

# **ANNUAL REPORT 2017-18**



# **TOBACCO BOARD**





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**Tobacco Board**  
Ministry of Commerce., Government of India

Guntur - 522 004 (A. P) India.  
Ph : +91 863 2354443, 2358399  
Fax : +91 863 2354232  
e-mail : [info@indiantobacco.com](mailto:info@indiantobacco.com)  
web site : [www.indiantobacco.com](http://www.indiantobacco.com)



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## BOARD COMPOSITION

As on 31/03/2018

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

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

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

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

Shri Manoj Kumar Dwivedi, IAS, Joint Secretary, Ministry of Commerce & Industry -  
Executive Director

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

Shri Jayadev Galla, Hon'ble Member of Parliament (LokSabha)

Shri Gokaraju Ganga Raju, Hon'ble Member of Parliament (LokSabha)

Shri R.K.Sinha, Hon'ble Member of Parliament (RajyaSabha)

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

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

Shri N.Ramesh, Director

(dealing with Commerce), Govt. of India, Ministry of Commerce & Industry, Department of Commerce.

Mrs. Rupa Dutta, Economic Adviser

(dealing with Finance), Govt. of India, Ministry of Commerce & Industry, Department of Commerce.

Shri Santhi Swaroop Gupta, Deputy Secretary,

(dealing with Industrial development) Govt. of India, Ministry of Commerce & Industry, Department of Industry.

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

Dr. Sanjay Prasad, Director of Agriculture, Govt. of Gujarat.

Shri B.Y Srinivas, Director of Agriculture i/c, Govt. of Karnataka.

Shri Budithi Rajasekhar, 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;**

-

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

Shri P.V.Basavarajappa, Vice Chairman

Shri Krishna Kumar Mishra

Shri Gaddamanugu Satyanarayana

Shri C.Kiran Kumar

Shri Balineni Seethaiah

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

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

## SENIOR MANAGEMENT

(As on 31/03/2018)

### Management and Senior Staff

<i>Executive Director and Chairman I/c</i>	Shri T.Venkatesh, IAS upto 30/11/2017 Shri Manoj Kumar Dwivedi, IAS, Joint Secretary, Ministry of Commerce & Industry & Executive Director and Chairman I/C Tobacco Board from 30/11/2017 onwards
<i>Secretary</i>	Shri Addanki Sridhar Babu, IAS from 12/09/2017 onwards
<i>Director (Auctions)</i>	Shri Bipin Bihari Choudhury, IOFS
<i>Manager (Finance &amp; Accounts)</i>	Shri C.S.S.Patnaik up to 30/09/2017 & Secretary (FAC) up to 11/09/2017
<i>Manager (Auctions)</i>	Smt. P.Meena Kumari, Manager (F&A) i/c from 23/10/2017 onwards
<i>Manager (Marketing &amp; Exports)</i>	Shri K.Ravi Kumar
<i>Manager (Extension) i/c.</i>	Shri R.Subba Rao Chowdary
<i>Manager (Production) i/c</i>	Shri Ch .V. Maruthi Prasad
<i>Regional Manager (SBS Ongole)</i>	Shri P.Ramesh from 04/12/2017 onwards
<i>Regional Manager (SLS Ongole)</i>	Shri G.Uma Maheswara Rao
<i>Regional Manager (NLS Rajamahendravaram) i/c</i>	Shri G.Ratna Sagar
<i>Regional Manager (Mysuru)</i>	Shri K. Chandra Sekhara Rao
<i>Regional Manager(Periyapatna) i/c</i>	from 11/09/2017 onwards
<i>Personnel Officer</i>	Shri A.V. Siva Rudraiah
<i>Asst. Manager (Planning &amp; Coordination)</i>	Shri B.Manju Raju
<i>O.S.D (Vigilance)</i>	Shri J.Surender Reddy
<b>Personnel</b>	<b>Shri C.Gopinadh</b>
	<b>Officers : 83</b>
	<b>Staff : 434</b>
	<b>Total : 517</b>

### Postal Address

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

### Tobacco Board

### Telephone No. / Fax

0863-2358399 /0863-2354232

### E-mail & Website

info@indiantobacco.com / www.indiantobacco.com

# CORPORATE GOVERNANCE



**MANOJ KUMAR DWIVEDI, IAS**

EXECUTIVE DIRECTOR & CHAIRMAN I/C



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



**ADDANKI SRIDHAR BABU, IAS**  
SECRETARY



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



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



**Ch V MARUTHI PRASAD**  
MANAGER  
(EXTENSION) I/C



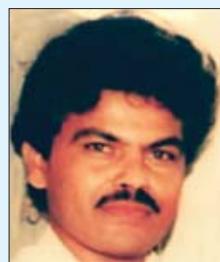
**P RAMESH**  
MANAGER  
(PRODUCTION) I/C



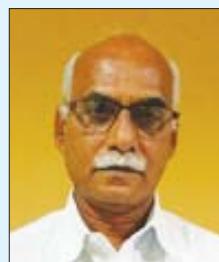
**P.MEENA KUMARI**  
MANAGER  
(FINANCE & ACCOUNTS) I/C



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



**B MANJU RAJU**  
REGIONAL MANAGER I/C  
PERIYAPATNA



**G.UMA MAHESWARA RAO**  
REGIONAL MANAGER  
SBS ONGOLE



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



**K.CHANDRASEKHARA RAO**  
REGIONAL MANAGER I/C  
RAJAMAHENDRAVARAM

## Tobacco Board's Activities during 2017-18 – A Review

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

Tobacco is one of the important commercial crops grown in India. It provides employment directly and indirectly to 45.7 million people and contributed significant revenue as excise duty (₹ 22,737.07 crore during 2016-17) and ₹ **5,539.94** crore in terms of foreign exchange to the National exchequer during 2017-18. India has a prominent place in the production of tobacco in the world. **India stands third in production and export of tobacco in the world.** India produces different styles of FCV tobacco, which vary in their physical and chemical characteristics. Indian tobacco is exported to over **114** countries across the globe. India has a fairly diversified base of production for exports and provides a one-stop shop for different styles, qualities and price ranges. FCV tobacco is grown in Traditional Black Soils (TBS), Northern Light Soils (NLS), Southern Light Soils (SLS) and Karnataka Light Soils (KLS). The tobacco produced in India 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 2017-18 crop season, the Tobacco Board had fixed a crop size of **235.00** million kg as against **225.00** million kg fixed during 2016-17 crop season for cultivation of FCV tobacco. About **234.26** million kg is estimated to be produced. Tobacco Board incurred an expenditure of ₹ **228.92 lakh** on extension and development schemes for improvement of yield and quality of tobacco. During the year 2017-18, the Board marketed a quantity of **205.94 million kg** in its auction platforms in both Andhra Pradesh and Karnataka at an average price of ₹ **137.07 per kg** as against **288.69** million kg marketed at an average price of ₹ **124.39** per kg during the year 2016-17. **2,12,916** Metric tons of tobacco and tobacco products were exported from India during 2017-18 valued at ₹ **5,539.94** crore. In dollar terms, the value of exports is **859.45** million US\$ and have declined by **4%** on year to year basis.

The Board has been privileged with coveted ISO 9001:2015 certificate in recognition of its quality services to growers and its activities related to the development of Tobacco Industry from M/s DNV - GL . Business Assurance and the certificate is valid till 18<sup>th</sup> March, 2019.

## MEETINGS DURING 2017-18

(From 01-04-2017 to 31-03-2018)

### A) Statutory meetings:

Two Board Meetings and three committee meetings were held.

#### Board Meetings:

1. The 143<sup>rd</sup> meeting of the Board was held on 17<sup>th</sup> April 2017 (Monday) at 11.00 A.M. in Bengaluru.
2. The 144<sup>th</sup> Board Meeting was held on 23<sup>rd</sup> August 2017 (Wednesday) at 11.00 A.M. in Hyderabad.



Shri T.Venkatesh, IAS Hon'ble Executive Director & Chairman I/c, Tobacco Board and other members participated in the 143<sup>rd</sup> Board Meeting held at Bengaluru on 17/04/2017

#### Executive Committee meeting:

1. 53<sup>rd</sup> meeting of the Executive Committee held on 06/03/2018 (Tuesday) in Head Office, Guntur

#### Registration Committee for Growers and Others:

1. The 84<sup>th</sup> meeting of the Registration Committee for growers and others was held on 14/09/2017 in Head Office, Guntur.

#### Registration Committee for Traders and Manufacturers:

1. The 42<sup>nd</sup> meeting of the Registration Committee for Traders and Manufacturers approved the subjects by circulation on 23/10/2017.

**B) Non Statutory meetings:**

- 1 A meeting with ITA and Trade representatives was held on 19/05/2017 at Head Office, Tobacco Board, Guntur to discuss the issues related to on-going 2017 FCV tobacco auctions in Andhra Pradesh.
2. A meeting with ITA and Trade representatives was held on 19/12/2017 at Head Office, Tobacco Board, Guntur to review the “Existing e-Auction System and for any suggestions for its further improvement”
3. A Prelude meeting with ITA, Trade representatives and growers’ representatives was held on 12/02/2018 at Rythu Bhavan, G.T. Road, Guntur regarding date of commencement of auctions for sale of 2017-18 Andhra Pradesh FCV tobacco.

