay the tax amount of ₹2,34,27,445/- and penalty on tax of ₹70,28,233/-for distribution of fertilizers to growers as it is deferred payment without obtaining dealer license under KVAT Act 2003. In this connection, the Board made all its efforts with the State Government of Karnataka and through the appeals with the Commissioner of Commercial Taxes Bangalore and through Hon'ble High Court of Karnataka. The writ petition filed by the Board was dismissed by the Hon'ble Court.

In this connection, the Board filed appeal before Sales Tax Appellate Tribunal, Karnataka Bangalore on 07/12/2013. The Tribunal admitted the case on deposit of 30% amount of tax amount of ₹91,36,703/- with DCCT(VAT), Audit-I Mysore on 31/12/2013. Further, an amount of ₹2,13,18,975.00 kept in the form of BG in favour of Dy. Commissioner of Commercial Taxes VAT Audit-I Mysore. The appeals filed by the Board were dismissed vide orders dated 31/08/2016 by the Tribunal.

Hence, entire tax + penalty amount was paid to the Deputy Commissioner of Commercial Taxes Mysore by cancelling the Bank Guarantee on 25/11/2016.

On receipt of tax amount of ₹3,04,55,678/- by the DCCT VAT(Audit-I) Mysore and they have issued another demand notice dated 09/12/2016 for ₹3,26,98,056/- towards interest on the above said tax for the period from 21/05/2009 to 25/11/2016. In this connection, the Board filed a writ petition on 02.01.2017 before the Hon'ble High Court of Karnataka Bangalore challenging the orders of KVAT and demand notice dated 09.12.2016.

The Hon'ble High Court given Ad-interim stay of further proceedings pursuant to the assessment orders dated 27.05.2011 subject to the petitioner to deposit ₹32,69,805 with the respondent (DCCT VAT Karnataka). In the meanwhile, The Government of Karnataka introduced the Karasamadhana scheme-2017 for waiver of penalty and interest from VAT, CST and KET where the amount is not paid up to 15.03.2017 for the taxation period from 01.04.2005 to 31.03.2016 and cases pending towards payment of interest and penalty are eligible by paying only 10% of the amount of interest and penalty.

Keeping in view the status of above case, the Board paid an amount of ₹32,69,805/- through e-payment on 30.05.2017 vide CTD Ref No.1789617671 and filed an online application to get the benefit interest exemption under Karasamadhana scheme 2017 and filed a memo in the Hon'ble High Court of Karnataka at Bangalore to dismiss appeal of the Board due to availing onetime benefit scheme which declared by the Government of Karnataka.

#### **The Major Receipts (Internal Resources) of the Tobacco Board are:**

31. Tobacco Board levies fees in the form of "Service charges" for the services rendered @ 2% on the value of tobacco marketed on its auction platforms as per the provision under section 14A of the Tobacco Board Act 1975. The service charges so levied are equally collected from the grower and buyer @ 1% each on the value of tobacco sold by the grower and purchased by the buyer.
32. The Tobacco Board collects registration fee from growers for according registration as grower, barn operator & nurserymen and from traders for according registration as Exporter, Exporter of Tobacco or Tobacco Products, Dealer in tobacco, Packer of Tobacco, Processor in Tobacco, Manufacturer of Tobacco and Commercial Grader in Tobacco and Authorization fee from the buyers who participate in the auctions as per the provisions of Rules/Regulations of the Tobacco Board Act, 1975.

33. The Tobacco Board levied penalties on the excess tobacco produced by the registered growers and the tobacco produced by the unregistered growers, these penalties are fixed by the Government every year through gazette notification. These penalties are varying from time to time. During 2016 auctions, the Penalty @ ₹2/- per Kg and 7.5% of the sale proceeds for the excess tobacco produced by registered growers up to the extent of 10% of quota authorized was allowed. The tobacco produced by the registered growers above the limit of 10% of the quota authorized and the tobacco produced by the unregistered was allowed for sale by levying ₹2/- per Kg. and 15% of the sale proceeds in Andhra Pradesh and Karnataka which includes service charges as per Section 14A of Tobacco Board Act 1975.
34. The Interest on fixed deposits, interest from officers & staff on loans & advances and various misc. receipts are also receipts of the Board.

**The Major Expenditure of the Tobacco Board is:**

35. The major expenditure on Establishment and Administrative Nature for sale of FCV tobacco through auctions in the auction platforms established by the Board in Andhra Pradesh and Karnataka is covered under Non-Plan
36. The expenditure on Capital nature for providing infrastructure facilities for smooth conducting of auctions and Revenue nature for implementation of various schemes under Extension & Developmental Schemes for improving of quality & yield tobacco, saving fuel, curing cost & time and supply of various technical implements in cultivation of tobacco etc. is covered under Plan.
37. The classification of Plan and Non-Plan Expenditure under Income and Expenditure account has been maintained.
38. The expenditure incurred under Extension & Developmental Schemes both for Andhra Pradesh and Karnataka were shown separately and the expenditure has been incurred at Head Office Guntur

An amount of ₹144.00 crore has been realized on account of Board's Receipts. Against which, an amount of ₹115.97 crore incurred towards expenditure for the year 2016-17. Of which, the Plan expenditure was ₹7.48 crore and the Non-Plan Expenditure was ₹108.49 crore.

39. With reference to the D.O. letter No. PDCA/ACDesk/TB/2015-16/ 1.42, dated 25.10.2016 of the Principal Director of Commercial Audit and Ex-Officio Member Audit Board, Indian Audit and Accounts Department, Hyderabad and as suggested by the audit, the suitable modifications have been taken up in the financial statements of the Tobacco Board for the year 2016-17 as under:
  - a) The adoption on rates of depreciation as per Companies Act 2013 under SLM method for all the assets of the Board except Trolleys, Copier Machine, Fire Extinguishers and Land & Buildings (leasehold) is mentioned in the accounting policy No.6 under Schedule-24 of the Balance Sheet.

