

# TOBACCO BOARD



**ANNUAL REPORT  
2015-16**

# Indian Tobacco

TOBACCO BOARD constituted in 1976 under the Tobacco Board Act, 1975, provides for all-round development of the Tobacco industry.

TOBACCO BOARD regulates production and curing of tobacco to balance the supply – demand matrix and thereby ensures a fair and remunerative price to the growers. The Board takes stock of the situation every year and regulates production of Virginia tobacco by laying down a policy basing on the demand in the interests of tobacco growers.

TOBACCO BOARD takes every care to help the growers in improving the quality of Virginia tobacco and also per hectare productivity by undertaking various extension and Development schemes on subsidy basis. The Board has a skilled network for its extension, which is well focused towards the needs of the farmers to transfer proven research findings from lab to land.

Tobacco Board introduced the Manual Auction system in 1984 and E-Auction System in 2012 ensuring the farmers correct classification, accurate weighing, healthy competitive bidding and prompt payment.

TOBACCO BOARD undertakes several export promotion measures for improvement of existing markets and development of new markets outside India for Indian Tobacco and Tobacco Products.

## INDIAN TOBACCO FACT SHEET

- India stands second in production of tobacco in the world.
- Third leading exporter.
- Tobacco contributed Rs.21,463 Crore of excise revenue every year.
- Six million farmers and farm workers are dependent on tobacco for their livelihood.
- Tobacco provides direct and indirect employment to 38 million people.

## MEASURES FOR HIGH PRODUCTIVITY

- Improvement of soil health by incitu green manuring.
- Select high yielding varieties.
- Use disease free and healthy seedlings.
- 100% crop establishment.
- Follow recommended cultural practices.
- Planting at right time.
- Follow integrated Post Management giving importance to Biological control of pests and diseases.
- Harvest ripe leaf.
- Follow Scientific curing practices





# Indian Tobaccos The True Essence of Quality



## AMAZING RANGE

### Flue Cured Tobaccos

- Neutral fillers from Mysore and Southern Light Soils
- Semi flavourful and flavourful tobaccos from Northern Light Soil areas.
- Quality fillers from Traditional Block Soils
- Quality neutral filler and semi flavourful Burley grown under monsoon conditions
- Choice of Air Cured tobaccos suitable for various blends.
- Dark Fire Cured and Oriental tobaccos of good quality

*State-of-the-Art processing plants to meet exacting international processing specifications.  
Quality assurance of international standards ensuring best quality of end product*

*Preferred Choice of the Discerning Customers Around the World*



**TOBACCO BOARD, GUNTUR**

Ministry of Commerce & Industry, Department of Commerce, Govt. of India

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**ABBREVIATIONS**

## BOARD COMPOSITION

(As on 31/03/2016)

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;**

Dr.Koothati Gopal, IAS up to 10/11/2015

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

### **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)

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

Sri 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 Ajit B.Chavan, 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, Rajahmundry

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

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

Shri T. Vijay Kumar, IAS, Principal Secretary, Deptt. of Food & Agriculture, Govt. of Andhra Pradesh

### **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 G.Seshagiri Rao

### **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

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

Shri C.V.Subba Rao, IFS, Executive Director, Tobacco Board up to 11/07/2015

Sri C.S.S.Patnaik, Executive Director i/c with effect from 14/10/2015 onwards.

## SENIOR MANAGEMENT

(As on 31/03/2016)

### Management and Senior Staff

|                                                                                               |                                                                                                                               |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <i>Chairman</i>                                                                               | Dr.Koothati Gopal, IAS up to 10/11/2015<br>Shri Manoj Kumar Dwivedi, IAS,<br>Joint Secretary, Ministry of Commerce & Industry |
| <i>&amp; Chairman (FAC)</i>                                                                   |                                                                                                                               |
| <i>Executive Director</i>                                                                     | Sri.C. V. Subba Rao, IFS up to 11/07/2015<br>Sri C.S.S.Patnaik (From 14/10/2015 onwards)<br>Executive Director i/c.           |
| <i>Director (Auctions)</i>                                                                    | Sri Bipin Bihari Choudhury, IOFS                                                                                              |
| <i>Executive Director i/c,<br/>Secretary (FAC) &amp; Manager<br/>(Finance &amp; Accounts)</i> | Sri C.S.S.Patnaik                                                                                                             |
| <i>Manager (Extension)</i>                                                                    | Sri B.N.Mitra                                                                                                                 |
| <i>Manager (Marketing &amp; Exports)</i>                                                      | Sri P.Manoj Reddy                                                                                                             |
| <i>Manager (Auctions)</i>                                                                     | Sri K.Ravi Kumar                                                                                                              |
| <i>Manager (Production)</i>                                                                   | Sri T.Srinath                                                                                                                 |
| <i>Regional Manager (Rajamahendravaram)</i>                                                   | Sri M.Sreerama Murthy                                                                                                         |
| <i>Regional Manager (SBS Ongole)</i>                                                          | Sri G. Bhaskara Reddy                                                                                                         |
| <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. Ansar Ahmed                                                                                                           |
| <i>Auction Superintendent (Production)</i>                                                    | Sri Ch.V.Maruthi Prasad                                                                                                       |
| <i>O.S.D (Vigilance)</i>                                                                      | Sri P.Ramesh                                                                                                                  |
| <i>Deputy Manager (Accts) i/c</i>                                                             | G.APPA RAO                                                                                                                    |

### Personnel

**Officers: 100**

**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



**MANOJ KUMAR DWIVEDI, IAS**

JOINT SECRETARY, MINISTRY OF COMMERCE & INDUSTRY & CHAIRMAN



**SRI BIPIN BIHARI CHOUDHURY, IOFS**

DIRECTOR (AUCTIONS)



**C.S.S. PATNAIAK**

EXECUTIVE DIRECTOR I/C, SECRETARY (FAC)  
& MANAGER (F&A)



**B.N.MITRA**

MANAGER  
(EXTENSION)



**P.MANOJ REDDY**

MANAGER  
(MKTG & EXPORTS)



**K.RAVI KUMAR**

MANAGER  
(AUCTIONS)



**T. SRINATH**

MANAGER  
(PRODUCTION)



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



**SK ANSAR AHMED**  
REGIONAL MANAGER  
PERIYAPATNA



**G.BHASKARA REDDY**  
REGIONAL MANAGER  
SBS ONGOLE



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



**M.SREERAMA MURTHY**  
REGIONAL MANAGER  
RAJAHMUNDY

## Tobacco Board's Activities during 2015-16

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 38 million people and contributed as much as ₹ 21,463.00 crore as excise duty during 2015-16 and ₹ 6,058.13 crore in terms of foreign exchange to the National exchequer, during 2015-16.

India has a prominent place in the production of tobacco in the world. **India stands second in production of tobacco and third in 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 119 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 2015-16 crop season, the Tobacco Board had reduced the crop size for cultivation of FCV tobacco to 220 million kg from 276 million kg fixed during 2014-15 crop season. As against this, about 192 million kgs is estimated to be produced.

Tobacco Board incurred an amount of ₹ **231.60 lakh** towards extension and development schemes for improvement of yield and quality of tobacco.

During the year 2015-16, the Board marketed a quantity of **288.69 million kg** in its auction platforms in both Andhra Pradesh and Karnataka at an **average price of ₹ 104.42** as against the quantity of 279.51 million kg at an average price of ₹ 114.49 in the year 2014-15.

2,43,418 Metric tons of tobacco and tobacco products were exported from India during 2015-16 valued at ₹ 6,058.13 crore. In dollar terms, the value of exports is 925.33 million US\$ and are increased by 0.11% 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 Det Norske Veritas- GL and the certificate is valid till 14<sup>th</sup> September 2018.

## MEETINGS DURING 2015-16

(From 01/04/2015 to 31/03/2016)

### A) Statutory meetings:

Two Board Meetings and one committee meeting were held.

#### Board Meetings:

1. The 140<sup>th</sup> meeting of the Board was held on 10<sup>th</sup> July 2015 (Friday) at 11.00 A.M. in Hyderabad.
2. The 141<sup>st</sup> meeting of the Board was held on 19<sup>th</sup> March, 2016 (Saturday) at 2.30 P.M. in Bengaluru.



**Shri Manoj Kumar Dwivedi**, I.A.S., Chairman, Tobacco Board, Sri Jayadev Galla, Hon'ble Member of Parliament (Lok Sabha), Sri Ajit B. Chavan, Director, Ministry of Commerce & Industry and Sri C.S.S. Patnaik, Executive Director i/c participated in the 141<sup>st</sup> Board Meeting held at Bengaluru on 19/03/2016

#### Registration Committee for Growers and Others:

1. The 82<sup>nd</sup> meeting of the Registration Committee for growers and others was held on 09/04/2015 (Thursday) at 03.00 PM at Head Office, Guntur.

### B) Non Statutory meetings:

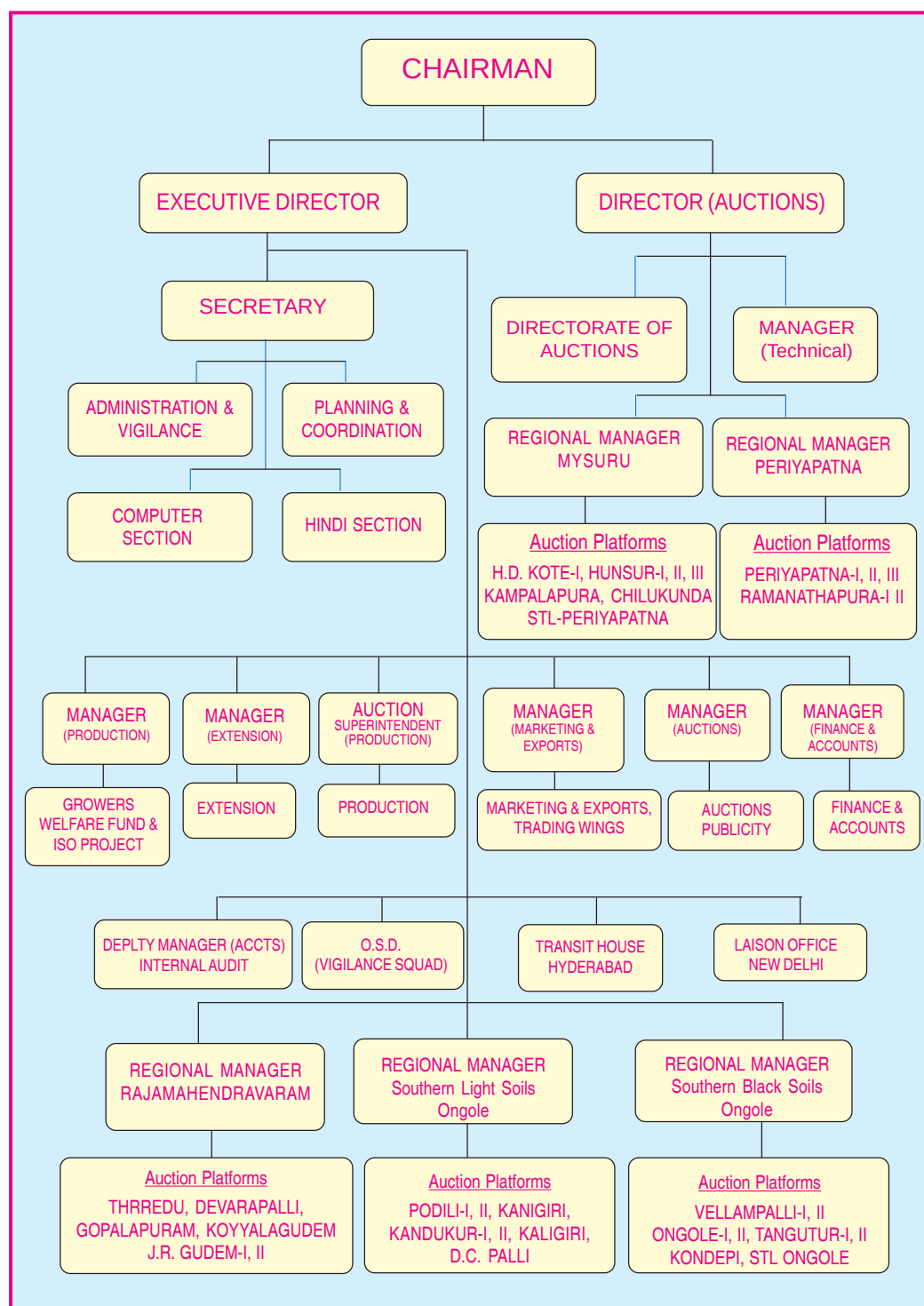
1. A meeting was convened on 16/04/2015 at Head Office, Guntur with the Indian Tobacco Association and Trade representatives and Grower representatives from all the auction platforms to review the problems being faced in auctioning 2015 Andhra Pradesh FCV crop i.e., slow pace of auctions and non-realization of remunerative price. Shri Prathipati Pulla Rao, Hon'ble Agricultural Minister, Government of Andhra Pradesh also attended the meeting.
2. A meeting was convened on 28/04/2015 at Head Office, Guntur with the ITA representatives and it reviewed the ongoing 2014-15 Andhra Pradesh FCV tobacco auction sales.
3. Two meetings were convened on 20/05/2015 at Head Office, Guntur with the grower representatives of all the Auction Platforms in Andhra Pradesh and another with the representatives of ITA and trade to review the ongoing auction sales for sale of 2014-15 FVC crop in Andhra Pradesh.
4. A meeting was convened on 25/06/2015 at Head Office, Guntur with the representatives of ITA and Trade to review the company wise fortnightly purchase plans in liquidation of 2014-15 FCV tobacco against their indents.

5. A meeting was convened on 30/06/2015 at Udyog Bhawan, Ministry of Commerce & Industry, Department of Commerce, New Delhi with the committee consisting of Growers and Trade to review the crises in marketing of FCV tobacco produced by the farmers in auctions. Smt Nirmala Sitaraman, Hon'ble Union Minister of State for Commerce and Industry (IC) reviewed the market price. Sri Prathipati Pulla Rao Hon'ble Minister for Agriculture, Andhra Pradesh also attended the meeting.
6. A meeting was convened on 02/07/2015 at Head Office, Guntur with the representatives of the ITA and Trade to discuss on the action plan to liquidate the leftover quantity of 2014-15 Andhra Pradesh FCV tobacco at remunerative prices.
7. A meeting was convened on 04/07/2015 at Hotel D.V.Manor, Vijayawada with the growers and trade representatives along with Hon'ble State Ministers and other people's representatives of Andhra Pradesh under the chairmanship of Smt. Nirmala Sitaraman, Hon'ble Union Minister of State for Commerce and Industry (IC) to review on the ongoing market prices.
8. Review Meetings were convened on 08/07/2015, 27/07/2015, 27/08/2015, 18/09/2015 and 24/09/2015 at Head Office, Guntur with the representatives of the ITA and Trade to discuss the problems in auctioning of 2014-15 Andhra Pradesh FCV tobacco and pursued the trade to procure the tobacco produced by the farmers.
9. A meeting was convened on 24/09/2015 at Head Office, Guntur with the grower representatives of SLS and SBS region auction platforms, reviewed the problems being faced by the growers in FCV tobacco production and marketing.
10. A prelude meeting was convened on 23/02/2015 at Head Office, Guntur with the growers and it discussed commencement of 2015-16 Andhra Pradesh FCV tobacco auctions.
11. A prelude meeting was convened on 24/02/2016 at Head Office, Guntur with the ITA and trade representatives on commencement of 2015-16 Andhra Pradesh FCV tobacco auctions and to review on ongoing Karnataka auctions.
12. A meeting was convened on 26/02/2016 at Head Office, Guntur with the representatives of the ITA and trade to review the ongoing FCV tobacco auction of 2015 Karnataka crop and 2016 Andhra Pradesh crop.
13. A meeting was convened on 08/03/2016 at Head Office, Guntur with the representatives of the ITA and trade representatives to review the closing of Karnataka auctions and commencement of auction sales to market 2015-16 Andhra Pradesh FCV tobacco in NLS Region of Andhra Pradesh.
14. A prelude meeting was convened on 08/03/2016 at Head Office, Guntur with the growers representatives of NLS and NBS region on commencement of auction sales to market 2015-16 FCV crop in Andhra Pradesh.

**STATEMENT SHOWING THE SANCTIONED & EXISTING STRENGTH AS ON 31/03/2016**

| Sl. No. | Name of the Post              | TOTAL      |          |
|---------|-------------------------------|------------|----------|
|         |                               | Sanctioned | Existing |
| GROUP-A |                               |            |          |
| 1       | Chairman                      | 1          | 1        |
| 2       | Executive Director            | 1          | 0        |
| 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       | Assistant Manager (Accts.)    | 33         | 33       |
| 9       | Statistical Officer           | 1          | 0        |
| 10      | Systems Analyst               | 1          | 0        |
|         | Sub-Total                     | 105        | 100      |
| GROUP-B |                               |            |          |
| 11      | Programmer                    | 1          | 1        |
| 12      | Hindi Officer                 | 1          | 1        |
| 13      | P.S. to Chairman              | 1          | 1        |
| 14      | Field Officer/Tech. Assistant | 88         | 82       |
| 15      | Senior Translator             | 1          | 1        |
| 16      | Stenographer-Grade-I          | 1          | 1        |
| 17      | Accountant                    | 33         | 32       |
| 18      | Sr. Investigator              | 1          | 0        |
| 19      | Assistant                     | 13         | 11       |
| 20      | Statistical Assistant         | 1          | 1        |
| 21      | Care Taker                    | 1          | 0        |
| 22      | Stenographer Grade-II         | 3          | 1        |
| 23      | Special Grade Driver          | 1          | 1        |
|         | Sub Total                     | 146        | 133      |
| GROUP-C |                               |            |          |
| 24      | Computer Operator             | 27         | 27       |
| 25      | Stenographer Grade-III        | 4          | 3        |
| 26      | Upper Division Clerk          | 43         | 39       |
| 27      | Senior Field Assistant        | 45         | 45       |
| 28      | Field Assistant               | 158        | 139      |
| 29      | Lower Division Clerk          | 52         | 40       |
| 30      | Hindi Typist                  | 2          | 1        |
| 31      | Driver                        | 31         | 19       |
| 32      | Gestetner Operator            | 1          | 1        |
| 33      | Multi Tasking Staff           | 140        | 74       |
|         | Sub-Total                     | 503        | 388      |
|         | GRAND TOTAL                   | 754        | 621      |

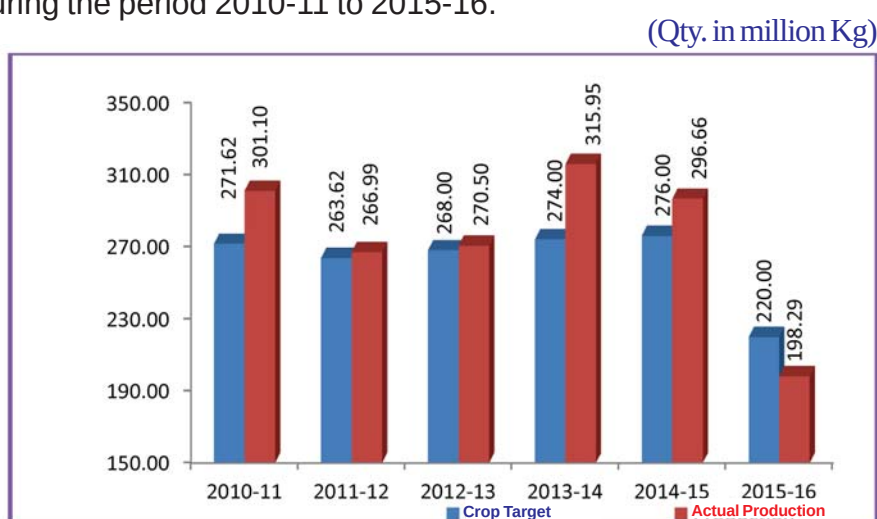
## ORGANISATIONAL CHART OF TOBACCO BOARD



## CROP PLANNING AND REGULATION

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

FCV tobacco production in India during 2015-16 was 98.37 million Kgs down by over 2014-15 production of 296.66 million Kgs. 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 registered a Compound Annual Growth Rate (CAGR) of (-)6.73% during the period 2010-11 to 2015-16.



### II) FCV Tobacco Production Policy for 2015-16

During 2015-16 crop season, Tobacco Board had reduced the crop size for cultivation of FCV tobacco to 220 million kg from 276 million kg fixed during 2014-15 crop season. A crop size of 100 million kg was fixed for the state of Karnataka. In the state of Andhra Pradesh, the Tobacco Board had fixed a crop size of 120 million kg for 2015-16 crop season as against 170 million kgs fixed during last year, following distress sales in 2015 and taking into consideration the gloomy situation in the world tobacco markets, large carryover stocks, declining demand for tobacco in both international and domestic markets, reduced indents from ITA and growers' demand for reduction of crop size for assuring remunerative prices for their produce.

### III) Production Policy for 2015-16 – Highlights

The broad policy framework for regulating production during 2015-16 crop season is as follows:

- The thrust 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 by about 25–30% and diverted to other alternate crops.
- 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 / have constructed unauthorized barns and taking up unauthorised cultivation of tobacco as per the Board Act and Rules made there under.

#### IV) Registration criteria for 2015-16 – Highlights

The following criteria were laid down for renewal of registration or registration of growers in Andhra Pradesh and Karnataka during 2015-16 crop season.

- All growers/barns registered with the Board in 2014-15 crop season are eligible for renewal of registration in 2015-16 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 licenced.
- Growers who registered in 2014-15 but have outstanding dues / pay penalties / involved in barn disputes / repair the unfit barns / submit certain documents for transfer of registration shall fulfill these conditions before the stipulated date for grant of renewal of registration.
- Grower applicants who are registered in 2014-15 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 penalties @ 4% on estimated sale proceeds.
- Grower applicants who are registered in 2014-15 crop season but have sold 50% of the quota or less for two years consecutively (i.e., 2013-14 and 2014-15) as against the full quota produced by them as declared in Form-III returns will be considered for registration subject to payment of penalties @ 2% on the estimated sale proceeds subject to a minimum of ₹ 2,000.

- 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.
- No unauthorised barn shall be regularized during 2015-16 crop season. Shifting of barns against regularization of unauthorised barn is not allowed.
- Grower applicants applied without support of licensed curing facility (barns)/ unauthorised 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 2015-16 crop season.

#### V) Soil region wise area and production quota authorised for 2015-16

The area authorized for cultivation, soil region wise and production quota per barn in Andhra Pradesh and Karnataka during 2015-16 crop season are as follows:

#### Andhra Pradesh

| Soil Region               | Area Registered (ha) |         | Production Quota (Kg/Barn) |         |
|---------------------------|----------------------|---------|----------------------------|---------|
|                           | 2015-16              | 2014-15 | 2015-16                    | 2014-15 |
| Northern Light Soil (NLS) | 1.00                 | 1.90    | 2,500                      | 4,400   |
| Southern Light Soil (SLS) | 2.40                 | 4.00    | 3,400                      | 4,400   |
| Southern Black Soil (SBS) | 1.40                 | 2.20    | 3,200                      | 4,075   |
| Northern Black Soil (NBS) | 1.00                 | 1.90    | 1,950                      | 3,400   |

\* N.L.S. includes ELS also

(In Southern Light Soil areas, for the villages of high productivity an area of 1.60 ha. was authorised as against 2.40 ha. authorised in other light soil areas this year)

#### Karnataka

| Barn         | Area Registered (ha) |         | Production Quota (Kg/Barn) |         |
|--------------|----------------------|---------|----------------------------|---------|
|              | 2015-16              | 2014-15 | 2015-16                    | 2014-15 |
| Simplex Barn | 1.20                 | 1.40    | 1,740                      | 1,800   |
| Duplex Barn  | 2.40                 | 2.80    | 3,480                      | 3,600   |

## VI) Production Regulation Campaign

The Board had undertaken a focused Production Regulation Campaign during 2015-16 crop season to prevent excess/unauthorized production of FCV tobacco through personal contacts, group meetings in the villages and mass contact programmes.



- In the state of Andhra Pradesh, all the tobacco growers were informed that the extent of excess area planted during 2015-16 and the corresponding quantities produced over and above the barn quota will be reduced from the area and quota authorised for 2016-17.
- 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 dysfunctioning 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 697 grower meetings in Andhra Pradesh and 161 in Karnataka are held by Board as a part of production regulation campaign during 2015-16.

## VII) Particulars of growers registered during 2015-16:

During 2015-16 crop season, a total of 88,105 growers were registered with the Board for cultivation of FCV tobacco.

Of them, 45,733 growers covering 39,872 barns are registered for cultivation of tobacco in Andhra Pradesh. An area of 61,512 ha. was registered for production of FCV tobacco and as against this an area of 70,122 ha. was actually planted.

In Karnataka, 42,372 growers covering 56,555 barns (in terms of simplex barns) are registered for cultivation of tobacco. An area of 67,866 ha. was registered and 75,837 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 2015-16 crop season are placed at Page Nos.28 to 30.

## VIII) Report on 2015-16 Karnataka Crop

### Nursery

Area sown under Nursery during 2015-16 in Karnataka was 829.85 hectares. The area under nursery had declined by 11% when compared to last year. Seedlings were in good supply during this season. Nearly 80% area in Mysuru and 83-85% area in Periyapatna was under tray nursery. Tray seedlings had helped in good establishment, 100% crop stand and uniformity of the crop. Major pest and disease incidence was not reported in the nurseries. 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.



### Varieties

Kanchan is the major variety sown occupying about 80% of total nursery area sown i.e., 665.34 ha. CH-3 and FCH-222 hybrids occupied remaining 20% of area. The area under hybrids is slowly increasing.



### Main field

Early incessant rains helped the farmers to take up early plantations. A total of 75,837 ha. was planted in Karnataka under FCV tobacco during 2015-16 as against 85,934 ha. planted last year. i.e., down by 12% over the area planted in previous season. Of this, 64,538 ha. (85%) was

planted before 31st of May (Early plantation). About 15% of area was planted in the first week of June (middle plantation). Late plantation is about 277 ha.

83% of total area planted is under Kanchan variety and remaining 17% is under CH3 and FCH-222 hybrids. The area under CH3 hybrid varieties had increased by about 7% over last year.



| Plantation Category                          | 2015-16    |        | 2014-15    |     |
|----------------------------------------------|------------|--------|------------|-----|
| Early Plantation<br>(before 31st May)        | 64,538 ha. | 85%    | 67,091ha.  | 78% |
| Middle Plantation<br>(June 1st to 15th June) | 11,022 ha. | 14.60% | 16,900 ha. | 20% |
| Late Plantation<br>(From 16th June)          | 277 ha.    | 0.40%  | 1,943 ha.  | 2%  |

### Crop Growth in Karnataka

The early crop established well in the main field and had shown good growth with prominent leaf expansion. Tobacco growing areas received moderate to heavy rains in the 2<sup>nd</sup> fortnight of June. Owing to these rains, intercultural operations were delayed and nutrients were leached out in middle and late crop especially in high rain fall zone of Periyapatna. Thereafter, the crop witnessed drought continuously for 20–25 days in the month of July. Unusual high temperatures affected the vegetative growth of FCV tobacco crop severely. In some areas of Periyapatna and Ramanathpura Regions, yellowing and false ripening of leaves were observed. Farmers gave one life saving irrigation wherever possible and the irrigated crop recovered to some extent. The crop received rains in the last week of July and recovered to some extent. The dry spell again continued in the 1<sup>st</sup> fortnight of August which affected the late crop yields severely. Above normal yields are recorded in the crop which was planted before 10<sup>th</sup> May due to receipt of timely rains. Average and below average yields are recorded in the majority of the crop (70% of the crop) due to continuous dry spell during the grand growth period. Below normal yields are recorded in the crop which was planted in the month of June and in low rainfall areas due to drought and poor up take of nutrients. Many areas in Ramanathpura and Hunsur platforms were affected by drought resulting in low yields.



### Pests & diseases

No major incidence of pests and diseases were reported during crop growth period, except isolated incidence of Aphids and leaf eating caterpillar in some pockets. Fusarium wilt was observed on small scale in Periyapatna Region. In Mysuru Region, incidence of TMV was observed. Isolated incidence of black shank was reported in some areas. Karnataka growers had installed yellow sticky traps and pheromone traps to monitor populations of white fly, Helicoverpa and Spodoptera pests and to take up control measures on scientific lines.

## Harvestings

On an average 6–7 curings were taken up per barn. 70–80% bright grade out turn was observed. Cured leaf was lemon to lemon orange in colour with good flavor and thin bodied. Overall crop quality is good with typical characteristics of Karnataka crop i.e. low nicotine and High sugars, making it most preferred quality filler.



## Yields

Abnormal weather conditions, early incessant rains and prolonged drought during grand growth stage had impacted the yield potential of 2015 Karnataka crop and average yields at 980 kg/ha are recorded this year. However quality wise, the crop is much better than last year. A crop of 83.43 million kg was estimated to be produced as per the initial estimates. However, 71.95 million kg was marketed with grade out turn of 31:48:21 in terms of bright, medium and low grades respectively.

## Alternative Crops to tobacco

In H.D.Kote, growers had taken up Cotton and Mari Gold crops in place of tobacco. In Hunsur and Kampalapura area, the growers had diverted to other crops like Paddy, Ginger and Maize in problematic soils to avoid production of saline/inferior quality tobaccos. In Ramanathapura, Ginger, Maize and Ragi were main alternative crops. In Periyapatna, paddy cultivation was taken up wherever irrigation facility was available. Ginger, Maize and Jowar were the other alternative crops taken up in the place of tobacco in Periyapatna region.



## IV) Report on 2015-16 Andhra Pradesh Crop

### Nursery

Nursery was taken up in about 748.88 ha during 2015-16 in Andhra Pradesh as against 850.44 ha of nursery sown last year. Seedlings were in good supply during this season and nursery prices were well under control in all regions. Majority of the growers in NLS had adopted tray nurseries, which



resulted in good establishment, 100% crop stand and uniformity. In Kaligiri and D.C.Palli areas, partial damage to seedlings (i.e., yellowing of leaves) was observed due to heavy rains received in the month of November, 2015. Excepting this, nursery growth was satisfactory without any major adversaries. Field demonstrations on soil application of bio-pesticides viz., *Trichoderma harzianum* and *Pseudomonas fluorescens* were conducted in NLS areas to prevent soil borne tobacco diseases

The seedling prices were around ₹ 800 to ₹ 1200 per bundle initially and had gone up to ₹ 1,500 to ₹ 2,000 per bundle in peak transplantation season in the South. In NLS, the prices were around ₹ 2,000 per bundle of 6000 plants initially and had gone up to ₹ 3,000 – ₹ 3,500 in peak season.

### 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. Kanchan and LV-6 are other varieties sown in NLS region.

### Main field

During 2015-16, tobacco growing areas experienced a conspicuous dry spell at the time of transplantation, delaying transplantations by about a month. Tobacco growing areas of Prakasam and Sri Pottisriramulu Nellore districts experienced a long dry spell from last week of June to middle of July (and in some areas up to August). The day temperatures were high. Though these areas received some rainfall during the second fortnight of July, August, September and October, the rains were not sufficient to prepare fields and take up transplanting of tobacco upto 31<sup>st</sup> October. Because of dry conditions that prevailed, the early planted crop was very less and whatever the crop that was sown did not show good growth. There were more number of gaps and crop was not uniform.



The areas started receiving rains from the 9<sup>th</sup> of November, 2015 under the influence of well marked low pressures over the Bay of Bengal. The farmers in all regions started planting tobacco with the start of rains, but were cautious because of heavy rains that were predicted. However they continued to plant tobacco all through the rains. Kaligiri & D.C.Palli areas in Southern Light Soil Region received heavy to very heavy rains in three spells i.e., from 9<sup>th</sup> to 12<sup>th</sup> of November, 2015;

16<sup>th</sup> to 24<sup>th</sup> of November, 2015 and 30<sup>th</sup> November, 2015, to 3<sup>rd</sup> December, 2015 under the influence of three low pressures in the Bay of Bengal. The just planted crop in 4,619.60 ha. in Kaligiri and D.C.Palli auction platform jurisdictional areas and adjoining Kandukur-I and II platform areas were affected by the very heavy rains and the gap fills to the extent of 25–50% were observed. In the platform jurisdiction of Kandukur-I and II and parts of Kondepi areas, the rainfall favoured the tobacco and the crop established well in the main field.