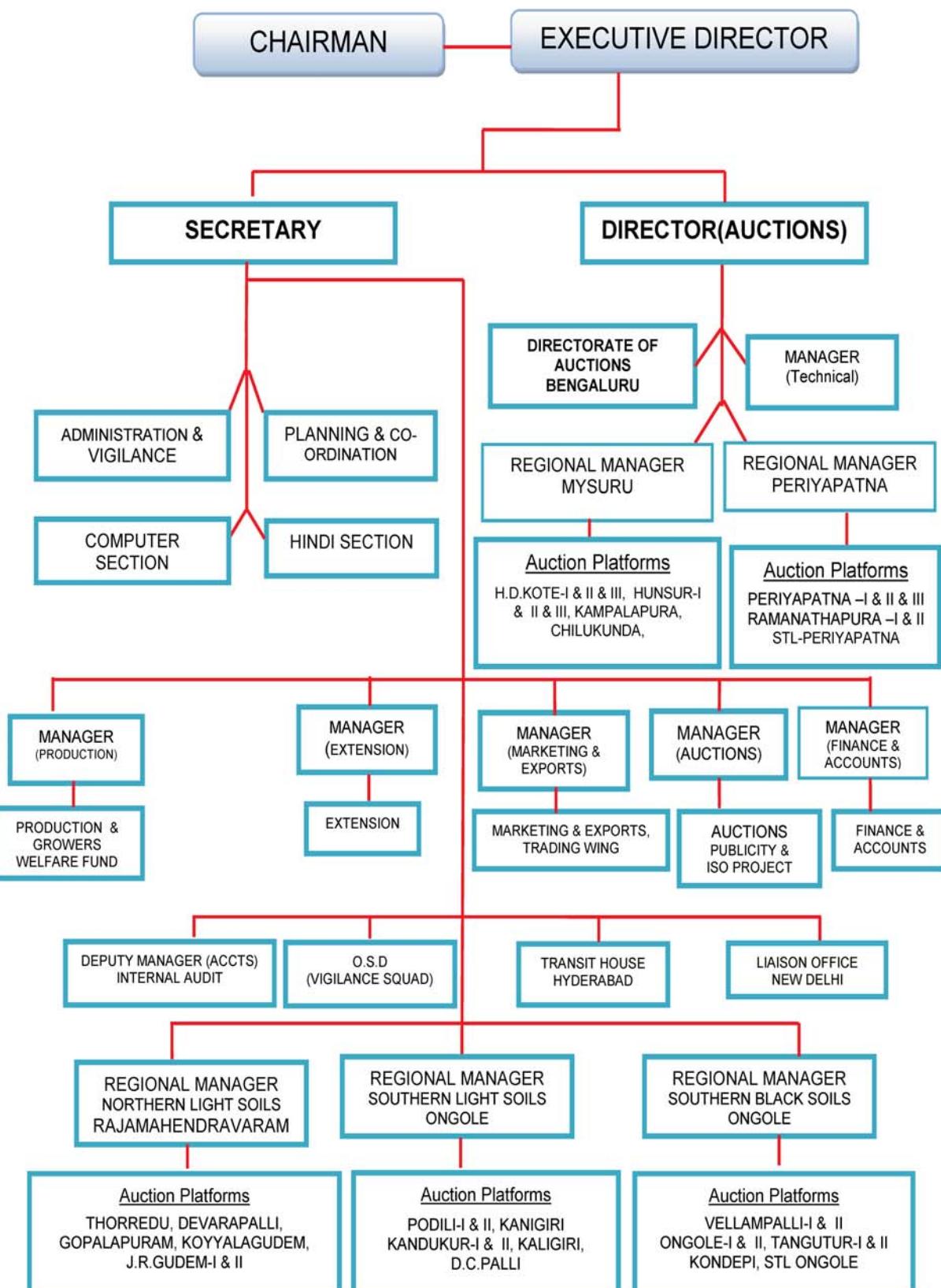


Sri Manoj Kumar Dwivedi, IAS., Executive Director and Chairman, Tobacco Board addressing in 145<sup>th</sup> Board Meeting held on 13/04/2018 (Friday) at Bengaluru

**STATEMENT SHOWING THE SANCTIONED & EXISTING STRENGTH AS ON 31/03/2018**

SI. No.	Name of the Post	TOTAL	
		Sanctioned	Existing
<b>GROUP-A - SENIOR LEVEL MANAGEMENT</b>			
1	Chairman	1	0
2	Executive Director	1	0
3	Director[Auctions]	1	1
4	Secretary	1	1
5	Managers/Regional Managers	10	5
6	Deputy Manager(Accts)	1	0
7	Auction Superintendents/SGO	55	49
8	Asst.Manager(Accts.)/S.O	34	27
9	Systems Analyst	1	0
<b>Sub-Total</b>		<b>105</b>	<b>83</b>
<b>GROUP-B - MIDDLE LEVEL MANAGEMENT</b>			
10	Programmer	1	1
11	Hindi Officer	1	0
12	P.S. to Chairman	1	1
13	Field Officer/Tech. Assistant	88	72
14	Senior Translator	1	1
15	Stenographer-Grade-I	1	1
16	Accountant/Sr. Investigator	34	22
17	Assistant/S.A	14	10
18	Care Taker	1	0
19	Stenographer Gr-II	3	1
20	Spl. Grade Driver	1	1
<b>Sub Total</b>		<b>146</b>	<b>110</b>
<b>GROUP-C - JUNIOR LEVEL MANAGEMENT</b>			
21	Computer Operator	27	26
22	Stenographer Gr-III	4	3
23	U.D.C.	43	34
24	Sr. Field Asst / Field Asst.	203	146
25	L.D.C.	52	40
26	Hindi Typist	2	1
27	Driver	31	21
28	Gestetner Operator	1	0
29	Multi Tasking Staff	140	53
<b>Sub-Total</b>		<b>503</b>	<b>324</b>
<b>GRAND TOTAL</b>		<b>754</b>	<b>517</b>

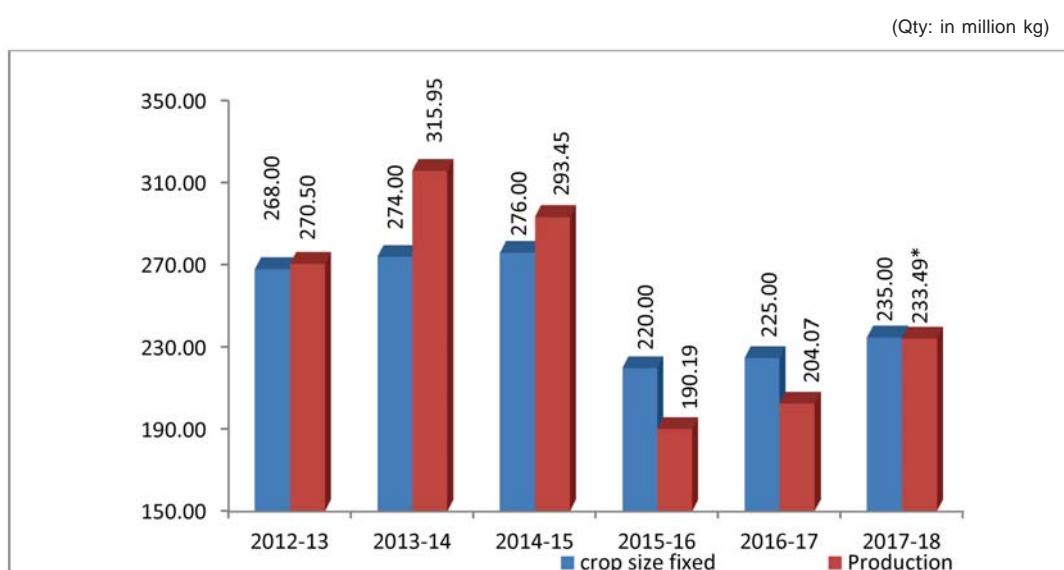
**ORGANISATIONAL CHART OF TOBACCO BOARD**



## CROP PLANNING AND REGULATION

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

FCV tobacco production in the last six years had been fluctuating from year to year. These wide fluctuations reflect weather impacts on yield as well as market dynamics in terms of price elasticity of supply. FCV tobacco production has registered a Compound Annual Growth Rate (CAGR) of -5.48% during the last 5 years (i.e., from 2012-13 to 2016-17) and it was -2.42% including the year 2017-18.



\*Production Estimates

### II) FCV Tobacco Production Policy for 2017-18

During 2017-18 crop season, Tobacco Board had increased the crop size for cultivation of FCV tobacco to 235 million kg from 225 million kg fixed during 2016-17 crop season. A crop size of 99 million kg was fixed for the state of Karnataka. In the state of Andhra Pradesh, the Tobacco Board had fixed a crop size of 136 million kg for 2017-18 crop season as against 130 million kg fixed during last year.

### III) Production Policy for 2017-18 - Highlights

The broad policy framework for regulating production during 2017-18 crop season is as follows:

- The objective of the policy is to regulate the area under cultivation of FCV tobacco while concentrating on quality of product with the focus on controlling excess and unauthorised cultivation of tobacco.

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

#### **IV) Registration criteria for 2017-18 - Highlights**

The following criteria was laid down for renewal of registration or registration of growers during 2017-18 crop season.

- All growers/barns registered with the Board in 2016-17 crop season are eligible for renewal of registration in 2017-18 subject to the condition that the growers shall possess a fit barn and suitable lands for growing Virginia tobacco on his own or taken on lease and should not have violated Tobacco Board Act or Rules made there under.
- No new growers will be permitted to take up FCV tobacco cultivation by constructing new barns and no new areas will be allowed for FCV tobacco cultivation. Construction of new barns will not be licensed.
- Growers registered in 2016-17 but have outstanding dues / pay penalties / involved in barn disputes / repair unfit barns / submit certain documents for transfer of registration shall fulfill these conditions before stipulated date for grant of renewal of registration.
- Grower applicants who registered in 2016-17 crop season and submitted Form-II & III returns in proof of cultivation and curing of tobacco but have not sold tobacco on the auction platforms will be considered for registration subject to payment of stipulated penalties.

- Registered 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.
- Grower applicants applied without support of licensed curing facility (barns)/unauthorized barns/ barns ineligible for registration/ seeking licence for construction of new barns/having break-in-registration for more than 3 years/indulged in activities which are in violation of Tobacco Board Act, Rules & Regulations are ineligible for registration during 2017-18 crop season.
- On the directions of the Ministry of Commerce vide letter No.9/11/2018-EP (Agri. III) dated 17/01/2018, the Board has permitted shifting of licensed barns against construction of new barns or against regularization of unauthorised barns within the same soil region by sale/transfer up to 30/09/2018.

#### V) **Soil region wise area and production quota authorised for 2017-18**

The soil region wise area to be cultivated and production quota authorized per barn in Andhra Pradesh and Karnataka during 2017-18 crop season are as follows:

##### **Andhra Pradesh**

<b>Soil Region</b>	<b>Area Registered (ha)</b>		<b>Production Quota (Kg/Barn)</b>	
	<b>2017-18</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2016-17</b>
Northern Light Soil (NLS)	1.50	1.40	3,300	3,000
Southern Light Soil (SLS)	2.60	2.40	3,500	3,400
Southern Black Soil (SBS)	1.60	1.60	3,460	3,370
Northern Black Soil (NBS)	1.20	1.20	2,600	2,600

\* N.L.S. includes ELS also

##### **Karnataka**

<b>Barn</b>	<b>Area Registered (ha)</b>		<b>Production Quota (Kg/Barn)</b>	
	<b>2017-18</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2016-17</b>
Simplex Barn	1.30	1.20	1,725	1,650
Duplex Barn	2.60	2.40	3,450	3,300

## VI) Production Regulation Campaign

The Board had undertaken a focused Production Regulation Campaign during 2017-18 crop season to prevent excess/unauthorized production of FCV tobacco through personal contacts, group meetings in the villages and mass contact programmes.

- 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 309 grower meetings in Andhra Pradesh and 361 in Karnataka are held by Board in addition to group meetings in the villages by field staff as a part of production regulation campaign during 2017-18.



## VII) Particulars of growers registered during 2017-18

During 2017-18 crop season, a total of 87,995 growers were registered with the Board for cultivation of FCV tobacco. Of them, 45,572 growers covering 39,654 barns are registered for cultivation of tobacco in Andhra Pradesh. An area of 73,193 ha. was registered for production of FCV tobacco and as against this an area of 70,317 ha. was actually planted. In Karnataka, 42,423 growers covering 55,997 barns are registered for cultivation of tobacco. An area of 72,796 ha. was registered and 81,083 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 2017-18 crop season are furnished at **Page Nos.27 to 29.**

### VIII) Report on 2017-18 Karnataka Crop

#### Nursery

Area sown under Nursery during 2017-18 in Karnataka was 741.70 ha. The area under nursery had reduced by 8% when compared to last year (807.85 ha). Majority of the growers have taken up tray nursery to achieve better establishment and uniform growth of seedlings. The growth of the nursery is good and is free from pest and diseases. Seedlings were in good supply during this season.