- b) The modification suggested for Capital Works-in-progress has been carried out in the books of accounts.
- c) The calculation of depreciation on the gross value of asset has been taken into books of accounts.
- d) All the typographical errors are carried out in the booklet of the financial statement of Tobacco Fund account as suggested by the audit.
- e) The difference amount of depreciation against the gross value of the asset for the year 2015-16 has been taken into account in the books of accounts.
- f) The proforma suggested for earmarked funds accounts of Margin Money for Commercial Operations (Grant-in-aid to Trading Wing), Tobacco Board Employees General Provident Fund, Tobacco Board Employees' Pension Fund, Tobacco Board Employees New Pension Scheme and Tobacco Growers Welfare Fund Scheme have been incorporated separately in the schedules of Balance Sheet and Receipts & Payments statements.
- g) The Funds of Margin Money for Commercial Operations (Grant-in-aid to Trading Wing) is separated from the Income & Expenditure account of the Tobacco Fund account and incorporated in the schedule of earmarked funds of the balance sheet as suggested by the audit.
- h) The Accounting policies of the Board under schedule-24 and Schedule-25 are given without amounts under the respective heads of accounts and the amounts for the related heads of given in the Notes on Accounts of the Board as suggested by the audit.

Sd/ xx xx xx

(C.S.S.PATNAIK)

MANAGER (F&A) & SECRETARY

**Fund Balances of Estimated Funds :****1. Margin Money for Commercial Operations (Grant-in-aid to Trading Wing) account**

| Sl. No. | Particulars                                                         | Current Year (₹)    | Previous Year (₹)   |
|---------|---------------------------------------------------------------------|---------------------|---------------------|
| A       | <b>Opening Balance</b>                                              | <b>188884667.00</b> | <b>173466774.00</b> |
| B       | Additions to the Fund account:                                      |                     |                     |
|         | a) Income from investments<br>(Interest on Fixed Deposits & SB a/c) | 15390742.00         | 15417893.00         |
|         | b) Grants received                                                  | 0.00                | 0.00                |
|         | c) Other Receipts                                                   | 0.00                | 0.00                |
|         | Less:                                                               |                     |                     |
|         | a) Withdrawals                                                      | 0.00                | 0.00                |
|         | b) Other payments                                                   | 0.00                | 0.00                |
|         | <b>Total (A+B)</b>                                                  | <b>204275409.00</b> | <b>188884667.00</b> |
| C       | Utilisation/Expenditure towards objective of Fund                   |                     |                     |
|         | i) Capital Expenditure                                              | 0.00                | 0.00                |
|         | ii) Revenue Expenditure                                             | 0.00                | 0.00                |
|         | <b>Total (C)</b>                                                    | <b>0.00</b>         | <b>0.00</b>         |
|         | <b>Net Balance at the year end (A+B-C)</b>                          | <b>204275409.00</b> | <b>188884667.00</b> |

**2. Tobacco Board Employees General Provident Fund Account**

| Sl. No. | Particulars                                                         | Current Year (₹)    | Previous Year (₹)   |
|---------|---------------------------------------------------------------------|---------------------|---------------------|
| A       | Opening Balance                                                     | 239865583.45        | 214276490.45        |
| B       | Additions to the Fund account:                                      |                     |                     |
|         | a) Income from investments<br>(Interest on Fixed Deposits & SB a/c) | 18382852.00         | 18986089.00         |
|         | b) Subscriptions                                                    | 66738570.00         | 65962040.00         |
|         | c) Recovery of GPF advance                                          | 375151.00           | 707209.00           |
|         | Less:                                                               |                     |                     |
|         | a) Withdrawals                                                      | -82065309.00        | -59841545.00        |
|         | b) Advances paid                                                    | 0.00                | -224700.00          |
|         | <b>Total (A+B)</b>                                                  | <b>243296847.45</b> | <b>239865583.45</b> |
| C       | Utilisation/Expenditure towards objective of Fund                   |                     |                     |
|         | i) Capital Expenditure                                              | 0.00                | 0.00                |
|         | ii) Revenue Expenditure                                             | 0.00                | 0.00                |
|         | <b>Total (C)</b>                                                    | <b>0.00</b>         | <b>0.00</b>         |
|         | <b>Net Balance at the year end (A+B-C)</b>                          | <b>243296847.45</b> | <b>239865583.45</b> |

### 3. Tobacco Board Employees Pension Fund Account

| Sl. No. | Particulars                                                   | Current Year<br>₹    | Previous Year<br>₹   |
|---------|---------------------------------------------------------------|----------------------|----------------------|
| A       | <b>Opening Balance</b>                                        | <b>1003605024.17</b> | <b>873525633.17</b>  |
| B       | Additions to the Fund account:                                |                      |                      |
| a)      | Income from investments (Interest on Fixed Deposits & SB a/c) | 86918009.30          | 74821607.00          |
| b)      | Pension Fund Contributions                                    | 400000000.00         | 180500000.00         |
|         | Less:                                                         |                      |                      |
| a)      | Pension Annuities purchased by LIC                            | -181787932.30        | -125242216.00        |
| b)      | Other payments                                                | 0.00                 | 0.00                 |
|         | <b>Total (A+B)</b>                                            | <b>1308735101.17</b> | <b>1003605024.17</b> |
| C       | Utilisation/Expenditure towards objective of Fund             |                      |                      |
| i)      | Capital Expenditure                                           | 0.00                 | 0.00                 |
| ii)     | Revenue Expenditure                                           | 100.00               | 0.00                 |
|         | <b>Total (C)</b>                                              | <b>100.00</b>        | <b>0.00</b>          |
|         | <b>Net Balance at the yearend (A+B-C)</b>                     | <b>1308735001.17</b> | <b>1003605024.17</b> |