In Northern Light Soils also because of the initial dry spell, the transplantations commenced actively in the second fortnight of October and continued all through the November. The crop established well with 5–6% gap fills on an average.

A total of 70,122 ha. was planted in Andhra Pradesh under FCV tobacco as against 1,08,737 ha. planted during 2014-15 crop season. The decline in area is about 36%. Early planted crop during 2015-16 is small (2047.80 ha.) constituting 3% of total area planted. 32% of crop is planted (22,736.91 ha) between 15<sup>th</sup> October and 15<sup>th</sup> November (middle plantation) and 65% of crop is late planted (45,337.29 ha.) i.e., in the 2<sup>nd</sup> 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 the 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.), Kanchan (874.30 ha.) and LV-6 (45.80 ha.). In Northern Black Soils, 'Siri' was the major variety grown (1109.50 ha); Kanchan (102 ha.) and LV-7 (63 ha.) varieties were also planted in some light soil areas.

| Plantation Category                        | 2015-16    |            | 2014-15    |            |
|--------------------------------------------|------------|------------|------------|------------|
|                                            | Area (ha.) | Percentage | Area (ha.) | Percentage |
| Early Plantation<br>(Up to 15th October)   | 2,048 ha.  | 3%         | 7,299 ha.  | 7%         |
| Middle Plantation<br>(Up to 15th November) | 22,737 ha. | 32%        | 67,351 ha. | 62%        |
| Late Plantation<br>(After 15th November)   | 45,337 ha. | 65%        | 34,087 ha. | 31%        |

## Crop growth in Andhra Pradesh

### NORTHERN LIGHT SOILS (NLS) CROP

Total plantation in Northern Light Soils region this year was 17,776 hectares, less by 38% when compared to 28850 hectares planted in 2014-15.

Majority crop was middle planted (69%). Early planted crop was not significant. Early and middle crops showed good growth with optimum leaf spread. Orabanche incidence was reported on limited scale in many areas. Late crop growth was satisfactory and average yields were recorded. The crop was relatively free from pests and diseases and crop season was uneventful. Overall NLS crop yields were good with more ripe quality leaf and was rated as 'good'.



### SOUTHERN LIGHT SOILS (SLS) CROP

Total plantation in Southern Light Soils region this year was 30,025 ha. and the area had come down by 39% when compared to 49,035 ha. planted in 2014-15. Majority crop was late planted (74%). In Podili and Kanigiri areas, the area under FCV tobacco had come down drastically by 69% and overall production was below the authorised crop size. Market problems and economic losses during last season; and early drought during crop transplantation time were the major reasons for this decline. In Kandukur area, overall, the crop growth was good with optimum leaf spread. In Kaligiri and D.C.Palli areas, the crop growth was uneven due to more number of gaps and unprecedented heavy rains in November, 2015.



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 after early heavy rains and hardening of the soil. Farmers had given life saving irrigation to the crop wherever irrigation sources are available. Incidence of Orabanche was reported in early and middle crop and it had affected the yields. There was significant reduction in yields. Overall the crop in this region was rated as 'Average'. However in Kandukur areas of SLS Region, the crop was good with normal and above average yields.

## TRADITIONAL BLACK SOILS (TBS) CROP

During 2015-16, the total planted area in Southern Black Soil Regions was 21,046 ha. i.e., less by 27% when compared to 28,792 ha., planted in 2014-15.

Majority crop, about 90% of total crop was planted late. In early and middle planted crop, gap fills were high and the crop growth was not uniform due to heavy rains received during planting time. The crop growth was impacted by drought and majority farmers went for life saving irrigation incurring huge expenditure and bringing in water from long distances. Severe incidence of orabanche was reported in early crop in SBS region also, which affected the crop yields. Incidence of pests and diseases was less in late crop. Late crop growth was not satisfactory due to continuous dry spell after transplantation. Average and below average yields were recorded in late crop. 50-60% bright grades were reported in earlier curings and low grade production was made in subsequent curings. Overall, the crop in this region was rated as 'Average Crop'.



Total plantation in Northern Black Soils (NBS) region during 2015-16 was in an area of 1,275 ha which was less by 38% when compared to area planted during 2014-15 (2060 ha). In NBS, there were no major growth problems and good yields were recorded.



## Pests and Diseases

Incidence of pests and diseases was less during this crop season when compared to previous year. Incidence of Spodoptera, Heliothis and Aphids was noticed in all the regions but the incidence was below the economic threshold level. In Northern Light Soil region, incidence of viral diseases like 'Leaf Curl' was noticed in the initial stages of plant growth. Plant Parasite 'Orabanche' infestation was noticed in all the regions. Severe infestation of Orabanche was noticed in Southern Light Soils and Southern Black Soil regions. Moderate infestation of Orabanche was reported in Northern Light Soil areas. 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 marigold and castor. They installed pheromone traps and yellow-sticky traps in the field for monitoring pest populations.

### Harvestings

8-10 curings were taken up on an average in Northern Light Soil and Southern Black Soil regions. In Southern Light Soil areas, because of drought and reduced production, only 7-8 curings were taken up on an average.



In Southern Light Soils and Southern Black Soil regions, the initial 2 to 3 curings were good with more of bright grades and thereafter the curings were affected in early and middle crop due to severe infestation of Orabanche and drought.

### Yields

As per the preliminary estimates of Board, a crop of 126.34 million kg was estimated to be produced against a target of 120 million kg. Decline in area planted, unusual drought and incidence of Orabanche were the major reasons for significant reductions in production this year. The estimated average yields were 1340 kg/ha in Southern Light Soils (SLS), 2410 kg/ha in Northern Light Soils (NLS), 1930 kg/ha in Southern Black Soils (SBS) and 2091 kg/ha in Northern Black Soils (NBS). Average Leaf count per kg ranged between 133 to 148 in NLS; 254 to 318 in SLS and 241 to 310 in SBS region.

### Alternative crops to tobacco

In Southern Light Soil and Southern Black Soil Regions, alternative crops like Cotton, Chillies, Blackgram, Bengalgram, Redgram, Social Forestry i.e., Subabul, Eucalyptus were taken up for cultivation by tobacco farmers. In Blackgram, 1 to 2 quintals of yield was reduced for most of the farmers due to incidence of yellow mosaic virus disease. In Chillies also severe attack of Gemini virus was reported in some areas which affected the yields to some extent. Redgram and Bengalgram performance in Southern Light Soil and Southern Black Soil Regions respectively is reportedly good. Overall farmers received good returns from Bengal gram and Red gram this year. In Northern Light Soil, alternative crops like Eucalyptus, Oil Palm, Maize, Sugarcane, Groundnut, Cotton and Vegetables were taken up.

### X) Sale of excess / unauthorized tobacco during 2015-16

Additional charges were being levied for allowing sale of excess tobacco produced by registered growers over and above the quota authorized and tobacco

produced by growers without registration (unauthorised growers) as notified by Government of India. The levies for 2015-16 crop season in comparison with earlier years were as follows:

**Sale of Excess Tobacco :**

| Year    | Karnataka                            |                                            | Andhra Pradesh          |                                            |
|---------|--------------------------------------|--------------------------------------------|-------------------------|--------------------------------------------|
|         | Extra fee ₹<br>(per Kg)              | Additional Charges<br>(% of sale proceeds) | Extra fee ₹<br>(per Kg) | Additional Charges<br>(% of sale proceeds) |
| 2011-12 | 2.00                                 | 15                                         | 2.00                    | 7.5                                        |
| 2012-13 | 2.00                                 | 7.5                                        | 2.00                    | 7.5                                        |
| 2013-14 | 2.00                                 | 7.5                                        | 2.00                    | 7.5                                        |
| 2014-15 | a) Up to 15% of quota authorised     |                                            |                         |                                            |
|         | 2.00                                 | 7.5                                        | 2.00                    | 7.5                                        |
|         | b) More than 15% of quota authorised |                                            |                         |                                            |
|         | 2.00                                 | 15                                         | 2.00                    | 15                                         |
| 2015-16 | a) Up to 10% of quota authorised     |                                            |                         |                                            |
|         | 2.00                                 | 7.5                                        | 2.00                    | 7.5                                        |
|         | b) More than 10% of quota authorised |                                            |                         |                                            |
|         | 2.00                                 | 15                                         | 2.00                    | 15                                         |

**Sale of Unauthorised tobacco**

| Year    | Karnataka               |                                            | Andhra Pradesh          |                                            |
|---------|-------------------------|--------------------------------------------|-------------------------|--------------------------------------------|
|         | Extra fee ₹<br>(per Kg) | Additional Charges<br>(% of sale proceeds) | Extra fee ₹<br>(per Kg) | Additional Charges<br>(% of sale proceeds) |
| 2011-12 | 2.00                    | 22.50                                      | 2.00                    | 15                                         |
| 2012-13 | 2.00                    | 15                                         | 2.00                    | 15                                         |
| 2013-14 | 2.00                    | 15                                         | 2.00                    | 15                                         |
| 2014-15 | 2.00                    | 15                                         | 2.00                    | 15                                         |
| 2015-16 | 2.00                    | 15                                         | 2.00                    | 15                                         |

During 2015-16 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 0.95 million kg of excess tobacco produced by registered growers and 2.27 million kg of tobacco produced by unregistered growers during 2015-16 crop season was allowed for sale by levying additional charges.

**IV) Barn and crop damage due to heavy rains occurred in the month of November / December, 2015**

Under the influence of two consecutive well-marked low pressures over the Bay of Bengal and a very active northeast monsoon, incessant and heavy to very heavy rains battered the Sri Pottisiramulu Nellore district of Andhra Pradesh in November, 2015. From the 9th to the 24th of November 2015, the district received

740.4 mm of rain, the most in 50 years, against the whole season average of 500 mm. This wet spell was once again followed by a third spell of heavy rains from 30<sup>th</sup> November to 3<sup>rd</sup> December, 2015 because of third depression in the Bay of Bengal. These unprecedented rains caused extensive damage to tobacco crops and infrastructure (barns). The farmers in Kaligiri and D.C.Palli auction platforms jurisdiction areas in SPS Nellore District and adjoining Kandukur-I and Kandukur-II platform jurisdiction areas in Prakasam District were mainly affected due to rains. The details as follows:

- As many as 243 tobacco barns of 408 farmers were damaged. Of these, 154 barns were fully damaged and 89 barns were partially damaged.
- The crop of FCV tobacco which was transplanted in 4,619.60 hectares was damaged. Gap fillings in these fields ranged from 25 to 50%.



Hon'ble Minister of State for Commerce & Industry (Independent Charge) had taken up this matter with the Hon'ble Chief Minister of Andhra Pradesh vide D.O. letter No.5/1/2016-EP(Agri-III) dated 02/02/2016 to provide relief to these tobacco growers under State Disaster Response Fund (SDRF). Tobacco Board had submitted the lists of damaged tobacco barns and grower wise enumeration of crop damage to the District Authorities of SPS Nellore to provide compensation for the damaged barns and crop due to heavy rains.

#### **IV) Payment of one time compensation as a special case for identified low grades of FCV tobacco during 2015 AP Auctions**

The registered growers of FCV tobacco in Andhra Pradesh faced acute distress and crisis conditions during 2015 auctions, on account of surplus of global production including in India, subdued demand for FCV tobacco in the domestic and international markets, higher percentage of "low grade" production due to abnormal weather conditions (untimely rains in December) and incidence of tobacco root parasite '*Orabanche*'. Low prices and rejections of low grade tobacco at the auction platforms of the Tobacco Board because of above reasons combined with low returns and mounting debts led to suicidal deaths of some tobacco farmers in Andhra Pradesh.

To bail out the FCV tobacco growers, Government of India vide its letter No. 5/7/2015-EP(Agri-VI) dated 02<sup>nd</sup> October, 2015 had approved for **payment of one time compensation as special case** for the identified low grade varieties viz.

dark greens (F9/NDG) and Thin bodied perished leaf (F10) and NOG (BX 2) grades. The Compensation package provided payment of 20 rupees per kilo for the identified low grades which were sold below ₹ 40 per kg on the auction platforms of Tobacco Board with the Government of India contributing 75% of the quantum (₹ 15 a kg) and the state Government of Andhra Pradesh bearing the balance 25% (₹ 5 a kg) w.e.f.19/09/2015 till closure of auctions on 02/11/2015.

A total of 27,950 registered growers (61% of total registered growers) were benefitted from the scheme, which resulted in financial out go of ₹ 16.85 crore @ ₹ 15 per kg from the Government of India and ₹ 5.61 crore @ ₹ 5 per kg from the state Government of Andhra Pradesh. A total of ₹ 22.46 crore was paid as compensation as per the criteria announced by the Government of India for a quantity of 11.23 million kg of identified low grades. This had helped the farmers in terms of liquidating the low grades and providing the much-needed financial relief to some extent. Statement showing the payment details placed at **page No.31 - 32**.



Smt Nirmala Sitaraman, Hon'ble Union Minister of State for Commerce & Industry IC consoling the bereaved families of farmers who committed suicide.



Smt Nirmala Sitaraman, Hon'ble Union Minister of State for Commerce & Industry IC enquiring about market situation during the visit of Ongole-I Auction Platform.

| Payment of Compensation at a Glance         |                          |
|---------------------------------------------|--------------------------|
| No of Beneficiaries                         | 27,950                   |
| Qty of low grades covered                   | 11.23 million kg         |
| Government of India's (Tobacco Board) share | ₹ 16.85 crore            |
| AP Govt's share                             | ₹ 5.61 crore             |
| Total amount paid                           | ₹ 22.46 crore            |
| Period of disbursement                      | 19/09/2015 to 02/11/2015 |
| Average compensation paid per beneficiary   | ₹ 8,036 per person       |

Tobacco Board organized payment of compensation of ₹ 22.46 crore to 27,950 growers efficiently and transparently by crediting the same to the individual bank accounts of growers directly involving 558 banks, in about 29 days from 6<sup>th</sup> October, 2015 to 3<sup>rd</sup> November, 2015.

Particulars of Platform wise payment of compensation and platform wise/grade wise payment of compensation are given at **Page No.33**.

## ANNUAL REPORT 2015-2016

## AUCTION PLATFORM WISE REGISTRATION AND PLANTATION PARTICULARS FOR 2015-16

### CROP SEASON IN ANDHRA PRADESH

| Particulars    | No. of growers |      |       | No. of barns |         |         | Area registered (ha) |         |         | Quantity authorised (mkg) |       |       | 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    | 1961           | 0    | 1961  | 2276.00      | 0.00    | 2276.00 | 2276.00              | 0.00    | 2276.00 | 5.690                     | 0.000 | 5.690 | 2799.00            | 0.00    | 2799.00 |
| J.R.Gudem-I    | 2666           | 0    | 2666  | 3145.50      | 0.00    | 3145.50 | 3145.50              | 0.00    | 3145.50 | 7.864                     | 0.000 | 7.864 | 4233.00            | 0.00    | 4233.00 |
| J.R.Gudem-II   | 3126           | 0    | 3126  | 3173.00      | 0.00    | 3173.00 | 3173.00              | 0.00    | 3173.00 | 7.932                     | 0.000 | 7.932 | 4375.00            | 0.00    | 4375.00 |
| Koyyalagudem   | 2603           | 0    | 2603  | 2940.00      | 0.00    | 2940.00 | 2940.00              | 0.00    | 2940.00 | 7.350                     | 0.000 | 7.350 | 3484.30            | 0.00    | 3484.30 |
| Gopalapuram    | 1942           | 0    | 1942  | 2376.00      | 0.00    | 2376.00 | 2376.00              | 0.00    | 2376.00 | 5.940                     | 0.000 | 5.940 | 2885.00            | 0.00    | 2885.00 |
| Vellampally-I  | 1138           | 622  | 1760  | 865.50       | 546.00  | 1411.50 | 2077.20              | 764.40  | 2841.60 | 2.943                     | 1.747 | 4.690 | 1910.60            | 941.40  | 2852.00 |
| Vellampally-II | 67             | 1057 | 1124  | 67.50        | 1002.50 | 1070.00 | 162.00               | 1403.50 | 1565.50 | 0.230                     | 3.208 | 3.438 | 108.80             | 1914.80 | 2023.60 |
| Ongole-I       | 1007           | 1690 | 2697  | 618.80       | 1684.00 | 2302.80 | 1268.22              | 2358.00 | 3626.22 | 2.103                     | 5.389 | 7.492 | 1571.00            | 3037.80 | 4608.80 |
| Ongole-II      | 0              | 2374 | 2374  | 0.00         | 2418.00 | 2418.00 | 0.00                 | 3385.21 | 3385.21 | 0.000                     | 7.738 | 7.738 | 0.00               | 3846.70 | 3846.70 |
| Tangutur-I     | 0              | 1979 | 1979  | 0.00         | 1775.72 | 1775.72 | 0.00                 | 2486.01 | 2486.01 | 0.000                     | 5.682 | 5.682 | 0.00               | 3352.60 | 3352.60 |
| Tangutur-II    | 0              | 1619 | 1619  | 0.00         | 1547.00 | 1547.00 | 0.00                 | 2165.80 | 2165.80 | 0.000                     | 4.950 | 4.950 | 0.00               | 3352.00 | 3352.00 |
| Kondepi        | 1947           | 1583 | 3530  | 1121.23      | 1116.03 | 2237.26 | 2643.44              | 1562.42 | 4205.86 | 3.812                     | 3.571 | 7.383 | 3273.10            | 2259.20 | 5532.30 |
| Podili-I       | 3426           | 0    | 3426  | 1845.33      | 0.00    | 1845.33 | 4428.76              | 0.00    | 4428.76 | 6.274                     | 0.000 | 6.274 | 2799.60            | 0.00    | 2799.60 |
| Podili-II      | 1447           | 295  | 1742  | 824.32       | 232.68  | 1057.00 | 1978.53              | 325.76  | 2304.29 | 2.803                     | 0.745 | 3.548 | 1831.60            | 307.60  | 2139.20 |
| Kandukur-I     | 2359           | 794  | 3153  | 1673.00      | 590.00  | 2263.00 | 3359.95              | 826.00  | 4185.95 | 5.688                     | 1.888 | 7.576 | 4065.60            | 1032.00 | 5097.60 |

| Particulars  | No. of growers |              |              | No. of barns    |                 |                 | Area registered (ha) |                 |                 | Quantity authorised (mkg) |               |                | 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-II  | 2230           | 800          | 3030         | 1482.98         | 538.00          | 2020.98         | 3373.98              | 753.19          | 4127.17         | 5.042                     | 1.721         | 6.763          | 3353.00            | 917.80          | 4270.80         |
| Kanigiri     | 1591           | 0            | 1591         | 1261.55         | 0.00            | 1261.55         | 3027.72              | 0.00            | 3027.72         | 4.289                     | 0.000         | 4.289          | 2743.00            | 0.00            | 2743.00         |
| Kaligiri     | 1654           | 53           | 1707         | 1400.23         | 60.00           | 1460.23         | 3360.53              | 84.00           | 3444.53         | 4.760                     | 0.193         | 4.953          | 3319.00            | 84.00           | 3403.00         |
| D.C.Palli    | 2311           | 0            | 2311         | 1796.92         | 0.00            | 1796.92         | 4312.60              | 0.00            | 4312.60         | 6.109                     | 0.000         | 6.109          | 5050.00            | 0.00            | 5050.00         |
| Thorredu     | 0              | 1392         | 1392         | 0.00            | 1494.17         | 1494.17         | 0.00                 | 1494.17         | 1494.17         | 0.000                     | 2.914         | 2.914          | 0.00               | 1274.50         | 1274.50         |
| <b>Total</b> | <b>31475</b>   | <b>14258</b> | <b>45733</b> | <b>26867.86</b> | <b>13004.10</b> | <b>39871.96</b> | <b>43903.43</b>      | <b>17608.46</b> | <b>61511.89</b> | <b>78.829</b>             | <b>39.746</b> | <b>118.575</b> | <b>47801.60</b>    | <b>22320.40</b> | <b>70122.00</b> |

ABSTRACT

| Region | Growers      | Barns           | Area Regd (ha)  | Quantity authorised (mkg) | Area planted (ha.) |
|--------|--------------|-----------------|-----------------|---------------------------|--------------------|
| NLS    | 12298        | 13910.50        | 13910.50        | 34.776                    | 17776.30           |
| SLS    | 19177        | 12957.36        | 29992.93        | 44.053                    | 30025.30           |
| SBS    | 12866        | 11509.93        | 16114.29        | 36.832                    | 21045.90           |
| NBS    | 1392         | 1494.17         | 1494.17         | 2.914                     | 1274.50            |
|        | <b>45733</b> | <b>39871.96</b> | <b>61511.89</b> | <b>118.575</b>            | <b>70122.00</b>    |



**STATEMENT SHOWING THE PLATFORM WISE REGISTRATION AND  
PLANTATION PARTICULARS FOR 2015-16  
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       | 1820         | 2479.00         | 2974.80              | 4.313                        | 3366.00           |
| 2                          | H.D.Kote-65      | 1925         | 2607.00         | 3128.40              | 4.536                        | 3305.00           |
| 3                          | Hunsur-2         | 3016         | 3988.00         | 4785.60              | 6.939                        | 6210.00           |
| 4                          | Hunsur-3         | 3132         | 3948.00         | 4737.60              | 6.870                        | 4980.00           |
| 5                          | Hunsur-64        | 2604         | 3437.00         | 4124.40              | 5.980                        | 5259.00           |
| 6                          | Kampalapura-61   | 3227         | 4205.00         | 5046.00              | 7.317                        | 5505.00           |
| 7                          | Chilikunda-62    | 4422         | 5955.00         | 7146.00              | 10.362                       | 7780.00           |
| <b>Total:</b>              |                  | <b>20146</b> | <b>26619.00</b> | <b>31942.80</b>      | <b>46.317</b>                | <b>36405.00</b>   |
| <b>Periyapatna Region:</b> |                  |              |                 |                      |                              |                   |
| 8                          | Periyapatna-4    | 4699         | 6889.00         | 8266.80              | 11.987                       | 8550.00           |
| 9                          | Periyapatna-5    | 4648         | 6255.00         | 7506.00              | 10.884                       | 8559.00           |
| 10                         | Periyapatna-6    | 4360         | 5871.00         | 7045.20              | 10.216                       | 7692.00           |
| 11                         | Ramanathpura-7   | 4766         | 6018.00         | 7221.60              | 10.471                       | 7929.00           |
| 12                         | Ramanathpura-63  | 3753         | 4903.00         | 5883.60              | 8.531                        | 6702.00           |
| <b>Total:</b>              |                  | <b>22226</b> | <b>29936.00</b> | <b>35923.20</b>      | <b>52.089</b>                | <b>39432.00</b>   |
| <b>Grand Total:</b>        |                  | <b>42372</b> | <b>56555.00</b> | <b>67866.00</b>      | <b>98.406</b>                | <b>75837.00</b>   |

**DISTRICT WISE/AUCTION PLATFORM WISE COMPENSATION PAID TO THE FCV TOBACCO GROWERS  
DURING 2015 ANDHRA PRADESH AUCTIONS**

| Sl No    | District              | Name of the APF   | No. of Growers | Quantity (in Kgs) | Amount Paid (in Rupees)                                    |                                            |                     |
|----------|-----------------------|-------------------|----------------|-------------------|------------------------------------------------------------|--------------------------------------------|---------------------|
|          |                       |                   |                |                   | Government of India's (Tobacco Board) Share @ ₹ 15 per Kg. | Andhra Pradesh Govt.'s Share @ ₹ 5 per Kg. | Total               |
| <b>A</b> | <b>Prakasam</b>       | <b>SBS REGION</b> |                |                   |                                                            |                                            |                     |
| 1        |                       | Vellampalli-I     | 1512           | 665977.40         | 9989661.00                                                 | 3329887.00                                 | 13319548.00         |
| 2        |                       | Vellampalli-II    | 1191           | 532363.00         | 7985445.00                                                 | 2661815.00                                 | 10647260.00         |
| 3        |                       | Ongole-I          | 2139           | 1176093.40        | 17641401.00                                                | 5880467.00                                 | 23521868.00         |
| 4        |                       | Ongole-II         | 1741           | 523260.90         | 7848913.50                                                 | 2616304.50                                 | 10465218.00         |
| 5        |                       | Tangutur-I        | 1638           | 622525.40         | 9337881.00                                                 | 3112627.00                                 | 12450508.00         |
| 6        |                       | Tangutur-II       | 1373           | 578595.40         | 8678931.00                                                 | 2892977.00                                 | 11571908.00         |
| 7        |                       | Kondepi           | 2675           | 856383.50         | 12845752.50                                                | 4281917.50                                 | 17127670.00         |
|          |                       |                   | <b>12269</b>   | <b>4955199.00</b> | <b>74327985.00</b>                                         | <b>24775995.00</b>                         | <b>99103980.00</b>  |
| <b>B</b> | <b>Prakasam</b>       | <b>SLS REGION</b> |                |                   |                                                            |                                            |                     |
| 1        |                       | Podili-I          | 2467           | 964769.50         | 14471542.50                                                | 4823847.50                                 | 19295390.00         |
| 2        |                       | Podili-II         | 1731           | 779118.80         | 11686782.00                                                | 3895594.00                                 | 15582376.00         |
| 3        |                       | Kandukur-I        | 2074           | 555523.70         | 8332855.50                                                 | 2777618.50                                 | 11110474.00         |
| 4        |                       | Kandukur-II       | 2389           | 1078511.10        | 16177666.50                                                | 5392555.50                                 | 21570222.00         |
| 5        |                       | Kanigiri          | 1299           | 813620.60         | 12204309.00                                                | 4068103.00                                 | 16272412.00         |
|          |                       |                   | <b>9960</b>    | <b>4191543.70</b> | <b>62873155.50</b>                                         | <b>20957718.50</b>                         | <b>83830874.00</b>  |
|          | <b>Prakasam total</b> |                   | <b>22229</b>   | <b>9146742.70</b> | <b>137201140.50</b>                                        | <b>45733713.50</b>                         | <b>182934854.00</b> |





## ANNUAL REPORT 2015-2016

**DISTRICT WISE/AUCTION PLATFORM WISE COMPENSATION PAID TO THE FCV TOBACCO GROWERS  
DURING 2015 ANDHRA PRADESH AUCTIONS**

| Sl<br>No | District             | Name of the APF    | No. of<br>Growers | Quantity<br>(in Kgs) | Amount Paid (in Rupees)                                       |                                               |                     |
|----------|----------------------|--------------------|-------------------|----------------------|---------------------------------------------------------------|-----------------------------------------------|---------------------|
|          |                      |                    |                   |                      | Government of India's (Tobacco<br>Board) Share @ ₹ 15 per Kg. | Andhra Pradesh Govt.'s<br>Share @ ₹ 5 per Kg. | Total               |
| <b>C</b> | <b>S.P.S.Nellore</b> | <b>SLS Region</b>  |                   |                      |                                                               |                                               |                     |
| 1        |                      | Kaligiri           | 1434              | 854094.10            | 12811411.50                                                   | 4270470.50                                    | 17081882.00         |
| 2        |                      | D.C.Palli          | 1748              | 758137.60            | 11372064.00                                                   | 3790688.00                                    | 15162752.00         |
|          |                      |                    | <b>3182</b>       | <b>1612231.70</b>    | <b>24183475.50</b>                                            | <b>8061158.50</b>                             | <b>32244634.00</b>  |
| <b>D</b> | <b>East Godavari</b> | <b>NBS REGION</b>  |                   |                      |                                                               |                                               |                     |
| 1        |                      | Thorredu           | 535               | 152156.30            | 2282344.50                                                    | 760781.50                                     | 3043126.00          |
|          |                      |                    | <b>535</b>        | <b>152156.30</b>     | <b>2282344.50</b>                                             | <b>760781.50</b>                              | <b>3043126.00</b>   |
| <b>E</b> | <b>West Godavari</b> | <b>NLS REGION</b>  |                   |                      |                                                               |                                               |                     |
| 1        |                      | Devarapalli        | 374               | 57637.30             | 864559.50                                                     | 288186.50                                     | 1152746.00          |
| 2        |                      | J.R.Gudem-I        | 266               | 32630.50             | 489457.50                                                     | 163152.50                                     | 652610.00           |
| 3        |                      | J.R.Gudem-II       | 946               | 169871.90            | 2548078.50                                                    | 849359.50                                     | 3397438.00          |
| 4        |                      | Koyyalagudem       | 269               | 40345.60             | 605184.00                                                     | 201728.00                                     | 806912.00           |
| 5        |                      | Gopalapuram        | 149               | 18690.90             | 280363.50                                                     | 93454.50                                      | 373818.00           |
|          |                      |                    | <b>2004</b>       | <b>319176.20</b>     | <b>4787643.00</b>                                             | <b>1595881.00</b>                             | <b>6383524.00</b>   |
|          |                      | <b>Grand Total</b> | <b>27950</b>      | <b>11230306.90</b>   | <b>168454603.50</b>                                           | <b>56151534.50</b>                            | <b>224606138.00</b> |