Kanchan is the major variety sown occupying about 74% of total nursery area sown i.e., 548.87 ha. CH-3 and FCH-222 hybrids occupied remaining 26% of area.

#### Main field

Timely rains received during the month of May, 2017 helped in taking up early plantation in all the regions and almost 100% plantations have been completed in the month of May itself. A total of 81,083 ha. was planted in Karnataka under FCV tobacco during 2017-18 as against 76,089 ha. planted last year i.e., up by 6.56%. As the entire area was planted before 31<sup>st</sup> of May, the total area planted was categorized as early plantation. 65% of total area planted is under Kanchan variety (52,713 ha) and remaining 35% is under CH3 (28,198 ha.) and FCH-222 (172 ha.) hybrids.





Plantation Category	2017-18		2016-17	
Early Plantation (before 31 <sup>st</sup> May)	81,083 ha.	100%	51,997 ha.	68%
Middle Plantation (June 1 <sup>st</sup> to 15 <sup>th</sup> June)	0.00	0.00	23,694 ha.	31%
Late Plantation (From 16 <sup>th</sup> June)	0.00	0.00	398 ha.	1%
<b>Total:</b>	<b>81,083 ha.</b>	<b>100%</b>	<b>76,089 ha</b>	<b>100%</b>

### Crop Growth in Karnataka

The crop established well in the main field initially. In the month of July, the crop experienced dry spell during grand growth period due to lack of rains and exhibited symptoms of moisture stress i.e., yellowing of lower leaves especially in dry belts of Ramanathpura and Mysuru Regions. The farmers who are having irrigation facilities have given life saving irrigation to the crop. The area started receiving rains from the first





fortnight of August, 2017 and the crop received good amount of rainfall in second fortnight of August. The crop had recovered and shown good growth due to these rains but the percentage of low grades and greens were increased in curing because of lack of rains compared to last year.

#### **Pests & diseases**

No incidence of major pests and diseases were noticed in the main field during this season. Incidence of tobacco mosaic virus was noticed in all the areas and the growers were advised to take up sanitary and control measures to avoid further spread. Incidence of orobanche is noticed in some fields and the growers were advised to remove and destroy the parasite. Spodoptera, Catterpillar incidence was observed in very few fields.

#### **Harvesting & Curing:**

On an average 6-7 curings were taken up per barn. The cured leaves are lemon to lemon orange in colour. The quality of the crop is average to good. The percentage of low grades and greens were high in curings compared to last year.



**Yields:**

Leaf yields are good during this year compared to last year and ranged between 1200-1400 kg/ha. A crop of 106.12 million kg is estimated with grade out turn of 29:43:28 in terms of Bright, Medium and Low grades as against 98.72 million kg marketed in 2016-17 with grade out of turn of 30:44:26.

**IX. Report on 2017-18 Andhra Pradesh Crop****Nursery**



Nursery was taken up in about 370.11 ha. during 2017-18 in Andhra Pradesh as against 389.85 ha of nursery sown last year. No major pest and disease incidence was observed during this season. The seedling prices were around ₹1,500/- to ₹2,000/- per bundle in SBS and ₹1000/- to ₹2,000/- per bundle in SLS depending on quality and age of seedlings. In NLS, the prices were around ₹3,000/- to ₹3,500/- per bundle.

### Varieties

'Siri' is the major variety sown in Southern Light Soils and Traditional Black Soil regions accounting for about 65% of the total area. Other varieties grown are G-11 (Hema), VT-1158 and N-98. In NLS, LV-7 variety (hybrid) accounted for 82% of the total nursery area. K-326 and LV-6 are other varieties sown in NLS region.

### Main field

A total of 70,316.60 ha. was planted in Andhra Pradesh under FCV tobacco as against 61,281 ha. planted during 2016-17 crop season. The increase in area is about 15%. Early planted crop during 2017-18 is small (5,602.46 ha.) constituting 8% of total area planted. 61% of crop is planted (42,798.91 ha) between 15<sup>th</sup> October and 15<sup>th</sup> November (middle plantation) and 31% of crop is late planted (21,915.23 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 (44,610.75 ha.) accounting for 94% of total area planted in these areas. The rest of area was under G-11 (Hema), VT-1158 and N-98 varieties. In Northern Light Soils, LV-7 Hybrid was the major variety grown (17,792.55 ha.) and occupied 82% of the area. The other varieties grown were CH-3 (2,960.50 ha.), K-326 (767 ha.) and LV-6 (115 ha.). In Northern Black Soils, 'Siri' was the major variety grown (1,249.60 ha) and LV-7 (89.40 ha.) variety was planted in some areas.

Plantation Category	2016-17		2017-18	
<b>Early Plantation</b> (Up to 15 <sup>th</sup> October)	1,468 ha	2%	5,602.46	8%
<b>Middle Plantation</b> (Up to 15 <sup>th</sup> November)	21,431 ha.	35%	42,798.91	61%
<b>Late Plantation</b> (After 15 <sup>th</sup> November)	38,382 ha.	63%	21,915.23	31%
<b>Total:</b>	<b>61,281 ha</b>	<b>100%</b>	<b>70,316.60</b>	<b>100%</b>

### Crop growth in Andhra Pradesh

#### NORTHERN LIGHT SOILS (NLS) CROP:

Total plantation in Northern Light Soils region this year was 21,635.05 ha., more by 3% when compared to 21,103.30 ha. planted in 2016-17. Plantations were taken-up at right time due to receipt of timely rains compared to last year. Majority crop was planted before 15<sup>th</sup> November, 2017. Early and middle crops showed good growth with optimum leaf spread. Late crop growth was satisfactory and average yields were recorded. The crop was relatively free from pests and diseases. Overall NLS crop yields were good with more bright quality leaf when compared to last year and were rated as 'good'.



#### SOUTHERN LIGHT SOILS (SLS) CROP:

Total plantation in Southern Light Soils region this year was 29,408.85 ha. and the area had increased by 37% when compared to 21,500.30 ha. planted in 2016-17. Majority crop was middle planted. In Podili platform jurisdiction, this year transplantations started earlier when compared to the last year as the

weather was favourable in the beginning. The crop experienced dry spell during December and January and the farmers who are having irrigation facilities have given irrigation. Incidence of orabanche was less compared to last year due to timely plantation. Overall, the early and middle crop growth was good with optimum leaf spread. The late crop growth is average due to experience of moisture stress conditions during grand growth period. Overall the crop yields in this region were 'Good' compared to the last year.

#### **TRADITIONAL BLACK SOILS (TBS) CROP:**

Total planted area in Southern Black Soil Regions was 17,933.70 ha. i.e., increased by 4% when compared to 17,207.40 ha. planted in 2016-17. Majority crop was planted before 15<sup>th</sup> November. Early and Middle crop showed good growth. The late crop experienced dry spell during December and January and majority of the farmers went for irrigation. Crop yield and quality were good during this year compared to the last year. 43% bright grades are reported in curings. Overall, the crop in this region is rated as 'Good'.



Total plantation in Northern Black Soils (NBS) region during 2017-18 is in an area of 1,339 ha which is less by 9% when compared to area planted during 2015-16 (1,469.60 ha). In NBS, there are no major growth problems and good yields are recorded.

#### **Pests and Diseases:**

No severe pest and disease incidence was noticed in the main field. Incidence of TMV was noticed in some fields but the percentage of infected plants is low. Plant Parasite 'Orabanche' infestation was less in Southern Light Soils and Southern Black Soils during this year due to timely plantation and prevalence of unfavourable weather conditions for parasite during December and January.





### Harvestings:

8–10 curing were taken-up on an average in Northern Light Soil. In Southern Black Soil & Southern Light Soil areas, only 5–8 curings were taken up on an average. Crop yields were good with more bright quality leaf and were rated as 'good' this year when compared to last year.



In SLS the Grade out turn in terms of Bright, Medium and Low grades is 42:35:23. The Grade out turn is in the ratio of 43:28:29 (BML) in SBS region. In NBS region the Grade out turn is in the ratio of 50:25:25 (BML). The Grade out turn is in the ratio of 53:35:12 (BML) in NLS.



### **Yields:**

FCV tobacco production in Andhra Pradesh is estimated at 127.36 million kg against the authorized crop size of 136 million kg. The tobacco production in Prakasam and SPSR Nellore districts (Southern Andhra Pradesh) is about 77.40 million kg as against the crop size of 86 million kg. The production in NLS is estimated at 47.361 million kg as against 46 million kg of authorized crop. In NBS the production is estimated to be around 2.60 million kg. The estimated average yields are 1,347 kg/ha in Southern Light Soils (SLS) and 2,108 kg/ha in Southern black soils. The average yields in NLS area are about 2,189 kg/ ha.

### **X. Sale of excess / unauthorized tobacco during 2017-18**

During 2016-17 crop season in Andhra Pradesh and 2017-18 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 over and 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

### **XI. Promotion of alternative crops to tobacco:**

Government of India had instructed the Tobacco Board “**To frame a concrete action plan for promoting cultivation of other economically viable crops in place of FCV tobacco among FCV tobacco growers and to frame a proposal for ‘Barn Buyout Scheme’**” as a part of Key Result Areas (KRA).

Tobacco Board had conducted various awareness programmes for promotion of Alternative Crops as follows.

- A seminar was conducted by the Regional Manager, Periyaptna in collaboration with State Departments such as Agriculture, Horticulture, Sericulture and Veterinary Science on 13/10/2017 at Periyapatna on cultivation of alternative crops to tobacco covering all the growers under Periyapatna Region.
- The Regional Manager, Mysore, had organised meetings at platform level on production regulation and shifting to economically viable alternative crops and also distributed pamphlets in collaboration with CTRI Scientists.
- The Regional Manager, Rajamahendravaram conducted an awareness meeting on 24.10.2017 at Devarapalli and another meeting on 16.11.2017 at Gopalapuram covering all the growers of NLS Region on alternate crops to tobacco in collaboration with Joint Director of Agriculture, West Godavari District, Scientists of RARS, Marteru, Officials from Sericulture Department and other officers of Agricultural Department under Rashtriya Krishi Vikas Yojana (RKVY).
- The Regional Managers, SBS Region and SLS Region organised six awareness meetings at Ongole, Tangutur, Kondepi, Podili, Kandukur and Vinjamur villages covering all the growers of SBS & SLS Regions to encourage the farmers to shift to economically viable alternative crops, in collaboration with the Agricultural Officers of State Government of Andhra Pradesh, ARS, DAATT Centre, and CTRI Scientists.
- Tobacco Board had printed and distributed Pamphlets and Booklets on alternative crops to FCV tobacco in Southern Light Soil/Southern Black Soil Regions for creating awareness among the growers.
- Tobacco Board had submitted a proposal on '**Barn Buyout Scheme**' to the Ministry in the month of December 2017.