### 4. Tobacco Board Employees New Pension Scheme Account

| Sl. No. | Particulars                                                       | Current Year<br>₹ | Previous Year<br>₹ |
|---------|-------------------------------------------------------------------|-------------------|--------------------|
| A       | Opening Balance                                                   | 25282645.00       | 17610236.00        |
| B       | Additions to the Fund account:                                    |                   |                    |
| a)      | Income from investments (Interest on Fixed Deposits & SB a/c)     | 1841323.00        | 1821053.00         |
| b)      | Pension Fund Contributions                                        | 7151676.00        | 5851356.00         |
|         | Less:                                                             |                   |                    |
| a)      | Pension Contribution remitted NSDL Mumbai (Pension contributions) | -27268170.00      | 0.00               |
| b)      | Other payments (Bank Charges)                                     | 0.00              | 0.00               |
|         | <b>Total (A+B)</b>                                                | <b>7007474.00</b> | <b>25282645.00</b> |
| C       | Utilisation/Expenditure towards objective of Fund                 |                   |                    |
| i)      | Capital Expenditure                                               | 0.00              | 0.00               |
| ii)     | Revenue Expenditure                                               | 0.00              | 0.00               |
|         | <b>Total (C)</b>                                                  | <b>0.00</b>       | <b>0.00</b>        |
|         | <b>Net Balance at the year end (A+B-C)</b>                        | <b>7007474.00</b> | <b>25282645.00</b> |

### Tobacco Growers Welfare Fund Scheme account

(Amount in ₹ )

| Sl. No. | Particulars                                       | Current Year        |                     |                     | Previous Year       |                     |                     |
|---------|---------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|         |                                                   | Andhra Pradesh      | Karnataka           | Total               | Andhra Pradesh      | Karnataka           | Total               |
| A       | Opening Balance                                   | 275212348.51        | 225603399.29        | 500815747.80        | 239454893.37        | 194075627.76        | 433530521.13        |
| B       | Additions to the Fund account:                    |                     |                     |                     |                     |                     |                     |
|         | a) Income from investments                        | 21352710.00         | 16615176.00         | 37967886.00         | 21543557.00         | 16986468.00         | 38530025.00         |
|         | (Interest on Fixed Deposits & SB a/c)             |                     |                     |                     |                     |                     |                     |
|         | b) Growers Contribution                           | 1699000.00          | 1376200.00          | 3075200.00          | 1967000.00          | 1455500.00          | 3422500.00          |
|         | c) Tobacco Board's Contribution                   | 3396000.00          | 2752400.00          | 6148400.00          | 8511376.14          | 3129727.76          | 11641103.90         |
|         | d) Renewal of Membership Fee                      | 20485654.00         | 21522104.46         | 42007758.46         | 22654808.00         | 34045171.09         | 56699979.09         |
|         | e) Growers Share of Sweepings                     | 2173829.95          | 1778242.45          | 3952072.40          | 0.00                | 0.00                | 0.00                |
|         | f) Penalties                                      | 65800.00            | 47716.00            | 113516.00           | 23800.00            | 10800.00            | 34600.00            |
|         | g) Interest on Loans                              | 7401.00             | 1000.00             | 8401.00             | 36614.00            | 0.00                | 36614.00            |
|         | h) Misc. Receipts                                 | 0.00                | 110.92              | 110.92              | 10300.00            | 0.00                | 10300.00            |
|         | Less:                                             |                     |                     |                     |                     |                     |                     |
|         | a) Death Relief to the Growers                    | -18335000.00        | -24915000.00        | -43250000.00        | -18990000.00        | -24099895.32        | -43089895.32        |
|         | b) Other payments                                 | 0.00                |                     | 0.00                | 0.00                | 0.00                | 0.00                |
|         | <b>Total (A+B)</b>                                | <b>306057743.46</b> | <b>244781349.12</b> | <b>550839092.58</b> | <b>275212348.51</b> | <b>225603399.29</b> | <b>500815747.80</b> |
| C       | Utilisation/Expenditure towards objective of Fund |                     |                     |                     |                     |                     |                     |
|         | i) Capital Expenditure                            | 0.00                | 0.00                | 0.00                | 0.00                | 0.00                | 0.00                |
|         | ii) Revenue Expenditure                           | 0.00                | 0.00                | 0.00                | 0.00                | 0.00                | 0.00                |
|         | <b>Total (C)</b>                                  | <b>0.00</b>         | <b>0.00</b>         | <b>0.00</b>         | <b>0.00</b>         | <b>0.00</b>         | <b>0.00</b>         |
|         | <b>Net Balance at the year end (A+B-C)</b>        | <b>306057743.46</b> | <b>244781349.12</b> | <b>550839092.58</b> | <b>275212348.51</b> | <b>225603399.29</b> | <b>500815747.80</b> |