PLATFORM WISE GRADE WISE PAYMENT OF COMPENSATION PARTICULARS DURING 2015 ANDHRA PRADESH AUCTIONS

| Name of the APF    | Actual quantity of low grades for which compensation was paid (kg) |                  |                   | Compensation paid for the grades of F09+F09S / NDG |                                   |                                       | Compensation paid for the F10 grade |                                       |                                   | Compensation paid for the NOG grade   |                                   |                                       | Total compensation paid (Rs) |                                       |       |
|--------------------|--------------------------------------------------------------------|------------------|-------------------|----------------------------------------------------|-----------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|------------------------------|---------------------------------------|-------|
|                    | F09+F09S or NDG                                                    | F10              | NOG               | Total                                              | Tobacco Board share @ 15/- per kg | State Govt., of AP share @ 5/- per kg | Tobacco Board share @ 15/- per kg   | State Govt., of AP share @ 5/- per kg | Tobacco Board share @ 15/- per kg | State Govt., of AP share @ 5/- per kg | Tobacco Board share @ 15/- per kg | State Govt., of AP share @ 5/- per kg | Total                        | State Govt., of AP share @ 5/- per kg | Total |
| <b>NLS Region</b>  |                                                                    |                  |                   |                                                    |                                   |                                       |                                     |                                       |                                   |                                       |                                   |                                       |                              |                                       |       |
| Devarapally        | 6702.80                                                            | 0.00             | 50934.50          | 57637.30                                           | 100542.00                         | 33514.00                              | 0.00                                | 0.00                                  | 764017.50                         | 254672.50                             | 864559.50                         | 288186.50                             | 1152746.00                   |                                       |       |
| J.R.Gudem-I        | 17292.30                                                           | 0.00             | 15338.20          | 32630.50                                           | 259384.50                         | 86461.50                              | 0.00                                | 0.00                                  | 230073.00                         | 76691.00                              | 489457.50                         | 163152.50                             | 652610.00                    |                                       |       |
| J.R.Gudem-II       | 18879.50                                                           | 0.00             | 150992.40         | 169871.90                                          | 283192.50                         | 94397.50                              | 0.00                                | 0.00                                  | 2264886.00                        | 754962.00                             | 2548078.50                        | 849359.50                             | 3397438.00                   |                                       |       |
| Koyyalagudem       | 2541.20                                                            | 0.00             | 37804.40          | 40345.60                                           | 38118.00                          | 12706.00                              | 0.00                                | 0.00                                  | 567066.00                         | 189022.00                             | 605184.00                         | 201728.00                             | 806912.00                    |                                       |       |
| Gopalapuram        | 2662.00                                                            | 0.00             | 16028.90          | 18690.90                                           | 39930.00                          | 13310.00                              | 0.00                                | 0.00                                  | 240433.50                         | 80144.50                              | 280363.50                         | 93454.50                              | 373818.00                    |                                       |       |
| <b>Sub total</b>   | <b>48077.80</b>                                                    | <b>0.00</b>      | <b>271098.40</b>  | <b>319176.20</b>                                   | <b>721167.00</b>                  | <b>240389.00</b>                      | <b>0.00</b>                         | <b>0.00</b>                           | <b>4066476.00</b>                 | <b>1355492.00</b>                     | <b>4787643.00</b>                 | <b>1595981.00</b>                     | <b>6383524.00</b>            |                                       |       |
| <b>SBS Region</b>  |                                                                    |                  |                   |                                                    |                                   |                                       |                                     |                                       |                                   |                                       |                                   |                                       |                              |                                       |       |
| Vellampally-I      | 288418.20                                                          | 10014.80         | 367544.40         | 665977.40                                          | 4326273.00                        | 1442091.00                            | 150222.00                           | 50074.00                              | 5513166.00                        | 1837722.00                            | 9989661.00                        | 3329887.00                            | 13319548.00                  |                                       |       |
| Vellampally-II     | 277965.10                                                          | 1654.90          | 252743.00         | 532363.00                                          | 4169476.50                        | 1389825.50                            | 24823.50                            | 8274.50                               | 3791145.00                        | 1263715.00                            | 7985445.00                        | 2661815.00                            | 10647260.00                  |                                       |       |
| Ongole-I           | 513080.20                                                          | 61570.60         | 601442.60         | 1176093.40                                         | 7696203.00                        | 2565401.00                            | 923559.00                           | 307853.00                             | 9021639.00                        | 3007213.00                            | 17641401.00                       | 5880467.00                            | 23521868.00                  |                                       |       |
| Ongole-II          | 293224.50                                                          | 34676.90         | 195359.50         | 523260.90                                          | 4398367.50                        | 1466122.50                            | 520153.50                           | 173384.50                             | 2930392.50                        | 976797.50                             | 7848913.50                        | 2616304.50                            | 10465218.00                  |                                       |       |
| Tangutur-I         | 451350.30                                                          | 1262.80          | 169912.30         | 622525.40                                          | 6770254.50                        | 2256751.50                            | 18942.00                            | 6314.00                               | 2548684.50                        | 849561.50                             | 9337881.00                        | 3112627.00                            | 12450508.00                  |                                       |       |
| Tangutur-II        | 368633.60                                                          | 32514.60         | 177447.20         | 578595.40                                          | 5529504.00                        | 1843168.00                            | 487719.00                           | 162573.00                             | 2661708.00                        | 887236.00                             | 8678931.00                        | 2892977.00                            | 11571908.00                  |                                       |       |
| Kondepi            | 495400.50                                                          | 4555.40          | 356427.60         | 856383.50                                          | 7431007.50                        | 2477002.50                            | 68331.00                            | 22777.00                              | 5346414.00                        | 1782138.00                            | 12845752.50                       | 4281917.50                            | 17127670.00                  |                                       |       |
| <b>Sub total</b>   | <b>2688072.40</b>                                                  | <b>146250.00</b> | <b>2120876.60</b> | <b>4955199.00</b>                                  | <b>40321086.00</b>                | <b>13440362.00</b>                    | <b>2193750.00</b>                   | <b>731250.00</b>                      | <b>31813149.00</b>                | <b>10604383.00</b>                    | <b>74327985.00</b>                | <b>24775995.00</b>                    | <b>99103980.00</b>           |                                       |       |
| <b>SLS Region</b>  |                                                                    |                  |                   |                                                    |                                   |                                       |                                     |                                       |                                   |                                       |                                   |                                       |                              |                                       |       |
| Podili-I           | 402768.40                                                          | 4726.40          | 557274.70         | 964769.50                                          | 6041526.00                        | 2013842.00                            | 70896.00                            | 23632.00                              | 8359120.50                        | 2786373.50                            | 14471542.50                       | 4823847.50                            | 19295390.00                  |                                       |       |
| Podili-II          | 431645.50                                                          | 732.60           | 346740.70         | 779118.80                                          | 6474682.50                        | 2158227.50                            | 10989.00                            | 3663.00                               | 5201110.50                        | 1733703.50                            | 11686782.00                       | 3895594.00                            | 15582376.00                  |                                       |       |
| Kandukur-I         | 245760.30                                                          | 2347.50          | 307415.90         | 555523.70                                          | 3686404.50                        | 1228801.50                            | 35212.50                            | 11737.50                              | 4611238.50                        | 1537079.50                            | 8332855.50                        | 2777618.50                            | 11110474.00                  |                                       |       |
| Kandukur-II        | 764743.00                                                          | 580.20           | 313187.90         | 1078511.10                                         | 11471145.00                       | 3823715.00                            | 8703.00                             | 2901.00                               | 4697818.50                        | 1565939.50                            | 16177666.50                       | 5392555.50                            | 21570222.00                  |                                       |       |
| Kanigiri           | 505307.60                                                          | 1026.50          | 307286.50         | 813620.60                                          | 7579614.00                        | 2526538.00                            | 15397.50                            | 5132.50                               | 4609297.50                        | 1536432.50                            | 12204309.00                       | 4068103.00                            | 16272412.00                  |                                       |       |
| Kalligiri          | 576314.90                                                          | 0.00             | 277779.20         | 854094.10                                          | 8644723.50                        | 2881574.50                            | 0.00                                | 0.00                                  | 4166688.00                        | 1388896.00                            | 12811411.50                       | 4270470.50                            | 17081882.00                  |                                       |       |
| D.C.Palli          | 543259.10                                                          | 0.00             | 214878.50         | 758137.60                                          | 8148886.50                        | 2716295.50                            | 0.00                                | 0.00                                  | 3223177.50                        | 1074392.50                            | 11372064.00                       | 3790688.00                            | 15162752.00                  |                                       |       |
| <b>Sub Total</b>   | <b>3469798.80</b>                                                  | <b>9413.20</b>   | <b>2324563.40</b> | <b>5803775.40</b>                                  | <b>52046982.00</b>                | <b>17348994.00</b>                    | <b>141198.00</b>                    | <b>47066.00</b>                       | <b>34868451.00</b>                | <b>11622817.00</b>                    | <b>87056631.00</b>                | <b>29018877.00</b>                    | <b>116075508.00</b>          |                                       |       |
| <b>NBS Region</b>  |                                                                    |                  |                   |                                                    |                                   |                                       |                                     |                                       |                                   |                                       |                                   |                                       |                              |                                       |       |
| Thorredu           | 19405.30                                                           | 1623.50          | 131127.50         | 152156.30                                          | 291079.50                         | 97026.50                              | 24352.50                            | 8117.50                               | 1966912.50                        | 655637.50                             | 2282344.50                        | 760781.50                             | 3043126.00                   |                                       |       |
| <b>Grand Total</b> | <b>6225354.30</b>                                                  | <b>157286.70</b> | <b>4847665.90</b> | <b>11230306.90</b>                                 | <b>93380314.50</b>                | <b>31126771.50</b>                    | <b>2359300.50</b>                   | <b>786433.50</b>                      | <b>72714988.50</b>                | <b>24238329.50</b>                    | <b>168454603.50</b>               | <b>56151534.50</b>                    | <b>224606138.00</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.
- Technical advice during crop growth season.
- Crop and input loans to growers at competitive rate of interest.

### THE SCHEMES AND THEIR COVERAGE

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

##### 1. Seed:

The Board organized timely supply of **1880.39** 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 |            |             |             |            |           |          |                |
|--------------|---------------------|------------|-------------|-------------|------------|-----------|----------|----------------|
|              | Kanchan/<br>K326    | CH3(LV7)   | G11         | VT1158      | SIRI       | N98       | FCH222   | Total          |
| AP           | 29.5                | 0          | 74.5        | 29.5        | 273        | 23        | 0        | 429.5          |
| KK           | 1147.89             | 301        | 0           | 0           | 0          | 0         | 2        | 1450.89        |
| <b>Total</b> | <b>1177.39</b>      | <b>301</b> | <b>74.5</b> | <b>29.5</b> | <b>273</b> | <b>23</b> | <b>2</b> | <b>1880.39</b> |

##### 2. Tray Nurseries:

Tobacco Board had supplied **5.37 lakh trays in Karnataka** and **0.78 Lakh trays in Andhra Pradesh** on subsidy basis during 2015-16 season for **production of healthy, sturdy, and disease free transplants** for gap fills as well as main field crop. Overall **3107 farmers** were covered who had successfully raised tray nurseries and were convinced of the advantages of the tray seedlings.

With the result of sincere efforts made by Board's 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 tray seedlings had also withstood the drought conditions prevailed after plantations. 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

## II. Integrated Nutrient Management (INM):

### 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 **3046 hectares** was grown with green manure crops and incorporated into the soil to **improve the soil fertility** status and to reduce the farmers dependence on chemical fertilizers.



Soil fertility through Green manuring



Incorporation of green manure

### 1. Fertilizers:

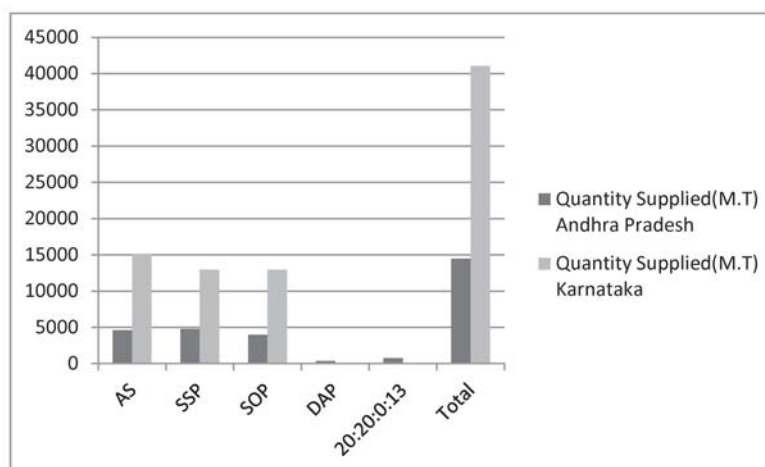
The Board had procured various fertilizers at competitive prices directly from manufacturing companies during 2015-16 and supplied them to growers in Andhra Pradesh and Karnataka. The details of various fertilizers supplied is given below in a graphical presentation.



Supply of fertilizers to the growers



Fertilizer for distribution to growers



| Name of the fertilizer | Quantity Supplied(M.T) |                 |
|------------------------|------------------------|-----------------|
|                        | Andhra Pradesh         | Karnataka       |
| AS                     | 4610.35                | 15133.30        |
| SSP                    | 4786.65                | 12971.40        |
| SOP                    | 3984.4                 | 12971.40        |
| DAP                    | 355.20                 | 0.00            |
| 20:20:0:13             | 742.90                 | 0.00            |
| <b>Total</b>           | <b>14479.50</b>        | <b>41076.10</b> |

### III. Farm Mechanization

The tobacco farmers in Andhra Pradesh and Karnataka 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        | 3144                                      |
| 2      | Curometers       | 2850                                      |



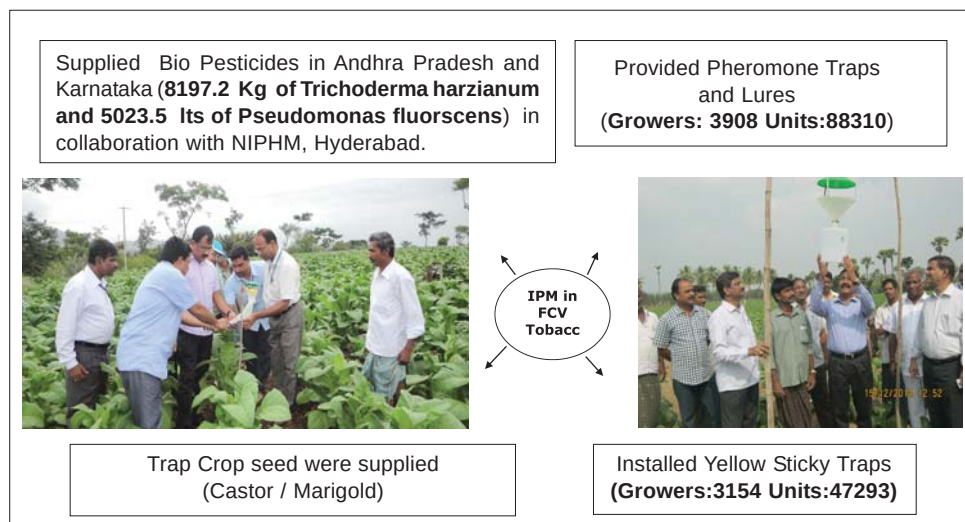
Life Saving Irrigation through Pipes



Use of Curometer to regulate temperatures

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

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.



## 2. Concept of Bio Pesticides:



A demo to growers on use of bio pesticides



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

The 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 proved to be a step in control of application of CPA's and reduction in pesticide residue levels and thereby improving brand image of Indian tobacco in the International Market.

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



A demo on Topping and desuckering



Timely topping to attain yield and quality

In order to ensure that 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 of SLS and KLS growers in MPA. A total quantity of **145852 Its** was supplied to growers in Andhra Pradesh and Karnataka. An area of **23336 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 scheme.

### 1. Venturi Furnace - An improvised design of furnace :



Venturi furnace to reduce the fuel usage



Glass wool roof insulation with turbo ventilators

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 **143 barns** covering **171 beneficiaries**.

## VII. Elimination of NTRM:

The Board with a view to help farmers deliver **clean product and enhance integrity** had supplied **9533 Silpaulin tarpaulins** at subsidized cost covering **9533 growers**.



Display of various NTRMs



Distribution of Tarpaulins

### VIII. Bulking sheds:

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.

**17 units** in Andhra Pradesh were constructed by 17 growers



Bulking shed for Better Storing and Quality Retention

### 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 an analysis of **229 leaf samples** for determining the levels of **agro-chemical residues and chemical constituents in leaf tobacco** with support / assistance from CTRI & NIPHM and addressed the concerned to take action accordingly.

### X. Input Loans:

The Board held negotiations with the banks and organized input loans to the growers at an interest rate of **0% in Andhra Pradesh and 4% in Karnataka** (subject to subvention by the State Government)

The details of input loans arranged during 2015-16 season are as follows.

| Sl. No. | State             | Loan Amount ( ₹ in crore) |
|---------|-------------------|---------------------------|
|         | <b>Input Loan</b> |                           |
| 1.      | Andhra Pradesh    | 33.949                    |
| 2.      | Karnataka         | 101.86                    |
|         | <b>Total</b>      | <b>135.809</b>            |

## XI. Other Extension Programmes - Transfer of Technology:

### 1. Training to field staff and farmers - Awareness Programmes:

The Board had organized a total no. of 292 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 **14583 number of growers** participated in the following 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
- Management of CPA residues
- Topping and desuckering
- Harvesting, curing, Grading & PHPM



Demo to growers on IPM practices



Demo to growers on IPM practices  
Training to Field staff on yield estimation

### 2. Growers/Officers training at NIPHM, Hyderabad

Following trainings were conducted to growers/officers of Andhra Pradesh and Karnataka 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 Karnataka farmers at NIPHM



Workshop on Bio pesticides preparation

| Details of Training Programme                                                                      | No. of persons | No. of days | Period                   | Results                              |
|----------------------------------------------------------------------------------------------------|----------------|-------------|--------------------------|--------------------------------------|
| Training to growers of Karnataka                                                                   | 25             | 3 days      | 01/12/2015 to 03/12/2015 | Acquainted knowledge on              |
| Training to Auction Superintendents and Senior Grading Officers of both Andhra Pradesh & Karnataka | 15             | 3 days      | 16/12/2015 to 18/12/2015 | production of Mother Culture of Bio- |
| Training to Field officers                                                                         | 15             | 5 days      | 18/01/2016 to 22/01/2016 | pesticides                           |

### 3. Study Tours:

The Board conducted **34 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.



Growers visit to CTRI(RS), Guntur



Study on the impact of harvesting on quality of Tobacco

### 4. Workshops:

**KARNATAKA** – Work shops were organized at CTRI Research Station, Hunsur on 16<sup>th</sup> June & 7<sup>th</sup> August -2015 by involving grower representatives, Board Technical Staff of all Auction platforms, special representatives of MPA village growers. The workshops were presided by the Director (Auctions), Bengaluru Sri Bipin Bihari Choudhury and were addressed by the CTRI Scientists, ITC company Development Officers & Board Officers.



Workshop on Good Agricultural Practices at CTRI(RS) Hunsur, Karnataka

**The Director (Auctions) has emphasized on the key focus areas.**

- Increase in cost of cultivation and the means to reduce.
- Green manuring to enhance the soil fertility.
- Adoption of IPM parameters for control of CPA residues.
- Product integrity through better GAP adoption
- Energy conservation measures to save fuel
- Elimination of NTRM.

**ANDHRA PRADESH** – The Board Regional Managers of SLS, SBS (Ongole), and NLS, Rajahmundry organized workshops at Ongole on 08/01/2016 and at CTRI, Jeelugumalli on 10/03/2016. The workshop were addressed by Scientists of CTRI, NIPHM, Trade representatives of ITC Ltd, GPI, Alliance One, Deccan Tobaccos and Board Officers. Around 500 tobacco growers from all the Auction platforms were imparted training on various aspects of GAP adoption with special emphasis on control of Orobanche parasite, CPA residues and elimination of NTRMs.



Training Programme on GAPs, Tobacco Board, Ongole

**The main issues addressed in the work shop are:**

- a. Use of Bio pesticides to control soil borne diseases
- b. Adoption of Integrated Nutrient Management and Integrated Pest Management techniques for better yields and quality.
- c. Effective management of Orobanche parasite
- d. Judicious topping and desuckering for yield enhancement by 15 – 20%.
- e. Raising of own fuel for energy conservation.
- f. Curing and barn management through Ventury Furnace, Glass Wool Roof Insulation and Turbo installation.
- g. Adoption of crop rotation with competitive crops such as Cowpea/Red gram/Black gram/Green gram in SBS/SLS areas and ground nut/maize/papaya/eucalyptus in NLS areas.

**5. “Tobacco scientist – Farm – Trade – Board Interface” conducted at CTRI, Rajahmundry on 24<sup>th</sup> August’2015.**

With an objective to elicit the stake holders perspective on **emerging issues and research needs of Tobacco sector** in the country an interface session was conducted by CTRI with various stake holders including all manufacturers and with important exporters, scientists from CTRI, Growers from various platforms at CTRI Rajahmundry on 24<sup>th</sup> August’ 2015.



Interface meet on challenges to Indian Tobacco



Chairman Sri. K.Gopal, I.A.S addressing the Scientists and Trade.

Chairman, Tobacco Board has created awareness by unfolding the scenario and imparted a buoyant view among the growers, trade, CTRI and Tobacco Board in achieving the Brand image of Indian Tobacco in international market. Further, Chairman has highlighted the need of synchronization in National norms and policies and focused on the lacking issues by Trade in Tobacco sector like consistency, standardization and uniformities.

## 6. Publicity and Extension Literature:



Release of pamphlets to growers on GAP



Awareness to growers through interaction

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.

## 7. Field Friends:



Visit of Field Friends Team for crop observation and 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:

The 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 adopting 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 **1155 ha in Karnataka** and **1223 ha in Andhra Pradesh** and covered **773 growers in Karnataka** and **906 growers in Andhra Pradesh**. There are 12 Model Project Areas in Andhra Pradesh, 5 in NLS area and 7 in SLS 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. Deccan Tobacco Enterprises are involved in developmental activities in MPA area fields by adopting MPA Village.



Interaction with growers on Good Agricultural Practice adopted



Review of the activities attended in Model Project Area by Regional Manager

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

In light of the last 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 2015-16 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.
- ❖ **Work shop to growers of SLS & SBS** regions covering 500 growers was conducted by the Regional Managers. It was addressed by Scientists of CTRI, NIPHM, Trade representatives and Board officials with Special emphasis on control of Orobanche and pesticide residues.
- ❖ **Information Extension and Communication (IEC)** Growers were educated through **Pamphlets / Flexies / Press / Media** and Field visits by staff to take up recommended control measures.
- ❖ **A Special Team consisting of CTRI Scientists, Manager (Extension) and Regional Managers** were deputed to tour the affected areas of SLS / SBS regions for 3 days to observe the crop, interacted with growers and advised the growers / Field staff on the control measures to be taken for pest, diseases and Orobanche infestation.

#### **XV. Strategy Linkage with ICAR Institutions for better transfer of technology:**

The **Indian council of Agriculture Research (ICAR)** has organized an interactive meeting of all national commodity Boards for an accelerated promotion of agriculture based commodities at New Delhi on 22/11/2015. The Tobacco Board was represented by Sri B.N.Mitra, Manager (Extn), Tobacco Board. Development of High yielding varieties/Drought resistant hybrids for SLS, Energy Management, Conservation of water, Minimizing pesticide residues, solution for control of Orobanche, measures to address false maturity were the areas represented by Board for future linkage with ICAR Research Institutes.



National Commodity Board meeting  
at ICAR, Delhi

#### **XVI. Expenditure in 2015-16:**

An amount of **231.60 Lakh** was incurred for all Extension & Development Schemes.

#### **XVII. Targets & Achievements –**

The scheme wise details of Physical / Financial targets and achievements thereon and coverage of SC / ST / Women and other growers under various Extension and developmental schemes during 2015-16 are placed at **page Nos. 47-55.**

# 2015-16 CROP SEASON - TARGETS & ACHIEVEMENTS - EXTENSION & DEVELOPMENTAL SCHEMES

| 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   |
| <b>1</b> | <b>Farm Mechanization</b>                       |                 |       |       |                      |      |       |                      |      |       |                            |                       |            |         |
| i)       | PVC Pipes (units)                               | 3626            | 0     | 3626  | 204                  | 0    | 204   | 3094                 | 0    | 3094  |                            | 498300.00             |            | 498300  |
| ii)      | Weighing Scales (units)                         | 251             | 0     | 251   | 0                    | 0    | 0     | 0                    | 0    | 0     |                            | 0.00                  | 0.00       | 0       |
| iii)     | Curometers (units)                              | 0               | 2850  | 2850  | 0                    | 2314 | 2314  | 0                    | 2320 | 2320  |                            | 0.00                  | 324800.00  | 324800  |
| iv)      | Tyne Cultivator(units)                          | 0               | 90    | 90    | 0                    | 0    | 0     | 0                    | 0    | 0     | 20.00                      | 0.00                  | 0.00       | 0       |
| v)       | Knapsack Sprayers(units)                        | 0               | 2160  | 2160  | 0                    | 0    | 0     | 0                    | 0    | 0     |                            | 0.00                  | 0.00       | 0       |
|          | <b>Sub Total:</b>                               |                 |       |       | 204                  | 2314 | 2518  |                      |      |       |                            | 498300                | 324800     | 823100  |
| <b>2</b> | <b>Improving Yield &amp; Quality of Tobacco</b> |                 |       |       |                      |      |       |                      |      |       |                            |                       |            |         |
| i)       | Water Harvesting Structures (Farm Ponds)        | 0               | 0     | 0     | 0                    | 0    | 0     | 0                    | 0    | 0     | 5.00                       | 0                     | 0          | 0       |
| ii)      | Integrated Pest Management Practices            |                 |       |       |                      |      |       |                      |      |       |                            |                       |            |         |
| a        | Pheromone traps                                 | 75000           | 19600 | 94600 | 2521                 | 451  | 2972  | 58721                | 9470 | 68191 |                            | 557593.00             | 107100.00  | 664693  |
| b        | Yellow Sticky traps                             | 38000           | 15550 | 53550 | 1789                 | 540  | 2329  | 27892                | 8019 | 35911 | 12.35                      | 149866.00             | 44150.00   | 194016  |
| iii)     | Leaf/Pesticide Analysis                         |                 |       |       |                      |      |       |                      |      |       |                            |                       |            |         |
| a        | Analysis of leaf for Pesticide residues         | 128             | 101   | 229   | 3                    | 101  | 104   | 3                    | 101  | 104   | 55.00                      | 21910.00              | 748410.00  | 770320  |
| b        | Analysis of leaf for Chemical Constituents      | 128             | 101   | 229   | 80                   | 101  | 181   | 681                  | 306  | 987   |                            | 2244508.00            | 1988578.00 | 4233086 |



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| 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   |
| iv)      | Supply of Trays and Cocopeat for quality Seedlings (Trays) | 22150           | 1529000 | 1551150 | 40                   | 2640 | 2680  | 16650                | 513924 | 530574 | 38.00                      | 71612.00              | 2563656.00 | 2635268 |
| v)       | Supply of Trays for raising Tray Nurseries(Trays)          | 201100          | 1993988 | 2195088 | 279                  | 0    | 279   | 59429                | 0      | 59429  |                            | 234825.00             | 0.00       | 234825  |
| vi)      | Erection of Green houses/Poly houses(no.s)                 | 0               | 0       | 0       | 0                    | 120  | 120   | 0                    | 120    | 120    | 0.75                       | 0.00                  | 180000.00  | 180000  |
| vii)     | <b>Supply of Bio Pesticides</b>                            |                 |         |         |                      |      |       |                      |        |        |                            |                       |            |         |
| a        | Trichoderma harzianum                                      | 0               | 0       | 0       | 169                  | 41   | 210   | 816.44               | 245.55 | 1062   |                            | 41197.00              | 12251.00   | 53448   |
| b        | Pseudomonas fluorescens                                    | 0               | 0       | 0       | 169                  | 107  | 276   | 829.82               | 314.02 | 1143.8 | 15.00                      | 50944.00              | 19075.00   | 70019   |
|          | <b>Sub Total:</b>                                          |                 |         |         | 5050                 | 4101 | 9151  |                      |        |        | 126.10                     | 3372455               | 5663220    | 9035675 |
| <b>3</b> | <b>Improvement of Curing Practices</b>                     |                 |         |         |                      |      |       |                      |        |        |                            |                       |            |         |
| i)       | Improved design of furnace in barns (VF,GWR)               | 380             | 120     | 500     | 161                  | 0    | 161   | 134                  | 0      | 134    | 21.50                      | 670502.00             | 0.00       | 670502  |
| ii)      | Raising of fuel for curing of Tobacco (in acres)           | 20              | 12      | 32      | 0                    | 0    | 0     | 0                    | 0      | 0      | 2.00                       | 0.00                  | 0.00       | 0       |
|          | <b>Sub Total:</b>                                          |                 |         |         | 161                  | 0    | 161   |                      |        |        | 23.50                      | 670502                | 0          | 670502  |
| <b>4</b> | <b>Elimination of NTRMs &amp; Product Integrity</b>        |                 |         |         |                      |      |       |                      |        |        |                            |                       |            |         |
| i)       | Tarpaulins (Non MPA & NTRM Free)                           | 5776            | 4400    | 10176   | 5205                 | 3714 | 8919  | 5205                 | 3714   | 8919   | 90.00                      | 4081428.00            | 3017556.00 | 7098984 |

| 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          |
| <b>5</b> | <b>Post Harvest Product Management</b>                 |                 |     |       |                      |             |              |                      |     |       |                            |                       |               |                |
| i)       | Construction of Bulking Sheds                          | 180             | 24  | 204   | 17                   | 0           | 17           | 17                   | 0   | 17    | 25.00                      | 240000.00             | 0.00          | 240000         |
| <b>6</b> | <b>Other Extension Programmes</b>                      |                 |     |       |                      |             |              |                      |     |       |                            |                       |               |                |
| i)       | <b>Training to farmers &amp; staff</b>                 |                 |     |       |                      |             |              |                      |     |       |                            |                       |               |                |
| a        | Work shops                                             | 2               | 2   | 4     | 350                  | 116         | 466          | 2                    | 1   | 3     |                            | 75000.00              | 77062.00      | 152062         |
| b        | Training Programs by Regional Managers                 | 60              | 36  | 96    | 438                  | 892         | 1330         | 2                    | 5   | 7     |                            | 37304.00              | 53765.00      | 91069          |
| c        | Training Programs by Auction Superintendents           | 200             | 192 | 392   | 8321                 | 4932        | 13253        | 185                  | 100 | 285   | 13.50                      | 382985.00             | 197867.00     | 580852         |
| d        | Training Programs to Officers/ Staff /Growers at NIPHM | 0               | 0   | 0     | 30                   | 25          | 55           | 3                    | 1   | 4     |                            | 210000.00             | 125250.00     | 335250         |
| ii)      | Publicity & Extension Literature                       | 0               | 0   | 0     | 0                    | 0           | 0            | 0                    | 0   | 0     | 3.00                       | 47890.00              | 0.00          | 47890          |
| iii)     | Study Tours                                            | 23              | 12  | 35    | 498                  | 334         | 832          | 22                   | 12  | 34    | 8.00                       | 370054                | 213729.00     | 583783         |
| iv)      | Awards to growers                                      | 20              | 12  | 32    | 0                    | 0           | 0            | 0                    | 0   | 0     | 3.00                       | 0.00                  | 0.00          | 0              |
| v)       | Field Friend Teams                                     | 6               | 4   | 10    | 0                    | 0           | 0            | 6                    | 4   | 10    | 5.00                       | 242677.00             | 72347.00      | 315024         |
|          | <b>Sub Total:</b>                                      |                 |     |       | <b>9637</b>          | <b>6299</b> | <b>15936</b> |                      |     |       | <b>32.50</b>               | <b>1365910</b>        | <b>740020</b> | <b>2105930</b> |
| <b>7</b> | <b>On Farm Tests &amp; Experimental Trials</b>         | 20              | 12  | 32    | 1298                 | 829         | 2127         | 20                   | 12  | 32    | <b>6.50</b>                | 248157.00             | 206977.00     | 455134         |



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| 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      |
| 8      | Model Project Area (Ha.)                                   |                 |       |       |                      |       |       |                      |         |        |                            |                       |           |            |
| i)     | PVC Pipes                                                  | 0               | 0     | 0     | 4                    | 0     | 4     | 50                   | 0       | 50     |                            | 9730.00               | 0.00      | 9730       |
| ii)    | Curometers                                                 | 0               | 0     | 0     | 0                    | 528   | 528   | 0                    | 530     | 530    |                            | 0.00                  | 74200.00  | 74200      |
| iii)   | Pheromone traps                                            | 11000           | 6000  | 17000 | 452                  | 484   | 936   | 10110                | 10009   | 20119  |                            | 96038.00              | 113035.00 | 209073     |
| iv)    | Yellow Sticky traps                                        | 6600            | 3600  | 10200 | 391                  | 434   | 825   | 4958                 | 6424    | 11382  |                            | 26818.00              | 35430.00  | 62248      |
| v)     | Bio Pesticides                                             |                 |       |       |                      |       |       |                      |         |        |                            |                       |           |            |
| a      | Trichoderma harzianum                                      | 2000            | 1200  | 3200  | 170                  | 1221  | 1391  | 1141.8               | 5993.45 | 7135.2 |                            | 55192.00              | 298940.00 | 354132     |
| b      | Pseudomonas fluorescens                                    | 2000            | 1200  | 3200  | 170                  | 1234  | 1404  | 1157.9               | 2721.79 | 3879.7 |                            | 68124.00              | 339182.00 | 407306     |
| vi)    | Trays & Cocopeat                                           | 20700           | 55278 | 75978 | 13                   | 121   | 134   | 5500                 | 23556   | 29056  |                            | 23375.00              | 223782.00 | 247157     |
| vii)   | Trays                                                      | 0               | 0     | 0     | 14                   | 0     | 14    | 2660                 | 0       | 2660   |                            | 10310.00              | 0.00      | 10310      |
| viii)  | Suckericides (Its)                                         | 250             | 0     | 250   | 0                    | 0     | 0     | 0                    | 0       | 0      |                            | 0.00                  | 0.00      | 0          |
| ix)    | Improved design of furnace (VF,GWR)                        | 48              | 0     | 48    | 10                   | 0     | 10    | 9                    | 0       | 9      |                            | 45000.00              | 0.00      | 45000      |
| x)     | Bulking Sheds                                              | 12              | 0     | 12    | 0                    | 0     | 0     | 0                    | 0       | 0      |                            | 0.00                  | 0.00      | 0          |
| xi)    | Tarpaulins                                                 | 300             | 600   | 900   | 287                  | 327   | 614   | 287                  | 327     | 614    |                            | 218592.00             | 256695.00 | 475287     |
| xii)   | Training & other Expenditure                               | 24              | 24    | 48    | 788                  | 814   | 1602  | 12                   | 12      | 24     |                            | 60838.00              | 99637.50  | 160475.5   |
| xiii)  | Extension workers / Consultants / Field Men Wages          | 12              | 12    | 24    | 0                    | 0     | 0     | 12                   | 12      | 24     |                            | 423544.00             | 233891.00 | 657435     |
| xiv)   | Appointment of Master Curer / Training Programmes/Meetings | 6               | 5     | 11    | 0                    | 0     | 0     | 1                    | 0       | 1      |                            | 18000.00              | 0.00      | 18000      |
| xv)    | Miscellaneous expenditure                                  | 0               | 0     | 0     | 0                    | 0     | 0     | 0                    | 0       | 0      |                            | 0.00                  | 0.00      | 0          |
|        | Sub Total:                                                 |                 |       |       | 2299                 | 5163  | 7462  |                      |         |        |                            | 1055561               | 1674793   | 2730353.5  |
|        | Grand Total:                                               |                 |       |       | 23871                | 22420 | 46291 |                      |         |        |                            | 11532313              | 11627366  | 23159678.5 |