## TOBACCO BOARD :: GUNTUR

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

### Auction Platform wise Registration Particulars for 2017-18 (as on 31/03/2018) crop season in Andhra Pradesh

Particulars	Crop size fixed (mkg)				No. of growers				No. of barns				Area registered (ha)				Area planted (ha.)			
	L.S.	B.S.	Total	L.S.	B.S.	Total	L.S.	B.S.	Total	L.S.	B.S.	Total	L.S.	B.S.	Total	L.S.	B.S.	Total		
Devarapally	7.50	0.00	7.50	1961	0	1961	2270.00	0.00	2270.00	3405.00	0.00	3405.00	3402.00	0.00	3402.00	0.00	0.00	3402.00		
J.R.Gudem-I	10.40	0.00	10.40	2642	0	2642	3142.50	0.00	3142.50	4713.75	0.00	4713.75	4830.80	0.00	4830.80	0.00	0.00	4830.80		
J.R.Gudem-II	10.57	0.00	10.57	3125	0	3125	3200.17	0.00	3200.17	4800.39	0.00	4800.39	5190.30	0.00	5190.30	0.00	0.00	5190.30		
Koyyalagudem	9.71	0.00	9.71	2584	0	2584	2921.60	0.00	2921.60	4382.66	0.00	4382.66	4560.95	0.00	4560.95	0.00	0.00	4560.95		
Gopalapuram	7.82	0.00	7.82	1947	0	1947	2354.00	0.00	2354.00	3531.00	0.00	3531.00	3651.00	0.00	3651.00	0.00	0.00	3651.00		
Vellampally-I & II	3.30	5.34	8.64	1213	1672	2885	914.26	1528.91	2443.17	2377.07	2446.26	4823.33	1908.60	2545.40	4454.00	0.00	0.00	4454.00		
Ongole-I	1.33	5.80	7.13	522	1702	2224	376.88	1663.41	2040.29	783.94	2663.86	3447.80	1579.70	3323.30	4903.00	0.00	0.00	4903.00		
Ongole-II	0.00	8.43	8.43	0	2273	2273	0.00	2329.05	2329.05	0.00	3726.47	3726.47	0.00	3231.80	3231.80	0.00	3231.80	3231.80		
Tangutur-I	0.00	6.21	6.21	0	2001	2001	0.00	1781.13	1781.13	0.00	2849.81	2849.81	0.00	2394.00	2394.00	0.00	2394.00	2394.00		
Tangutur-II	0.00	5.42	5.42	0	1741	1741	0.00	1642.41	1642.41	0.00	2627.86	2627.86	0.00	2160.00	2160.00	0.00	2160.00	2160.00		
Kondepi	3.99	3.90	7.89	1959	1584	3543	1119.20	1113.79	2232.99	2870.31	1782.09	4652.40	3081.00	1741.40	4822.40	0.00	0.00	4822.40		
Podili-I & II	10.32	0.77	11.08	5223	290	5513	2801.53	248.34	3049.87	7283.97	402.72	7686.69	4818.05	331.40	5149.45	0.00	0.00	5149.45		
Kandukur-I	5.92	2.05	7.97	2461	685	3146	1682.10	592.50	2274.60	3714.03	948.00	4662.03	4726.00	1194.00	5920.00	0.00	0.00	5920.00		

<b>Particulars</b>	Crop size fixed (mkg)					No. of growers			No. of barns			Area registered (ha)			Area planted (ha.)		
	L.S.	B.S.	Total	L.S.	B.S.	Total	L.S.	B.S.	Total	L.S.	B.S.	Total	L.S.	B.S.	Total	L.S.	B.S.
Kandukur-II	5.29	1.87	7.17	2121	820	2941	1486.72	537.80	2024.52	3666.21	860.49	4526.70	3563.60	918.40	4482.00		
Kanigiri	4.55	0.00	4.55	1630	0	1630	1288.80	0.00	1288.80	3350.88	0.00	3350.88	3370.00	0.00	3370.00		
Kaligiri	4.94	0.21	5.14	1687	57	1744	1373.12	59.75	1432.87	3570.13	95.60	3665.73	2341.90	94.00	2435.90		
D.C.Palli	6.36	0.00	6.36	2288	0	2288	1764.03	0.00	1764.03	4586.49	0.00	4586.49	4020.00	0.00	4020.00		
Thorredu	0.00	4.00	4.00	0	1384	1384	0.00	1461.84	1461.84	0.00	1754.24	1754.24	0.00	1339.00	1339.00		
Grand Total	92.00	44.00	136.00	31363	14209	45572	26694.91	12958.93	39653.84	53035.83	20157.40	73193.23	51043.90	19272.70	70316.60		

## ABSTRACT

Region	Crop Size Fixed (million kg)	Growers Regd.	Barns Regd. (ha)	Area Regd. (ha.)	Area planted (ha.)
<b>NLS</b>	46.00	12259	13888.27	20832.80	21635.05
<b>SLS</b>	46.00	19104	12806.64	32203.03	29408.85
<b>SBS</b>	40.00	12825	11497.09	18403.16	17933.70
<b>NBS</b>	4.00	1384	1461.84	1754.24	1339.00
<b>Total:</b>	136.00	45572	39653.84	73193.23	70316.60

**Statement showing the platform wise registration and plantation particulars for  
2017-18 crop season in Karnataka**

S no	Name of the APF	Crop size fixed (million kg)	Growers	Barns	Area Registered (ha.)	Area planted (ha)
1	H.D.Kote-1	4.369	1812	2419.00	3144.70	4010.00
2	H.D.Kote-65	4.798	1916	2559.00	3326.70	4050.00
3	Hunsur-2	6.947	3063	3991.00	5188.30	6222.00
4	Hunsur-3	6.843	3150	3919.00	5094.70	5760.00
5	Hunsur-64	5.992	2631	3429.00	4457.70	5470.00
6	Kampalapura-61	7.343	3235	4186.00	5441.80	6136.00
7	Chilikunda-62	10.463	4458	5936.00	7716.80	8650.00
8	Periyapatna-4	12.042	4640	6720.00	8736.00	8640.00
9	Periyapatna-5	10.898	4666	6202.00	8062.60	8649.00
10	Periyapatna-6	10.195	4372	5816.00	7560.80	8067.00
11	Ramanathpura-7	10.537	4743	5962.00	7750.60	8127.00
12	Ramanathpura-63	8.573	3737	4858.00	6315.40	7302.00
<b>Grand Total:</b>		<b>99.000</b>	<b>42423</b>	<b>55997.00</b>	<b>72796.10</b>	<b>81083.00</b>

## EXTENSION AND ADVISORY SERVICES

Tobacco Board implements various extension and developmental schemes for improvement of productivity and quality of Indian FCV Tobacco to make it competitive in the international market. Tobacco Board also extends Subsidy to the registered FCV tobacco growers under its various schemes to encourage the farmers to adopt new and improved package of practices. Tobacco Board provides a comprehensive package of support and extension services to farmers using a wide network of qualified and trained technical field staff,in collaboration with Central Tobacco Research Institute (CTRI), Rajahmundry, National Institute of Plant Health Management (NIPHM) and Research & Developmental wings of tobacco companies.

The extension and developmental activities of the Board broadly include...

- Supply of critical crop inputs.
- Implementation of extension and developmental schemes and
- Transfer of technology.



## I. SUPPLY OF CRITICAL CROP INPUTS:

FCV tobacco farmers are required to use standard set of crop inputs as per the Good Agricultural Practices (GAP). To ensure compliance, Tobacco Board is taking the responsibility to provide critical crop inputs seed, fertilizers and suckericide to the farmers.

### 1. FCV TOBACCO SEED:

During 2017-18 crop season, Board has facilitated supply of 2,354 Kgs of seed of approved varieties through CTRI, Rajahmundry and ITC research division, Rajahmundry to FCV tobacco growers in the states of Andhra Pradesh and Karnataka.

(Quantity in Kgs)

STATE	NAME OF THE VARIETY					
	Kanchan	CH3	CH2	SIRI	FCH222	Total
Karnataka	1219	485	0	0	19	1723
Andhra Pradesh	4	530	10	87	0	631
Total	<b>1223</b>	<b>1015</b>	<b>10</b>	<b>87</b>	<b>19</b>	<b>2354</b>

### 2. FERTILIZERS:

#### KARNATAKA:

During 2017-18 crop season, Tobacco Board had procured the CTRI recommended fertilizers at competitive prices directly from manufacturing companies and supplied to 31,274 registered growers of Karnataka covering 40,309 barns. About 74% of total registered growers were supplied with the following Fertilizers. Tobacco Board had facilitated sanction of input loans of ₹71.47 crores from corporation bank and Canara Bank for purchase of fertilizers. The services of State Trading Corporation of India Ltd., were utilized for the distribution of fertilizers.

Fertilizer	Supplier	Quantity (M.T)	Price (₹/Ton)	Value (₹ in lakh)
Ammonium Sulphate	GSFC	2997.30	12530.00	375.56
	FACT	9045.00	12406.80	1122.20
	<b>Sub Total</b>	<b>12042.30</b>		<b>1497.76</b>
Sulphate of Potash	IPL	12008.90	43500.00	5223.87
	TRANS-WORLD	33.30	42500.00	14.15
	<b>Sub Total</b>	<b>12042.20</b>		<b>5238.02</b>
DI Ammonium Phosphate	MCF	2051.60	20550.00	421.60
	CIL	1962.50	20550.00	403.29
	<b>Sub Total</b>	<b>4014.10</b>		<b>824.89</b>
	<b>Grand Total</b>	<b>28098.60</b>		<b>7560.67</b>



#### **ANDHRA PRADESH:**

In Andhra Pradesh, Tobacco Board had evolved a new and alternative system of procurement and distribution of fertilizers during 2017-18 crop season without involvement of Board. In the new system, registered growers are empowered to procure and distribute fertilizers by themselves. This was implemented in Northern Light Soil region of Andhra Pradesh successfully using the services of the District Cooperative Marketing Society (DCMS), Eluru, a State cooperative Body. Tobacco Board had provided hand holding support in all aspects of supply starting from collection of indents and advances; input loan arrangement; providing board godowns for stocking the fertilizers and loan recovery, Tobacco Board had facilitated sanction of ₹26.66 crore loan towards purchase of fertilizers by the Union Bank of India. 8962 no. of growers in Northern Light Soil region (about 73%) covering 10,200 barns were supplied with following fertilizers.

Fertilizer	Supplier	Quantity (M.T)	Price (₹/Ton)	Value (₹ in lakh)
Ammonium Sulphate	FACT	3563.20	12750.00	454.31
Single Super Phosphate	CIL	2500.00	6450.00	161.25
	RANAR	1054.95	6450.00	68.04
<b>Sub Total</b>		3554.95		229.29
Sulphate of Potash	IPL	4083.80	43500.00	1776.45
	FLORIS	491.55	36500.00	179.41
<b>Sub Total</b>		4575.35		1955.85
20:20:0:13	IFFCO	1538.65	15500.00	238.49
<b>Grand Total</b>		<b>13232.15</b>		<b>2877.94</b>



### 3. SUPPLY OF SUCKERICIDES:

Tobacco Board had facilitated supply Sucker Control Chemical to the FCV tobacco growers in Karnataka and Andhra Pradesh for control of suckers after manual topping to increase the yields and quality of tobacco. Sucker Control Chemical was supplied to Karnataka growers through M/s. ITC Ltd. and M/s. HighgrowFloris Chemicals Pvt Ltd at a price of ₹ 622 per 2.5 lts can by arranging input loans. In Andhra Pradesh, the committee of the farmers in Northern light soils had negotiated with the suppliers of Sucker Control Chemical and decided that M/s. ITC Ltd. and M/s. HighgrowFloris Chemicals Pvt Ltd will supply the chemical on loan basis @ ₹ 675 per 2.5 lts can.