| <b>RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31<sup>st</sup> MARCH, 2017</b> |                     |                      |                                                                |                     | <b>(Amount in ₹)</b> |  |
|------------------------------------------------------------------------------------|---------------------|----------------------|----------------------------------------------------------------|---------------------|----------------------|--|
| <b>Receipts</b>                                                                    | <b>Current Year</b> | <b>Previous Year</b> | <b>Payments</b>                                                | <b>Current Year</b> | <b>Previous Year</b> |  |
| <b>I. Opening Balances:</b>                                                        |                     |                      | <b>I. Establishment Expenses</b>                               |                     |                      |  |
| <b>Bank Balances</b>                                                               |                     |                      | 1. Salaries & Wages                                            | 419709893.64        | 405618530.00         |  |
| 1. Current Accounts                                                                | 459065584.63        | 314004806.28         | 2. Allowances & Bonus                                          | 1334555.00          | 3636822.00           |  |
| 2. Deposit Accounts                                                                | 5126905032.39       | 4673781975.08        | 3. Contribution to Provident Fund                              | 0.00                | 0.00                 |  |
| 3. Savings Accounts                                                                | 0.00                | 0.00                 | 4. Contribution to Pension Fund                                | 400000000.00        | 180500000.00         |  |
| <b>Grants Received</b>                                                             | 0.00                | 0.00                 | 5. Contribution to Pension Fund (NPS)                          | 3631459.00          | 2925678.00           |  |
| <b>III. Investments and Deposits made</b>                                          |                     |                      | 6. Staff Welfare Expenses                                      | 0.00                | 0.00                 |  |
| (i) Earmarked/Endowment Funds:                                                     |                     |                      | 7. Retirement & Terminal Benefits                              | 82131950.00         | 50030709.00          |  |
| a) Margin money for Comm. Operations (Grant-in-aid to Trading Wing)                | 194073352.00        | 180554956.00         | 8. Others:                                                     |                     |                      |  |
| b) Tobacco Board Employees General Provident Fund                                  | 313656864.45        | 290594960.45         | a) Leave Salary & Pension Contribution                         | 440619.00           | 970865.00            |  |
| c) Tobacco Board Employees' Pension Fund                                           | 1490523033.47       | 1128847240.17        | b) Medical Claims (Officers & Staff)                           | 8779938.00          | 7981288.00           |  |
| d) Tobacco Board Employees New Pension Scheme                                      | 34023370.00         | 24192362.00          | c) LTC Claims                                                  | 1385335.00          | 786046.00            |  |
| e) Tobacco Growers Welfare Fund Scheme                                             | 562580513.12        | 519290364.96         | d) Uniform to Staff                                            | 128786.00           | 168213.00            |  |
| ii) Own Funds                                                                      | 0.00                | 0.00                 | <b>II. Other Administrative Expenses</b>                       |                     |                      |  |
| <b>IV. Income on Investments</b>                                                   |                     |                      | 1. O.T. A. to Staff                                            | 38553.00            | 80142.00             |  |
| 1. Earmarked/Endowment Funds                                                       |                     |                      | 2. T.A. to Officers & Staff                                    | 7498816.00          | 8631618.00           |  |
| 2. Own Funds                                                                       |                     |                      | 3. T.A. to Board Members                                       | 192105.00           | 339507.00            |  |
| a) Interest on Fixed Deposits                                                      | 358319582.10        | 448098852.05         | 4. Maint of Administrative Buildings/ Qrtts/ Auction Platforms | 2198533.00          | 5570904.00           |  |
|                                                                                    |                     |                      | 5. Rent of Buildings                                           | 12754064.00         | 16599013.00          |  |
|                                                                                    |                     |                      | 6. Printing & Stationery (Incl Computer stationery)            | 1927641.00          | 7374229.50           |  |
|                                                                                    |                     |                      | 7. Electricity Charges                                         | 10412330.81         | 11335897.00          |  |

(Amount in ₹)

| Receipts                                                     | Current Year | Previous Year | Payments                                 | Current Year | Previous Year |
|--------------------------------------------------------------|--------------|---------------|------------------------------------------|--------------|---------------|
| Rents                                                        |              |               | 8. Postage & Telephone Charges           | 4723885.00   | 6001125.39    |
| Rents on Premises lease                                      | 1986035.00   | 2109170.00    | 9. Expenditure on Meetings               | 1927485.00   | 918333.00     |
| Interest Received                                            |              |               | 10. Miscellaneous Expenditure            | 9818070.88   | 14545324.60   |
| On Bank Deposits                                             | 0.00         | 0.00          | 11. Entertainment Charges                | 658468.00    | 863714.00     |
| Loans & Advances (Officials)                                 | 1248468.00   | 1817583.00    | 12. Subscription to Journals             | 295650.00    | 275022.00     |
| Other Income                                                 |              |               | 13. Repairs to Furniture & other assets  | 857717.00    | 1511981.00    |
| Growers Registration Fee (Area, Barn Operator & Nursery men) | 13079955.23  | 14285685.80   | 14. Conveyance Charges                   | 369005.00    | 529517.00     |
| Exporters Registration Fee                                   | 989300.00    | 1113062.00    | 15. Workshops & Seminars                 | 0.00         | 0.00          |
| Products Registration Fee                                    | 1494200.00   | 1597200.00    | 16. Rates & Taxes                        | 3925538.00   | 4303908.00    |
| Dealers Registration Fee                                     | 1564658.00   | 1570544.00    | 17. Bank charges                         | 10358.00     | 11707.00      |
| Packers Registration Fee                                     | 51600.00     | 151000.00     | 18. Legal charges                        | 301233.00    | 552500.00     |
| Processors Registration Fee                                  | 446500.00    | 196200.00     | 19. Hiring of Vehicles                   | 9064343.00   | 8769295.00    |
| Commercial Graders Regn. Fee                                 | 64650.00     | 125250.00     | 20. Maintenance of Vehicles              | 2871866.55   | 3990440.35    |
| Manufacturers Registration Fee                               | 1123000.00   | 1131500.00    | 21. Insurance                            | 941082.00    | 1486035.00    |
| Sale of Priced Publications(TGPBS)                           |              |               | 22. Audit Fee                            | 0.00         | 498420.00     |
| Misc. Income                                                 | 374896.62    | 317290.00     | 23. Interest Contribution to GPF         | 0.00         | 0.00          |
| Service charges on FCV tobacco                               | 40776043.99  | 53469725.23   | 24. Membership with other organizations  | 0.00         | 0.00          |
| Penalty @ 6.5% from regd. Growers                            | 532936335.59 | 602903933.76  | 25. Loan Recovery Expenditure            | 0.00         | 0.00          |
| Penalty @ 2/- per Kg. from Regd. & Un-Regd. Growers          | 80204485.64  | 104554402.58  | 26. Library Books                        | 16674.00     | 11734.00      |
| Penalty @ 14% from Regd. & Un-Regd. Growers                  | 61531253.90  | 86656599.94   | 27. Maintenance of Computers             | 1815164.00   | 1509276.00    |
|                                                              |              |               | 28. Service charges for weighing scales  | 2936579.00   | 2516808.00    |
|                                                              |              |               | 29. Mutta labour charges                 | 32374690.98  | 45841753.91   |
|                                                              | 340764670.67 | 215750733.56  | 30. Construction of temporary structures | 0.00         | 0.00          |

| RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31 <sup>st</sup> MARCH, 2017 |              |               |                                                             |              |               | (Amount in ₹) |
|------------------------------------------------------------------------------|--------------|---------------|-------------------------------------------------------------|--------------|---------------|---------------|
| Receipts                                                                     | Current Year | Previous Year | Payments                                                    | Current Year | Previous Year |               |
| 15. Buyers Authorization Fee                                                 | 769100.00    | 775400.00     | 31. Human Resource Development                              | 252000.00    | 123033.00     |               |
| 16. Loans & Advances to staff                                                | 3944503.00   | 3344477.00    | 32. Implementation of e-auction system                      | 49449913.35  | 67130364.47   |               |
| 17. Loans & Advances to Cultivators                                          | 0.00         | 0.00          | 33. Automation of Office(MIS) online                        | 242251.00    | 674208.00     |               |
| VII. Amount Borrowed                                                         | 0.00         | 0.00          | 34. Regulation & Develop. of FCV tobacco                    | 756721.00    | 515801.00     |               |
| VIII. Any Other Receipts                                                     |              |               | 35. Scientific, Tech & Economic Research                    | 1359749.00   | 454136.00     |               |
| 1. Other Liabilities                                                         | 65248217.75  | 300349678.54  | 36. Imp. & Maint. of MKTG facilities                        | 17685.00     | 42119.00      |               |
| 2. Deposits with ACTO & Others                                               | 1650190.00   | 4078896.50    | 37. Financial Relief to growers                             | 0.00         | 168454603.50  |               |
| 3. Compensation to Growers                                                   | 0.00         | 56151534.50   | (Crop/Barn damages in cyclones)                             |              |               |               |
| (AP Govt. Share)                                                             |              |               | 38. Farmers Study Tours :Abroad                             | 0.00         | 0.00          |               |
|                                                                              |              |               | 39. Market Survey                                           | 0.00         | 0.00          |               |
|                                                                              |              |               | 40. Export Promotion                                        | 0.00         | 1413853.79    |               |
|                                                                              |              |               | 41. Fairs & Exhibitions                                     | 1520020.80   | 4141113.43    |               |
|                                                                              |              |               | 42. Publicity & Propaganda                                  | 1855414.00   | 3920848.51    |               |
|                                                                              |              |               | 43. Farm Mechanization                                      | 2400902.00   | 823100.00     |               |
|                                                                              |              |               | 44. Improving Yield & Quality of FCV Tob.                   | 6572645.00   | 9035675.00    |               |
|                                                                              |              |               | 45. Improving of Curing Practices                           | 12257975.00  | 670502.00     |               |
|                                                                              |              |               | 46. Elimination of NTRMs & Product Integrity                | 7301414.00   | 7098984.00    |               |
|                                                                              |              |               | 47. PHPM Measures - Bulking sheds/ Model Storage facilities | 105000.00    | 240000.00     |               |
|                                                                              |              |               | 48. Other Extension Programmes                              | 1408671.00   | 2105930.00    |               |
|                                                                              |              |               | 49. On-farm Tests & Experimental Trials                     | 371615.00    | 455134.00     |               |
|                                                                              |              |               | 50. Model Project Area                                      | 2205338.00   | 2730353.50    |               |
|                                                                              |              |               | 51. Tobacco Growers Welfare Fund (Board's Share)            | 0.00         | 6084000.00    |               |



| RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31 <sup>st</sup> MARCH, 2017 |              |               |                                                            |               |               |
|------------------------------------------------------------------------------|--------------|---------------|------------------------------------------------------------|---------------|---------------|
| Receipts                                                                     | Current Year | Previous Year | Payments                                                   | Current Year  | Previous Year |
|                                                                              |              |               | 52. Service Tax interest & Penalties                       | 0.00          | 35873.00      |
|                                                                              |              |               | III. Payments Made against Funds for various Projects      | 0.00          | 0.00          |
|                                                                              |              |               | III. Expenditure on Grants and Subsidies                   | 0.00          | 0.00          |
|                                                                              |              |               | IV. Investments and Deposits made                          |               |               |
|                                                                              |              |               | i) Earmarked/Endowment Funds:                              |               |               |
|                                                                              |              |               | a) Margin money for Comm. Operations                       | 194073352.00  | 180554956.00  |
|                                                                              |              |               | (Grant-in-aid to Trading Wing)                             |               |               |
|                                                                              |              |               | b) Tobacco Board Employees General Provident Fund          | 313656864.45  | 290594960.45  |
|                                                                              |              |               | c) Tobacco Board Employees' Pension Fund                   | 1490523033.47 | 1128847240.17 |
|                                                                              |              |               | d) Tobacco Board Employees New Pension Scheme              | 34023370.00   | 24192362.00   |
|                                                                              |              |               | e) Tobacco Growers Welfare Fund Scheme                     | 562580513.12  | 519290364.96  |
|                                                                              |              |               | ii) Own Funds                                              | 0.00          | 0.00          |
|                                                                              |              |               | V. Expenditure on Fixed Assets & Capital Works in Progress |               |               |
|                                                                              |              |               | 1. Purchase of Fixed Assets                                | 1644756.00    | 4814556.21    |
|                                                                              |              |               | 2. Advances to:                                            |               |               |
|                                                                              |              |               | a) CPWD                                                    | 18180266.00   | 21627483.00   |
|                                                                              |              |               | b) RITES                                                   | 26121934.00   | 18003465.00   |
|                                                                              |              |               | VI. Refund of Surplus money/Loans                          | 0.00          | 0.00          |
|                                                                              |              |               | VII. Finance Charges (Interest)                            | 0.00          | 0.00          |

| RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31 <sup>st</sup> MARCH, 2017 |               |               |                                                                                                                                                                                                                                                                                                                         |                                                                                                      | (Amount in ₹)                                                                                               |  |
|------------------------------------------------------------------------------|---------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--|
| Receipts                                                                     | Current Year  | Previous Year | Payments                                                                                                                                                                                                                                                                                                                | Current Year                                                                                         | Previous Year                                                                                               |  |
|                                                                              |               |               | VIII. Other Payments:<br>1) Loans and Advances to Staff<br>2) Loans & Advances to Cultivators<br>3) Other Liabilities<br>4) Deposits with ACTO & Others<br>5) Compensation to Growers<br>(AP Govt. Share)<br>IX. Closing Balances<br>Bank Balances<br>1. Current Accounts<br>2. Deposit Accounts<br>3. Savings Accounts | 2643776.00<br>0.00<br>212905494.47<br>391511.45<br>0.00<br><br>302304849.14<br>5416795973.44<br>0.00 | 2397824.00<br>0.00<br>126296969.14<br>237063.00<br>56151534.50<br><br>459065584.63<br>5126905032.39<br>0.00 |  |
| Total                                                                        | 9689395395.55 | 9031815383.40 | Total                                                                                                                                                                                                                                                                                                                   | 9689395395.55                                                                                        | 9031815383.40                                                                                               |  |