**COVERAGE OF SC / ST / WOMEN & OTHER GROWERS UNDER VARIOUS EXTENSION AND DEVELOPMENT SCHEMES DURING 2015-16**

| Sl. No   | Name of the scheme                              | 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            |
|          |                                                 |               |           |            |             |             |                  |     |       |        |              |                        |             |               |               |                  |
| <b>1</b> | <b>Farm Mechanisation</b>                       |               |           |            |             |             |                  |     |       |        |              |                        |             |               |               |                  |
| i)       | PVC Pipes                                       | 39            | 0         | 41         | 124         | <b>204</b>  | 509              | 0   | 698   | 1887   | <b>3094</b>  | 138985.00              | 0.00        | 97022.00      | 262293.00     | <b>498300</b>    |
| ii)      | Curometers                                      | 207           | 67        | 415        | 1625        | <b>2314</b> | 207              | 67  | 417   | 1629   | <b>2320</b>  | 28980                  | 9380        | 58380         | 228060        | <b>324800</b>    |
|          | <b>Sub Total:</b>                               | <b>246</b>    | <b>67</b> | <b>456</b> | <b>1749</b> | <b>2518</b> |                  |     |       |        |              | <b>167965</b>          | <b>9380</b> | <b>155402</b> | <b>490353</b> | <b>823100</b>    |
| <b>2</b> | <b>Improving Yield &amp; Quality of Tobacco</b> |               |           |            |             |             |                  |     |       |        |              |                        |             |               |               |                  |
| i)       | Water Harvesting Structures (Farm Ponds)        | 0             | 0         | 0          | 0           | <b>0</b>    | 0                | 0   | 0     | 0      | <b>0</b>     | 0.00                   | 0.00        | 0.00          | 0.00          | <b>0</b>         |
| ii)      | <b>Integrated Pest Management Practices</b>     |               |           |            |             |             |                  |     |       |        |              |                        |             |               |               |                  |
| a        | Pheromone traps                                 | 109           | 35        | 572        | 2256        | <b>2972</b> | 2000             | 694 | 13200 | 52297  | <b>68191</b> | 19637                  | 6783        | 127776        | 510497        | <b>664693</b>    |
| b        | Yellow Sticky traps                             | 98            | 24        | 415        | 1792        | <b>2329</b> | 1161             | 281 | 6485  | 27984  | <b>35911</b> | 6253                   | 1531        | 35058         | 151174        | <b>194016</b>    |
| iii)     | <b>Leaf/Pesticide Analysis</b>                  |               |           |            |             |             |                  |     |       |        |              |                        |             |               |               |                  |
| a        | Analysis of leaf for Pesticide Residues         | 0             | 0         | 0          | 0           | <b>104</b>  | 0                | 0   | 0     | 0      | <b>104</b>   | 0.00                   | 0.00        | 0.00          | 0.00          | <b>770320.00</b> |



[illegible]

| 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     |
| i)     | Tarpaulins                                            | 641           | 373 | 1634  | 6271   | 8919  | 641              | 373 | 1634  | 6271   | 8919  | 696140                 | 404600 | 1239875  | 4758369   | 7098984   |
| 5      | Post Harvest Product Management                       |               |     |       |        |       |                  |     |       |        |       |                        |        |          |           |           |
| i)     | Construction of Bulking Sheds                         | 0             | 0   | 3     | 14     | 17    | 0                | 0   | 3     | 14     | 17    | 0.00                   | 0.00   | 45000.00 | 195000.00 | 240000    |
| 6      | Other Extension Programmes                            |               |     |       |        |       |                  |     |       |        |       |                        |        |          |           |           |
| i)     | Training to farmers & staff                           |               |     |       |        |       |                  |     |       |        |       |                        |        |          |           |           |
| a      | Workshops                                             | 0             | 0   | 0     | 0      | 466   | 0                | 0   | 0     | 0      | 3     | 0.00                   | 0.00   | 0.00     | 0.00      | 152062.00 |
| b      | Training Programmes by Regional Managers              | 0             | 0   | 0     | 0      | 1330  | 0                | 0   | 0     | 0      | 7     | 0.00                   | 0.00   | 0.00     | 0.00      | 91069.00  |
| c      | Training Programmes by Auction Superintendents        | 0             | 0   | 0     | 0      | 13253 | 0                | 0   | 0     | 0      | 285   | 0.00                   | 0.00   | 0.00     | 0.00      | 580852.00 |
| d      | Training programme to Officers/Staff/Growers at NIPHM | 0             | 0   | 0     | 0      | 55    | 0                | 0   | 0     | 0      | 4     | 0.00                   | 0.00   | 0.00     | 0.00      | 335250.00 |



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| 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  |            |
| ii)    | Publicity & Extension Literature    | 0             | 0    | 0     | 0      | 0     | 0                | 0     | 0       | 0       | 0      | 0.00                   | 0.00   | 0.00     | 0.00     | 0.00   | 47890.00   |
| iii)   | Study Tours                         | 0             | 0    | 0     | 0      | 832   | 0                | 0     | 0       | 0       | 34     | 0.00                   | 0.00   | 0.00     | 0.00     | 0.00   | 583783.00  |
| iv)    | Awards to growers                   | 0             | 0    | 0     | 0      | 0     | 0                | 0     | 0       | 0       | 0      | 0.00                   | 0.00   | 0.00     | 0.00     | 0.00   | 0.00       |
| v)     | Field Friend Teams                  | 0             | 0    | 0     | 0      | 0     | 0                | 0     | 0       | 6       | 0.00   | 0.00                   | 0.00   | 0.00     | 0.00     | 0.00   | 315024.00  |
|        | Sub Total :                         | 0.00          | 0.00 | 0.00  | 0.00   | 15936 |                  |       |         |         | 32     | 0.00                   | 0.00   | 0.00     | 0.00     | 0.00   | 2105930.00 |
| 7      | On Farm Tests & Experimental Trials | 0             | 0    | 0     | 0      | 2127  | 0                | 0     | 0       | 0       | 32     | 0.00                   | 0.00   | 0.00     | 0.00     | 0.00   | 455134.00  |
| 8      | Model Project Area (Ha.)            |               |      |       |        |       |                  |       |         |         |        |                        |        |          |          |        |            |
| i)     | PVC Pipes                           | 1             | 0    | 0     | 3      | 4     | 20               | 0     | 0       | 30      | 50     | 5560.00                | 0.00   | 0.00     | 4170.00  | 9730   |            |
| ii)    | Curometers                          | 21            | 6    | 102   | 399    | 528   | 21               | 6     | 102     | 401     | 530    | 2940.00                | 840.00 | 14280.00 | 56140.00 | 74200  |            |
| iii)   | Pheromone traps                     | 32            | 12   | 181   | 711    | 936   | 558              | 258   | 3773    | 15530   | 20119  | 5861                   | 2907   | 39468    | 160837   | 209073 |            |
| iv)    | Yellow Sticky traps                 | 21            | 9    | 150   | 645    | 825   | 259              | 132   | 2044    | 8947    | 11382  | 1413                   | 728    | 11185    | 48922    | 62248  |            |
| v)     | Bio Pesticides                      |               |      |       |        |       |                  |       |         |         |        |                        |        |          |          |        |            |
| a      | Trichoderma harzianum               | 41            | 19   | 273   | 1058   | 1391  | 210.2            | 94.54 | 1410.02 | 5420.47 | 7135.2 | 16928                  | 7613   | 68108    | 261483   | 354132 |            |
| b      | Pseudomonas fluorescens             | 40            | 19   | 277   | 1068   | 1404  | 182.4            | 87.48 | 1330.86 | 5146.57 | 6747.3 | 17878                  | 8574   | 78248    | 302606   | 407306 |            |

| 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 & Cocopeat                                           | 4             | 3   | 22    | 105    | 134   | 1074             | 816 | 4388  | 22778  | 29056 | 10203                  | 7752      | 39061      | 190141      | 247157      |
| vii)   | Trays                                                      | 0             | 0   | 3     | 11     | 14    | 0                | 0   | 590   | 2070   | 2660  | 0.00                   | 0.00      | 2287.00    | 8023.00     | 10310       |
| viii)  | Improved design of furnace (Venturi Furnace)               | 0             | 0   | 3     | 7      | 10    | 0                | 0   | 3     | 6      | 9     | 0.00                   | 0.00      | 15000.00   | 30000.00    | 45000       |
| ix)    | Tarpaulins                                                 | 25            | 2   | 137   | 450    | 614   | 25               | 2   | 137   | 450    | 614   | 27200                  | 2180      | 103978     | 341929      | 475287      |
| x)     | Training & Other Expenditure                               | 0             | 0   | 0     | 0      | 1602  | 0                | 0   | 0     | 0      | 48    | 0.00                   | 0.00      | 0.00       | 0.00        | 160475.5    |
| xi)    | Extension Workers / Consultants / Field Men Wages          |               |     |       |        |       |                  |     |       |        |       |                        |           |            |             |             |
| xii)   | Appointment of Master Curer/ Training Programmes/ Meetings | 0             | 0   | 0     | 0      | 0     | 0                | 0   | 0     | 0      | 0     | 0.00                   | 0.00      | 0.00       | 0.00        | 657435.00   |
| xiii)  | Miscellaneous Expenditure                                  | 0             | 0   | 0     | 0      | 0     | 0                | 0   | 0     | 0      | 0     | 0.00                   | 0.00      | 0.00       | 0.00        | 18000.00    |
|        | Sub Total:                                                 | 185           | 70  | 1148  | 4457   | 7462  |                  |     |       |        |       | 87983.00               | 30594.00  | 371615.00  | 1404251.00  | 2730353.50  |
|        | Grand Total:                                               | 1546          | 711 | 4948  | 19136  | 46291 |                  |     |       |        |       | 1338473.00             | 652781.00 | 2682116.00 | 10085928.00 | 23159678.50 |



## 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 9,980 growers, in terms of Grants and Loans so far. Grants worth ₹ 17.86 crore were sanctioned to 6,868 beneficiaries and interest free loans of ₹ 4.82 crore were sanctioned to 3,112 growers.

In order to provide additional benefits, recently some amendments were made to the Grower Welfare Schemes, with the approval of Government of India. As per the Government of India order Nos.6/5/2007-Ep(Agri-VI), dated 10/04/2015 and 06/05/2016 following amendments were made to the schemes and enhancement of renewal fee from ₹ 200/- to ₹ 500/-. The Fund will be utilized to implement Welfare schemes, for registered FCV tobacco growers and their family members to meet their financial requirements with the following amendments:

#### The Amended schemes in operation are:

1. Providing financial relief in the form of Grant, to the dependent family in the event of death of the grower member (₹ 50,000/- for natural death and ₹ 1,00,000/- for accidental death).
2. Providing financial relief in the form of interest free loan, for treatment of major illnesses requiring surgery/Accident cases of the grower member and/or his family members (₹ 50,000/- Interest Free Loan) with the recovery in three installments(1<sup>st</sup> Year – ₹ 10,000, 2<sup>nd</sup> Year – ₹ 20,000 and 3<sup>rd</sup> Year – ₹ 20,000).
3. Providing financial relief in the form of interest free loan, for education to the dependent children of the grower member (₹ 50,000/- Interest free loan) with the recovery in three installments after completion of course (1<sup>st</sup> Year – ₹ 10,000/-, 2<sup>nd</sup> Year – ₹ 20,000/- and 3<sup>rd</sup> Year – ₹ 20,000).
4. Providing financial assistance in advance in the form of interest free loan, for the marriage of the daughters of the grower member (₹ 50,000/- interest free loan) with the recovery in three installments(1<sup>st</sup> Year – ₹ 10,000/-, 2<sup>nd</sup> Year – ₹ 20,000/- and 3<sup>rd</sup> Year – ₹ 20,000/-).

5. Providing financial relief in the form of interest free loan, for repairing the barns damaged, due to natural calamities/Fire Accidents(₹ 50,000/- per barn (in the event of full damage) and ₹ 20,000/- per barn (in the event of partial damage of natural calamity) with the recovery in three installments. (Installments for *Full Damage* of Natural Calamity/Fire Accident 1<sup>st</sup> Year – ₹ 10,000/-, 2<sup>nd</sup> Year – ₹ 20,000/- and 3<sup>rd</sup> Year – ₹ 20,000/-) and (Installments for *Partial Damage* of Natural Calamity 1<sup>st</sup> Year – ₹ 5,000/-, 2<sup>nd</sup> Year – ₹ 5,000/- and 3<sup>rd</sup> Year – ₹ 10,000/-).

An amount of ₹ **50.08 crore** was available in Tobacco Board's Growers' Welfare Fund as on 31/03/2016.

During 2015-16, ₹ **4.31 crore** was disbursed in the form of Grants and ₹ **0.36 crore** in the form of Interest Free Loans, totaling to ₹ **4.66 crore**. The details of Grants / Interest Free Loans extended scheme wise during 2015-16 are as follows:

| Category                   | Particulars                                                                          | No. of beneficiaries | Amount (₹)    |
|----------------------------|--------------------------------------------------------------------------------------|----------------------|---------------|
| <b>DEATH GRANTS</b>        | a) Natural death                                                                     | 1058                 | 414.40        |
|                            | b) Accidental death                                                                  | 22                   | 16.50         |
|                            | <b>TOTAL GRANTS (I)</b>                                                              | <b>1080</b>          | <b>430.90</b> |
| <b>INTEREST FREE LOANS</b> | a) Loans for Girl Marriage Assistance                                                | 59                   | 14.75         |
|                            | b) Loans for medical treatment of Major illness requiring surgery / Accident cases   | 12                   | 5.65          |
|                            | c) Loans for repairing of barns damaged due to natural calamities and Fire Accidents | 42                   | 7.38          |
|                            | d) Loans for Education of Children                                                   | 31                   | 7.75          |
|                            | <b>TOTAL LOANS (II)</b>                                                              | <b>144</b>           | <b>35.53</b>  |
|                            | <b>TOTAL( I + II)</b>                                                                | <b>1224</b>          | <b>466.43</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. Based on analysis results, Board advises growers on suitability of soil and irrigation for tobacco cultivation and on usage of correct doses of fertilizers for improving quality and yields. During 2015-16 crop season, 6,410 soil samples and 513 water samples have been 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 have been analyzed for micro nutrients – Fe, Zn, Mn and Cu during 2015-16 crop season.

| State          | Soil Samples | Water Samples |
|----------------|--------------|---------------|
| Andhra Pradesh | 2210         | 513           |
| Karnataka      | 4200         | —             |
| <b>Total</b>   | <b>6410</b>  | <b>513</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 2015-16 crop season, The United India Insurance Company Limited, Guntur provided a cover of ₹ 2,270 crore for 44,555 growers and 38,925 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 2015-16.

| Type of Loan      | Andhra Pradesh |                        | Karnataka     |                        |
|-------------------|----------------|------------------------|---------------|------------------------|
|                   | Beneficiaries  | Amount<br>(₹ in crore) | Beneficiaries | Amount<br>(₹ in crore) |
| Crop Loans        | 40,153         | 1,027.65               | 38,428        | 539.09                 |
| Barn Repair Loans | 4,695          | 92.25                  | 5,242         | 70.95                  |

## AUCTIONEERING SERVICES AT PLATFORMS:

The Tobacco Board had 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

### I. AUCTIONS FOR SALE OF 2014-15 FCV TOBACCO IN ANDHRA PRADESH:

#### 1) Volume and Prices:

The FCV tobacco auctions in Andhra Pradesh for sale of 2014-15 FCV tobacco crop spread over 2 financial years. The auctions for sale of 2014-15 FCV crop commenced in the Financial Year 2014-15 (11/03/2015 to 31/03/2015) and concluded in the Financial Year 2015-16 (01/04/2015 to 02/11/2015). Likewise, the auctions for sale of 2015-16 FCV crop also spreads in two Financial Years, i.e. commenced in 2015-16 (25/02/2016 to 31/03/2016) and concludes in the Financial Year 2016-17. During the financial year 2014-15, as on 31/03/2015, a quantity of 1.70 mkg of 2014-15 FCV tobacco was marketed at an average price of 120.27 per kilogram and the balance tobacco was marketed during 2015-16 Financial Year.

The auctions for sale of 2014-15 crop in Andhra Pradesh concluded on 02/11/2015. A total quantity of 190.05 mkg of tobacco was marketed at an average price of 93.07 per kg at the end of the auction season, out of which a quantity of 188.35 mkg of tobacco was marketed at an average price of 92.82 per kg during the period from 01/04/2015 to 02/11/2015. A statement showing auction platform wise quantity of tobacco of 2014-15 crop marketed during the period from 01/04/2015 to 02/11/2015 is placed at **page Nos.72.**

## 2) Buyers' Participation:

A total number of 100 buyers have participated in 2015 Andhra Pradesh auctions as against 97 buyers last year.

## 3) Permission to growers to sell excess and unauthorized crop:

Government of India vide Notification Nos.S.O.2396(E) & 2397 (E) dated 3<sup>rd</sup> September, 2015 permitted the sale of excess quantity of tobacco produced by the registered growers in Andhra Pradesh and Odisha states subject to payment of 7.5% service charges and extra fee of ₹ 2.00 per kg up to the extent of 15% of the quota authorized and also permitted to sale the tobacco produced over and above the limit of 15% of the quota authorized by the registered growers and also by every unregistered grower of flue cured Virginia tobacco, who produced tobacco during 2014-15 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, are as follows:

| Sl. No. | Category of the growers | No. of growers | Qty. marketed (mkg) | Avg. Price (₹ / kg ) |
|---------|-------------------------|----------------|---------------------|----------------------|
| 1.      | Registered growers      | 32831          | 25.04               | 57.90                |
| 2.      | Un-registered growers   | 769            | 0.65                | 57.94                |

## 4) Minimum Guaranteed Prices:

There was no Minimum Guaranteed Price for 2014-15 Andhra Pradesh FCV Tobacco crop.

## 5) Payment by buyers:

During 2015 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 2014-15 Andhra Pradesh crop purchased is 1,768.69 crore.

## 6) Payment to growers:

During 2015 auctions in Andhra Pradesh the Board made payment of 1,768.69 crore to the growers towards their sale proceeds of tobacco by crediting the amount directly through the bank accounts maintained in various banks.

## 7) Tobacco Cess:

During 2015 Andhra Pradesh auctions, an amount of ₹ 19,02,425/- was collected from the growers at the auction platforms towards 'Tobacco Cess' @ one paise per kg on the tobacco sold at the auction platforms including Scrap & Bits of tobacco from Northern Light Soil region, when compared to ₹ 21,69,754/- collected last year. The amount was credited to Consolidated Fund of India.

## 8) Service Charges:

An amount of ₹ 48.72 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 2014-15 Andhra Pradesh crop as against ₹ 78.83 crore collected for 2013-14 Andhra Pradesh crop.

## 9) Buyers' Performance:

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

| Sl. No. | Category of Buyer | 2014 Andhra Pradesh auctions |               |                  | 2015 Andhra Pradesh auctions |               |                  |
|---------|-------------------|------------------------------|---------------|------------------|------------------------------|---------------|------------------|
|         |                   | Qty. (mkg)                   | % share       | Avr.Pri. (₹ /kg) | Qty. (mkg)                   | % share       | Avr.Pri. (₹ /kg) |
| 1.      | Manufacturers     | 122.66                       | 57.34         | 120.59           | 100.26                       | 52.76         | 99.71            |
| 2.      | Exporters         | 78.39                        | 36.64         | 110.25           | 74.45                        | 39.17         | 90.87            |
| 3.      | Others(Dealers)   | 12.88                        | 6.02          | 108.33           | 15.34                        | 8.07          | 60.32            |
|         | <b>Total</b>      | <b>213.93</b>                | <b>100.00</b> | <b>116.06</b>    | <b>190.05</b>                | <b>100.00</b> | <b>93.07</b>     |

## 10) High Lights of 2015 Andhra Pradesh Auction Sales:

### Crop size fixed and estimated production:

The Board fixed a crop size of 172 million kg for all the soil regions put together in Andhra Pradesh during 2014-15 crop season and against which a production of 193.27 million kg was estimated.

### Commencement of auction sales:

Auctions for sale of 2014-15 FCV tobacco in Andhra Pradesh commenced in 3 phases starting from 11/03/015 in SLS auction platforms, on 16/03/2015 in SBS & NLS auction platforms and on 06/04/2015 in NBS auction platforms.

### Market trends:

2014-15 Andhra Pradesh FCV tobacco auction season was unique as it took 186 days to market 190.05 million kg of tobacco; realised an average price of ₹ 93.07 per kg which is lower by 19.81% over last year average price; witnessed highest rejection percentage upto 60% and average of 26.85% during the season; drew lot of attention of people representatives, political parties and media due to lower price realization; led to severe distress of the farmers and occurrence of suicides of the farmers; interventions of Hon'ble Minister of State for Commerce & Industry (IC) and Hon'ble Chief Minister, Government of Andhra Pradesh several times; and released compensation of ₹ 20/- per kg (₹ 15/- from Central Government and ₹ 5/- from State Government) to the identified low grades.

There was a continuous rally in the market price for FCV tobacco since 2010 auctions and in 2014 auctions it had touched its peak where recorded historical highest average price of ₹ 116.06 per kg realised. Now this year there is a market correction due to domestic and international factors.

The 2014-15 AP FCV crop experienced all the odds right from the crop growth stage which experienced adverse weather i.e. prolonged drought in some areas, incessant rains at harvesting stage in other areas and wide spread Orabanche (Root parasite of Tobacco plant) leading to production of more of immature dark greens and thin bodied black perished leaf. Production of Bright, Medium and Low grades during 2014-15 & 2013-2014 seasons are given hereunder:

| Grade  | 2014-15 | 2013-14 |
|--------|---------|---------|
| Bright | 30%     | 47 %    |
| Medium | 39%     | 36 %    |
| Low    | 31%     | 17 %    |

As could be seen from the above table, the production of low grade tobaccos are unusually high and bright grade is low hampered the farmers profitability severely.

Though the auction sales were commenced at a highest price more or less on par with last year starting day highest prices of ₹ 126/- per kg (Last year starting day highest price ₹ 125/-) in SBS and at the same price of ₹ 125/- per kg in SLS as that of last year, the market was dull and lacked in buoyancy, right from the beginning, particularly for Medium and Low grades led to lot of rejections and hue and cry among the farmers. In NLS region the auctions were commenced at a highest price of ₹ 141/- per kg for quality tobacco as against ₹150/- per kg during starting day of last year. The lack of demand during the season majorly attributed to muted intentional demand due to global over supply, decreased cigarette consumption, domestic carryover stocks etc.

In the first four months of auctions only 60 million kg was marketed whereas in normal conditions of auctioning, more than half of the crop should have been sold by that time. The average prices in the auctions were down by 11% and the prices of some major grades down by as much as ₹ 20/- to ₹ 25/- per kg when compared to prices at the starting of auctions this year. World tobacco supplies exceeding the demand, creating glut in world market, falling demand for tobacco products world-wide because of anti-smoking campaigns, lack of confirmation of export orders, excess production of 43 million kg during 2013-14 and estimated excess production of 22 million kg this year, quality problems are the few reasons for the overall slide in prices and resultant market problems. Steep increase in excise duties on cigarettes and roll back of export incentives also said to have aggravated this problem. The delay in liquidation of stocks and falling prices created a panic like situation among the tobacco growers.

There were absolutely no takers for certain off style tobacco such as immature greens, thin bodied browns in traditional soils led to unrest among the farmers. In case of NLS tobacco, trade showed reluctance under the guise of Crop Protection Agents (CPAs) presence. Stoppage of auctions and conduct of Dharnas for better price has become a daily routine. The peoples representatives and other political parties also had supported the farmers cause and taken the issue to the State & Central Governments.

The Board conducted several rounds of meetings, with the Tobacco Trade and impressed upon them to procure the entire tobacco produced at remunerative prices, but in vain.

Trade has expressed their inability to procure the tobacco as per the expectations of the farmers, due to lack of demand both in domestic & international market.

Due to lack of buoyancy and no takers for certain grades of tobacco at any price, the arrivals sharply came down and could able to market only 6,000 to 7,000 bales per day even in the months of June & July, with a non-tolerable rejections of even 60% at certain auction platforms like Podili, Kaligiri, Kandukur and Vellampalli. This caused lot of anguish among the growers and unrest as they are unable to foresee even the hopes of liquidation of their tobacco at any price.

The issue has been reviewed 5 times by the Hon'ble Chief Minister of Andhra Pradesh on 19/06/2015, 23/06/2015, 28/09/2015, 01/10/2015 & 07/10/2015 and seriously warned the trade to procure the tobacco without any further delay.

With the directions of Hon'ble Chief Minister, Sri P. Pulla Rao, Hon'ble Agricultural Minister of Andhra Pradesh led a delegation comprising of trade, peoples representatives and grower leaders to Delhi and discussed the issue with the Hon'ble Minister of State for Commerce & Industry on 30/06/2015.

Later, on 04/07/2015, Hon'ble Minister of State for Commerce & Industry (IC) Smt. Nirmala Sitaraman, along with Sri P. Pulla Rao and some other peoples representatives discussed the issue with Trade and Farmers in Vijayawada. The discussions went on about 6½ hours and during the discussion the trade agreed to liquidate 172 million kg tobacco i.e. the authorised quantity by end of September 2015 at the following indicative prices:

| Soil Region                          | Agreed prices     |                  |                 |                 |
|--------------------------------------|-------------------|------------------|-----------------|-----------------|
|                                      | Bright<br>₹       | Medium<br>₹      | Low<br>₹        | Average<br>₹    |
| <b>Traditional<br/>(NBS+SBS+SLS)</b> | 109/- to<br>114/- | 97/- to<br>102/- | 62/- to<br>67/- | 95/- to<br>99/- |
| <b>NLS</b>                           | 127/-             | 113/-            | —               |                 |

The growers have also agreed to the prices committed by the trade and felt a sigh of relief that they may at least get recovered from the anticipated losses.

With the consensus arrived on price ranges the market somehow improved and went on smoothly for 6 to 7 weeks. The market in NLS, especially, turned positive and realised the higher averages than the agreed prices. In case of traditional soils the trade has stand on their word only for bright grade tobaccos whereas in case of medium and low grade tobaccos they failed to honour their commitment and has become the painful to the farmers.

The distress conditions prevailed in traditional soils due to lower prices for Medium & Low grades and rejections upto 60% of the offered bales especially in SLS led to taking extreme steps by few farmers i.e. ending their lives forcibly by committing suicides. It was recorded that 10 number of farmers end their lives by committing suicides.

The gravity of the situation was noted with the average price realised at Podili-I & II auction platforms as ₹ 75.72 & ₹ 69.13 against the last year average price of ₹ 107.72 & ₹ 108.55 respectively.

To ameliorate the acute distress conditions, Hon'ble Union Minister of State for Commerce & Industry (IC), after discussions with the Hon'ble Chief Minister of Andhra Pradesh on 18/09/2015 announced the following measures for liquidation of entire stocks.

- ❖ The trade has committed and therefore should abide by its earlier commitment to lift the entire quantity of 172 million kg including low grades by the end of September 2015, without putting the farmers to further inconvenience.
- ❖ To protect the interests of farmers, they shall be compensated with an additional amount of ₹ 20/- per kg, as one time measure, including ₹ 5/- per kg from the Statement Government of Andhra Pradesh in the form of compensation for the identified inferior quality low grades viz., dark greens (F9/NDG variety) and thin bodied perished leaf (BX2 i.e. F10 and NOG varieties), which were being rejected in the market.
- ❖ To permit sale of authorised excess and unauthorised tobacco and ensure liquidation of entire production to conclude auctions in Andhra Pradesh at the earliest.

These interventions helped in marketing of entire FCV tobacco produced during 2015.

The compensation was paid to the growers as per the Government of India Lr.No.5/7/2015-EP (Agri-VI), dated 2<sup>nd</sup> October 2015, w.e.f. 19/09/2015 for the identified low grades which fetches price ₹ 40/- and below ₹ 40/- only and as a onetime measure.

A total of 27,950 number of registered farmers got benefited with the compensation scheme comprising of 61% of total registered farmers and paid an amount of ₹ 22.46 crore.

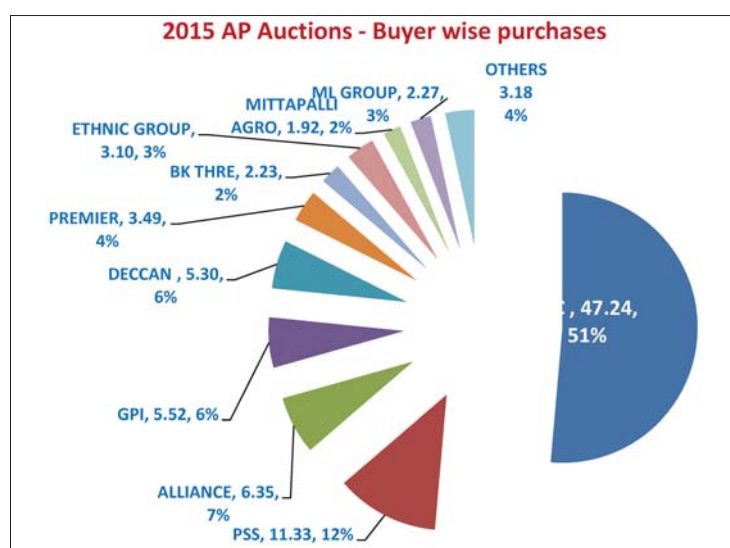
The Board also reduced the crop size for 2015-16 Andhra Pradesh season and fixed at 120 million kg against 172 million kg in 2014-15 which has helped to some extent in liquidation of tobacco, especially the poor quality tobacco.

Owing to poor quality of tobacco production coupled with low average price realisation created tremors among the farmers and many of the farmers in SLS region even hesitant to think of cultivation of tobacco crop during next crop season.