Tobacco Board had agreed to undertake the recovery of cost of sucker control chemical from the sale proceeds of the growers and pay to suppliers based on an authorization from growers. The particulars of supply of sucker control chemical in the two states are as follows:

State	Supply of Sucker control chemical					
	No of Growers	No of Barns	Cost per 2.5 Its can (₹)	Quantity supplied (Lts)	Value ₹ Lakh	Area covered in Ha
Karnataka	15,400	15,933	622	1,00,335.00	249.63	20,713
Andhra Pradesh	7,201	8,220	675	80,039.50	216.10	12,330
Total	22,601	24,153		1,80,374.50	465.73	33,043

## II. EXTENSION AND DEVELOPMENTAL SCHEMES:

Tobacco Board had implemented several extension and developmental schemes during 2017-18 aimed at conserving the natural resources; reducing the costs of cultivation; improving the yields and quality of tobacco; conserving the energy in curing and post-harvest product management.

### 1. Soil Health Management -supply of Green Manure seeds:

As a part of sustainable farmer practices and to enrich the soil with organic matter for improving the quality of tobacco, Board is encouraging the growers to go for in-situ green manuring by supplying green manure seeds - Sunhemp, Diancha, Pillipesara etc., in coordination with State Governments of Andhra Pradesh and Karnataka. During 2017-18 crop season, an area of 17,222 hectares was covered under green manure crops.

State	Soil Region	Area under green manure crop (ha)
Karnataka	Karnataka Light Soils	9250.30
Andhra Pradesh	Northern Light Soils	2271.00
	Southern Light Soils	3834.20
	Southern Black Soils	1866.50
Total		17222.00



## 2. Promotion of advanced Nursery Management Techniques for healthy seedling production:

### A. Scheme for supply of Trays and Coco peat for promoting tray technology:

With an objective to produce healthy seedlings and improve uniformity in standing crop and thereby increase the productivity, Board is encouraging growers to adopt tray technology for raising seedlings by supplying trays and coco peat media on subsidy in Karnataka.



With the efforts of the technical staff, over the years all most all the farmers in Karnataka are now adopting tray technology for seedling production. Seedlings produced in trays are healthy and vigorous in growth. They can withstand well the moisture stress and erratic climatic conditions. Seedlings raised in trays established well in main field providing uniform crop stand with minimum gaps. Adopting tray technology for seedling production will also provide benefits like reduction of labour cost, saving of water and chemical usage.

During 2017-18 crop season, Tobacco Board had supplied 7.90 lakh trays along with 9.48 lakh Kgs of coco peat to 3,689 Karnataka growers. An amount of ₹ 42.77 Lakh was incurred by Tobacco Board towards financial assistance in supply of trays and coco peat during 2017-18.

#### **B. Seedling production in green house with Ultraviolet (UV) Sheet roof:**

Majority of the small/marginal farmers in Karnataka are adopting tray technology for healthy seedling production. In order to protect the seedlings grown in trays from adverse climatic conditions such as wind, cold, excessive rains, extreme temperatures, insects and disease incidences, Karnataka growers are being encouraged to construct a low cost small katcha temporary green house, using the Ultra violet sheets for the roof coverage. This helps in creating congenial atmosphere for healthy seedling production. The total cost of construction of a green house with UV sheet roof is around ₹ 10,000/- per unit. As an encouragement to the small/marginal growers in adopting this technology in Karnataka, Tobacco Board is subsidizing the cost of the ultra violet sheets to an extent of ₹ 1,500/- per green house. During 2017-18 crop season in Karnataka, 116 registered growers were provided with subsidy of ₹ 1.74 lakh towards UV sheet covering of 116 green houses.

#### **C. Seedling production in permanent poly green houses:**

Instead of temporary green house using the Ultra violet sheets for the roof for housing seedling trays, some farmers in Karnataka are going for construction of permanent poly house. The Permanent green house has the advantages of longer durability, sturdiness to withstand the winds and protect young seedlings from uncongenial weather conditions. The estimated cost of setting up of a permanent poly green house with dimensions -15 ft length X 12 ft width X 11.5 ft height is ₹ 23,500/unit. The structure encompasses a base area of 180 sqft sufficient for arranging 10-12 germinating wooden trays. The advantage of the permanent green house is greater control over environmental conditions inside the structure resulting in increased uniformity in the seedlings growth. Tobacco Board is encouraging growers to go for setting up of permanent poly green house

by extending a subsidy of ₹ 5,000/per shed/grower. During 2017-18 crop season in Karnataka, 30 registered growers were provided with a subsidy of ₹ 1.50 lakh for constructing 30 permanent poly green houses for housing seedling trays.



### **3. Financial assistance for procurement of Plant protection Equipment - supply of Knapsack Sprayers :**

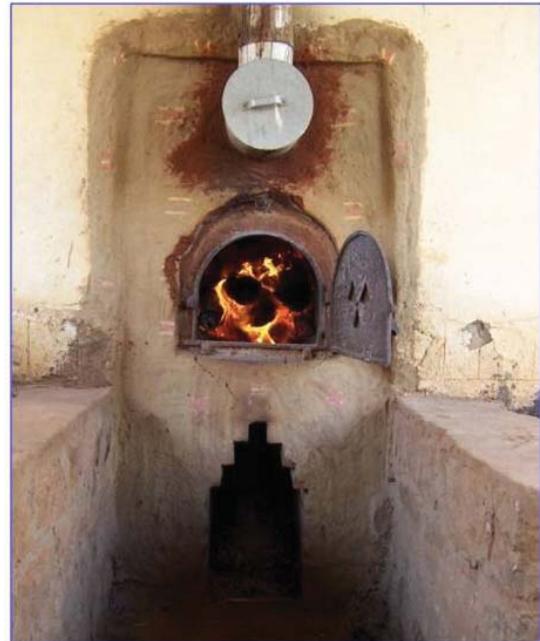
Tobacco Board had been providing financial assistance for procurement of plant protection equipment for use in tobacco cultivation. Under this scheme, the tobacco farmers in Karnataka were supplied with 1,180 Knapsack Sprayers on subsidy basis during 2017-18. Subsidy was extended @ 50% of the total cost to SC/ST growers and @25% to other growers. The cost of Knapsack Sprayers supplied to growers during 2017-18 crop season is ₹ 2,499/sprayer and a subsidy of ₹ 8.56 lakh was paid to 1,180 beneficiaries under this scheme.

### **4. Scheme for conservation of energy in tobacco curing - Propagation of fuel efficient Technology:**

In an effort to save the fuel required for curing of tobacco, Tobacco Board had been implementing several energy conservation schemes. Under these schemes the growers are being encouraged to adopt energy saving technologies by providing suitable financial assistance in coordination with the trade. Fuel efficient technologies like replacing the traditional barn furnaces with improved design of the furnace - Ventury furnace; insulation of barns with Glass wool roof insulation and fitting the barns with Turbo ventilator not only helped in saving the fuel costs but also reduced the time required for curing of tobacco bringing about the much need economy in FCV tobacco curing.

**a. Scheme for replacing traditional furnace with Ventury Furnace (Improved design of furnace):**

An improved design of furnace system - Ventury furnace facilitates better combustion of fuel and heat transfer ensuring adequate supply of oxygen avoiding soot deposition in the flue pipes and achieves 15 - 20% saving in fuel consumption. The Board had implemented this scheme in Andhra Pradesh in collaboration with trade (M/s.ITC Ltd., and M/s. Godfrey Philips India Ltd) in 88 barns covering 94 beneficiaries during 2017-18 and refitted these barns with Ventury furnace. An amount of ₹5,000/- per barn was extended towards subsidy to the beneficiary growers each by Board and by Trade. The expenditure incurred by the Board on this scheme during 2017-18 was ₹4.40 lakh.



**b. Glass wool Roof Insulation of barns and fitting with Turbo ventilator:**

The objective of this scheme is to promote energy conservation in curing of FCV Tobacco through glass wool insulation of roof of barns and providing Turbo Ventilator for free air circulation in barn by extending subsidy to the grower beneficiaries. The scheme envisaged fuel wood savings to the extent of 25 to 27% and reduced the cost of cultivation by about ₹6,500/- per ha. approximately. In addition, these interventions in barn had resulted in improvement of leaf quality in curing by avoiding caramalization and sponging of leaf. The total cost of glass wool roof insulation and fitting of turbo ventilator ranged from ₹25,502/- to ₹29,667/- per barn of size 16X16 approximately.



Board had implemented this scheme in a focused mode in Andhra Pradesh during 2017-18 in collaboration with trade (M/s ITC Ltd, M/S Godfrey Philips India Ltd, M/S Deccan Tobacco Enterprises) by extending a financial assistance of ₹ 5,300/barn. The trade had contributed 50% of the cost as financial assistance and the remaining 25% of cost of insulation was borne by the grower beneficiary. As against the target of 1,460 barns proposed to be insulated during 2017-18, 1,200 barns of 1,342 registered growers in Andhra Pradesh were insulated and Board had incurred an expenditure of ₹63.60 lakh towards the subsidy under this scheme. Region wise barns insulated with Glass wool roof insulation and fitted with turbo ventilator are as follows:

Region	Grower beneficiaries	Barns insulated	Financial assistance (₹ lakh)
NLS region	513	495	26.24
SLS region	248	205	10.86
SBS region	581	500	26.50
Total	1342	1200	63.60

#### c. "Grow your own fuel" Scheme - supply of fast growing tree saplings:

The principles of Sustainable Tobacco Production (STP) envisage eliminating the use of coal and non-sustainable sources of firewood for tobacco curing. The wood used for curing shall have to be sourced from sustainable wood sources and alternative bio-mass fuels are to be promoted in future. As a part of this initiative, Tobacco Board is encouraging the registered tobacco growers to take up planting of fast growing trees to ensure supply of the



fuel requirement for curing of Tobacco from their own plantation without impacting natural wood resources. In fact, Tobacco Board had made it mandatory that all the registered growers of tobacco shall undertake to plant a minimum of 10 plants per year.

During 2017-18, Tobacco Board had supplied saplings of fast growing trees free of cost to growers for planting the same in the vacant spaces nearby their houses, field bunds, bulking sheds and barns. The scheme was implemented in coordination with forest departments of Andhra Pradesh and Karnataka states. In Karnataka, Tobacco Board arranged supply of 50,000 saplings to registered growers free of cost by procuring from Deputy Conservator of Forests, Hunsur in Mysore region and Deputy Conservator of forests, KR Nagar in Periyapatna region @ ₹8.20/- sapling. In Andhra Pradesh, Board arranged 90,000 eucalyptus clones to growers in Northern light soil area in coordination with ITC paperboards and Specialty Papers division, Bhadrachalam at subsidized price of ₹1/- per each clone.

**d. Alternative energy sources for curing of tobacco - Research on use of Solar Thermal energy for curing of tobacco.**

Tobacco Board in collaboration with trade had funded a project by ICAR-CTRI on "Development and evaluation of Solar Thermal Energy based FCV tobacco curing systems" for promoting research for use of solar energy in tobacco curing. The duration of the project is two years and the total cost of project is ₹35.00 lakh. The project cost was proposed to be shared by Tobacco Board, M/s ITC Ltd and M/s GPI by contributing 1/3<sup>rd</sup> share each.