SD/-XX XX XX  
(T. VENKATESH)  
EXECUTIVE DIRECTOR & CHAIRMAN



### Fund Balances of Estimated Funds :

#### 1. Margin Money for Commercial Operations (Grant-in-aid to Trading Wing) account

| Sl. No.  | Particulars                                                         | Current Year (₹)    | Previous Year (₹)   |
|----------|---------------------------------------------------------------------|---------------------|---------------------|
| <b>A</b> | <b>Opening Balance</b>                                              |                     |                     |
|          | a) Cash at Bank<br>(Current account) (SBH Guntur)                   | 5000.00             | 5000.00             |
|          | b) Investments (Fixed Deposits)                                     | 180549956.00        | 164994244.00        |
| <b>B</b> | <b>Receipts:</b>                                                    |                     |                     |
|          | a) Income from investments<br>(Interest on Fixed Deposits & SB a/c) | 13518396.00         | 15555712.00         |
|          | b) Grants received                                                  | 0.00                | 0.00                |
|          | c) Other Receipts                                                   | 0.00                | 0.00                |
|          | <b>Total Receipts (A+B)</b>                                         | <b>194073352.00</b> | <b>180554956.00</b> |
| <b>C</b> | <b>Payments</b>                                                     |                     |                     |
|          | a) Withdrawals                                                      | 0.00                | 0.00                |
|          | b) Other Payments                                                   | 0.00                | 0.00                |
| <b>D</b> | <b>Closing Balance</b>                                              |                     |                     |
|          | a) Investments (Fixed Deposits)                                     | 194068352.00        | 180549956.00        |
|          | b) Cash at Bank (Current account)<br>(SBH Guntur)                   | 5000.00             | 5000.00             |
|          | <b>Total Payments (C+D)</b>                                         | <b>194073352.00</b> | <b>180554956.00</b> |

#### 2. Tobacco Board Employees General Provident Fund Account

| Sl. No.  | Particulars                                                         | Current Year (₹)    | Previous Year (₹)   |
|----------|---------------------------------------------------------------------|---------------------|---------------------|
| <b>A</b> | <b>Opening Balance</b>                                              |                     |                     |
|          | a) Cash at Bank<br>(Savings account) (SBH Guntur)                   | 35609.45            | 1256.45             |
|          | b) Investments (Fixed Deposits)                                     | 230493106.00        | 204904001.00        |
| <b>B</b> | <b>Receipts:</b>                                                    |                     |                     |
|          | a) Income from investments<br>(Interest on Fixed Deposits & SB a/c) | 16014428.00         | 19020454.00         |
|          | b) Subscriptions                                                    | 66738570.00         | 65962040.00         |
|          | c) Recovery of GPF advance                                          | 375151.00           | 707209.00           |
|          | <b>Total Receipts (A+B)</b>                                         | <b>313656864.45</b> | <b>290594960.45</b> |
| <b>C</b> | <b>Payments</b>                                                     |                     |                     |
|          | a) Withdrawals                                                      | 82065309.00         | 59841545.00         |
|          | b) Advances Paid                                                    | 0.00                | 224700.00           |
| <b>D</b> | <b>Closing Balance</b>                                              |                     |                     |
|          | a) Investments (Fixed Deposits)                                     | 230920705.00        | 230493106.00        |
|          | b) Cash at Bank<br>(Savings account) (SBH Guntur)                   | 670850.45           | 35609.45            |
|          | <b>Total Payments (C+D)</b>                                         | <b>313656864.45</b> | <b>290594960.45</b> |

### 3. Tobacco Board Employees' Pension Fund Account

| Sl. No.  | Particulars                                                         | Current Year (₹)     | Previous Year (₹)    |
|----------|---------------------------------------------------------------------|----------------------|----------------------|
| <b>A</b> | <b>Opening Balance</b>                                              |                      |                      |
|          | a) Cash at Bank<br>(Savings account) (SBH Guntur)                   | 51480.17             | 64019.17             |
|          | b) Investments (Fixed Deposits)                                     | 1003553544.00        | 873456911.00         |
| <b>B</b> | <b>Receipts:</b>                                                    |                      |                      |
|          | a) Income from investments<br>(Interest on Fixed Deposits & SB a/c) | 86918009.30          | 74826310.00          |
|          | b) Pension Fund Contributions                                       | 400000000.00         | 180500000.00         |
|          | <b>Total Receipts (A+B)</b>                                         | <b>1490523033.47</b> | <b>1128847240.17</b> |
| <b>C</b> | <b>Payments</b>                                                     |                      |                      |
|          | a) Pension Annuities purchased by LIC                               | 181787932.30         | 125242216.00         |
|          | b) Bank Charges                                                     | 100.00               | 0.00                 |
| <b>D</b> | <b>Closing Balance</b>                                              |                      |                      |
|          | a) Investments (Fixed Deposits)                                     | 1308547888.00        | 1003553544.00        |
|          | b) Cash at Bank<br>(Savings account) (SBH Guntur)                   | 187113.17            | 51480.17             |
|          | <b>Total Payments (C+D)</b>                                         | <b>1490523033.47</b> | <b>1128847240.17</b> |