The average prices realized for Bright, Medium & Low in various soil regions compared to last year are given hereunder:

| Soil Region        | Grade         | 2015 Auctions           |                      | 2014 Auctions           |                      | Difference in Average Price of 2015 over 2014 auctions |
|--------------------|---------------|-------------------------|----------------------|-------------------------|----------------------|--------------------------------------------------------|
|                    |               | Quantity Marketed (mkg) | Average Price (₹/kg) | Quantity Marketed (mkg) | Average Price (₹/kg) |                                                        |
| <b>NBS</b>         | <b>Bright</b> | 0.96                    | 103.12               | 1.79                    | 113.84               | -10.72                                                 |
|                    | <b>Medium</b> | 2.37                    | 74.34                | 1.53                    | 109.91               | -35.57                                                 |
|                    | <b>Low</b>    | 0.87                    | 47.38                | 0.60                    | 78.48                | -31.10                                                 |
| <b>NBS Total</b>   |               | 4.20                    | 75.38                | 3.91                    | 106.91               | -31.53                                                 |
| <b>SBS</b>         | <b>Bright</b> | 19.93                   | 114.44               | 42.03                   | 116.03               | -1.59                                                  |
|                    | <b>Medium</b> | 18.63                   | 91.78                | 21.12                   | 110.01               | -18.23                                                 |
|                    | <b>Low</b>    | 25.92                   | 53.85                | 13.54                   | 89.70                | -35.85                                                 |
| <b>SBS Total</b>   |               | 64.47                   | 83.54                | 76.70                   | 109.72               | -26.19                                                 |
| <b>SLS</b>         | <b>Bright</b> | 13.20                   | 114.13               | 32.18                   | 118.36               | -4.23                                                  |
|                    | <b>Medium</b> | 19.91                   | 92.61                | 21.11                   | 111.66               | -19.05                                                 |
|                    | <b>Low</b>    | 23.90                   | 49.35                | 10.88                   | 84.73                | -35.38                                                 |
| <b>SLS Total</b>   |               | 57.01                   | 79.46                | 64.17                   | 110.45               | -30.99                                                 |
| <b>NLS</b>         | <b>Bright</b> | 22.20                   | 131.10               | 24.50                   | 149.19               | -18.09                                                 |
|                    | <b>Medium</b> | 33.02                   | 117.57               | 32.59                   | 131.91               | -14.34                                                 |
|                    | <b>Low</b>    | 9.13                    | 72.33                | 12.05                   | 79.08                | -6.75                                                  |
| <b>NLS Total</b>   |               | 64.36                   | 115.82               | 69.15                   | 128.83               | -13.01                                                 |
| <b>All Regions</b> | <b>Bright</b> | 56.30                   | 120.74               | 100.51                  | 124.82               | -4.08                                                  |
|                    | <b>Medium</b> | 73.94                   | 102.96               | 76.35                   | 119.81               | -16.85                                                 |
|                    | <b>Low</b>    | 59.81                   | 54.78                | 37.07                   | 84.61                | -29.83                                                 |
| <b>Grand Total</b> |               | <b>190.05</b>           | <b>93.07</b>         | <b>213.93</b>           | <b>116.07</b>        | <b>-23.00</b>                                          |

The total no. of companies participated in auctions during 2015 were 100 as against 97 in 2014 auctions. Though the number of buyers participated seems to be a little higher than the last year, actually there were only a handful of companies (13 companies) who contributed 88.75% of purchase whereas other 87 companies purchased remaining 11.25% of tobacco. Majority of the small players who bought less than 50,000 kg each (24 companies) and 1,00,000 kg each (43 companies) joined the market during closure of auction sales to have a speculative bet on low grade tobacco at through away price.



### Conclusion of auction sales:

However, with all the odds, the auctions were concluded by 2<sup>nd</sup> November 2015 and also Board could able to market the last leaf produced by the farmers.

## II. AUCTIONS DURING 2015-16 IN KARNATAKA

### 1) Crop size fixed and production estimations

The production is estimated at 83.43 mkg against the target crop size of 100 mkg fixed by the Board for 2015-16 crop season in Karnataka. The estimated percentage grade out turn of the crop in terms of Bright, Medium & Low grades is 31:48:21 as against 16:50:34 during 2014-15 crop season.

### 2) Commencement of auction sales

Auction sales commenced on 07/10/2015 at 12 auction platforms to market 2015-16 Karnataka FCV tobacco and concluded on 16/03/2016.

### 3) Market trends

It was estimated that 83.43 mkg of cured FCV tobacco was produced against the target crop size of 100 mkg for the 2015-16 crop season. The lower production

was mainly attributed to the reasons that receipt of insufficient rainfall and its uneven distribution during crop growth period leading to lower yields. Further, the growers also willfully reduced the crop due to soar experience of price correction happened last year.

The quality of the produce during this year is reasonably good and the farmers were at great hopes that their produce may fetch good price given the low production, good quality produce scenario.

The highest price recorded on the starting day of auction was ₹ 160/- per kg and ₹ 178/- was recorded during the season for the quality tobacco.

Auction sales were concluded in 125 days, marketed a total of 71.95 million kg and the average price realized was ₹ 135.24 per kg.

The average price realized ₹ 135.24 per kg is higher by ₹ 22.61 per kg over last year average price realized for corresponding quantity marketed and it is higher by ₹ 27.75 per kg over the last year final average price.

The average price realized ₹ 135.24 per kg during 2015-16 season is the historic high price ever realized for FCV tobacco in India.

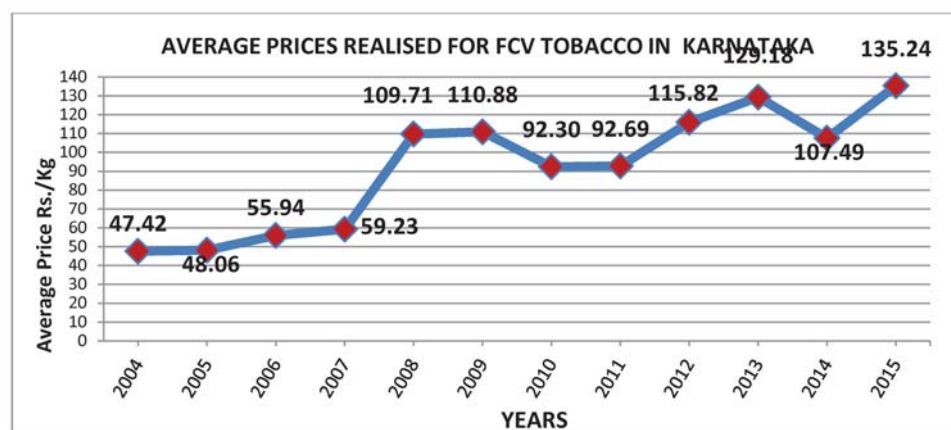
The market went on smoothly with the comparatively good average prices realized during the first 3 months and later on the pace of the auctions has slowed down due to price correction for certain grades. After spending a month of slack phase, market has gradually improved and concluded on 16/03/2016.

Quantity of tobacco marketed and average price realized during 2015 Karnataka for BML grades compared to the last year are given hereunder:

| Sl. No.      | Grade  | 2015 Auctions    |                  | Average Price Realized in 2014 Auctions (₹ /kg) | Diff. in Average Price of 2015 over 2014 auctions(₹/kg) |
|--------------|--------|------------------|------------------|-------------------------------------------------|---------------------------------------------------------|
|              |        | Qty. Mktd. (mkg) | Avg. Pri. (₹/kg) |                                                 |                                                         |
| 1            | Bright | 23.42            | 165.01           | 153.27                                          | 11.74                                                   |
| 2            | Medium | 28.97            | 143.28           | 119.39                                          | 23.89                                                   |
| 3            | Low    | 19.56            | 87.65            | 68.40                                           | 19.25                                                   |
| <b>Total</b> |        | <b>71.95</b>     | <b>135.24</b>    | <b>107.49</b>                                   | <b>27.75</b>                                            |

A statement showing the Auction platform wise quantities of tobacco sold and average prices realized for sale of 2015-16 Karnataka FCV tobacco is placed at page No. 74.

**Graph depicting average prices realized in Karnataka auctions since 2004 is given under:**



#### 4) Buyers' Participation:

A total number of 38 buyers participated during 2015-16 Karnataka FCV tobacco auctions as against 42 buyers participated in 2014-15 auction season for the same period.

#### 5) Buyers' Performance:

The details of quantity of tobacco purchased, percentage share and average prices paid by the manufacturers, exporters and dealers (others) during 2014-15 Karnataka auctions in comparison with previous year are as follows:

| Sl. No. | Category of Buyer | 2015-16 Karnataka auctions |               |                       | 2014-15 Karnataka auctions |               |                       |
|---------|-------------------|----------------------------|---------------|-----------------------|----------------------------|---------------|-----------------------|
|         |                   | Quantity (mkg)             | % share       | Average price (₹ /kg) | Quantity (mkg)             | % share       | Average price (₹ /kg) |
| 1       | Manufacturers     | 42.82                      | 59.52         | 144.11                | 53.91                      | 52.14         | 115.69                |
| 2       | Exporters         | 26.56                      | 36.91         | 121.71                | 45.25                      | 43.76         | 99.61                 |
| 3       | Others (Dealers)  | 2.57                       | 3.57          | 127.15                | 4.24                       | 4.10          | 87.31                 |
|         | <b>Total</b>      | <b>71.95</b>               | <b>100.00</b> | <b>135.24</b>         | <b>103.40</b>              | <b>100.00</b> | <b>107.49</b>         |

#### 6) Tobacco Cess:

An amount of ₹ 7,19,480.00 was collected from the growers at the auction platforms towards 'Tobacco Cess' at one paisa per kg., on the quantity of tobacco sold at the auction platforms. The amount was credited to the Consolidated Fund of India.

#### 7) Service Charges:

An amount of ₹ 23.94 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 2015-16 Karnataka crop as against ₹ 36.43 crore collected for 2014-15 Karnataka crop.

Value of the tobacco sold by the growers in Karnataka during 2015 auctions is ₹ 973.01 crore.

### III. AUCTIONS FOR SALE OF 2015-16 FCV TOBACCO IN ANDHRA PRADESH

#### 1) Crop size fixed and estimated production:

A production of 126.34 mkg was estimated as against the targeted crop size of 120 mkg fixed by the Board. The estimated percentage grade out turn of the crop in terms of Bright, Medium and Low grades is 56:28:16 as against 42:32:26 during 2015-16 crop season.

#### 2) Commencement of auction sales:

Auctions for sale of 2015-16 AP FCV tobacco crop commenced in three phases at 20 auction platforms starting with 25/02/2016.

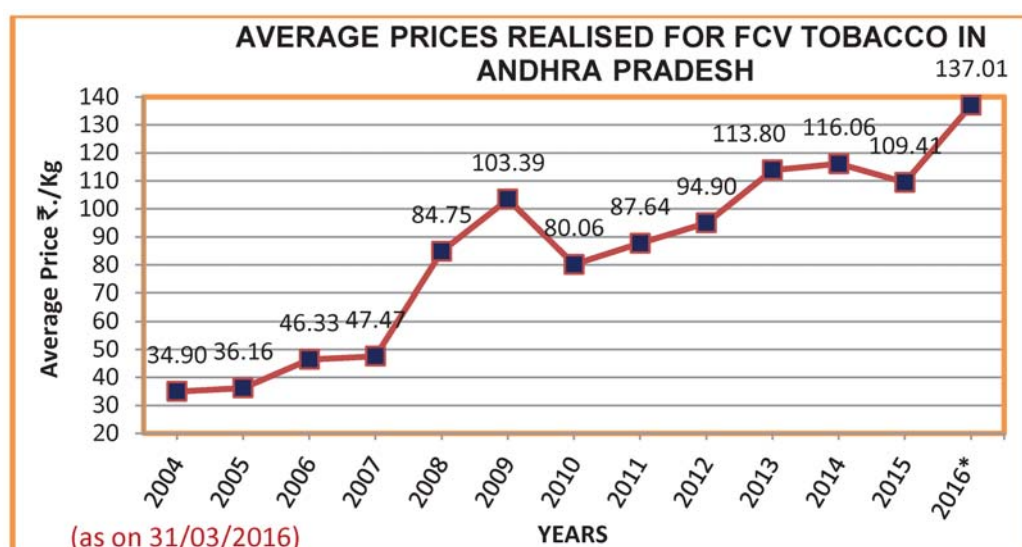
#### 3) Soil region wise Highest Bids recorded are given below:

| Sl. No. | Soil Region | Highest Bid (₹/kg)                                |                  |               |                   |
|---------|-------------|---------------------------------------------------|------------------|---------------|-------------------|
|         |             | 2016 Auctions                                     |                  | 2015 Auctions |                   |
|         |             | Starting day                                      | As on 31/03/2016 | Starting day  | During the season |
| 1.      | NLS         | 156.00                                            | 157.00           | 141.00        | 158.00            |
| 2.      | SLS         | 140.00                                            | 149.00           | 125.00        | 157.00            |
| 3.      | SBS         | 146.00                                            | 151.00           | 126.00        | 156.00            |
| 4.      | NBS         | Auction sales scheduled to commence on 11/04/2016 |                  | 115.00        | 150.00            |

#### 1) Volume and Prices:

A total quantity of 8.94 mkg of tobacco was marketed at an average price of ₹ 137.01 per kg by the end of March, 2016.

Graph depicting average prices realized in Andhra Pradesh auctions since 2004 is given below:



**The average prices realized for Bright, Medium and low grades as on 31/03/2016 are as follows:**

| Grade        | Quantity (mkg) | % Share       | Average Price (₹ /kg) |
|--------------|----------------|---------------|-----------------------|
| Bright       | 7.35           | 82.19         | 139.28                |
| Medium       | 1.52           | 17.05         | 128.16                |
| Low          | 0.07           | 0.77          | 90.43                 |
| <b>Total</b> | <b>8.94</b>    | <b>100.00</b> | <b>137.01</b>         |

A statement showing auction platform wise quantities of tobacco marketed and average prices realized in Andhra Pradesh as on 31/03/2016 are placed at **page Nos.75-76.**

#### **1) MARKET TRENDS:**

- 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 in an estimated production of 126.34 million kg of FCV tobacco which is more or less in line with the target crop for the year.
- During the season, the transplantations are badly delayed in respect of 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, DC Palli and Kandukur auction platforms and caused damage to the barns and just planted crop. After establishment of crop there were no rains and crop is subjected to moisture stress during its grand growth period. This 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 'Orabanche' also infected led to thin bodied Bright Grade tobacco production.
- Meeting the expectations of the farmers, the highest price recorded on the starting day of auction in SBS, SLS & NLS regions were ₹ 146.00, ₹ 140.00 and ₹ 156.00 respectively as against ₹ 126.00, ₹ 125.00 & ₹ 141.00 recorded during last year. The top prices have increased to ₹ 151.00, ₹ 149.00 and ₹ 157.00 during the season up to 31/03/2016 for the quality tobacco.
- As on 31/03/2016 i.e. by 29<sup>th</sup> day of auctions, a total of 8.94 mkg was marketed at an average price of ₹ 137.01 per kg.
- The average price realised ₹ 137.01 per kg is higher by ₹ 21.29 per kg over last year average price realized for corresponding quantity marketed.
- Quantity of tobacco marketed and grade wise average price realised as on 31/03/2016 in terms of Bright, Medium and Low Grades compared to the same volume of last year crop marketed are given hereunder:

| Sl. No.      | Grade  | 2016 Auctions    |                    | 2015 Auctions      | Difference in Avg. Price of 2016 over 2015 auctions (₹ ) |
|--------------|--------|------------------|--------------------|--------------------|----------------------------------------------------------|
|              |        | Qty. Mktd. (mkg) | Avg. Price (₹ /kg) | Avg. Price (₹ /kg) |                                                          |
| 1            | Bright | 7.35             | 139.28             | 119.75             | +19.53                                                   |
| 2            | Medium | 1.52             | 128.16             | 109.77             | +18.39                                                   |
| 3            | Low    | 0.07             | 90.43              | 85.85              | +04.58                                                   |
| <b>Total</b> |        | <b>8.94</b>      | <b>137.01</b>      | <b>115.01</b>      | <b>+21.29</b>                                            |

- With the drastic reduction in crop production by 34% over last year and due to changed world outlook from last year gloomy situation the trade at the auction platforms are active and market is buoyant.

### 1) TOTAL QUANTITY OF TOBACCO MARKETED

The total quantity of tobacco marketed during the period 01/04/2015 to 31/03/2016, at all the auction platforms both in Andhra Pradesh and Karnataka is 288.69 mkg and the average price realized is ₹ 104.42 per kg. The particulars are placed **at page No. 72 & 73.**

### 2) 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 01/04/2015 to 31/03/2016 are placed **at page No. 77 & 78.**

## IV. 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 1 kg.

Accordingly, the Board has standardized the packing material and arranged to supply to the growers, through the Indian Tobacco Association at free of cost. The ITA supplied 8,55,058 units of bale packing material to tobacco growers of Karnataka and 15,37,015 units to the growers of Andhra Pradesh for 2015-16 crop at free of cost. The Board arranged for distribution of bale packing material to the growers on free of cost and 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 & Karnataka during the period 01/04/2015 to 31/03/2016**

| Sl. No.           | Name of the Auction Platform | 2015 AP auctions - Quantity marketed during the period 01/04/15 to 02/11/15 |                  | 2016 AP auctions - Quantity marketed during the period 25/02/16 to 31/03/16 |                  | Total Qty. marketed during the period 01/04/15 to 31/03/16 |                  |
|-------------------|------------------------------|-----------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------|------------------|------------------------------------------------------------|------------------|
|                   |                              | Qty. Mktd. (kg)                                                             | Avg. Pri. (₹/kg) | Qty. Mktd. (kg)                                                             | Avg. Pri. (₹/kg) | Qty. Mktd. (kg)                                            | Avg. Pri. (₹/kg) |
| I. ANDHRA PRADESH |                              |                                                                             |                  |                                                                             |                  |                                                            |                  |
| 1                 | Thorredu                     | 4203533.0                                                                   | 75.38            |                                                                             |                  | 4203533.0                                                  | 75.38            |
| TOTAL (NBS)       |                              | 4203533.0                                                                   | 75.38            |                                                                             |                  | 4203533.0                                                  | 75.38            |
| 3                 | Vellampally -I               | 7151193.7                                                                   | 78.56            | 232082.4                                                                    | 134.90           | 7383276.1                                                  | 80.33            |
| 4                 | Vellampally-II               | 6804748.9                                                                   | 82.31            | 329985.8                                                                    | 135.11           | 7134734.7                                                  | 84.75            |
| 5                 | Ongole - 1                   | 10559208.0                                                                  | 81.56            | 534180.0                                                                    | 137.36           | 11093388.0                                                 | 84.25            |
| 6                 | Ongole - 2                   | 11977489.2                                                                  | 85.83            | 700973.7                                                                    | 137.20           | 12678462.9                                                 | 88.67            |
| 7                 | Tangutur-I                   | 8618655.3                                                                   | 86.66            | 352301.3                                                                    | 139.57           | 8970956.6                                                  | 88.74            |
| 8                 | Tangutur-II                  | 7265306.6                                                                   | 83.13            | 459570.1                                                                    | 139.76           | 7724876.7                                                  | 86.50            |
| 9                 | Kondepi                      | 11571819.5                                                                  | 83.11            | 545644.7                                                                    | 136.17           | 12117464.2                                                 | 85.50            |
| TOTAL (SBS)       |                              | 63948421.2                                                                  | 83.25            | 3154738.0                                                                   | 137.30           | 67103159.2                                                 | 85.79            |
| 10                | Podili - 1                   | 10194978.9                                                                  | 78.02            | 647734.8                                                                    | 136.30           | 10842713.7                                                 | 81.50            |
| 11                | Podili - 2                   | 6898024.0                                                                   | 72.98            | 438113.7                                                                    | 135.25           | 7336137.7                                                  | 76.70            |
| 12                | Kandukur - 1                 | 11881996.4                                                                  | 87.79            | 1266730.2                                                                   | 137.92           | 13148726.6                                                 | 92.62            |
| 13                | Kandukur - 2                 | 9761167.3                                                                   | 80.82            | 1064971.1                                                                   | 137.28           | 10826138.4                                                 | 86.37            |
| 14                | Kanigiri                     | 2046276.6                                                                   | 44.77            | 453539.7                                                                    | 134.67           | 2499816.3                                                  | 61.08            |
| 15                | Kaligiri                     | 6728192.2                                                                   | 79.61            | 516964.5                                                                    | 136.27           | 7245156.7                                                  | 83.65            |
| 16                | D.C.Palli                    | 8671803.5                                                                   | 77.95            | 891893.4                                                                    | 137.26           | 9563696.9                                                  | 83.48            |
| TOTAL (SLS)       |                              | 56182438.9                                                                  | 78.92            | 5279947.4                                                                   | 136.82           | 61462386.3                                                 | 83.89            |
| 17                | Devarapalli-I                | 11842563.3                                                                  | 116.12           | 70524.0                                                                     | 135.84           | 11913087.3                                                 | 116.24           |
| 18                | J.R.Gudem - 1                | 13741573.6                                                                  | 114.80           | 114003.7                                                                    | 137.61           | 13855577.3                                                 | 114.99           |
| 19                | J.R.Gudem - 2                | 14650939.3                                                                  | 114.69           | 109639.1                                                                    | 139.88           | 14760578.4                                                 | 114.88           |
| 20                | Koyyalagudem                 | 12207632.5                                                                  | 115.36           | 112479.1                                                                    | 136.60           | 12320111.6                                                 | 115.55           |
| 21                | Gopalapuram                  | 11572010.7                                                                  | 118.08           | 101548.4                                                                    | 135.26           | 11673559.1                                                 | 118.23           |
| TOTAL (NLS)       |                              | 64014719.4                                                                  | 115.72           | 508194.3                                                                    | 137.16           | 64522913.7                                                 | 115.89           |
| GRAND TOTAL       |                              | 188349112.5                                                                 | 92.82            | 8942879.7                                                                   | 137.01           | 197291992.2                                                | 94.82            |

| II. KARNATAKA |                              |                                                                                          |                  |                                                                                          |                  |                                                               |                  |
|---------------|------------------------------|------------------------------------------------------------------------------------------|------------------|------------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------|------------------|
| Sl. No.       | Name of the Auction Platform | 2014 Karnataka auctions<br>- Quantity marketed during the period<br>01/04/15 to 30/04/15 |                  | 2015 Karnataka auctions<br>- Quantity marketed during the period<br>07/10/15 to 16/03/16 |                  | Total Qty. marketed during the period<br>01/04/15 to 31/03/16 |                  |
|               |                              | Qty. Mktd. (kg)                                                                          | Avg. Pri. (₹/kg) | Qty. Mktd. (kg)                                                                          | Avg. Pri. (₹/kg) | Qty. Mktd. (kg)                                               | Avg. Pri. (₹/kg) |
| 1             | H.D.Kote-I                   | 1411097.1                                                                                | 91.56            | 3227688.3                                                                                | 133.54           | 4638785.4                                                     | 120.77           |
| 2             | H.D.Kote-II                  | 965132.1                                                                                 | 89.28            | 3081813.6                                                                                | 133.08           | 4046945.7                                                     | 122.63           |
| 3             | Hunsur-I                     | 1760559.2                                                                                | 87.89            | 5832838.4                                                                                | 133.24           | 7593397.6                                                     | 122.73           |
| 4             | Hunsur-II                    | 1527178.4                                                                                | 90.19            | 5353417.0                                                                                | 134.48           | 6880595.4                                                     | 124.65           |
| 5             | Hunsur-III                   | 1170492.3                                                                                | 92.23            | 4694776.1                                                                                | 138.67           | 5865268.4                                                     | 129.40           |
| 6             | Kampalapura-I                | 2100420.6                                                                                | 89.83            | 5866496.8                                                                                | 135.50           | 7966917.4                                                     | 123.46           |
| 7             | Kampalapura-II               | 2480506.1                                                                                | 87.40            | 7602479.1                                                                                | 137.44           | 10082985.2                                                    | 125.13           |
| 8             | Periyapatna-I                | 1751731.4                                                                                | 83.95            | 7612351.1                                                                                | 136.03           | 9364082.5                                                     | 126.29           |
| 9             | Periyapatna-II               | 2266117.7                                                                                | 92.31            | 8362860.3                                                                                | 138.21           | 10628978.0                                                    | 128.42           |
| 10            | Periyapatna-III              | 1462355.9                                                                                | 83.65            | 7356387.5                                                                                | 137.70           | 8818743.4                                                     | 128.74           |
| 11            | Ramanathapura-I              | 1439815.1                                                                                | 84.32            | 7381642.6                                                                                | 131.78           | 8821457.7                                                     | 124.03           |
| 12            | Ramanathapura-II             | 1117973.1                                                                                | 77.44            | 5575199.1                                                                                | 129.85           | 6693172.2                                                     | 121.10           |
| SUB TOTAL     |                              | 19453379.0                                                                               | 87.79            | 71947949.9                                                                               | 135.24           | 91401328.9                                                    | 125.14           |
| GRAND TOTAL   |                              | 207802491.5                                                                              | 92.35            | 80890829.6                                                                               | 135.44           | 288693321.1                                                   | 104.42           |



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## AUCTION PLATFORM WISE SALE PARTICULARS AS ON 31/03/2016 IN 2015 KARNATAKA AUCTIONS

| 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       | 07.10.15     | 32117             | 3227688.3          | 431025495.58  | 133.54           | 175.00             | 40.00             | 100.5                 |
| 2           | H.D. Kote-II         | 65      | 07.10.15     | 30053             | 3081813.6          | 410127753.89  | 133.08           | 174.00             | 30.00             | 102.6                 |
| 3           | Hunsur - I           | 2       | 07.10.15     | 59267             | 5832838.4          | 777167388.42  | 133.24           | 176.00             | 30.00             | 98.4                  |
| 4           | Hunsur - II          | 3       | 07.10.15     | 54838             | 5353417.0          | 719927518.16  | 134.48           | 177.00             | 30.00             | 97.6                  |
| 5           | Hunsur - III         | 64      | 07.10.15     | 46852             | 4694776.1          | 651024601.79  | 138.67           | 176.00             | 40.00             | 100.2                 |
| 6           | Kampalapura-I        | 61      | 07.10.15     | 59553             | 5866496.8          | 794910316.40  | 135.50           | 178.00             | 30.00             | 98.5                  |
| 7           | Kampalapura-II       | 62      | 07.10.15     | 76020             | 7602479.1          | 1044884727.50 | 137.44           | 176.00             | 30.00             | 100.0                 |
| 8           | Periyapatna - I      | 4       | 07.10.15     | 75338             | 7612351.1          | 1035508120.13 | 136.03           | 178.00             | 30.00             | 101.0                 |
| 9           | Periyapatna - II     | 5       | 07.10.15     | 81363             | 8362860.3          | 1155830922.06 | 138.21           | 176.00             | 30.00             | 102.8                 |
| 10          | Periyapatna - III    | 6       | 07.10.15     | 71232             | 7356387.5          | 1012974558.75 | 137.70           | 176.00             | 30.00             | 103.3                 |
| 11          | Ramanathapura-I      | 7       | 07.10.15     | 73368             | 7381642.6          | 972752861.83  | 131.78           | 176.00             | 30.00             | 100.6                 |
| 12          | Ramanathapura-II     | 63      | 07.10.15     | 55447             | 5575199.1          | 723939603.14  | 129.85           | 176.00             | 30.00             | 100.6                 |
| Grand Total |                      |         |              | 715448            | 71947949.9         | 9730240744.48 | 135.24           | 178.00             | 30.00             | 100.6                 |

PLATFORM WISE QUANTITY OF TOBACCO MARKETING, AVERAGE PRICE REALIZED  
HIGHEST & LOWEST BIDS RECORDED AS ON 31/03/2016 DURING 2016 AUCTIONS

| 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       | 3.00           | 2.66      | 11.04.2016           |                   |                     | Auction sales yet to be commenced |                        |                      |                    |                       |
|         | TOTAL (NBS)                  |          | 3.00           | 2.66      |                      |                   |                     |                                   |                        |                      |                    |                       |
| 2       | Vellampally - I              | 19       | 4.73           | 4.70      | 11.03.2016           | 1712              | 144.00              | 101.00                            | 232082.4               | 31307915.76          | 134.90             | 135.6                 |
| 3       | Vellampally - II             | 31       | 3.47           | 4.1       | 11.03.2016           | 2462              | 147.00              | 76.00                             | 329985.8               | 44584381.44          | 135.11             | 134.0                 |
| 4       | Ongole - I                   | 20       | 7.53           | 7.83      | 11.03.2016           | 3976              | 147.00              | 71.00                             | 534180                 | 73374964.80          | 137.36             | 134.4                 |
| 5       | Ongole - II                  | 23       | 7.78           | 8.20      | 11.03.2016           | 5318              | 150.00              | 71.00                             | 700973.7               | 96173591.64          | 137.20             | 131.8                 |
| 6       | Tangutur-I                   | 24       | 5.69           | 6.60      | 11.03.2016           | 2623              | 150.00              | 90.00                             | 352301.3               | 49170692.44          | 139.57             | 134.3                 |
| 7       | Tangutur-II                  | 34       | 4.97           | 6.03      | 11.03.2016           | 3499              | 149.00              | 82.00                             | 459570.1               | 64229517.18          | 139.76             | 131.3                 |
| 8       | Kondepi                      | 25       | 7.48           | 8.40      | 11.03.2016           | 4023              | 145.00              | 102.00                            | 545644.7               | 74300438.80          | 136.17             | 135.6                 |
|         | TOTAL (SBS)                  |          | 41.65          | 45.86     |                      | 23613             | 150.00              | 71.00                             | 3154738.0              | 433141502.1          | 137.30             | 133.6                 |



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| 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     |                      |                   |                    |                   |                        |                      |                   |                       |
| 9                  | Podili - I                   | 22       | 6.48           | 2.97          | 25.02.2016           | 4708              | 144.00             | 70.00             | 647734.8               | 88286253.24          | 136.30            | 137.6                 |
| 10                 | Podili - II                  | 21       | 3.68           | 2.40          | 25.02.2016           | 3197              | 143.00             | 88.00             | 438113.7               | 59254877.93          | 135.25            | 137.0                 |
| 11                 | Kandukur - I                 | 26       | 7.64           | 8.62          | 25.02.2016           | 9395              | 147.00             | 80.00             | 1266730.2              | 174707429.18         | 137.92            | 134.8                 |
| 12                 | Kandukur - II                | 27       | 6.91           | 6.51          | 25.02.2016           | 7923              | 146.00             | 75.00             | 1064971.1              | 146199232.61         | 137.28            | 134.4                 |
| 13                 | Kanigiri                     | 35       | 4.42           | 3.43          | 25.02.2016           | 3242              | 143.00             | 70.00             | 453539.7               | 61078191.40          | 134.67            | 139.9                 |
| 14                 | Kaligiri                     | 28       | 5.02           | 4.98          | 25.02.2016           | 3853              | 144.00             | 80.00             | 516964.5               | 70446752.42          | 136.27            | 134.2                 |
| 15                 | D.C. Palli                   | 29       | 6.20           | 6.07          | 25.02.2016           | 6409              | 145.00             | 115.00            | 891893.4               | 122421288.08         | 137.26            | 139.2                 |
| <b>TOTAL (SLS)</b> |                              |          | <b>40.35</b>   | <b>34.98</b>  |                      | <b>38727</b>      | <b>147.00</b>      | <b>70.00</b>      | <b>5279947.4</b>       | <b>722394024.9</b>   | <b>136.82</b>     | <b>136.3</b>          |
| 16                 | Devarapalli                  | 17       | 5.70           | 6.99          | 11.03.2016           | 559               | 157.00             | 91.00             | 70524.0                | 9579980.16           | 135.84            | 126.2                 |
| 17                 | J.R. Gudem-I                 | 18       | 7.89           | 10.03         | 11.03.2016           | 867               | 156.00             | 95.00             | 114003.7               | 15688049.16          | 137.61            | 131.5                 |
| 18                 | J.R. Gudem-II                | 32       | 8.00           | 10.54         | 11.03.2016           | 832               | 156.00             | 95.00             | 109639.1               | 15336317.31          | 139.88            | 131.8                 |
| 19                 | Koyyalagudem                 | 30       | 7.42           | 8.35          | 11.03.2016           | 877               | 156.00             | 101.00            | 112479.1               | 15364645.06          | 136.60            | 128.3                 |
| 20                 | Gopalapuram                  | 33       | 5.99           | 6.93          | 11.03.2016           | 828               | 156.00             | 90.00             | 101548.4               | 13735436.58          | 135.26            | 122.6                 |
| <b>TOTAL (NLS)</b> |                              |          | <b>35.00</b>   | <b>42.84</b>  |                      | <b>3963</b>       | <b>157.00</b>      | <b>90.00</b>      | <b>508194.3</b>        | <b>69704428.27</b>   | <b>137.16</b>     | <b>128.2</b>          |
| <b>GRAND TOTAL</b> |                              |          | <b>120.00</b>  | <b>126.34</b> |                      | <b>66303</b>      | <b>157.00</b>      | <b>70.00</b>      | <b>8942879.7</b>       | <b>1225239955.2</b>  | <b>137.01</b>     | <b>134.9</b>          |