**5. POST HARVEST PRODUCT MANAGEMENT-MEASURES FOR PRODUCT INTEGRITY**

**a. Elimination of Non Tobacco Related Materials(NTRMs) - Supply of Canvas Tarpaulins:**

Non-tobacco related material (NTRM) is of critical concern to the tobacco industry. Comprehensive approaches to NTRM source elimination and NTRM detection and removal at all levels of the supply chain are necessary in order to protect tobacco integrity. Farm-level prevention and elimination of NTRM sources is cost effective and successful strategy to achieve positive results. Strong partnerships with



farmers and the farm community and continuous education of farmers are key elements for farm level elimination of NTRMs. Efforts to avoid NTRMs at harvesting, transport, curing and storage by implementing clean handling practices will go a long way in maintaining the product integrity. To ensure cleanliness of the product at these stages, Board supplied 4,185 canvas tarpaulins to 4,185 growers in Karnataka at subsidized cost to help them to cleanly handle the green tobacco during harvesting, transporting, curing, storage and grading to avoid NTRMs. An expenditure of ₹37.90 lakh was incurred under this scheme. The tarpaulins of size 24'x12' were supplied at a cost of ₹2,572/- per tarpaulin. Subsidy was extended @50% of total cost to SC/ST growers and 35% to other growers.

**b. Construction of Bulking sheds/Model Storage Facilities:**

Creation of on Farm Storage is necessary to hold Tobacco in good condition from the time it has completed curing, grading, baling until it is ready to be marketed. Better on farm storage facilities will help the farmers in preventing the NTRM's and ensure "Cleanliness of the product". Keeping this in view, Board encouraged growers to go for construction of bulking sheds/storage facilities during 2017-18 crop season by extending financial assistance and necessary credit through commercial banks. In Andhra Pradesh, during 2017-18 crop season, Tobacco Board had extended financial assistance @ ₹15,000/unit and the total expenditure incurred under this scheme was ₹0.30 lakh.

**c. Monitoring and control of CPA (Crop Protection Agents)residues in leaf tobacco:**

Indiscriminate use of pesticides i.e., use of pesticides more number of times than required, use of higher doses than recommended, use of pesticide mixtures (mixing more than one insecticide), use of banned pesticides on tobacco or pesticides not recommended for tobacco is leading to CPA residues problem in leaf tobacco. The problem of CPA residues in cured tobacco leaf is assuming serious proportions impacting the export prospects of tobacco as tobacco importing countries are imposing stringent conditions that CPA residues in leaf tobacco shall be below statutory Maximum Residue Levels (MRLs). Though Indian tobacco is known for low CPA residues, in order to strategize and develop action plan for tackling future problems of CPA residues, Tobacco Board has been implementing several measures proactively.

Tobacco Board is undertaking CPA residue testing of tobacco leaf in farmer level samples in order to identify the problematic villages which are CPA hotspots. Based on the analysis results, hot spot specific focused interventions are being taken up to restrict reoccurrence of these CPA

residues above GRL. During 2017-18, The Board had carried out analysis of 224 tobacco leaf samples of Andhra Pradesh and Karnataka at NIPHM, Hyderabad for monitoring the levels of CPA residues in leaf Tobacco to identify hot spots and to take corrective action accordingly. The leaf samples were analyzed at a cost of ₹11,800/- per sample and a total expenditure of ₹21.11 lakh was incurred towards analysis charges.

#### **d. Leaf chemistry analysis of leaf tobacco for nicotine, sugars and chlorides:**

Tobacco Board also undertakes the analysis of leaf tobacco in every crop season for determining Nicotine, Sugars and Chlorides so as to determine the quality of leaf grown during the particular season and establish the crop chemistry. During 2017-18, Tobacco Board had got analyzed 227 leaf samples collected from all platforms of Andhra Pradesh and Karnataka before start of auctions for sale of tobacco at CTRI, Rajahmundry for determining chemical constituents in leaf Tobacco @ ₹767/- per constituent .The total expenditure incurred on this account was ₹5.02 lakh.

### **III. TRANSFER OF TECHNOLOGY:**

Tobacco Board is helping farmers to grow tobacco efficiently by timely crop advices and transfer of latest technology through Personal contacts, Group meetings, Farmer trainings, and Exposure visits cum Study tours, Workshops, on farm trials / Result demonstrations and Model project area schemes.

#### **1. Training programmes to farmers and Technical staff:**

Farmers' training is one of the most important elements of extension design and planning for imparting knowledge and skills to the farming community. It has immense potential in transfer and utilization of latest technical knowhow, leadership development and attitudinal changes. Training is thus a crucial and continuous requirement for human resource development. Training makes the farmers proficient in implementing Good Agricultural Practices in Tobacco cultivation, thereby ensuring sustainability. Training of extension staff is highly essential for providing latest technical knowhow and also for inculcating competence, professionalism and service morale.



In view of this, as it was done during previous crop seasons, Tobacco Board had imparted training to growers and field staff at different crop stages starting from seed bed preparation to post harvest product management during 2017-18 crop season. The details are as follows:



- The Board had organized a total of 241 training programmes in 2017-18 to the farmers in the states of Andhra Pradesh and Karnataka at different stages of crop growth from Nursery Management to Crop harvesting, curing and on farm storage to create awareness on Good Agricultural Practices across all soil regions. Around 13,732 growers had participated in these training programmes.
- Tobacco Board in coordination with CTRI and Trade had taken up special campaign for advising the growers on preventive control of Orobanche. Growers meetings were organized at platform level especially in all southern black soil and light soil platforms before taking up of plantation to enlighten the growers on the preventive measures to be followed for control of Orobanche.
- Trainings were organized to growers and Board technical officers at NIPHM, Hyderabad on pest surveillance, advanced concepts of Pest Control and Integrated Pest Management (IPM), on farm production of Biocontrol agents and microbial biopesticides. 148 growers and 39 board officers were trained at NIPHM during 2017-18.
- Off campus training programme was organized for Northern Light Soil tobacco growers for two days on 27<sup>th</sup> and 28<sup>th</sup> December 2017 at Gopalapuram, Koyyalagudem, J.R.Gudem auction platforms by NIPHM scientists to educate the growers on preventing pesticide residues using Integrated Pest Management (IPM) practices.
- Training programmes to tobacco curers were organized in Northern Light Soil region on 6<sup>th</sup> March, 2018 at Sangaigudem (Deverapalli), Peddapuram (Gopalapuram), Dippakayalapadu (Koyyalagudem) and on 7<sup>th</sup> March 2017 at Sitarampet (J.R.Gudem I), Chinnavarigudem (J.R.Gudem II) villages to impart technical knowhow on the best practices to be followed while harvesting of leaf, green leaf grading, stringing of leaf, loading of sticks based on ripeness of leaf, management of temperature in glass wool roof insulated barns/ventury fitted barns/barns with traditional furnace using the services of the scientists of CTRI, Rajahmundry .

## 2. Workshops:

Tobacco Board had organized five workshops for growers in various regions during 2017-18 with the help Scientists of CTRI and ITC to discuss certain important local problems / key issues of tobacco farming and offer plausible solutions.



- A workshop on "Special agronomic practices to be taken up under drought / moisture stress conditions" was organized at Ongole II auction platform premises on 19<sup>th</sup> January'2018 for the growers of Southern Black soil region to sensitize the growers on measure to be taken up for conservation of soil moisture under deficit rainfall conditions.
- In the workshop organized at CTRI, Research Station, Kandukur for the growers of Southern Light soil region on 18<sup>th</sup> January 2018, the growers were explained about advantages of changing planting time depending on climatic conditions, importance of growing green manure crops, taking up water conservation practices like construction of farm ponds, small check dams etc., and use of drip irrigation for tobacco cultivation.
- A workshop was organized to growers of Northern Light Soils and Black soil regions at CTRI Research Station, Jeelugumilli on 1<sup>st</sup> February 2018 to discuss the Good Agricultural Practices to be followed in cultivation of Hybrids; yield constraints in light soil tobacco production and the measures to be taken up to overcome these obstacles and the preventive action to be taken to make tobacco farming Orobanche free.
- Two workshops were organized for the Karnataka tobacco growers at CTRI, Hunsur on 8<sup>th</sup> June 2017 and 1<sup>st</sup> September 2017 to discuss the Good Agricultural Practices to be adopted in FCV Tobacco cultivation in Karnataka Light Soils.

### 3. Farmer exposure visits cum Study Tours:

Farmer exposure visits provide a platform to the farmers to expand their knowledge and skill by visiting to the places where new technologies and techniques are involved in cultivation. These exposure visits takes the farmers beyond their area of operation and let them have an opportunity to learn and understand several techniques and ways on increasing their income by adopting new technologies.

- Tobacco Board had conducted 27 study tours for farmers in Andhra Pradesh and Karnataka to processing units of exporters/manufacturers to sensitize them about the problem of NTRM's in leaf tobacco and to impress upon them to take preventive measures for eliminating NTRMs and maintain product integrity.
- Farmer exposure visit to 'Kisan Mela' at LAM, Guntur was organized from the platform, Vellampalli-II on 22/01/2018.
- FCV tobacco farmers in Karnataka were taken on tour to GKVK, UAS, Bangalore to participate in 'Krishimela' on 17<sup>th</sup> and 18<sup>th</sup> November 2017.
- Farmer exposure visit cum Study tours were also organized to growers from Southern black soil and light soil areas to YSR Horticultural University, "Venkata Ramanna Gudem", West Godavari(Dt) and FCV tobacco growing areas of Northern light soil areas on 16<sup>th</sup> & 17<sup>th</sup> February 2018. The growers were educated on Horticultural/vegetable crops suitable for tobacco growing soils. The growers were also shown the drip irrigation and fertigation practices in FCV tobacco cultivation and their impact on yields and quality of tobacco.



#### **4. Publicity Material:**

Tobacco Board had brought out leaflets on green manuring and Control of Orobanche (Root Parasite) during 2017-18 for distribution to growers.



#### **5. Field Friends' Teams:**

The Tobacco Board had constituted Field Friends teams with the scientists from CTRI, Field executives of M/s. ITC Ltd and M/s.GPI Ltd., and Board's technical officers to give timely advises and suggestions to the growers on different aspects of tobacco cultivation. Field friends' teams during their visits observed the general crop condition in all areas and advised the Board extension staff and growers on specific interventions to be taken for improving the crop condition. The field friends' teams also estimated the area and production of tobacco by verifying the crop estimation procedures carried out by the field staff.



A team of scientists from CTRI, Rajahmundry visited the tobacco growing areas of Prakasam and Nellore Districts of Andhra Pradesh from 27<sup>th</sup> to 29<sup>th</sup> December 2017 and advised the farmers on remedial measures to be taken up to overcome the deficit rainfall conditions prevailed during the 2017-18 crop season. They also advised the growers to spray water soluble fertilizers during cool hours to improve the nutrient absorption so as to help the tobacco plants to tolerate the moisture stress conditions.