### 4. Tobacco Board Employees New Pension Scheme Account

| Sl. No.  | Particulars                                                         | Current Year (₹)   | Previous Year (₹)  |
|----------|---------------------------------------------------------------------|--------------------|--------------------|
| <b>A</b> | <b>Opening Balance</b>                                              |                    |                    |
|          | a) Cash at Bank<br>(Savings account) (SBH Guntur)                   | 616.00             | 916.00             |
|          | b) Investments (Fixed Deposits)                                     | 24191746.00        | 16775041.00        |
| <b>B</b> | <b>Receipts:</b>                                                    |                    |                    |
|          | a) Income from investments<br>(Interest on Fixed Deposits & SB a/c) | 2679332.00         | 1565049.00         |
|          | b) Pension Fund Contributions                                       | 7151676.00         | 5851356.00         |
|          | <b>Total Receipts (A+B)</b>                                         | <b>34023370.00</b> | <b>24192362.00</b> |
| <b>C</b> | <b>Payments</b>                                                     |                    |                    |
|          | a) Amount remitted to NSDL Mumbai<br>(Pension contributions)        | 27268170.00        | 0.00               |
|          | b) Other Payments                                                   | 0.00               | 0.00               |
| <b>D</b> | <b>Closing Balance</b>                                              |                    |                    |
|          | a) Investments (Fixed Deposits)                                     | 6439119.00         | 24191746.00        |
|          | b) Cash at Bank<br>(Savings account) (SBH Guntur)                   | 316081.00          | 616.00             |
|          | <b>Total Payments (C+D)</b>                                         | <b>34023370.00</b> | <b>24192362.00</b> |

## 5. Tobacco Growers Welfare Fund Scheme account

| S. No. | Particulars                                                      | Current Year         |              | Previous Year |                | (₹)          |              |
|--------|------------------------------------------------------------------|----------------------|--------------|---------------|----------------|--------------|--------------|
|        |                                                                  | Andhra Pradesh       | Karnataka    | Total         | Andhra Pradesh |              | Karnataka    |
| A      | Opening Balance                                                  |                      |              |               |                |              |              |
|        | a) Cash at Bank (Savings account) (SBH Guntur) / (SBM B'Lore)    | 255166.57            | 11897457.07  | 12152623.64   | 872356.57      | 13810049.47  | 14682406.04  |
| B      | b) Investments (Fixed Deposits)                                  | 261149125.00         | 199346105.00 | 460495230.00  | 230092117.00   | 168195175.00 | 398287292.00 |
|        | Receipts:                                                        |                      |              |               |                |              |              |
|        | a) Income from investments (Interest on Fixed Deposits & SB a/c) | 22858844.00          | 15477255.00  | 38336099.00   | 21191172.00    | 16571025.00  | 37762197.00  |
|        | b) Growers Contribution                                          | 1699000.00           | 1376200.00   | 3075200.00    | 1967000.00     | 1455500.00   | 3422500.00   |
|        | c) Tobacco Board's Contribution                                  | 0.00                 | 0.00         | 0.00          | 4882000.00     | 1202000.00   | 6084000.00   |
|        | d) Renewal of Membership Fee                                     | 20485654.00          | 21522104.46  | 42007758.46   | 22654808.00    | 34045171.09  | 56699979.09  |
|        | e) Growers Share of Sweepings                                    | 2173829.95           | 1778242.45   | 3952072.40    | 0.00           | 0.00         | 0.00         |
|        | f) Penalties                                                     | 65800.00             | 47716.00     | 113516.00     | 23800.00       | 10800.00     | 34600.00     |
|        | g) Interest on Loans                                             | 7401.00              | 1000.00      | 8401.00       | 36614.00       | 0.00         | 36614.00     |
|        | h) Misc. Receipts                                                | 0.00                 | 110.92       | 110.92        | 10300.00       | 0.00         | 10300.00     |
|        | i) Marriage Loan                                                 | 125000.00            | 999760.14    | 1124760.14    | 25000.00       | 1443693.58   | 1468693.58   |
|        | b) Education Loan                                                | 324519.56            | 195709.00    | 520228.56     | 301740.00      | 214149.77    | 515889.77    |
|        | c) Major Illness Loan                                            | 365116.00            | 40647.00     | 405763.00     | 0.00           | 80893.48     | 80893.48     |
|        | d) Barn Damaged Loan                                             | 353750.00            | 35000.00     | 388750.00     | 205000.00      | 0.00         | 205000.00    |
|        |                                                                  | Total Receipts (A+B) | 309863206.08 | 252717307.04  | 562580513.12   | 282261907.57 | 237028457.39 |
| C      | Payments                                                         |                      |              |               |                |              |              |
|        | a) Death Relief to Growers                                       | 18335000.00          | 24915000.00  | 43250000.00   | 18990000.00    | 24098895.32  | 43089895.32  |
|        | b) Marriage Loan                                                 | 100000.00            | 1725000.00   | 1825000.00    | 150000.00      | 1325000.00   | 1475000.00   |
|        | c) Education Loan                                                | 980500.00            | 75000.00     | 1055500.00    | 525000.00      | 250000.00    | 775000.00    |
|        | d) Major Illness Loan                                            | 150000.00            | 100000.00    | 250000.00     | 465116.00      | 100000.00    | 565116.00    |
| D      | e) Barn Damaged Loan                                             | 110000.00            | 130000.00    | 240000.00     | 727500.00      | 10000.00     | 737500.00    |
|        | Closing Balance                                                  |                      |              |               |                |              |              |
|        | a) Investments (Fixed Deposits)                                  | 286610642.00         | 209345610.00 | 495956252.00  | 261149125.00   | 199346105.00 | 460495230.00 |
|        | b) Cash at Bank(Savings account) (SBH Guntur) (SBM B'Lore)       | 3577064.08           | 16426697.04  | 20003761.12   | 255166.57      | 11897457.07  | 12152623.64  |
|        | Total Payments (C+D)                                             | 309863206.08         | 252717307.04 | 562580513.12  | 282261907.57   | 237028457.39 | 519290364.96 |