**BUYER WISE PURCHASES IN ANDHRA PRADESH AND KARNATAKA  
DURING THE PERIOD 01/04/2015 TO 31/03/2016**

| Sl. No        | Name of the Buyer                      | 2014-15 AP Crop -<br>From 01/04/2015 to 02/11/2015 |                   |         | 2015-16 AP Crop -<br>From 25/02/2016 to 31/03/2016 |                   |         | 2014-15 Karnataka Crop -<br>From 01/04/2015 to 30/04/2015 |                   |         | 2015-16 Karnataka Crop -<br>From 07/10/2015 to 16/03/2016 |                   |         | Total          |                   |         |
|---------------|----------------------------------------|----------------------------------------------------|-------------------|---------|----------------------------------------------------|-------------------|---------|-----------------------------------------------------------|-------------------|---------|-----------------------------------------------------------|-------------------|---------|----------------|-------------------|---------|
|               |                                        | Quantity in kg                                     | Avg. price (₹/kg) | % share | Quantity in kg                                     | Avg. price (₹/kg) | % share | Quantity in kg                                            | Avg. price (₹/kg) | % share | Quantity in kg                                            | Avg. price (₹/kg) | % share | Quantity in kg | Avg. price (₹/kg) | % share |
| MANUFACTURERS |                                        |                                                    |                   |         |                                                    |                   |         |                                                           |                   |         |                                                           |                   |         |                |                   |         |
| 1             | ITC Limited                            | 88525168.5                                         | 101.39            | 47.00   | 3441247.0                                          | 134.37            | 38.48   | 5842145.2                                                 | 103.97            | 30.03   | 36149894.0                                                | 144.07            | 50.24   | 133958454.7    | 113.87            | 46.40   |
| 2             | GPI Limited                            | 10422163.7                                         | 82.81             | 5.53    | 550782.9                                           | 140.62            | 6.16    | 1928585.0                                                 | 77.51             | 9.91    | 6673114.4                                                 | 144.34            | 9.27    | 19574646.0     | 104.89            | 6.78    |
|               | Sub-Total                              | 98947332.2                                         | 99.44             | 52.53   | 3992029.9                                          | 135.24            | 44.64   | 7770730.2                                                 | 97.40             | 39.95   | 42823008.4                                                | 144.11            | 59.52   | 153533100.7    | 112.73            | 53.18   |
| EXPORTERS     |                                        |                                                    |                   |         |                                                    |                   |         |                                                           |                   |         |                                                           |                   |         |                |                   |         |
| 1             | Polisetty Somasundaram                 | 21488053.8                                         | 106.04            | 11.41   | 694514.9                                           | 141.07            | 7.77    | 2073819.5                                                 | 101.78            | 10.66   | 6811608.1                                                 | 127.19            | 9.47    | 31067996.3     | 111.18            | 10.76   |
| 2             | Alliance One Industries Ind. Ltd.      | 12024599.2                                         | 92.65             | 6.38    | 323835.4                                           | 140.5             | 3.62    | 481377.8                                                  | 89.64             | 2.47    | 3357953.1                                                 | 138.46            | 4.67    | 16187765.5     | 103.02            | 5.61    |
| 3             | ITT Group                              | 4189624.5                                          | 84.44             | 2.22    | 234115.4                                           | 142.73            | 2.61    | 1139658.2                                                 | 137.22            | 5.86    | 1373889.4                                                 | 143.02            | 1.91    | 6937287.5      | 106.68            | 2.40    |
| 4             | Premier Tob. Packers Pvt. Ltd.         | 6564751.3                                          | 92.14             | 3.49    | 1772614.2                                          | 136.67            | 19.82   | 133633.3                                                  | 30.23             | 0.69    | 775027.3                                                  | 131.48            | 1.08    | 9246026.1      | 103.08            | 3.20    |
| 5             | ML & Co. Group                         | 4309110.0                                          | 109.86            | 2.28    | 572033.7                                           | 139.65            | 6.40    |                                                           |                   |         | 1342442.9                                                 | 96.67             | 1.87    | 6223586.6      | 109.75            | 2.16    |
| 6             | Mittapalli Adinarayana Ent. Pvt. Ltd.  | 1053437.8                                          | 94.78             | 0.56    |                                                    |                   |         | 258283.1                                                  | 65.54             | 1.33    | 565333.0                                                  | 110.11            | 0.79    | 1877053.9      | 95.37             | 0.65    |
| 7             | Yarlagadda Exports                     | 905731.7                                           | 63.44             | 0.48    | 311.7                                              | 153.24            | 0.00    | 78447.9                                                   | 75.62             | 0.40    | 135059.4                                                  | 117.84            | 0.19    | 1119550.7      | 70.88             | 0.39    |
| 8             | Bommidala Ventures Pvt. Ltd.           | 431614.5                                           | 115.60            | 0.23    |                                                    |                   |         |                                                           |                   |         |                                                           |                   |         | 431614.5       | 115.60            | 0.15    |
| 9             | Mittapalli Agro Products Pvt. Ltd. (R) | 3644249.8                                          | 53.68             | 1.93    | 158561.3                                           | 113.26            | 1.77    | 542778.2                                                  | 38.72             | 2.79    | 1576714.6                                                 | 96.51             | 2.19    | 5922303.9      | 65.31             | 2.05    |



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| Sl. No | Name of the Buyer                     | 2014-15 AP Crop -<br>From 01/04/2015 to<br>02/11/2015 |                         |               | 2015-16 AP Crop -<br>From 25/02/2016 to<br>31/03/2016 |                         |               | 2014-15 Karnataka Crop -<br>From 01/04/2015 to<br>30/04/2015 |                         |               | 2015-16 Karnataka Crop -<br>From 07/10/2015 to<br>16/03/2016 |                         |               | 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    |
| 10     | Bommidala Purnaiah Holdings Pvt. Ltd. |                                                       |                         |               | 63510.3                                               | 141.04                  | 0.71          |                                                              |                         |               | 163988.8                                                     | 159.40                  | 0.23          | 227499.1           | 154.27                  | 0.08          |
| 11     | Prapalsha Agros Ltd.                  | 509653.8                                              | 48.94                   | 0.27          | 8995.9                                                | 134.96                  | 0.10          | 21752.2                                                      | 60.80                   | 0.11          | 224609.8                                                     | 80.18                   | 0.31          | 765011.7           | 59.46                   | 0.26          |
| 12     | Chaitanya Tobacco Co.                 | 310981.0                                              | 65.21                   | 0.17          |                                                       |                         |               | 42077.9                                                      | 72.89                   | 0.22          |                                                              |                         |               | 353058.9           | 66.13                   | 0.12          |
| 13     | Avinash Tobaccos                      | 93279.2                                               | 66.51                   | 0.05          | 15656.6                                               | 144.81                  | 0.18          |                                                              |                         |               | 90187.8                                                      | 125.03                  | 0.13          | 199123.6           | 99.17                   | 0.07          |
| 14     | K.R. & Co.                            | 459928.2                                              | 30.52                   | 0.24          |                                                       |                         |               |                                                              |                         |               |                                                              |                         |               | 459928.2           | 30.52                   | 0.16          |
| 15     | Mohammed Enterprises Pvt. Ltd.        | 1676921.3                                             | 95.16                   | 0.89          | 121087.1                                              | 144.63                  | 1.35          | 776920.1                                                     | 48.04                   | 3.99          | 1291443.6                                                    | 126.32                  | 1.79          | 3866372.1          | 97.65                   | 1.34          |
| 16     | Venkata Suresh Tob.                   |                                                       |                         |               |                                                       |                         |               |                                                              |                         |               | 4513.8                                                       | 80.62                   | 0.01          | 4513.8             | 80.62                   | 0.00          |
| 17     | Green Leaf Tobacco Group (GLTC)       | 494728.8                                              | 87.53                   | 0.27          |                                                       |                         |               | 116342.5                                                     | 57.40                   | 0.60          |                                                              |                         |               | 611071.3           | 81.79                   | 0.21          |
| 18     | Ethnic Group                          | 5818328.4                                             | 56.38                   | 3.09          | 93912.5                                               | 126.07                  | 1.05          | 2054801.4                                                    | 54.01                   | 10.56         | 2832506.8                                                    | 75.15                   | 3.94          | 10799549.1         | 61.46                   | 3.74          |
| 19     | Deccan Tobacco Company                | 10003610.1                                            | 89.44                   | 5.31          | 321985.6                                              | 140.93                  | 3.60          | 2697867.7                                                    | 100.83                  | 13.87         | 5984800.7                                                    | 135.20                  | 8.32          | 19008264.1         | 106.34                  | 6.58          |
| 20     | Venkata Sai Tobacco Co.               | 115563.6                                              | 27.37                   | 0.06          |                                                       |                         |               |                                                              |                         |               |                                                              |                         |               | 115563.6           | 27.37                   | 0.04          |
| 21     | Hamid Exports                         |                                                       |                         |               |                                                       |                         |               | 13548.6                                                      | 26.73                   | 0.07          |                                                              |                         |               | 13548.6            | 26.73                   | 0.00          |
| 22     | Sri Hanuma Enterprises                |                                                       |                         |               |                                                       |                         |               |                                                              |                         |               | 26005.1                                                      | 56.73                   | 0.04          | 26005.1            | 56.73                   | 0.01          |
|        | <b>Sub-Total</b>                      | <b>74094167.0</b>                                     | <b>90.72</b>            | <b>39.34</b>  | <b>4381134.6</b>                                      | <b>137.91</b>           | <b>48.99</b>  | <b>10431308.4</b>                                            | <b>53.62</b>            | <b>85.35</b>  | <b>26556084.2</b>                                            | <b>121.71</b>           | <b>36.91</b>  | <b>115462694.2</b> | <b>96.29</b>            | <b>39.99</b>  |
|        | <b>OTHERS (DEALERS)</b>               | <b>15307613.3</b>                                     | <b>60.21</b>            | <b>8.13</b>   | <b>569715.2</b>                                       | <b>142.45</b>           | <b>6.37</b>   | <b>1251340.4</b>                                             | <b>48.45</b>            | <b>6.43</b>   | <b>2568857.3</b>                                             | <b>127.15</b>           | <b>3.57</b>   | <b>19697526.2</b>  | <b>70.57</b>            | <b>6.82</b>   |
|        | <b>GRAND TOTAL</b>                    | <b>188349112.5</b>                                    | <b>92.82</b>            | <b>100.00</b> | <b>8942879.7</b>                                      | <b>137.01</b>           | <b>100.00</b> | <b>19453379.0</b>                                            | <b>87.79</b>            | <b>100.00</b> | <b>71947949.9</b>                                            | <b>135.24</b>           | <b>100.00</b> | <b>288693321.1</b> | <b>104.42</b>           | <b>100.00</b> |

## TRADING WING

The Government of India created Trading Wing in 1984 with margin money of ₹ 1.25 crore for its operations. The objective of Trading Wing was 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.

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

### I. PRICE SUPPORT OPERATIONS:

There were no price support operations by the Trading Wing during 2015-16, the margin money available with the Board, including the profit made by trading in the earlier years and interest accrued, accumulated as on 31/03/2016 to ₹ 18.05 crore.

### 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.

The Registration/Renewal of registration granted to different categories of traders for the year 2015 and for the year 2016 (as on 31/03/2016) is as detailed below:



| S. No. | Category                              | No. of Companies Registered |                            |
|--------|---------------------------------------|-----------------------------|----------------------------|
|        |                                       | 2015                        | 2016<br>(As on 31/03/2016) |
| 1      | Processor of Virginia Tobacco         | 13                          | 13                         |
| 2      | Manufacturer of Virginia Tobacco      | 30                          | 32                         |
| 3      | Exporter of Tobacco                   | 147                         | 142                        |
| 4      | Exporter of Tobacco Products          | 266                         | 236                        |
| 5      | Dealer in Tobacco                     | 631                         | 567                        |
| 6      | Packer of Tobacco                     | 29                          | 25                         |
| 7      | Commercial Grader of Virginia tobacco | 45                          | 32                         |
|        | Total:                                | <b>1161</b>                 | <b>1047</b>                |

The Board had levied and collected the following penalties in 2015 as resolved by the Board.

|    |                                                                                                                                                                                                         |                |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1. | For Non/Late submission of Statutory Returns                                                                                                                                                            | ₹ 13,43,500.00 |
| 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 | ₹ 26,45,208.00 |
|    | TOTAL:                                                                                                                                                                                                  | ₹ 39,88,708.00 |

## Marketing & Exports of Tobacco & Tobacco Products

The Indian FCV tobacco exports increased when compared to last year and Non-FCV unmanufactured tobacco and tobacco products have surpassed the earlier record of tobacco product exports made 2014-15. In total the exports of FCV and Non-FCV unmanufactured tobacco and tobacco product for the year 2015-16 have decreased when compared to last year. A quantity of 2,43,418 Metric tons of tobacco and tobacco products valued at ₹ 6,058.13 crore and in dollar terms 925.33 million US\$ has been exported.

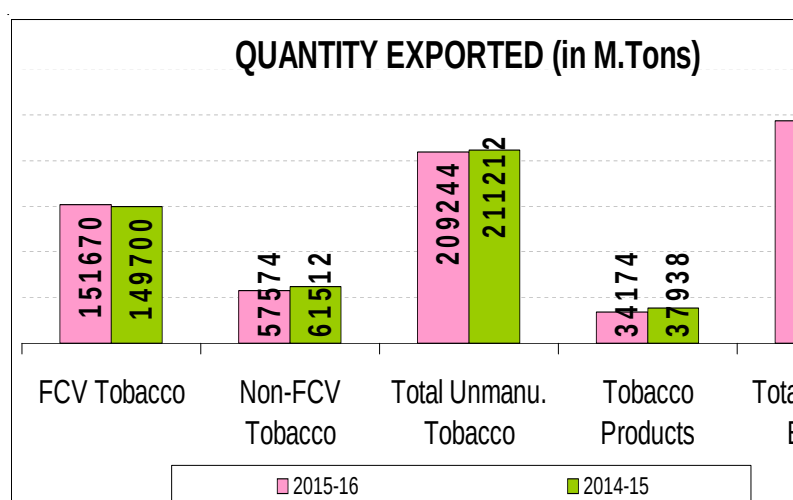
### I. Tobacco Exports from India

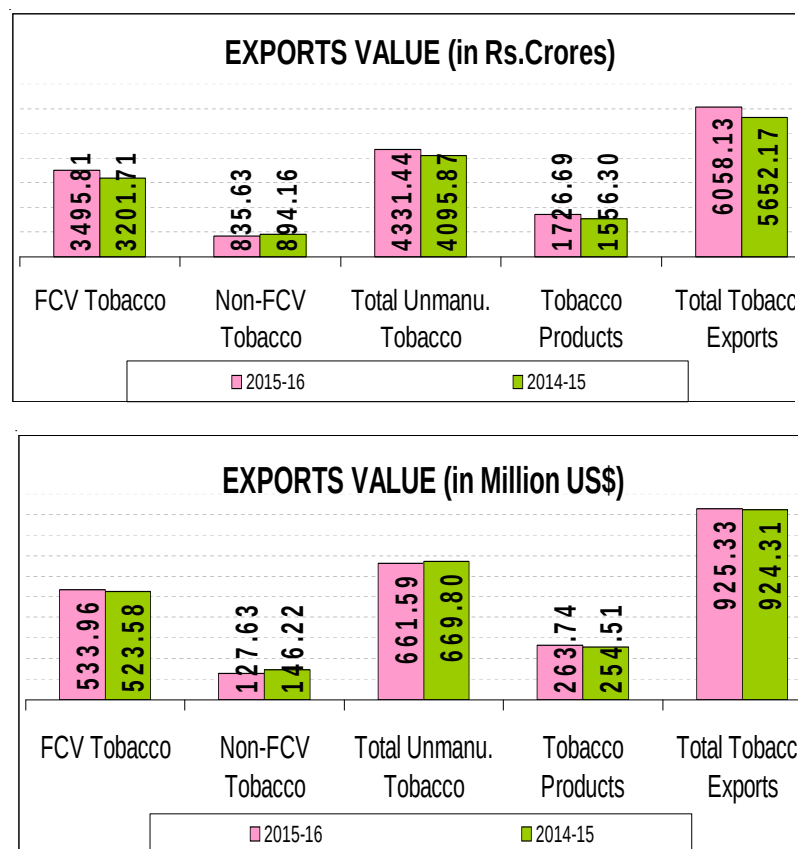
#### a) Overall performance:

Exports of FCV tobacco from India for the year 2015-16 have increased by 1%, 9% and 2% 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 2015-16 in comparison with exports during the previous year are as follows:

| S. No                  | Categories             | 2015-16             |                 |                        | 2014-15             |                 |                        |
|------------------------|------------------------|---------------------|-----------------|------------------------|---------------------|-----------------|------------------------|
|                        |                        | 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            | 1,51,670            | 3,495.81        | 533.96                 | 1,49,700            | 3,201.71        | 523.58                 |
| b                      | Non FCV Tobacco        | 57,574              | 835.63          | 127.63                 | 61,512              | 894.16          | 146.22                 |
|                        | <b>Total</b>           | <b>2,09,244</b>     | <b>4,331.44</b> | <b>661.59</b>          | <b>2,11,212</b>     | <b>4,095.87</b> | <b>669.80</b>          |
| II                     | Tobacco Products       | 34,174              | 1,726.69        | 263.74                 | 37,938              | 1,556.30        | 254.51                 |
|                        | <b>Grand Total</b>     | <b>2,43,418</b>     | <b>6,058.13</b> | <b>925.33</b>          | <b>2,49,150</b>     | <b>5,652.17</b> | <b>924.31</b>          |
| % = Previous year( ± ) |                        | -2                  | 7               | 0.11                   | -6                  | -7              | -8                     |

Conversion factor for the period 2015-16: 1 US\$ = ₹65.47





FCV tobacco exports during the period 2015- 16 were in the order of 1,51,670 Metric tons valued ₹ 3,495.81 crore against 1,49,700 Metric tons valued at 3,201.71 during same period last year showing a increase of 1%, 9% and 2% in terms of quantity, value in rupees and US dollars respectively.

Exports of unmanufactured tobacco for the period 2015-16 decreased by 1% and 1% in terms of quantity and in terms of value in US dollars however recorded increase by 6% in terms of value in rupees compared to the exports made during the corresponding period last year.

As far as exports of tobacco products are concerned, a decrease of 12% is noticed in quantity terms but registered an increase by 11% in terms of value in rupees compared to the exports made during the corresponding period last year.

Total tobacco and tobacco product exports during 2015-16 reached 2,43,418 Metric tons valued ₹ 6,058.13 Crore and in US \$ 925.33 million. Exports of tobacco and tobacco products for the period under report reflected a decrease of 2% in terms of quantity. However, recorded increase of 7% and 0.11% in terms of value in Rupees and US\$ when compared to the exports made during the corresponding period year.

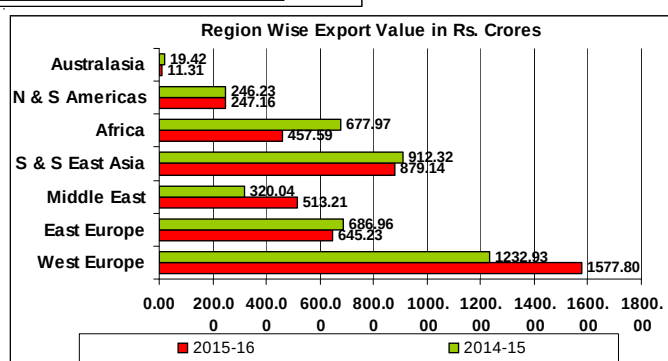
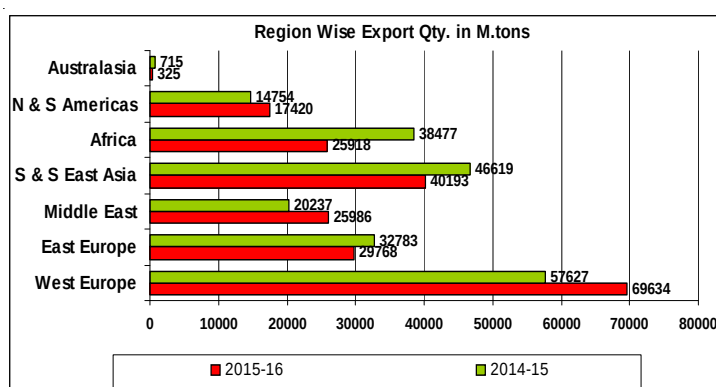
## b) Unmanufactured tobacco exports:

During 2015-16, India's unmanufactured tobacco exports accounted for about 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 1% and 1% in terms of quantity and in terms of value in US dollars however recorded increase by 5% in terms of value in rupees compared to the exports made during the corresponding period last year.

Belgium continued to be the leading export destination for Indian tobaccos during 2015-16 followed by other important markets viz. Egypt, Korea, Russia, UAE, Netherlands, USA. Out of the top five destinations, exports to Belgium, UAE, USA and Netherlands have improved where as exports to Korea and Russia have declined on y-o-y basis.

## c) Region wise exports of Unmanufactured tobacco

| Region                  | April 2015 - March 2016 |                  |                  |                  | April 2014 - March 2015 |                  |                  |                  |
|-------------------------|-------------------------|------------------|------------------|------------------|-------------------------|------------------|------------------|------------------|
|                         | 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             | 69,634                  | 33.28            | 1577.80          | 36.43            | 57,627                  | 27.28            | 1,232.93         | 30.10            |
| East Europe             | 29,768                  | 14.23            | 645.23           | 14.90            | 32,783                  | 15.52            | 686.96           | 16.77            |
| Middle East             | 25,986                  | 12.42            | 513.21           | 11.85            | 20,237                  | 9.58             | 320.04           | 7.81             |
| South & South East Asia | 40,193                  | 19.21            | 879.14           | 20.30            | 46,619                  | 22.07            | 912.32           | 22.27            |
| Africa                  | 25,918                  | 12.39            | 457.59           | 10.55            | 38,477                  | 18.22            | 677.97           | 16.55            |
| North & South Americas  | 17,420                  | 8.31             | 247.16           | 5.71             | 14,754                  | 6.99             | 246.23           | 6.01             |
| Australasia             | 325                     | <1               | 11.31            | <1               | 715                     | <1               | 19.42            | <1               |
| <b>Total</b>            | <b>2,09,244</b>         | <b>100</b>       | <b>4331.44</b>   | <b>100</b>       | <b>2,11,212</b>         | <b>100</b>       | <b>4,095.87</b>  | <b>100</b>       |

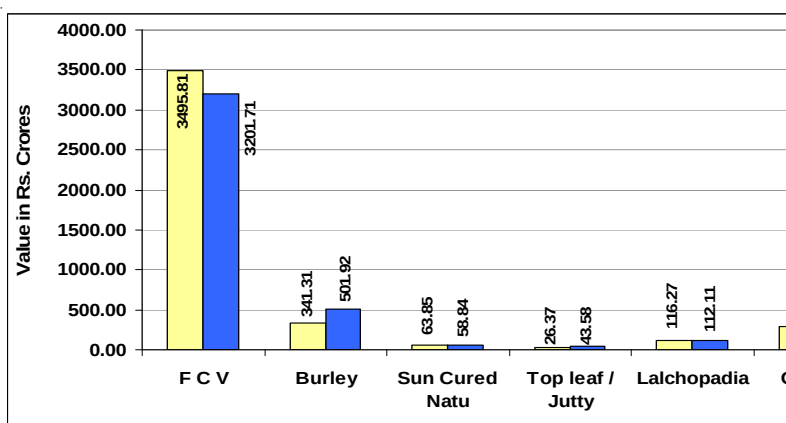
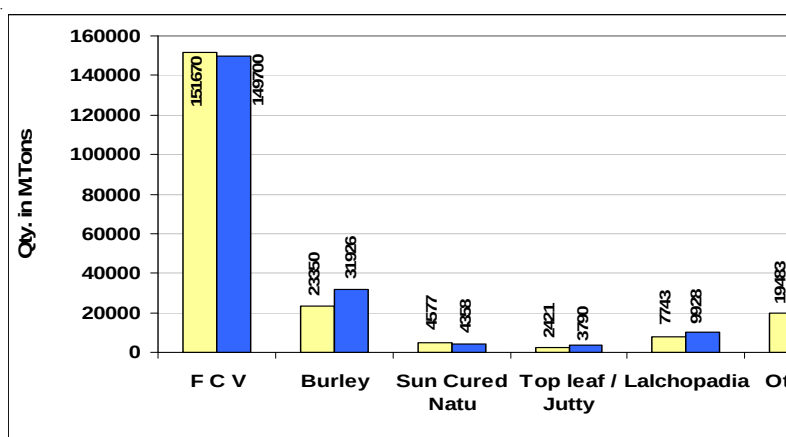


### a) EXPORTS OF TOBACCO TYPE WISE:

Out of the total Indian unmanufactured tobacco exports, FCV tobacco exports constituted 72% in terms of quantity and 81% in terms of value in rupees and Non-FCV tobacco exports accounted for the balance 28% in terms of quantity and 19% in terms of value in rupees. Breakup of exports tobacco type wise in comparison to that of 2014-15 is as follow.

(Quantity in Metric Tons, Value ₹ in crore)

| Variety                            | 2015-16 (Provisional) |                |                 |                | 2014-15         |                 |
|------------------------------------|-----------------------|----------------|-----------------|----------------|-----------------|-----------------|
|                                    | Quantity              | % change Y-o-Y | Value           | % change Y-o-Y | Quantity        | Value           |
| Flue Cured Virginia                | 151670                | 1              | 3495.81         | 9              | 149700          | 3201.71         |
| <b>Sub-total (FCV tobacco)</b>     | <b>151670</b>         | <b>1</b>       | <b>3495.81</b>  | <b>9</b>       | <b>149700</b>   | <b>3201.71</b>  |
| Burley                             | 23350                 | -27            | 341.31          | -32            | 31926           | 501.92          |
| Sun Cured Natu                     | 4577                  | 5              | 63.85           | 9              | 4358            | 58.84           |
| Top Leaf / Jutty                   | 2421                  | -36            | 26.37           | -39            | 3790            | 43.58           |
| Lal Chopadia                       | 7743                  | -22            | 116.27          | -4             | 9928            | 112.11          |
| Others                             | 19483                 | 69             | 287.83          | 62             | 11510           | 177.71          |
| <b>Sub-total (Non-FCV Tobacco)</b> | <b>57574</b>          | <b>-6</b>      | <b>835.63</b>   | <b>-7</b>      | <b>61512</b>    | <b>894.16</b>   |
| <b>Grand Total</b>                 | <b>2,09,244</b>       | <b>-1</b>      | <b>4,331.44</b> | <b>6</b>       | <b>2,11,212</b> | <b>4,095.87</b> |



### a) Exports of FCV Tobacco

Out of the total Indian unmanufactured tobacco exports, FCV tobacco exports constituted 72% in terms of quantity and 81% in terms of value rupee with a quantity of 1,51,670 metric tons valued at ₹ 3,495.81 crore. The same have increased by 1%, 9% and 2% in terms of quantity and value in rupee and US dollar terms respectively on Y-o-Y basis.

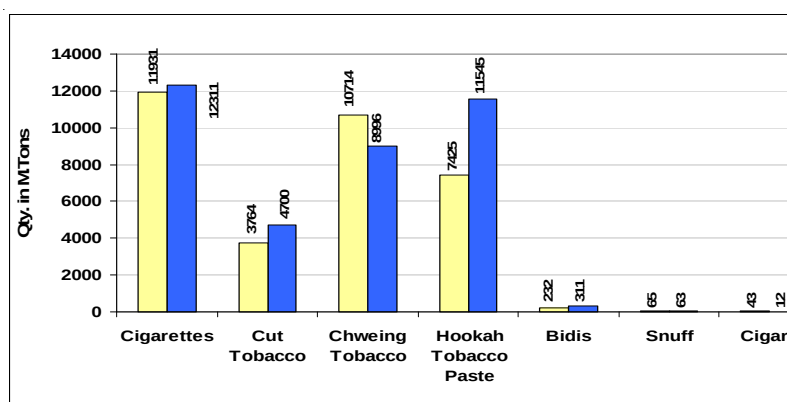
### b) Exports of Non-FCV Tobacco

Of the total unmanufactured tobacco exports during 2015-16, Non-FCV tobacco exports accounted for 28% in terms of quantity and 19% in terms of value in rupees with a quantity of 57,574 metric tons valued at ₹ 835.63 Crore.

### c) Exports of Tobacco Products

Of the total exports of tobacco and tobacco products from India during 2015-16, exports of tobacco products accounted for about 14% in terms of quantity and 29% in terms of Value in rupees. Exports have noticed a decrease of 10% in terms of quantity. However, registered an increase of 11% and 4% in terms of value in rupees and US dollars on Y-o-Y basis. Exports of tobacco products during 2015-16 vis-à-vis exports 2014-15 are as follows.

| Sl. No.      | Tobacco Product Category | 2015-16       |                |                 |                | 2014-15       |                 |
|--------------|--------------------------|---------------|----------------|-----------------|----------------|---------------|-----------------|
|              |                          | Quantity      | % change Y-o-Y | Value ₹         | % change Y-o-Y | Quantity      | Value ₹         |
| 1            | Cigarettes               | 11931         | -3             | 742.81          | 10             | 12311         | 673.78          |
| 2            | Cut Tobacco              | 3764          | -20            | 88.87           | -3             | 4700          | 91.92           |
| 3            | Chewing Tobacco          | 10714         | 19             | 785.74          | 23             | 8996          | 638.56          |
| 4            | Hookah tobacco paste     | 7425          | -36            | 77.83           | -34            | 11545         | 118.32          |
| 5            | Bidis                    | 232           | -25            | 25.47           | -18            | 311           | 31.11           |
| 6            | Snuff                    | 65            | 3              | 1.66            | 2              | 63            | 1.62            |
| 7            | Cigars                   | 43            | 258            | 4.31            | 335            | 12            | 0.99            |
| <b>TOTAL</b> |                          | <b>34,174</b> | <b>10</b>      | <b>1,726.69</b> | <b>11</b>      | <b>37,938</b> | <b>1,556.30</b> |



## II. Export Promotion Activities

### a) Fairs & Exhibitions Abroad

Tobacco Board has participated in the following international Trade fairs/ Exhibitions during 2015-16 for brand image and export promotion of Indian tobacco and tobacco products in the International markets.

#### 1. Euro Tab 2015, Krakow, Poland :

Tobacco Board has participated in Euro Tab 2015, Krakow, Poland during 27<sup>th</sup> - 28<sup>th</sup> April '2015 organized by Tobacco Products International – Lockwood Publications.

#### 2. 3<sup>rd</sup> China South Asia Expo, Kunming :

Tobacco Board has participated in 3<sup>rd</sup> China South Asia Expo, Kunming, China during 12<sup>th</sup> - 16<sup>th</sup> June '2015 organized by Federation of Indian Export Organization (FIEO), Kolkata.

#### 3. Inter Tabac 2015 - Dortmund, Germany :

Tobacco Board has participated in Inter Tabac 2015, Dortmund, Germany during 18<sup>th</sup> - 20<sup>th</sup> September, 2015 organized by Westfalenhallen Dortmund GmbH, Germany.

#### 4. World Tobacco Middle East, 2015, Dubai :

Tobacco Board has participated in World Tobacco Middle East, 2015, Dubai during 14<sup>th</sup> - 15<sup>th</sup> December 2015 organized by Quartz Ltd. in association with Tobacco Journal International.

#### 5. Global Tobacco Nicotine Forum (GTNF), Bologna, Italy :

GTNF, Bologna, Italy is organized by Tobacco Reporter during 15<sup>th</sup> to 17<sup>th</sup> September 2015.

### b) Tobacco Trade Delegations :

#### 1. Trade Delegation to Egypt :

Chairman, Tobacco Board led the Tobacco Trade Delegation to Cairo, Egypt during 18<sup>th</sup> to 20<sup>th</sup> April 2015.

Sri P.Manoj Reddy, Manager (Marketing & Exports) and Sri Sandeep Verma, Under Secretary, Department of Commerce, Government of India deputed by the Government and 9 trade members have participated in the Trade delegation.

#### 2. Trade Delegation to Beijing, China :

Chairman, Tobacco Board led the Tobacco Trade Delegation to Beijing, China during 17<sup>th</sup> to 20<sup>th</sup> June 2015.