#### **6. On Farm tests and experimental trials:**

Tobacco Board had implemented "On Farm Trials and Experimental Trials" in the fields of the growers to illustrate the new technologies or popularize approved technologies in the crop production to bring down the gap in production levels between research stations and farmers fields and help the farmer to increase the productivity as well as quality of tobacco.

During 2017-18, Tobacco Board had taken up 30 On Farm Trial plots for testing the pipeline varieties/ hybrid varieties/ Integrated Nutrient Management Practices/Foliar nutrition of Nitrogen and Potassium with Potassium Nitrate (KNO<sub>3</sub>) / Balanced fertilizer application through fertigation. The farmers who came forward to take up the trials were provided with incentives. Field day programmes were also organized by the field staff to demonstrate the outcome of the trials for widespread adaptation by growers. Tobacco Board had incurred an expenditure of ₹4.12 lakh for implementing this scheme.





## 7. Model Project Area:

Board has implemented Model Project Area scheme in low productivity areas of 11 villages in Andhra Pradesh in Northern light soil and southern light soil areas and 12 villages in Karnataka to encourage farmers in these areas to adopt best cultivation practices to enhance productivity and quality of Tobacco in a focused manner. M/s. ITC Ltd, M/s Godfrey Phillips India Ltd, Deccan Tobacco Company and Alliance One India Ltd were also involved in developmental activities in MPA villages.



**EXPENDITURE ON IMPLEMENTATION OF EXTENSION & DEVELOPMENTAL SCHEMES IN 2017-18:**

Tobacco Board had incurred a total expenditure of ₹228.92 Lakh during 2017-18 for implementing various Extension and Developmental schemes. The scheme wise break up of this expenditure in comparison with last two years is as follows:

(₹in lakh)

<b>Extension Schemes</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Supply of plant protection equipment	8.23	24.00	8.56
Improving Yield & Quality of Tobacco	90.36	65.73	71.45
Improvement of Curing Practices	6.70	122.58	72.11
Elimination of NTRMs and Product Integrity	70.99	73.01	37.90
Post Harvest Product Management	2.40	1.05	0.30
Programmes for training of farmers	21.06	14.09	23.53
On Farm Tests & Experimental Trials	4.55	3.72	4.13
Model Project Area	27.30	22.05	10.94
<b>Total:</b>	<b>231.59</b>	<b>326.23</b>	<b>228.92</b>

The scheme wise Physical/Financial targets and achievements are given at Page Nos. from **50 to 56.**

**2017-18 CROP SEASON - EXTENSION AND DEVELOPMENTAL SCHEMES - TARGETS AND ACHIEVEMENTS**

Sl. No	Name of the Scheme	Physical Target			No. of beneficiaries			Physical Achievement			Financial Outlay (₹in lakh)	Financial Achievement ₹ in lakh
		A.P	KK	Total	A.P	KK	Total	A.P	KK	Total		
<b>1 Supply of plant protection equipment</b>												
i	Supply of Knapsack Sprayers	0	1198	1198	0	1180	1180	0	1180	1180	8.60	0.00
	<b>Sub Total:</b>				<b>0</b>	<b>1180</b>	<b>1180</b>				<b>8.60</b>	<b>0.00</b>
<b>2 Promotion of advanced Nursery Management Techniques for healthy seed production</b>												
a	Supply of Trays and Cocopeat	0	944200	944200	0	3654	3654	0	782850	782850	43.00	0.00
b	Green house with Ultra Violet (UV) Sheet	0	240	240	0	116	116	0	116	116	4.00	0.00
c	Permanent poly green house	0	60	60	0	30	30	0	30	30		
	<b>Sub Total:</b>				<b>0</b>	<b>3800</b>	<b>3800</b>				<b>47.00</b>	<b>0.00</b>
<b>3 Improvement of Curing Practices</b>												
a	Improved design of furnace in barns – Ventury Furnace	90	0	90	94	0	94	88	0	88	100.00	4.40
b	Glass Wool Roof Insulation of barns	1460	0	1460	1313	0	1313	1176	0	1176	62.33	0.00
											<b>62.33</b>	<b>0.00</b>

Sl. No	Name of the Scheme	Physical Target			No. of beneficiaries			Physical Achievement			Financial Outlay (₹ in lakh)	Financial Achievement ₹ in lakh
		A.P	KK	Total	A.P	KK	Total	A.P	KK	Total		
C	Raising of fuel for curing of Tobacco (no.of saplings)	265000	50000	315000	150	3997	4147	90000	50000	140000	10.00	0.90
	<b>Sub Total:</b>				<b>1557</b>	<b>3997</b>	<b>5554</b>				<b>110.00</b>	<b>67.63</b>
<b>4 Post Harvest Product Management- Measures for Product Integrity</b>												
a	Elimination of NTRMs - Supply of Tarpaulins	0	4370	4370	0	3984	3984	0	3984	3984	40.00	0.00
b	Analysis of leaf for Pesticide residues	125	101	226	123	101	224	123	101	224	25.00	9.19
c	Analysis of leaf for Chemical Constituents	125	101	226	123	104	227	123	104	227		2.62
d	Construction of Bulking Sheds	...	0	0	3	0	3	2	0	2	6.00	0.30
	<b>Sub Total</b>				<b>249</b>	<b>4189</b>	<b>4438</b>				<b>71</b>	<b>12.12</b>
<b>5 Other Extension Programmes</b>												
a	<b>Training to farmers &amp; staff</b>											
i	Work shops	3	2	5	205	212	417	3	2	5	15.00	0.98
ii	Trng.progs by Auction Superintendents	108	72	180	6281	4515	10796	110	72	182	15.00	3.13
iii	Trng.prog to Officers/ Staff / Growers at NIPHM	...	...	...	187	0	187	5	0	5	10.76	0.00
	<b>Sub Total</b>										<b>10.76</b>	<b>0.00</b>

Sl. No	Name of the Scheme	Physical Target			No. of beneficiaries			Physical Achievement			Financial Outlay (₹ in lakh)	Financial Achievement ₹ in lakh	
		A.P	KK	Total	A.P	KK	Total	A.P	KK	Total	A.P	KK	Total
b	Publicity & Extension Literature	....	....	....	....	....	....	....	....	....	0.16	0.00	0.16
c	Study Tours	36	24	60	579	301	880	25	2	27	12.00	3.39	2.06
d	Field Friend Teams	6 visits	0	6 visits	...	0	...	6	0	6	2.00	0.34	0.00
	<b>Sub Total:</b>				<b>7252</b>	<b>5028</b>	<b>12280</b>				<b>31.00</b>	<b>18.75</b>	<b>4.78</b>
<b>6</b>	<b>On Farm Tests &amp; Experimental Trials</b>	18	12	30	1182	778	1960	18	12	30	6.00	2.45	1.67
													<b>4.13</b>
	<b>7 Model Project Area (Ha.)</b>												
a	Supply of Trays and Cocopeat	0	37074	<b>37074</b>	0	35	35	0	6822	<b>6822</b>		0.00	0.69
b	Glass Wool Roof Insulation of barns	55	0	<b>55</b>	29	0	<b>29</b>	24	0	<b>24</b>		1.27	0.00
c	Elimination of NTRMs – Supply of Tarpaulins	0	300	<b>300</b>	0	201	<b>201</b>	0	201	<b>201</b>	30.00	0.00	1.85
d	Training Programmes to officers/staff in MPA	11	12	<b>23</b>	676	776	<b>1452</b>	11	11	<b>22</b>		0.45	0.85
e	Field men/Hiring of vehicles/ Salaries/Sign Boards/Banners & other expenditure	11	12	<b>23</b>	...	...	...	11	12	<b>23</b>		3.06	2.76
	<b>Sub Total:</b>				<b>705</b>	<b>1012</b>	<b>1717</b>				<b>30.00</b>	<b>4.78</b>	<b>6.16</b>
	<b>Grand Total:</b>				<b>10945.00</b>	<b>19984.00</b>	<b>30929.00</b>				<b>30360</b>	<b>105.74</b>	<b>228.92</b>

**COVERAGE OF SC, ST, WOMEN AND OTHER GROWERS UNDER VARIOUS EXTENSION AND DEVELOPMENTAL SCHEMES DURING 2017-18**

Sl. No	Name of the scheme	Beneficiaries				Physical (units)				Achievements				Financial (subsidy in)			
		S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total	
1	<b>Supply of plant protection equipment</b>																
a	Supply of Knapsack Sprayers	134	58	246	742	<b>1180</b>	134	58	246	742	<b>1180</b>	1.68	0.73	1.53	4.63	<b>8.56</b>	
	<b>Sub Total:</b>	<b>134</b>	<b>58</b>	<b>246</b>	<b>742</b>	<b>1180</b>						<b>1.68</b>	<b>0.73</b>	<b>1.53</b>	<b>4.63</b>	<b>8.56</b>	
2	<b>Improving Yield &amp; Quality of Tobacco</b>																
a	Supply of Trays and Cocopeat	345	142	697	2470	<b>3654</b>	78156	32610	157848	514236	<b>782850</b>	5.57	2.32	8.03	26.16	<b>42.08</b>	
b	Green house with Ultra Violet (UV) sheet roof	2	6	12	96	<b>116</b>	2	6	12	96	<b>116</b>	0.03	0.09	0.18	1.44	<b>1.74</b>	
c	Permanent poly green house	1	0	1	28	<b>30</b>	1	0	1	28	<b>30</b>	0.05	0.00	0.05	1.40	<b>1.50</b>	
	<b>Sub Total:</b>	<b>348</b>	<b>148</b>	<b>710</b>	<b>2594</b>	<b>3800</b>						<b>5.65</b>	<b>2.41</b>	<b>8.26</b>	<b>29.00</b>	<b>45.32</b>	
3	<b>Improvement of Curing Practices</b>																
a	Improved design of furnace in barns Ventury Furnace	5	0	28	61	<b>94</b>	4	0	26.5	57.5	<b>88</b>	0.20	0.00	1.33	2.88	<b>4.40</b>	



Sl. No	Name of the scheme	Achievements										Financial (subsidy in)				
		Beneficiaries			Physical (units)				S.C			Others	Women	Others	Total	
S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total		
b	Glass wool roof insulation of barns	38	346	891	1313	32.5	37	321.05	785.45	1176	1.72	1.96	17.02	41.63	62.33	
c	Raising of fuel for curing of Tobacco	...	...	...	4147	...	...	...	...	14000	...	...	...	...	5.39	
	<b>Sub Total:</b>	<b>43</b>	<b>38</b>	<b>374</b>	<b>952</b>	<b>5554</b>									<b>72.11</b>	
<b>4 Post Harvest Product Management - Measures for Product Integrity</b>																
a	Elimination of NTRMs- Supply of Tarpaulins	417	222	764	2581	3984	417	222	764	2581	3984	5.26	2.85	6.80	22.99	37.90
b	Analysis of leaf for Pesticide Residues	...	...	...	...	224	...	...	...	224	...	...	...	...	21.11	
c	Analysis of leaf for Chemical Constituents	...	...	...	227	...	...	...	227	...	...	...	...	...	5.02	
d	Construction of bulk sheds	0	0	2	1	3	0	0	1.5	0.5	2	0.00	0.00	0.23	0.08	0.30
	<b>Sub Total:</b>	<b>417</b>	<b>222</b>	<b>766</b>	<b>2582</b>	<b>4438</b>						<b>5.26</b>	<b>2.85</b>	<b>7.03</b>	<b>23.06</b>	<b>64.33</b>