**Statement showing the Funds Flows Position under Non-Plan and Plan from 2005-06 to 2016-17**

| S.No. | Particulars                                                                            | 2005-06  | 2006-07  | 2007-08  | 2008-09  | 2009-10  | 2010-11  | 2011-12  | 2012-13  | 2013-14  | 2014-15  | 2015-16  | 2016-17  |
|-------|----------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 1     | <b>Opening Balance<br/>(Plan &amp; Non-Plan)</b>                                       | 9684.89  | 11040.23 | 13078.14 | 14740.62 | 18868.34 | 22721.86 | 25868.35 | 34406.37 | 36542.81 | 41384.66 | 47696.18 | 51899.06 |
| 2     | <b>Receipts</b>                                                                        |          |          |          |          |          |          |          |          |          |          |          |          |
|       | a) Non-Plan                                                                            | 4306.93  | 5498.84  | 6621.68  | 8843.57  | 11900.92 | 11689.90 | 15650.73 | 11541.65 | 15083.54 | 16581.13 | 15387.68 | 14399.60 |
|       | b) Plan                                                                                | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     |
| 3     | <b>Grant-in-aid</b>                                                                    |          |          |          |          |          |          |          |          |          |          |          |          |
|       | a) Non-Plan                                                                            | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     |
|       | b) Plan                                                                                | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     |
| 4     | <b>Add: Misc. Receipts<br/>(Adj. Of addl.<br/>Service Charges<br/>of prior period)</b> | 0.00     | 578.00   | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     |
| 5     | <b>Total IEBR (1 to 4)</b>                                                             | 13991.82 | 17117.07 | 19699.82 | 23584.19 | 30769.26 | 34411.76 | 41519.08 | 45948.02 | 51626.35 | 57965.79 | 63083.86 | 66298.66 |
| 6     | <b>Expenditure</b>                                                                     |          |          |          |          |          |          |          |          |          |          |          |          |
|       | a) Non-Plan                                                                            | 2297.76  | 3005.25  | 4379.67  | 3690.17  | 1703.68  | 1148.77  | 1565.04  | 2054.13  | 2061.98  | 1728.82  | 634.50   | 748.37   |
|       | b) Plan                                                                                | 653.83   | 1033.68  | 579.53   | 1025.68  | 6343.72  | 7394.64  | 5547.67  | 7351.08  | 8179.71  | 8540.79  | 10550.30 | 10849.08 |
|       | <b>Total Expenditure<br/>(6)</b>                                                       | 2951.59  | 4038.93  | 4959.20  | 4715.85  | 8047.40  | 8543.41  | 7112.71  | 9405.21  | 10241.69 | 10269.61 | 11184.80 | 11597.45 |
| 7     | <b>Closing balance<br/>(5-6)</b>                                                       | 11040.23 | 13078.14 | 14740.62 | 18868.34 | 22721.86 | 25868.35 | 34406.37 | 36542.81 | 41384.66 | 47696.18 | 51899.06 | 54701.21 |

## ABBREVIATIONS

|                   |                                                 |
|-------------------|-------------------------------------------------|
| A.P.              | Andhra Pradesh                                  |
| APF / A.P.F       | Auction Platform                                |
| Avg.Pr.           | Average Price                                   |
| BAT               | British American Tobacco                        |
| BG                | Bank Guarantee                                  |
| CACP              | Commission for Agricultural Costs and Prices    |
| CBS               | Central Black Soils                             |
| CMO               | Common Market Organization                      |
| CPWD              | Central Public Works Department                 |
| CPA'S             | Crop Protection Agents                          |
| CTRI              | Central Tobacco Research Institute              |
| ELS               | Eastern Light Soils                             |
| EU                | European Union                                  |
| FCV               | Flue Cured Virginia                             |
| GI                | Galvanized Iron                                 |
| GRL               | Guidance Residual Levels                        |
| GSP               | Generalized System of Preferences               |
| Ha./ha            | Hectare                                         |
| ILTD              | Indian Leaf Tobacco Division                    |
| IPM               | Integrated Pest Management                      |
| ISO               | International Organization for Standardisation  |
| ITA               | Indian Tobacco Association                      |
| ITC               | Indian Tobacco Company                          |
| ITDA              | Indian Tobacco Dealers Association              |
| KK/K.K.           | Karnataka                                       |
| KLS               | Karnataka Light Soils                           |
| LSI               | Letter of Standing instructions                 |
| M.Kgs / mkg / mkg | Million Kilo Grams                              |
| MEP               | Minimum Export Price                            |
| MGP               | Minimum Guarantee Price                         |
| Mkttd.            | Marketed                                        |
| MPA               | Model Project Area                              |
| MSP               | Minimum Support Price                           |
| NBS               | Northern Black Soils                            |
| NIPHM             | National Institute of Plant Health Management   |
| NLS               | Northern Light Soils                            |
| NPV               | Nuclear Polyhedrosis Virus                      |
| NTRM              | Non Tobacco Related Material                    |
| OFTS              | On Farm Tests                                   |
| OLIC              | Official Language Implementation Committee      |
| PHPM              | Post Harvest Production Management              |
| Qty.              | Quantity                                        |
| RCMC              | Registration cum Membership Certificate         |
| RITES             | Rail India Technical and Economic Services      |
| SLS /SBS          | Southern Light Soils / Southern Black Soils     |
| STL               | Soil Testing Laboratory                         |
| TBS               | Traditional Black Soils                         |
| TOLIC             | Town Official Language Implementation Committee |
| TQC               | Tobacco Quality circle                          |
| UAE               | United Arab Emirates                            |
| UK                | United Kingdom                                  |
| US                | United States                                   |

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## TOBACCO BOARD

Government of India, Ministry of Commerce & Industry,  
Department of Commerce  
P.B. No. 322, G.T. Road

**Guntur - 522 004**, Andhra Pradesh, India.

Ph : 91 863 2358399, Fax : 91 863 2354232

E-mail : [info@indiantobacco.com](mailto:info@indiantobacco.com), Website : [www.indiantobacco.com](http://www.indiantobacco.com)