Sri P.Manoj Reddy, Manager (Marketing & Exports) deputed by the Government and 8 Trade members have participated in the Trade delegation.

#### 3. Follow up trade delegation to China - Kunming, Beijing, Jinan :

Chairman, Tobacco Board led the Tobacco Trade Delegation to Kunming, Beijing, Jinan, China during 28<sup>th</sup> July to 4<sup>th</sup> August 2015.

Sri P.Manoj Reddy, Manager (Marketing & Exports) deputed by the Government and 3 trade members have participated in the Trade delegation.

## IMPLEMENTATION OF OFFICIAL LANGUAGE

### I. HINDI IMPLEMENTATION

During the period under report every effort was made to accelerate the implementation of the Official Language Act.

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

1. Letters received in Hindi were replied in Hindi.
2. General orders were issued bilingually
3. 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.
4. The forms and applications of different sections of Board were issued bilingually.
5. Standard stationery is printed bilingually e.g. Envelopes, File folders, Letter heads etc.
6. All rubber stamps were made bilingual and all name plates were made trilingual/bilingual.
7. 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 bilingually.

### III. PROGRAMME OF HINDI TEACHING SCHEME

Eligible employees of the Board were nominated to the Classes of Hindi Teaching Scheme. **16** employees were trained in Hindi **Pragya**.

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

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

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

Four meetings i.e. 109<sup>th</sup> (06/05/2015), 110<sup>th</sup> (23/07/2015), 111<sup>th</sup> (27/11/2015) and 112<sup>th</sup> (16/02/2016) meetings 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.

## VI. HINDI WEEK :

Hindi Week was celebrated from 7<sup>th</sup> Sep to 14<sup>th</sup> September, 2015 in the Tobacco Board. As a part of celebrations, two Hindi workshops were conducted on 7<sup>th</sup> Sep & 8<sup>th</sup> Sep, 2015 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 of Hindi workshops and competitions.

## VII. HINDI PERIODICALS AND LIBRARY

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

## VIII. HINDI ON COMPUTERS

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

## IX. HINDI WORKSHOP

Ten (10) Hindi Workshops were conducted during this period including two Hindi workshops conducted during Hindi Week i.e., from 07<sup>th</sup> Sep, 2015 to 08<sup>th</sup> Sep, 2015.

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



Sri C.S.S. Patnaik, Executive Director i/c, Sri Bipin Bihari Choudhury, IOFS, Director (Auctions) and Sri P. Satyanarayana, Hindi Officer addressing in the gathering during Hindi Diwas celebrations held on 14/09/2015.

## FINANCE AND ACCOUNTS

As per 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 Section 14A of the Tobacco Board Act 1975, the Tobacco Board levies fees in the form of "Service charges" for the services rendered at 2% on the value of tobacco marketed on its auction platforms. The service charges so levied are equally collected from the grower and buyer at 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 Auction Regulations, 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.

The 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 2015 auctions, the Penalty @ ₹ 2/- per Kg & 7.5% for the excess tobacco produced by registered growers and upto the extent of the quota authorized. Further, ₹ 2/- per Kg. & 15% over and above the limit of 10% of the quota authorized from registered growers and unregistered growers for the tobacco produced in Andhra Pradesh and Karnataka which includes service charges as per Section 14A of Tobacco Board Act 1975.

### II. CESS:

As per section 3(1) of Cess Act 1975 (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 at 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.

### 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 2015-16 have been prepared i.e. Budget Estimates and Revised Estimates with an outlay of ₹ 3,816.00 lakh and ₹ 2,866.60 lakh respectively under Plan Schemes covering the Capital Expenditure, Extension & Developmental schemes, Production schemes and Trading Wing schemes. Similarly, an amount of ₹ 11,241.35 lakh for Budget



Estimates and ₹ 12,769.63 lakh for Revised Estimates under Non-Plan for the year 2015-16 have been prepared and submitted to Government for approval.

An amount of ₹ 11,184.80 lakh has been booked as expenditure under both Plan & Non-Plan as against the budget outlay of ₹ 15,636.23 lakh. Of which, the Plan expenditure was ₹ 634.50 lakh and the Non-Plan Expenditure was ₹ 10,550.30 lakh.

During the Financial Year 2015-16, an amount of ₹ 15,387.68 lakh 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 ₹ 12,454.80 lakh made in R.E.2015-16.

Statement showing the actual funds flow under Plan and Non-Plan since 2004-05 to 2015-16 is placed at **Page.No.119**.

#### 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, Tobacco Board Employees General Provident Fund, Tobacco Board Employees Pension Fund, Tobacco Board Employees New Pension Scheme(Tier-I), Tobacco Growers Welfare Fund of the Tobacco Board for the year 2015-16 along with the Notes on accounts and Funds Flow statement for the period from 2004-05 to 2015-16 are enclosed herewith to incorporate into the Annual Report of the Board for the year 2015-16.

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

**TOBACCO FUND ACCOUNT - FINANCIAL STATEMENTS**

**BALANCE SHEET AS AT 31/03/2016**

( ₹ In thousands)

| Particulars                                                      | Schedule | Current Year               | Previous Year  |
|------------------------------------------------------------------|----------|----------------------------|----------------|
| <b>CORPUS / CAPITAL FUND AND LIABILITIES</b>                     |          |                            |                |
| 1. Corpus/Capital Fund                                           | 1        |                            |                |
| a) Tobacco Fund                                                  |          | 6079018                    | 5886309        |
| 2. Reserves and Surplus                                          |          |                            |                |
| 3. Earmarked/Endowment Funds                                     |          |                            |                |
| a) Margin for Comm. Operations<br>(Grant-in-aid to Trading Wing) |          | 188885                     | 173467         |
| b) Tobacco Board Employees General Provident Fund                |          | 239865                     | 214276         |
| c) Tobacco Board Employees Pension Fund                          |          | 1003605                    | 873526         |
| d) Tobacco Board Employees New Pension Scheme                    |          | 25283                      | 17610          |
| e) Tobacco Growers Welfare Fund Scheme                           |          | 500816                     | 433531         |
| 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        | 952579                     | 585884         |
| <b>TOTAL</b>                                                     |          | <b>8990051</b>             | <b>8184603</b> |
| <b>ASSETS</b>                                                    |          |                            |                |
| 1. Fixed Assets                                                  | 8        | 1170968                    | 1075757        |
| 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                                                  |          | 5860629                    | 5396436        |
| b) Margin for Comm. Operations(Grant-in-aid to Trading Wing)     |          | 188885                     | 173467         |
| c) Tobacco Board Employees General Provident Fund                |          | 239865                     | 214276         |
| d) Tobacco Board Employees Pension Fund                          |          | 1003605                    | 873526         |
| e) Tobacco Board Employees New Pension Scheme                    |          | 25283                      | 17610          |
| f) Tobacco Growers Welfare Fund Scheme                           |          | 500816                     | 433531         |
| 5. Miscellaneous Expenditure                                     |          | 0                          | 0              |
| <b>TOTAL</b>                                                     |          | <b>8990051</b>             | <b>8184603</b> |
| <b>Significant Accounting Policies</b>                           | 24       | <b>Placed at Schedules</b> |                |
| <b>Contingent Liabilities and Notes on Accounts</b>              | 25       | <b>Placed at Schedules</b> |                |

Sd/xx xx xx  
(MANOJ KUMAR DWIVEDI)  
**CHAIRMAN & JOINT SECRETARY**

ANNUAL REPORT 2015-2016

**TOBACCO FUND ACCOUNT - FINANCIAL STATEMENTS**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD/YEAR ENDED 31<sup>st</sup> MARCH 2016**

(₹ In thousands)

| Particulars                                                                      | Current<br>Year        | Previous<br>Year | Sche-<br>dule | Current<br>Year | Previous<br>Year |
|----------------------------------------------------------------------------------|------------------------|------------------|---------------|-----------------|------------------|
| <b>1. INCOME</b>                                                                 |                        |                  |               |                 |                  |
| 1. Income from Sales/Services                                                    |                        |                  | 12            | 602904          | 650338           |
| 2. Grants/Subsidies                                                              |                        |                  | 13            | 0               | 0                |
| 3. Fees/Subscriptions                                                            |                        |                  | 14            | 20908           | 13015            |
| 4. Income from Investments(From earmarked/<br>endowment Funds transfer to Funds) |                        |                  | 15            |                 |                  |
| a) Tobacco Fund                                                                  |                        |                  |               | 434913          | 427454           |
| b) Margin Money for Comm. Operations<br>(Grant-in-aid to Trading Wing)           |                        |                  |               | 15418           | 15159            |
| 5. Income from Royalty and Publications                                          |                        |                  | 16            | 317             | 826              |
| 6. Interest earned                                                               |                        |                  | 17            | 1818            | 2568             |
| 7. Other Income                                                                  |                        |                  | 18            |                 |                  |
| a) Tobacco Fund                                                                  |                        |                  |               | 460252          | 587371           |
| 8. Increase/(Decrease) in stock of Finished<br>Goods and Works in Progress       |                        |                  | 19            | 0               | 0                |
| <b>Total</b>                                                                     |                        |                  |               | <b>1536530</b>  | <b>1696731</b>   |
| <b>2. EXPENDITURE</b>                                                            |                        |                  |               |                 |                  |
| <b>a) Tobacco Fund</b>                                                           |                        |                  |               |                 |                  |
| I. Establishment Expenses                                                        |                        |                  |               |                 |                  |
| i) Non-Plan                                                                      |                        |                  | 20            | 769903          | 567474           |
| II. Other Administrative Expenses                                                |                        |                  |               |                 |                  |
| i) Non-Plan                                                                      |                        |                  | 21            | 473593          | 290166           |
| ii) Plan                                                                         |                        |                  | 21            | 23596           | 24968            |
| III. Expenditure on Grants, Subsidies                                            |                        |                  | 22            | 0               | 0                |
| IV. Interest                                                                     |                        |                  | 23            | 0               | 0                |
| V. Depreciation (Net Total at the year end -<br>Corresponding to Schedule 8)     |                        |                  | 8             | 43552           | 26789            |
| <b>Total</b>                                                                     |                        |                  |               | <b>1310644</b>  | <b>909397</b>    |
| <b>3. Balance being excess of income over<br/>Expenditure (1-2)</b>              |                        |                  |               |                 |                  |
| a) Tobacco Fund                                                                  | 210468                 | 772175           |               |                 |                  |
| b) Margin Money for Commercial Operations<br>(Grant-in-aid to Trading Wing)      | 15418                  | 15159            |               | <b>225886</b>   | <b>787334</b>    |
| 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                                                |                        |                  |               | 17759           | 3809             |
| b) Commercial Taxes Penalties (KVAT)                                             |                        |                  |               | 0               | 30456            |
| c) Service Tax Interest & Penalties                                              |                        |                  |               | 0               | 23835            |
| d) Pension Fund Liability                                                        |                        |                  |               | 0               | 181243           |
| <b>4. Balance being surplus / deficit carried to<br/>Corpus / Capital Fund</b>   |                        |                  |               | <b>208127</b>   | <b>547991</b>    |
| a) Tobacco Fund                                                                  | 192709                 | 532832           |               |                 |                  |
| b) Margin Money for Comm. Operations<br>(Grant-in-aid to Trading Wing)           | 15418                  | 15159            |               |                 |                  |
| <b>5. SIGNIFICANT ACCOUNTING POLICIES</b>                                        | 24 Placed at schedules |                  |               |                 |                  |
| <b>6. CONTINGENT LIBAILITIES AND NOTES ON ACCOUNTS</b>                           | 25 Placed at schedules |                  |               |                 |                  |

Sd/xx xx xx  
(MANOJ KUMAR DWIVEDI)  
CHAIRMAN & JOINT SECRETARY

## VII SCHEDULE-24:

### SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2016

#### 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 stationery and consumable items for the year ending 31/03/2016 valued at 41,66,979.01 have been shown under Closing Stock account by taking into consideration the actual purchase price of the items. The value of stationery and consumable items is shown as the opening balance for the ensuing year.

#### 3. Investments:

The Board invested the surplus funds in the form of Fixed Deposits with the Nationalized Banks as per rule 23(2) of the Tobacco Board Rules, 1976. The total investments of Tobacco Fund are with the nationalized banks in Andhra Pradesh and Karnataka for the year ending 2015-16 was ₹ 512,69,05,032.39. As suggested by the audit, these fixed deposits amount exhibited in the schedule-11 of Current assets, Loans & Advances: With Schedule 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.

#### 4. Excise Duty: Nil

#### 5. Fixed Assets:

An amount of ₹ 16,34,17,362.00 was capitalized as capital expenditure from the advances released for ₹ 18,69,83,860.00 to CPWD and RITES for construction of auction platforms & office buildings both in Andhra Pradesh and Karnataka. Further, an amount of ₹ 48,14,556.21 was incurred towards purchase of furniture & office equipment, computers, vehicles etc. The total capital expenditure comes to ₹ 16,82,31,918.21 during the financial year ending 31<sup>st</sup> March 2016. The assets valued unserviceable items ₹ 1,48,46,144.00 was deleted from the total value of assets pertaining to the Buildings, furniture & fixtures, office equipment, Electrical Equipment, Motor vehicles, Copier machine etc.

#### 6. Depreciation:

As suggested by the Audit, the rates of depreciation prescribed under Companies Act 2013 - SLM method as mentioned in the Income Tax Act, 1961 by providing residual value of 5% on value of each asset has been adopted for calculation of depreciation on the fixed assets of the Board from the financial year 2014-15 onwards. The depreciation of previous year has been taken into account. The rates of depreciation on different assets adopted by the Board are as under:

1. Land – Leasehold : 360 months period
2. Buildings – On lease hold lands: 276 months period
3. Freehold Buildings : 1.58% (RCC Roof) & 3.17% Non-RCC
4. Furniture & Fittings, Electrical Equipment : 9.50%  
Cycles, Library Books, Misc. Equipment, Tarpaulins: 9.50%  
Trolleys, Weighing Scales, & Cubicles: 9.50%
5. Office Equipment, Demonstration Equipment: 19.00%  
Scientific Equipment, Copier Machine: 19.00%
6. Fire Extinguishers : 19%
7. Computers: 31.67%

In respect of trolleys, there is no specific percentage available in the Companies Act. The usage of trolleys is very rough by the Muttu 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 @ 9.50%.

In respect of fire extinguishers, the material used in the cylinders became absolute 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. Hence, the rate of depreciation adopted for fire extinguishers is @ 19% as per the life span of extinguishers.

Similarly, for copier machine also the rate of depreciation @ 19% per annum was adopted as the life of the copier machine 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.

Total amount of ₹ 6,13,11,371.54 was depreciated on the fixed assets of Tobacco Board as on 31/03/2016 along with previous years depreciation on the assets.

#### **7. Misc. Expenditure and Misc. Receipts:**

An amount of ₹ 1,45,28,3058.60 was incurred on account of Misc. Expenditure account for the year ending 31<sup>st</sup> March 2016 which consists of Maintenance of generators, purchase of water, electrical repairs & replacements, expenditure on sweepings etc.

An amount of ₹ 4,67,82,067.47 was realized on account of Misc. Receipts account for the year ending 31<sup>st</sup> March 2016 which consists of penalties on seized tobacco through vigilance squads, difference cost of bale pattas, sale of GSP certificates, Subscriptions to newsletters, sale of newspapers, surplus interest under input loan accounts etc.

#### **8. Accounting for Sales: Nil**

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

No grants/subsidies have been drawn either from the Central Government or from the State Government during the financial year 2015-16.

#### **10. Foreign Currency Transactions:**

The Board incurred foreign currency towards advertisement charges in foreign magazines under brand publicity and for participation in exhibitions in abroad and trade delegations to abroad with the prior approval of the Government of India.

An amount of ₹ 68,39,564.73 was incurred consisting the heads of accounts of Export Promotion, Fairs & Exhibitions and Advertisement Abroad for the year ending 31<sup>st</sup> March 2016.

#### **11. Lease:**

The Board has taken on lease the auction platforms at Ongole-II, Kondepi, Tangutur-II in Andhra Pradesh and Kampalapura-I in Karnataka. The offices of the Directorate of Auctions, Bangalore, Regional Manager Offices of Rajahmundry and Periyapatna, Liaison Offices of New Delhi and Hyderabad were also taken on rental basis.



**12. Retirement Benefits:**

For the year ending 2015-16, an amount of ₹ 5,75,82,210.00 was paid on account of retirement benefits such as gratuity, leave salary & commutation of pension to the officials on attaining age of superannuation etc.

**VIII. SCHEDULE 25:****CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2016.****1. Contingent Liabilities:**

The details of contingent liabilities are indicated in the Balance sheet.

**2. Capital Commitments:**

During the financial year 2015-16, an amount of ₹ 138.59 lakh was sanctioned works to CPWD/RITES for execution of civil and electrical works in different auction platforms in Andhra Pradesh. Out of which, an amount of ₹ 77.85 lakh released as advance to attend for the works sanctioned to CPWD/RITES in Andhra Pradesh & Karnataka.

**3. Lease Obligations:**

The details of lease obligations for renting of premises taken by the Board and are in operation are given under serial no.11 of Schedule 24 of Notes on Accounts of the Balance Sheet.

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

An amount of ₹ 586,06,29,045.47 was available under current assets, loans and advances as per the 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 TOBACCO FUND ACCOUNTS

### Formation:

The Tobacco Board was established under an Act of Parliament in 1975 with its headquarters at Guntur, Andhra Pradesh.

### 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 crore 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.

### Composition of the Board:

Under section 4(4) of the Tobacco Board Act 1975, the Board shall consist 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 are 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;

### Functions:

The Tobacco Board discharges its functions as per Section 8 of Tobacco Board Act 1975.

### Finance, Accounts and Audit:

As per 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.

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.

As per section 19 of the Tobacco Board Act 1975,

19(1) : The Tobacco Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the Income & 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.

19(2) : The accounts in 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 of India.

19(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.

19(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.

#### **Resources and their depiction in the accounts:**

The major receipt of the Tobacco Board consists:

1. As per section 14A (1) of the Tobacco Board Act 1975, 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:
 

(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.
2. The 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 vary from time to time. During 2015 auctions, the Penalty @ ₹2/- per Kg & 7.5% for the excess tobacco produced by registered growers and up to the extent of the quota authorized. Further, ₹2/- per Kg. & 15% on the above the limit of 10% of the quota authorized from registered growers and unregistered growers for the tobacco produced in Andhra Pradesh and Karnataka which includes service charges as per Section 14A of Tobacco Board Act 1975.
3. Buyer's authorization fee and registration fee collected from growers, dealers, packers, exporters, manufacturers, Processors etc. as per Tobacco Board

Act, Rules/Regulations. The Interest on fixed deposits, interest from officers & staff on loans & advances and various misc. receipts are also receipts of the Board.

#### Financial transactions in general:

1. 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.
2. The major item of expenditure of the Board consists of revenue nature of expenditure including establishment and administrative expenditure under Non-Plan.
3. The capital expenditure and revenue expenditure for implementation of various extension & developmental schemes under Plan.
4. The assets have been capitalized during the financial year ending 31<sup>st</sup> March 2016 as against the advances released to the executing agencies (CPWD/ RITES). These assets are capitalized with reference to the expenditure statement in Form-65 submitted by them to the tune of ₹ 14,63,10,911.00 for capital works, maintenance works and electrical works.
5. The Board has taken the cut-off date as on 31/05/2016 for the purpose of calculation of outstanding liabilities and the amounts payable to CPWD & RITES for the works competed as on 31/03/2016 was calculated as Outstanding Liabilities with reference to the suggestion of Audit Party.
6. Under GPF account, an amount of ₹ 23,98,65,583.45 was available as per the books of accounts. As per Broad sheet the amount payable to officials is ₹ 22,92,53,643.00 includes interest on subscriptions. Surplus amount of ₹ 1,06,11,940.45 is on account of interest realized on FDRs is more than the interest payable to official's contribution to General Provident Fund(GPF).
7. 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. Under this account, an amount of ₹ 2,52,82,645.00 was available as per books of accounts. An amount of ₹ 2,44,94,878.00 is 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 ₹ 7,87,767.00 in on account of interest realized on FDRs is more than the interest payable to officials contribution under NPS.

8. 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 sub-judice. 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 and 28/07/2015. The approval of the Government in respect of the said proposals is awaited.

9. The classification of Plan and Non-Plan Expenditure under Income and Expenditure account has been maintained. The expenditure incurred under Extension & Developmental Schemes both for Andhra Pradesh and Karnataka were shown separately and the expenditure has been incurred from Head Office Guntur

An amount of ₹ 153.88 crore has been realized on account of Board's Receipts. Against which, an amount of ₹ 111.84 crore incurred towards the expenditure for the year 2015-16. Of which, the Plan expenditure was ₹ 6.34 crore and the Non-Plan Expenditure was ₹ 105.50 crore.

10. 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.

11. The depreciation on fixed assets has been calculated on pro-rata monthly basis.

12. 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.

13. The amount of ₹ 110.65 lakh in respect of creation of contingent liability is under sub-judice with the Additional District Judge Court, Kovvur regarding

Gopalapuram auction platform. The arguments did not take place for the end of financial year 2015-16 and the requirement payments are to be effected in the books of accounts as per the directions of the Hon'ble Court.

14. The amount of ₹13.38 lakh in respect of creation of contingent liability is under sub-judice with the Additional Senior Civil Judge, Ongole, Prakasam District, Andhra Pradesh regarding Ongole-II auction platform. The petitioner claiming rents for early evicting of his premises taken on lease by the Board against the agreement time. The damages claimed are ₹ 13.38 lakh + 18% interest on it from 31/12/2015 and other legal costs. The arguments did not take place by the end of financial year 2015-16. The requirement payments are to be effected in the books of accounts as per the directions of the Hon'ble Court.
15. 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 31/03/2016.
16. Government of India vide its letter NO.5/7/2015-EP(Agri.VI), dated 02/10/2015 has given approval for payment of one time compensation @ ₹ 20/- per Kg (Central Government Share @ ₹ 15/- per Kg. from the accumulated reserves of Tobacco Board + Government of Andhra Pradesh share @ ₹ 5/- per Kg. as promised contribution) as special case to the registered growers of FCV tobacco for the identified low grade varieties of FCV tobacco viz. dark greens (F9/NDG variety) and Thin bodied perished leaf (F10) and NOG (BX 2) variety with effect from 19/09/2015 to ameliorate their acute distress conditions during 2015 Andhra Pradesh auctions on account of turnout of higher percentage of low grade production due to abnormal weather conditions viz. untimely rains, incidence of tobacco root parasite orabanche as well as conditions of depressed market conditions, overall side in the world commodity prices and consistent rejections of low grade tobacco at the auction platforms of Tobacco Board.

With reference to the above, An amount of ₹ 22,46,06,138.00 was paid to the 27,950 growers for a quantity of 11.23 M.Kgs. which consists of Government of India's (Tobacco Board) share of ₹ 16,84,54,603.50 and Andhra Pradesh Government share of ₹ 5,61,51,534.50. The amount incurred by the Board shown as expenditure under the head of account of Financial Relief to growers (crop/barn damages). The Andhra Pradesh Government's Share was received by the Board and the same was paid to the growers. The same was shown in Receipts and Payments Statement as receipts and payments. The compensation amounts were directly credited to the growers individual accounts covering 558 banks in the regions of SLS/SBS/NBS/NLS in Andhra Pradesh.

17. A liability for an amount of ₹ 10.00 crore was provided towards payment of Leave Salary, Gratuity and half pay leave for the year 2013-14, 2014-15 and 2015-16. On receipt of the approval from the Government, the exact calculation amount of gratuity, leave salary and half pay will worked out and provided the actual liability while preparing the annual accounts for the ensuing year.
18. Under Tobacco Board Employees Pension Fund account, the LIC of India has submitted the proposal to deposit an amount of ₹ 28.10 crore as against the total liability amount of ₹ 128.45 crore after taking into account of the funds available for ₹ 100.35 crore as on 31/03/2016 as per the calculation of actuarial valuation of superannuation and family pension fund. For the balance amount of ₹ 28.10 crore is taken as liability in the books of accounts.
19. All the Known liabilities are brought under Current Liabilities as against Provisions under Uniform Format of Accounts.
20. The amounts payable to Service Tax department towards service tax and penalties in different cases are taken as provisional liability as the cases are under sub-judice with CESTAT Bangalore, Hyderabad and the Commissioner (Appeals), Central Excise & Service Tax, Guntur and amounts dues from companies as current assets in the books of accounts.
21. The fund accounts maintained 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 by the Audit.
22. With reference to the D.O. letter No. PDCA/ACDesk/TB/2014-15/ 1.42/439, dated 02/11/2015 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 2015-16 as under:
  - a) The amount capitalized for ₹ 102.27 lakh was rectified from head of accounts of Buildings and Electrical Equipment accounts to Maintenance of auction platforms in Karnataka.
  - b) The amounts payable towards retirement benefits, property tax, maintenance of computers, Automation of Office(MIS) online, Advertisement in India etc. have been provided as outstanding liabilities in the books of accounts as on 31/03/2016.

**Sd/-xx xx xx**

(C.S.S.PATNAIK)

SECRETARY & MANAGER (F&A)

**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 2016**

We have audited the attached Balance Sheet of Tobacco Board, Guntur as at 31 March 2016 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. Balance Sheet

### Current Assets, Loans and Advances (Schedule-11)

#### Bank Balances - On Deposit Accounts (FDRs) ₹ 51,269.05 lakh

The Board has deposited ₹ 91.37 Lakh and given Bank Guarantee (BG) of ₹ 213.19 Lakh in court to obtain stay order towards payment of tax of ₹ 304.55 Lakh to Government of Karnataka, Commercial Tax department on the sale of fertilizers between April 2009 to May 2009. To obtain the BG, the Board had made a fixed deposit for equivalent amount of ₹ 213.19 Lakh (30 October 2014) for one year with a maturity value of ₹ 233.15 Lakh. The maturity value was further renewed as FDR up to 30/10/2016. During the year 2014-15, the Board treated (refer notes to accounts for the year 2014-15) an amount of ₹ 304.55 Lakh (fixed deposit of ₹ 213.19) Lakh and deposit ₹ 91.37 Lakh) as expenditure. The Board has, therefore, not accounted the FDR in its cash and Bank Balances.

This has resulted in understatement of Bank Deposits by ₹ 233.15 Lakh, Deposit with court by ₹ 91.37 Lakh, understatement of interest earned on fixed deposit and accrued income by ₹ 27.19 lakh (prior period income ₹ 8.32 Lakh and current year income ₹ 18.87 Lakh), understatement of surplus carried to corpus / capital fund and understatement of corpus / capital fund by ₹ 331.75 Lakh<sup>1</sup>.

## B. Income and Expenditure Account

The Board has a practice of routing the interest on Earmarked fund (Margin Money Comm. Operations) through Income and Expenditure Account instead of accounting the same under respective fund directly. This has resulted in overstatement of income and surplus by ₹ 151.59 lakh.

## C. Significant Accounting policies

All the items under Schedule 24 of the Financial Statements are in the nature of explanatory notes and do not specify the adopted Accounting Policies. The Board needs to disclose the Accounting Policies adopted in preparation of Financial Statements.

## D. General

The Board has taken the cutoff date for incorporating all the outstanding liabilities in the books of accounts up to 31<sup>st</sup> May 2016. Liability is not provided in the financial statements for the year 2015-16 for any of the payments made after 31<sup>st</sup> May 2016 even though they accrued during the accounting period

1. Incorrect expenditure accounted during 2014-15 ₹91.37 Lakh + ₹ 213.19 Lakh = ₹ 304.5 Lakh  
Interest income not accounted during 2014-15 ₹ 8.32 Lakh  
Understatement of previous years surplus (A) = ₹ 304.56 + ₹ 8.32 Lakh = ₹ 312.88 Lakh  
Interest income not accounted during 2015-16 (B) ₹ 18.87 Lakh  
Understatement of overall corpus fund up to 2015-16 (A+B) = ₹ 312.88 Lakh + ₹ 18.87 Lakh = ₹ 331.75 lakh

2015-16. This system of accounting is against the fundamental accounting assumption of accrual basis as per which the method of recording transactions by which revenues, costs, assets and liabilities are recognized in the accounts in the period in which they accrue, i.e., when they occur than when cash or cash equivalent is received or paid. This has also resulted in non-compliance with the provisions of Uniform format of Accounts prescribed for Autonomous Bodies which state that the accounts of Autonomous Bodies shall be prepared on accrual basis.

#### **E. Management letter**

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

5. Subject to our observations in the preceding paragraphs, we report that the Balance sheet and Income & Expenditure Account / Receipts & Payment Account dealt with by this report are in agreement with the books of accounts.
6. 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 31st March 2016; 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  
(Arabinda Das)  
Principal Director  
O/o the Principal Director of Commercial Audit &  
Ex-Officio Member, Audit Board,  
Hyderabad

Place: Hyderabad  
Date: 26 October 2016

## ANNEXURE

### 1. Adequacy of Internal Audit System

Internal Audit system of the Tobacco Board is not adequate and 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 not remitted the statutory dues like Property Tax and the Service Tax within the stipulated date.

Sd/xx xx xx  
(Arabinda Das)  
Principal Director  
O/o the Principal Director of Commercial Audit &  
Ex-Officio Member, Audit Board,  
Hyderabad

| <b>TOBACCO BOARD</b><br><b>MINISTRY OF COMMERCE &amp; INDUSTRY, DEPARTMENT OF COMMERCE, GOVERNMENT OF INDIA, GUNTUR</b><br><b>TOBACCO FUND ACCOUNT - FINANCIAL STATEMENTS</b><br><b>Receipts and Payments for the period/year ended 31<sup>st</sup> March, 2016</b><br><b>(Amount in ₹)</b> |               |               |                                          |              |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|------------------------------------------|--------------|---------------|
| Receipts                                                                                                                                                                                                                                                                                    | Current Year  | Previous Year | Payments                                 | Current Year | Previous Year |
| <b>I. Opening Balances:</b>                                                                                                                                                                                                                                                                 |               |               | <b>I. Establishment Expenses</b>         |              |               |
| <b>A. Tobacco Fund:</b>                                                                                                                                                                                                                                                                     |               |               | 1. Salaries & Wages                      | 405618530.00 | 379752009.00  |
| <b>Bank Balances</b>                                                                                                                                                                                                                                                                        |               |               | 2. Allowances & Bonus                    | 3636822.00   | 3185765.00    |
| (i) Current Accounts                                                                                                                                                                                                                                                                        | 314004806.28  | 883041728.64  | 3. Contribution to Provident Fund        | 0.00         | 0.00          |
| (ii) Deposit Accounts                                                                                                                                                                                                                                                                       | 4673781975.08 | 4075364807.42 | 4. Contribution to Pension Fund          | 180500000.00 | 118000000.00  |
| (iii) Savings Accounts                                                                                                                                                                                                                                                                      | 0.00          | 0.00          | 5. Contri. to Pension Fund (NPS)         | 2925678.00   | 2154665.00    |
| <b>II. Grants Received</b>                                                                                                                                                                                                                                                                  | 0.00          | 0.00          | 6. Staff Welfare Expenses                | 0.00         | 0.00          |
| <b>III. Investments and Deposits made</b>                                                                                                                                                                                                                                                   |               |               | 7. Retirement & Terminal Benefits        | 50030709.00  | 51807188.00   |
| i) Earmarked/Endowment Funds                                                                                                                                                                                                                                                                | 0.00          | 0.00          | 8. Others:                               |              |               |
| ii) Own Funds(Investments)                                                                                                                                                                                                                                                                  | 0.00          | 0.00          | a) Leave Salary & Pension Contribution   | 970865.00    | 428292.00     |
| <b>IV. Income on Investments</b>                                                                                                                                                                                                                                                            |               |               | b) Medical Claims (Officers & Staff)     | 7981288.00   | 7921582.00    |
| i) Earmarked/Endowment Funds                                                                                                                                                                                                                                                                | 0.00          | 0.00          | c) LTC Claims                            | 786046.00    | 2689066.00    |
| ii) Own Funds                                                                                                                                                                                                                                                                               |               |               | d) Uniform to Staff                      | 168213.00    | 192086.00     |
| a) Interest on Fixed Deposits                                                                                                                                                                                                                                                               | 448098852.05  | 393284685.66  | <b>II. Other Administrative Expenses</b> |              |               |
| iii) Rents                                                                                                                                                                                                                                                                                  |               |               | 1. O.T. A. to Staff                      | 80142.00     | 92611.00      |
| a) Rents on Premises lease                                                                                                                                                                                                                                                                  | 2109170.00    | 1756443.00    | 2. T.A. to Officers & Staff              | 8631618.00   | 12757033.00   |
| <b>V. Interest Received</b>                                                                                                                                                                                                                                                                 |               |               | 3. T.A. to Board Members                 | 339507.00    | 633097.00     |
| a) On Bank Deposits                                                                                                                                                                                                                                                                         | 0.00          | 0.00          | 4. Maint of Admn.builds/Auction Floors   | 5570904.00   | 4205666.00    |

## Receipts and Payments for the period/year ended 31<sup>st</sup> March, 2016

(Amount in ₹ )

| Receipts                                  | Current Year | Previous Year | Payments                                | Current Year | Previous Year |
|-------------------------------------------|--------------|---------------|-----------------------------------------|--------------|---------------|
| b) Loans & Advances (Officials)           | 1817583.00   | 2568068.00    | 5 Rent of Buildings                     | 16599013.00  | 19892037.00   |
| <b>VI. Other Income</b>                   |              |               | 6. Printing and Stationery              | 7374229.50   | 8312229.00    |
| 1. Growers,Barns,Nursery Registration Fee | 14285685.80  | 7269637.29    | 7. Electricity Charges                  | 11335897.00  | 9021301.00    |
| 2. Exporters Registration Fee             | 1113062.00   | 915300.00     | 8. Postage & Telephone Charges          | 6001125.39   | 5422049.66    |
| 3. Products Registration Fee              | 1597200.00   | 1683000.00    | 9. Expenditure on Meetings              | 918333.00    | 1205484.00    |
| 4. Dealers Registration Fee               | 1570544.00   | 1502002.00    | 10. Miscellaneous Expenditure           | 14545324.60  | 13958735.12   |
| 5. Packers Registration Fee               | 151000.00    | 90600.00      | 11. Entertainment Charges               | 863714.00    | 1027471.00    |
| 6. Processors Registration Fee            | 196200.00    | 191000.00     | 12. Subscription to Journals            | 275022.00    | 307474.00     |
| 7. Commercial Graders Registration Fee    | 125250.00    | 85250.00      | 13. Repairs to Furniture & other assets | 1511981.00   | 1462210.00    |
| 8. Manufacturers Registration Fee         | 1131500.00   | 818500.00     | 14. Conveyance Charges                  | 529517.00    | 388050.00     |
| 9. Sale of Priced Publications            | 317290.00    | 825655.72     | 15. Workshops & Seminars                | 0.00         | 0.00          |
| 10. Miscellaneous Receipts                | 53469725.23  | 53083156.23   | 16. Rates & Taxes                       | 4303908.00   | 2551311.00    |
| 11. Service charges on FCV tobacco        | 602903933.76 | 650337944.24  | 17. Bank charges                        | 11707.00     | 79314.65      |
| 12. Penalty @ 6.5% from regd. Growers     | 104554402.58 | 215122863.59  | 18. Legal charges                       | 552500.00    | 448650.00     |
| 13. Penalty @ 2/- per Kg. from Growers    | 86656599.94  | 96219396.70   | 19. Hiring of Vehicles                  | 8769295.00   | 9370567.00    |
| 14. Penalty @ 14% from Growers            | 215750733.56 | 228881551.14  | 20. Maintenance of Vehicles             | 3990440.35   | 4071760.80    |
| 15. Buyers Authorisation Fee              | 775400.00    | 788900.00     | 21. Insurance                           | 1486035.00   | 1211290.00    |
| 16. Loans & Advances to staff             | 3344477.00   | 6784859.00    | 22. Audit Fee                           | 498420.00    | 623025.00     |
| 17. Loans & Advances to Cultivators       | 0.00         | 0.00          | 23. Interest Contribution to GPF        | 0.00         | 0.00          |
| <b>VII. Amount Borrowed</b>               |              |               | 24. Membership with other organisations | 0.00         | 0.00          |
| <b>VIII. Any Other Receipts</b>           |              |               | 25. Loan Recovery Expenditure           | 0.00         | 0.00          |
| 1) Other Liabilities                      | 300349678.54 | 190176469.52  | 26. Library Books                       | 11734.00     | 19260.00      |

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Receipts and Payments for the period/year ended 31<sup>st</sup> March, 2016  
(Amount in ₹ )

| Receipts                                                   | Current Year | Previous Year | Payments                                                           | Current Year | Previous Year |
|------------------------------------------------------------|--------------|---------------|--------------------------------------------------------------------|--------------|---------------|
| 2) Deposits with ACTO & Others                             | 4078896.50   | 586368.35     | 27. Maintenance of Computers                                       | 1509276.00   | 1871866.00    |
| 3) Compensation to Growers<br>(Andhra Pradesh Govt. Share) | 56151534.50  | 0.00          | 28. Service charges for weighing scales                            | 2516808.00   | 3328209.00    |
| <b>B. Margin Money for Comm.</b>                           | 180554956.00 | 164999244.00  | 29. Mutta labour charges                                           | 45841753.91  | 43562070.54   |
| <b>Operations (Grant-in-aid to Trading Wing)</b>           |              |               | 30. Construction of temporary structures                           | 0.00         | 0.00          |
|                                                            |              |               | 31. Human Resource Development                                     | 123033.00    | 45000.00      |
|                                                            |              |               | 32. Implementation of e-auction system                             | 67130364.47  | 65635899.00   |
|                                                            |              |               | 33. Automation of Office(MIS) online                               | 674208.00    | 1820232.00    |
|                                                            |              |               | 34. Regulation & Develop. of FCV tobacco                           | 515801.00    | 430437.00     |
|                                                            |              |               | 35. Scientific, Tech&Economic Research                             | 454136.00    | 843310.00     |
|                                                            |              |               | 36. Imp. & Maint. of MKTG facilities                               | 42119.00     | 22000.00      |
|                                                            |              |               | 37. Financial Relief to growers<br>(Crop/Barn damages in cyclones) | 168454603.50 | 0.00          |
|                                                            |              |               | 38. Farmers Study Tours :Abroad                                    | 0.00         | 0.00          |
|                                                            |              |               | 39. Market Survey                                                  | 0.00         | 0.00          |
|                                                            |              |               | 40. Export Promotion                                               | 1413853.79   | 0.00          |
|                                                            |              |               | 41. Fairs & Exhibitions                                            | 4141113.43   | 3283053.84    |
|                                                            |              |               | 42. Publicity & Propaganda                                         | 3920848.51   | 5499994.48    |
|                                                            |              |               | 43. Farm Mechanization                                             | 823100.00    | 6924020.60    |
|                                                            |              |               | 44. Improving Yield & Quality of<br>FCV Tobacco.                   | 9035675.00   | 6917655.00    |
|                                                            |              |               | 45. Improving of Curing Practices                                  | 670502.00    | 1091625.00    |
|                                                            |              |               | 46. Elimination of NTRMs & Product Integrity                       | 7098984.00   | 4559203.00    |

## Receipts and Payments for the period/year ended 31<sup>st</sup> March, 2016

(Amount in ₹)

| Receipts | Current Year | Previous Year | Payments                                                              | Current Year | Previous Year |
|----------|--------------|---------------|-----------------------------------------------------------------------|--------------|---------------|
|          |              |               | 47. PHPM Measures - Bulking sheds/Model Storage facilities            | 240000.00    | 632500.00     |
|          |              |               | 48. Other Extension Programmes                                        | 2105930.00   | 1916687.00    |
|          |              |               | 49. On-farm Tests & Experimental Trials                               | 455134.00    | 485343.00     |
|          |              |               | 50. Model Project Area                                                | 2730353.50   | 2433293.60    |
|          |              |               | 51. Tobacco Growers Welfare Fund (Board's Share)                      | 6084000.00   | 11000000.00   |
|          |              |               | 52. Commercial Taxes Penalties(KVAT)                                  | 0.00         | 21318975.00   |
|          |              |               | 53. Service Tax interest & Penalties                                  | 35873.00     | 20153883.00   |
|          |              |               | <b>III. Payments Made against Funds for various Projects</b>          | 0.00         | 0.00          |
|          |              |               | <b>III. Expenditure on Grants and Subsidies</b>                       | 0.00         | 0.00          |
|          |              |               | <b>IV. Investments and Deposits made</b>                              |              |               |
|          |              |               | a) Earmarked/Endowment Funds                                          | 0.00         | 0.00          |
|          |              |               | b) Own Funds                                                          | 0.00         | 0.00          |
|          |              |               | <b>V. Expenditure on Fixed Assets &amp; Capital Works in Progress</b> |              |               |
|          |              |               | 1. Purchase of Fixed Assets                                           | 4814556.21   | 7784496.35    |
|          |              |               | 2. Advances to:                                                       |              |               |
|          |              |               | a) CPWD                                                               | 21627483.00  | 106726928.00  |
|          |              |               | b) RITES                                                              | 18003465.00  | 35650673.00   |
|          |              |               | c) NSDRC                                                              | 0.00         | 0.00          |
|          |              |               | 3. Expenditure on Capital works in Progress:                          | 0.00         | 0.00          |





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**Receipts and Payments for the period/year ended 31<sup>st</sup> March, 2016** (Amount in ₹ )

| Receipts | Current Year  | Previous Year | Payments                                                            | Current Year  | Previous Year |
|----------|---------------|---------------|---------------------------------------------------------------------|---------------|---------------|
|          |               |               | VI. Refund of Surplus money/Loans                                   | 0.00          | 0.00          |
|          |               |               | VII. Finance Charges (Interest)                                     | 0.00          | 0.00          |
|          |               |               | VIII. Other Payments:                                               |               |               |
|          |               |               | 1) Loans and Advances to Staff                                      | 2397824.00    | 4791709.00    |
|          |               |               | 2) Loans & Advances to Cultivators                                  | 0.00          | 0.00          |
|          |               |               | 3) Other Liabilities                                                | 126296969.14  | 795113811.50  |
|          |               |               | 4) Deposits with ACTO & Others                                      | 237063.00     | 6557251.00    |
|          |               |               | 5) Compensation to Growers (AP Govt. Share)                         | 56151534.50   | 0.00          |
|          |               |               | 6) Margin Money for Comm. Operations (Grant-in-aid to Trading Wing) | 180554956.00  | 164999244.00  |
|          |               |               | IX. Closing Balances                                                |               |               |
|          |               |               | Bank Balances                                                       |               |               |
|          |               |               | i) Current Accounts                                                 | 459065584.63  | 314004806.28  |
|          |               |               | ii) Deposit Accounts                                                | 5126905032.39 | 4673781975.08 |
|          |               |               | iii) Savings Accounts                                               | 0.00          | 0.00          |
| Total    | 7068890455.82 | 6976377430.50 | Total                                                               | 7068890455.82 | 6976377430.50 |

Sd/-xx xx xx  
(MANOJ KUMAR DWIVEDI)  
CHAIRMAN & JOINT SECRETARY

**Tobacco Board Employees General Provident Fund account**  
**Receipts and Payments for the year ended 31<sup>st</sup> March 2016**

| Sl. No. | Receipts                               | Current Year        | Previous Year       | Sl.No. | Payments                         | Current Year        | Previous Year       |
|---------|----------------------------------------|---------------------|---------------------|--------|----------------------------------|---------------------|---------------------|
| I       | Opening Balances                       |                     |                     | I      | Expenses                         |                     |                     |
|         | a) Cash in Hand                        |                     |                     |        | a) Withdrawals                   | 59841545.00         | 67745758.00         |
|         | b) Bank Balances:                      |                     |                     |        | b) Advances paid                 | 224700.00           | 523614.00           |
|         | a) Savings account( SBH, Guntur)       | 1256.45             | 95414.45            |        |                                  |                     |                     |
|         | b) Investments (Fixed Deposits)        | 204904001.00        | 190604060.00        | II     | Closing Balances                 |                     |                     |
| II      | Income                                 |                     |                     |        | a) Cash in Hand                  | 0.00                | 0.00                |
|         | a) Interest on Fixed Deposits & SB a/c | 19020454.00         | 18004599.00         |        | b) Bank Balances:                |                     |                     |
|         | b) Subscriptions (Contri.)             | 65962040.00         | 63583808.00         |        | a) Investments (Fixed Deposits)  | 230493106.00        | 204904001.00        |
|         | c) Advances (Month recoveries)         | 707209.00           | 886748.00           |        | b) Savings account( SBH, Guntur) | 35609.45            | 1256.45             |
|         | <b>Total</b>                           | <b>290594960.45</b> | <b>273174629.45</b> |        | <b>Total</b>                     | <b>290594960.45</b> | <b>273174629.45</b> |

**Income and Expenditure account for the year ended 31<sup>st</sup> March 2016**

| Sl. No. | Expenditure                                     | Current Year       | Previous Year      | Sl. No. | Income                          | Current Year       | Previous Year      |
|---------|-------------------------------------------------|--------------------|--------------------|---------|---------------------------------|--------------------|--------------------|
| 1       | Withdrawals                                     | 59841545.00        | 67745758.00        | 1       | Subscriptions (Monthly Contri.) | 65962040.00        | 63583808.00        |
| 2       | Advances paid                                   | 224700.00          | 523614.00          | 2       | Advances(Monthly Recoveries)    | 707209.00          | 886748.00          |
| 3       | Balance being excess of Income Over Expenditure | 25589093.00        | 14629269.00        | 3       | Interest on Deposits & SB a/c   | 18986089.00        | 18428085.00        |
|         | <b>Total</b>                                    | <b>85655338.00</b> | <b>82898641.00</b> |         | <b>Total</b>                    | <b>85655338.00</b> | <b>82898641.00</b> |



## ANNUAL REPORT 2015-2016

## Tobacco Board Employees Pension Fund account

Receipts and Payments for the year ended 31<sup>st</sup> March 2016

(Amount in ₹ )

| Sl. No. | Receipts                            | Current Year         | Previous Year        | Sl.No. | Payments                       | Current Year         | Previous Year        |
|---------|-------------------------------------|----------------------|----------------------|--------|--------------------------------|----------------------|----------------------|
| I       | Opening Balances                    |                      |                      | I      | Expenses                       |                      |                      |
|         | a) Cash in Hand                     | 0.00                 | 0.00                 |        | Pension Payments to Pensioners | 0.00                 | 0.00                 |
|         | b) Bank Balances:                   |                      |                      |        | Pension Annuities(LIC)         | 125242216.00         | 135038259.00         |
|         | Savings account( SBH, Guntur)       | 64019.17             | 16358.17             |        |                                |                      |                      |
|         | Investments (Fixed Deposits)        | 873456911.00         | 818683976.86         | II     | Closing Balances               |                      |                      |
| II      | Income                              |                      |                      |        | a) Cash in Hand                | 0.00                 | 0.00                 |
|         | Interest on Fixed Deposits & SB a/c | 74826310.00          | 71858854.14          |        | b) Bank Balances:              |                      |                      |
|         | Pension Fund Contribution           | 180500000.00         | 118000000.00         |        | Investments (Fixed Deposits)   | 1003553544.00        | 873456911.00         |
|         |                                     |                      |                      |        | Savings account( SBH, Guntur)  | 51480.17             | 64019.17             |
|         | <b>Total</b>                        | <b>1128847240.17</b> | <b>1008559189.17</b> |        | <b>Total</b>                   | <b>1128847240.17</b> | <b>1008559189.17</b> |

Income and Expenditure account for the year ended 31<sup>st</sup> March 2016

(Amount in ₹ )

| Sl. No. | Expenditure                                     | Current Year        | Previous Year       | Sl. No. | Income                        | Current Year        | Previous Year       |
|---------|-------------------------------------------------|---------------------|---------------------|---------|-------------------------------|---------------------|---------------------|
| 1       | Pension Payments to Pensioners                  | 0.00                | 0.00                | 1       | Pension Fund Contributions    | 180500000.00        | 118000000.00        |
| 2       | Pension Annuities (LIC)                         | 125242216.00        | 135038259.00        | 2       | Interest on Deposits & SB a/c | 74821607.00         | 71863366.14         |
| 3       | Balance being excess of Income Over Expenditure | 130079391.00        | 54825107.14         |         |                               |                     |                     |
|         | <b>Total</b>                                    | <b>255321607.00</b> | <b>189863366.14</b> |         | <b>Total</b>                  | <b>255321607.00</b> | <b>189863366.14</b> |

**Tobacco Board Employees New Pension Fund Scheme account**  
**Receipts and Payments for the year ended 31<sup>st</sup> March 2016**

| Sl. No. | Receipts                            | Current Year       | Previous Year      | Sl.No.                        | Payments         | Current Year       | Previous Year      |
|---------|-------------------------------------|--------------------|--------------------|-------------------------------|------------------|--------------------|--------------------|
| I       | Opening Balances                    |                    |                    | I                             | Payments         |                    |                    |
|         | a) Cash in Hand                     | 0.00               | 0.00               | II                            | Closing Balances | 0.00               | 0.00               |
|         | b) Bank Balances:                   |                    |                    | a) Cash in Hand               |                  | 0.00               | 0.00               |
|         | Savings account( SBH, Guntur)       | 916.00             | 14707.00           | b) Bank Balances:             |                  |                    |                    |
|         | Investments (Fixed Deposits)        | 16775041.00        | 11379772.00        | Investments (Fixed Deposits)  |                  | 24191746.00        | 16775041.00        |
| II      | Receipts                            |                    |                    | Savings account( SBH, Guntur) |                  | 616.00             | 916.00             |
|         | Interest on Fixed Deposits & SB a/c | 1565049.00         | 1072148.00         |                               |                  |                    |                    |
|         | Pension Fund Contribution           | 5851356.00         | 4309330.00         |                               |                  |                    |                    |
|         | <b>Total</b>                        | <b>24192362.00</b> | <b>16775957.00</b> |                               | <b>Total</b>     | <b>24192362.00</b> | <b>16775957.00</b> |

**Income and Expenditure account for the year ended 31<sup>st</sup> March 2016**

| Sl. No. | Expenditure                                     | Current Year      | Previous Year     | Sl. No. | Income                        | Current Year      | Previous Year     |
|---------|-------------------------------------------------|-------------------|-------------------|---------|-------------------------------|-------------------|-------------------|
| 1       | Balance being excess of Income Over Expenditure | 7672409.00        | 5632411.00        | 1       | Pension Fund Contributions    | 5851356.00        | 4309330.00        |
|         |                                                 |                   |                   | 2       | Interest on Deposits & SB a/c | 1821053.00        | 1323081.00        |
|         | <b>Total</b>                                    | <b>7672409.00</b> | <b>5632411.00</b> |         | <b>Total</b>                  | <b>7672409.00</b> | <b>5632411.00</b> |



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**Tobacco Growers Welfare Fund Scheme account**  
**Receipts and Payments for the year ended 31<sup>st</sup> March 2016**

| Sl. No.       | Receipts                          | Current Year | Previous Year | Sl.No.    | Payments                        | Current Year | Previous Year |
|---------------|-----------------------------------|--------------|---------------|-----------|---------------------------------|--------------|---------------|
| (Amount in ₹) |                                   |              |               |           |                                 |              |               |
| <b>I</b>      | <b>Opening Balances</b>           |              |               | <b>I</b>  | <b>Payments</b>                 |              |               |
|               | a) Cash in Hand                   | 0.00         | 0.00          |           | i) Andhra Pradesh               |              |               |
|               | b) Bank Balances:                 |              |               |           | Marriage Loan (AP)              | 150000.00    | 25000.00      |
|               | i) Andhra Pradesh                 |              |               |           | Barn Damaged Loan(AP)           | 727500.00    | 0.00          |
|               | Investments (Fixed Deposits) (AP) | 230092117.00 | 200149746.00  |           | Major Illness Loan(AP)          | 465116.00    | 0.00          |
|               | Bank Balances with APFs(AP)       | 0.00         | 517912.00     |           | Education Loan(AP)              | 525000.00    | 0.00          |
|               | Savings account( SBH, Guntur)     | 872356.57    | 1617568.29    |           | Death Relief to the growers(AP) | 18990000.00  | 10850000.00   |
|               | ii) Karnataka                     |              |               |           | ii) Karnataka                   |              |               |
|               | Investments (Fixed Deposits)(KK)  | 168195175.00 | 161505275.00  |           | Marriage Loan (KK)              | 1325000.00   | 1275000.00    |
|               | Savings account( SBM Guntur)      | 13810049.47  | 4939557.26    |           | Major Illness Loan(KK)          | 100000.00    | 75000.00      |
| <b>II</b>     | <b>Receipts</b>                   |              |               |           | Education Loan(KK)              | 250000.00    | 150000.00     |
|               | i) Andhra Pradesh                 |              |               |           | Barn Damaged Loan(KK)           | 10000.00     | 0.00          |
|               | Growers Contributions(AP)         | 1967000.00   | 3663597.50    |           | Death Relief to the growers(KK) | 24099895.32  | 13606920.00   |
|               | Board's Contribution(AP)          | 4882000.00   | 5904000.00    |           | Other Receipts (KK)             | 0.00         | 1053.00       |
|               | Renewal of Membership fee(AP)     | 22654808.00  | 7943399.00    | <b>II</b> | <b>Closing Balances</b>         |              |               |
|               | Interest on Deposits (AP)         | 21191172.00  | 18591228.00   |           | a) Cash in Hand                 |              |               |

**Tobacco Growers Welfare Fund Scheme account**  
**Receipts and Payments for the year ended 31<sup>st</sup> March 2016**

(Amount in Rupees)

| Sl. No. | Receipts                        | Current Year        | Previous Year       | Sl.No. | Payments                         | Current Year        | Previous Year       |
|---------|---------------------------------|---------------------|---------------------|--------|----------------------------------|---------------------|---------------------|
|         | Penalties (AP)                  | 23800.00            | 117100.00           |        | <b>b) Bank Balances:</b>         |                     |                     |
|         | Misc. Receipts (AP)             | 10300.00            | 43092.00            |        | <b>i) Andhra Pradesh</b>         | 261149125.00        | 230092117.00        |
|         | Interest on Loans (AP)          | 36614.00            | 64702.86            |        | Investments (Fixed Deposits)(AP) |                     |                     |
|         | Grower's Share of Sweepings(AP) | 0.00                | 2097110.04          |        | Savings Account (SBH, Guntur)    | 255166.57           | 872356.57           |
|         | Marriage Loan (AP)              | 25000.00            | 226599.00           |        | <b>ii) Karnataka</b>             | 0.00                | 0.00                |
|         | Education Loan (AP)             | 301740.00           | 828414.88           |        | Investments (Fixed Deposits)(KK) | 199346105.00        | 168195175.00        |
|         | Major Illness Loan(AP)          | 0.00                | 75004.00            |        | Savings Account (SBM, Mysore)    | 11897457.07         | 13810049.47         |
|         | Barn Damaged Loan(AP)           | 205000.00           | 0.00                |        |                                  |                     |                     |
|         | <b>ii) Karnataka</b>            |                     |                     |        |                                  |                     |                     |
|         | Growers Contributions(KK)       | 1455500.00          | 1348000.00          |        |                                  |                     |                     |
|         | Board's Contribution(KK)        | 1202000.00          | 5096000.00          |        |                                  |                     |                     |
|         | Renewal of Membership fee(KK)   | 34045171.09         | 6567134.32          |        |                                  |                     |                     |
|         | Interest on Deposits (KK)       | 16571025.00         | 15206428.00         |        |                                  |                     |                     |
|         | Penalties (KK)                  | 10800.00            | 5600.00             |        |                                  |                     |                     |
|         | Grower's share of sweepings(KK) | 0.00                | 897927.96           |        |                                  |                     |                     |
|         | Marriage Loan (KK)              | 1443693.58          | 1297274.93          |        |                                  |                     |                     |
|         | Education Loan (KK)             | 214149.77           | 174500.00           |        |                                  |                     |                     |
|         | Major Illness Loan(KK)          | 80893.48            | 75500.00            |        |                                  |                     |                     |
|         | <b>Total</b>                    | <b>519290364.96</b> | <b>438952671.04</b> |        | <b>Total</b>                     | <b>519290364.96</b> | <b>438952671.04</b> |

## ANNUAL REPORT 2015-2016

Income and Expenditure account for the year ended 31<sup>st</sup> March 2016

| Sl. No. | Expenditure                                                                                          | Current Year        | Previous Year      | Sl.No. | Income                         | Current Year        | Previous Year      |
|---------|------------------------------------------------------------------------------------------------------|---------------------|--------------------|--------|--------------------------------|---------------------|--------------------|
|         |                                                                                                      |                     |                    |        |                                |                     |                    |
|         | <b>i) Andhra Pradesh</b>                                                                             |                     |                    |        | <b>i) Andhra Pradesh</b>       |                     |                    |
|         | Death Relief to the Growers(AP)                                                                      | 18990000.00         | 10850000.00        |        | Growers Contributions(AP)      | 1967000.00          | 3663597.50         |
|         | <b>ii) Karnataka</b>                                                                                 |                     |                    |        | Board's Contribution(AP)       | 8511376.14          | 5904000.00         |
|         | Death Relief to the Growers(KK)                                                                      | 24099895.32         | 13606920.00        |        | Renewal of Membership fee(AP)  | 22654808.00         | 7943399.00         |
|         |                                                                                                      |                     |                    |        | Interest on Deposits (AP)      | 21543557.00         | 19547394.00        |
|         |                                                                                                      |                     |                    |        | Penalties (AP)                 | 23800.00            | 117100.00          |
|         |                                                                                                      |                     |                    |        | Growers Share of Sweepings(AP) | 0.00                | 2097110.04         |
|         |                                                                                                      |                     |                    |        | Misc. Receipts (AP)            | 10300.00            | 43092.00           |
|         |                                                                                                      |                     |                    |        | Interest on Loans (AP)         | 36614.00            | 64702.86           |
|         |                                                                                                      |                     |                    |        | <b>ii) Karnataka</b>           |                     |                    |
|         |                                                                                                      |                     |                    |        | Growers Contributions(KK)      | 1455500.00          | 1348000.00         |
|         |                                                                                                      |                     |                    |        | Board's Contribution(KK)       | 3129727.76          | 5096000.00         |
|         |                                                                                                      |                     |                    |        | Renewal of Membership fee(KK)  | 34045171.09         | 6567134.32         |
|         |                                                                                                      |                     |                    |        | Interest on Deposits (KK)      | 16986468.00         | 16075423.00        |
|         |                                                                                                      |                     |                    |        | Penalties (KK)                 | 10800.00            | 5600.00            |
|         |                                                                                                      |                     |                    |        | Growers Share of Sweepings(KK) | 0.00                | 897927.96          |
|         |                                                                                                      |                     |                    |        | Interest on Loans (KK)         |                     |                    |
|         | Balance being excess of Income Over Expenditure (Andhra Pradesh 35757455.14 + Karnataka 31527771.53) | 67285226.67         | 44913560.68        |        |                                |                     |                    |
|         | <b>Total</b>                                                                                         | <b>110375121.99</b> | <b>69370480.68</b> |        | <b>Total</b>                   | <b>110375121.99</b> | <b>69370480.68</b> |

(₹ in Thousands)

## Statement showing the Funds Flow Position under Non-Plan and Plan from 2004-05 to 2015-16

| Sl.No. | Particulars                                                         | 2004-05  | 2005-06  | 2006-07  | 2007-08  | 2008-09  | 2009-10  | 2010-11  | 2011-12  | 2012-13  | 2013-14  | 2014-15  | 2015-16  |
|--------|---------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 1      | Opening Balance                                                     | 7059.24  | 9684.89  | 11040.23 | 13078.14 | 14740.62 | 18868.34 | 22721.86 | 25868.35 | 34406.37 | 36542.81 | 41384.66 | 47696.18 |
| 2      | Receipts                                                            | 5063.73  | 4306.93  | 5498.84  | 6621.68  | 8843.57  | 11900.92 | 11689.90 | 15650.73 | 11541.65 | 15083.54 | 16581.13 | 15387.68 |
| 3      | Grant-in-aid                                                        | 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      | Add: Misc. Receipts (Adj. Of addl. Service Charges of prior period) | 0.00     | 0.00     | 578.00   | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     |
| 5      | Total IEPR (1 to 4)                                                 | 12122.97 | 13991.82 | 17117.07 | 19699.82 | 23584.19 | 30769.26 | 34411.76 | 41519.08 | 45948.02 | 51626.35 | 57965.79 | 63083.86 |
| 6      | Expenditure                                                         |          |          |          |          |          |          |          |          |          |          |          |          |
|        | a) Non-Plan                                                         | 2193.34  | 2297.76  | 3005.25  | 4379.67  | 3690.17  | 1703.68  | 1148.77  | 1565.04  | 2054.13  | 2061.98  | 1728.82  | 634.50   |
|        | b) Plan                                                             | 244.74   | 653.83   | 1033.68  | 579.53   | 1025.68  | 6343.72  | 7394.64  | 5547.67  | 7351.08  | 8179.71  | 8540.79  | 10550.30 |
|        | Total Expenditure (6)                                               | 2438.08  | 2951.59  | 4038.93  | 4959.20  | 4715.85  | 8047.40  | 8543.41  | 7112.71  | 9405.21  | 10241.69 | 10269.61 | 11184.80 |
| 7      | Closing balance (5-6)                                               | 9684.89  | 11040.23 | 13078.14 | 14740.62 | 18868.34 | 22721.86 | 25868.35 | 34406.37 | 36542.81 | 41384.66 | 47696.18 | 51899.06 |



## ABBREVIATIONS

|                    |                                                 |
|--------------------|-------------------------------------------------|
| A.P.               | Andhra Pradesh                                  |
| APF / A.P.F        | Auction Plat Form                               |
| 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 Standards        |
| 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 / mkgs / mkg | Million Kilo Grams                              |
| MEP                | Minimum Export Price                            |
| MGP                | Minimum Guarantee Price                         |
| Mktd.              | 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         |
| RTES               | 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                                   |



పాతగారో ఉత్తమం ట్యాబకో

నాణ్యమైన పాతగారు నాడు  
సమయం జాగ్రత్తల పాటించు  
నాటు

**నాణ్యత బోర్డ్ భారత్**

**TOBACCO BOARD INDIA**

# GAP

# ಪೊಕ್ಕವೊರೈ



రైతులకు శిక్షణా  
శిబిరములను  
నిర్వహించి, పాగాకు  
సాగులో శాస్త్రీయ  
పద్ధతులను వివరించుట.

కూర్చొన ఆకును మండి  
వేయుటలో జాగ్రత్తలు  
పాటించుట

పక్కదశలో  
అకు రెలుచు

సేంద్రియ,  
చన ఎరువుల

తలపుండి  
పీలకలను అరిక

కూర్చుంటున్నప్పుడు  
జాగ్రత్తలు పాటించుకో

గ్రేడింగు  
చేయునప్పుడు  
పాగాకులో  
అస్పష్టదార్థములు  
లేకుండా చూచుట

పాటించుట

ఇందున సామర్థ్యంగాల  
ఫర్వస్ సెటును బ్యారన్స్కు  
అమర్చుట

మనసరం మేరకు  
శ్రమే రసాయనిక  
రువులు వాడు

సమయంలో  
జాగ్రత్తలు  
పాటించుట

ములు, నారు  
కొనుట

పాటించుట  
యంత్రణ

రెలిజియన్ ఆకును  
సరైన పద్ధతిలో వేరుచేసి  
బ్యారనుకు ఎక్కించుట

రెలిచిన ఆకు రవాణాలో  
మరియు మండే వేయుటలో  
జాగ్రత్తలు పాటించుట

చేపట్టుట  
సమగ్ర సస్యరక్షణ

భూసారమును  
పరిరక్షించుట

జీవన రసాయనాలు  
వాడుట

రెలిజిన్ ఆకు రవాణాలో  
మరియు మండే వేయుటలో  
జాగ్రత్తలు పాటించుట



## **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)