Sl. No	Name of the scheme	Achievements						Financial (subsidy in)													
		Beneficiaries			Physical (units)			S.C			S.T			Women			Others				
		S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total
<b>5</b>	<b>Other Extension Programmes</b>																				
a	Training to farmers & staff																				
i	Training Programmes by Auction Superintendents	...	...	...	...	10796	...	...	...	...	182	...	...	...	...	...	...	...	...	5.08	
ii	Training programme to Officers / Staff / Growers at NIPHM	...	...	...	...	187	...	...	...	...	5	...	...	...	...	...	...	...	...	10.76	
iii	Workshops	...	...	...	...	417	...	...	...	...	5	..	..	..	..	..	..	..	..	1.74	
b	Publicity & Extension Literature...	...	...	...	...	...	...	...	...	...	10000	...	...	...	...	...	...	...	...	0.16	
c	Study Tours	...	...	...	...	880	...	...	...	...	27	...	...	...	...	...	...	...	...	5.45	
d	Field Friend Teams	...	...	...	...	...	...	...	...	...	6	...	...	...	...	...	...	...	...	0.34	
	<b>Sub Total :</b>	...	...	...	...	<b>12280</b>					...	...	...	...	...	...	...	...	...	<b>23.53</b>	
<b>6</b>	<b>On Farm Tests &amp; Experimental Trials</b>	...	...	...	...	<b>1960</b>	...	...	...	...	<b>30</b>	...	...	...	...	...	...	...	...	<b>4.13</b>	

Sl. No	Name of the scheme	Achievements						Financial (subsidy in)			
		Beneficiaries			Physical (units)			S.C	S.T	Women	Others
		S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total
<b>7</b>	<b>Model Project Area (Ha.)</b>										
a	Supply of Trays and Cocopeat	8	0	6	21	<b>35</b>	1572	0	1572	<b>3678</b>	<b>6822</b>
b	Elimination of NTRMs – Supply of Tarpualins	18	1	34	148	<b>201</b>	18	1	34	<b>148</b>	<b>201</b>
c	Glass wool roof insulation of barns	1	0	5	23	<b>29</b>	1	0	4	<b>19</b>	<b>24</b>
d	Training programmes to officers/ staff	...	...	...	...	<b>1452</b>	...	...	...	<b>22</b>	...
e	Field men/Hiring of vehicles / Salaries / Sign Boards/ Banners & other expenditure	...	...	...	...	...	...	...	...	...	...
	<b>Sub Total:</b>	<b>27</b>	<b>1</b>	<b>45</b>	<b>192</b>	<b>1717</b>				<b>0.43</b>	<b>0.01</b>
	<b>Grand Total:</b>	<b>969</b>	<b>467</b>	<b>2141</b>	<b>7062</b>	<b>30929</b>				<b>13.01</b>	<b>6.01</b>
										<b>17.49</b>	<b>59.40</b>
											<b>228.92</b>

## GROWER WELFARE INITIATIVES

### I. Tobacco Board's Growers' Welfare Fund:

Tobacco Board is undertaking various welfare measures, to ensure overall welfare of around 89,000 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 daughters' Marriage, Education of Dependent Children, Treatment for major Illness / 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 12,611 growers, in terms of Grants and Loans. Grants worth ₹30.08 crore were sanctioned to 9,160 beneficiaries and interest free loans of ₹6.40 crore were sanctioned to 3,451 growers. A total amount of **₹56.12 crore** was available in Tobacco Board's Growers' Welfare Fund as on 31/03/2018.

During 2017-18, **₹7.88 crore** were disbursed in the form of Grants and **₹1.21 crore** in the form of Interest free loans, totaling to **₹9.09 crore**. The details are provided at **Page No. 59**.

### II. Production related services to farmers:

#### A. Soil and Water Analysis

Tobacco Board every year organizes collection and analysis of soil and water samples of registered tobacco growers free of cost. Basing on analysis results, Board advises growers on suitability of soil and irrigation water for tobacco cultivation and on usage of correct doses of fertilizers for improving quality and yields. During 2017-18 crop season, **5,300** soil samples and **625** water samples are analyzed and results were communicated to the concerned growers.

State	Soil Samples	Water Samples
Andhra Pradesh	2,300	625
Karnataka	3,000	--
<b>Total</b>	<b>5,300</b>	<b>625</b>

In addition to the above, 1,000 soil samples in Andhra Pradesh and 180 soil samples in Karnataka are analysed for micro nutrients - Fe, Zn, Mn and Cu during 2017-18 crop season.

### **III 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 2017-18 crop season, an insurance coverage to 32,115 growers and their 31,311 barns was provided in Andhra Pradesh.

### **IV Credit facilities to growers:**

Tobacco Board facilitated crop loans and barn repair loans through commercial banks to FCV tobacco growers for cultivation of FCV tobacco during 2017-18.

Type of Loan	Andhra Pradesh		Karnataka	
	Beneficiaries	Amount (₹ in crore)	Beneficiaries	Amount (₹ in crore)
Crop Loans	41,019	2,323.21	37,669	587.39
Barn Repair Loans	4,146	41.03	7,077	32.18

**THE DETAILS OF GRANTS / INTEREST FREE LOANS EXTENDED  
SCHEME WISE DURING 2017-18**

DESCRIPTION (GRANTS/LOANS)	Since Inception of the Scheme to 31/03/2018						During 2017-18 – (01/04/2017 to 31/03/2018)											
	Andhra Pradesh			Karnataka			TOTAL			Andhra Pradesh			Karnataka			TOTAL		
	No. of Beneficiaries	Amount (₹) In. Lakh	No. of Beneficiaries	Amount (₹) In. Lakh	No. of Beneficiaries	Amount (₹) In. Lakh	No. of Beneficiaries	Amount (₹) In. Lakh	No. of Beneficiaries	No. of Beneficiaries	Amount (₹) In. Lakh	No. of Beneficiaries	No. of Beneficiaries	Amount (₹) In. Lakh	No. of Beneficiaries	No. of Beneficiaries	Amount (₹) In. Lakh	
<b>GRANTS:</b>																		
<b>Natural Death</b>	4258	1233.75	4567	1553.05	8825	2786.80	638	319.00	832	416.00	1470	735.00						
<b>Accidental Death</b>	221	142.50	114	79.00	335	221.50	35	35.00	18	18.00	53	53.00						
<b>TOTAL</b>	<b>4479</b>	<b>1376.25</b>	<b>4681</b>	<b>1632.05</b>	<b>9160</b>	<b>3008.30</b>	<b>673</b>	<b>354.00</b>	<b>850</b>	<b>434.00</b>	<b>1523</b>	<b>788.00</b>						
<b>LOANS:</b>																		
<b>Girl Marriage Assistance Treatment for Major Illness / Accident cases require surgery</b>	68	19.00	735	234.50	803	253.50	11	5.50	179	89.50	190	95.00						
<b>Repair for Damaged Barns / Fire Accident</b>	36	13.15	56	15.50	92	28.65	5	2.50	2	1.00	7	3.50						
<b>Education Loan to Dependent Children</b>	2228	261.45	23	9.30	2251	270.75	4	1.40	17	7.90	21	9.30						
<b>TOTAL</b>	<b>2557</b>	<b>357.65</b>	<b>894</b>	<b>282.85</b>	<b>3451</b>	<b>640.49</b>	<b>33</b>	<b>15.89</b>	<b>212</b>	<b>105.20</b>	<b>245</b>	<b>121.08</b>						
<b>GRAND TOTAL (GRANTS+LOANS)</b>	<b>7036</b>	<b>1733.90</b>	<b>5575</b>	<b>1914.90</b>	<b>12611</b>	<b>3648.79</b>	<b>706</b>	<b>369.89</b>	<b>1062</b>	<b>539.20</b>	<b>1768</b>	<b>909.08</b>						

## AUCTIONEERING SERVICES AT PLATFORMS

The Tobacco Board has introduced auction system for sale of FCV tobacco during 1984 in Karnataka and during 1985 in Andhra Pradesh by establishing auction platforms to ensure fair and remunerative prices to the tobacco growers by creating an element of competition among the buyers. This system also ensures prompt payment to the growers and correct weightment 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 2016-17 FCV TOBACCO IN ANDHRA PRADESH:

#### a) Volume and Prices:

The auctions for sale of 2016-17 FCV crop commenced in the financial year 2016-17 on 15/03/2017 and concluded in the financial year 2017-18 on 09/10/2017. A total quantity of 105.35 million kg of tobacco was marketed at an average price of ₹134.28 per kg at the end of the auction season, out of which, a quantity of 102.46 million kg of tobacco was marketed at an average price of ₹133.70 per kg during the period from 01/04/2017 to 09/10/2017 i.e. during 2017-18 financial year.

**Auction Platform wise quantity of tobacco marketed in Andhra Pradesh  
during the period 01/04/2017 to 31/03/2018**

Sl. No.	Name of the Auction Platform	2017 AP auctions Quantity marketed during the period 01/04/2017 to 09/10/2017		2018 AP auctions quantity marketed durng the period 08/03/2018 to 31/03/2018		Total Qty. marketed during the period 01/04/2017 to 31/03/2018	
		Qty. Mkted. (kg)	Avg. Pri. (₹/kg)	Qty. Mkted. (kg)	Avg. Pri. (₹/kg)	Qty. Mkted. (kg)	Avg. Pri. (₹/kg)
<b>I. ANDHRA PRADESH</b>							
1	Thorredu	2857151.8	132.89	0	0.00	2857151.8	132.89
<b>TOTAL (NBS)</b>		<b>2857151.8</b>	<b>132.89</b>	<b>0</b>	<b>0.00</b>	<b>2857151.8</b>	<b>132.89</b>
3	Vellampally -I						
4	Vellampally-II	5375094.1	111.63	161248.4	155.62	5536342.5	112.91
5	Ongole - 1	5629310.5	111.42	81146.4	156.21	5710456.9	112.06
6	Ongole - 2	5132644.0	116.45	100408.3	157.88	5233052.3	117.24
7	Tangutur-I	5281630.9	118.17	126029.7	158.27	5407660.6	119.10
8	Tangutur-II	4337532.7	112.33	111360.5	157.60	4448893.2	113.46
9	Kondepi	5895704.9	116.76	94749.9	158.58	5990454.8	117.42
<b>TOTAL (SBS)</b>		<b>31651917.1</b>	<b>114.52</b>	<b>674943.2</b>	<b>157.26</b>	<b>32326860.3</b>	<b>115.41</b>
10	Podili - 1	2848483.6	109.74	108207.7	156.39	2956691.3	111.45
11	Podili - 2						
12	Kandukur - 1	7574346.1	121.47	283412.1	158.08	7857758.2	122.79
13	Kandukur - 2	5956861.4	114.72	228144.5	158.18	6185005.9	116.32
14	Kanigiri	2021542.2	110.94	109925.1	156.94	2131467.3	113.31
15	Kaligiri	2734902.0	110.64	104405.1	158.83	2839307.1	112.41
16	D.C.Palli	3726613.0	108.61	133921.4	158.78	3860534.4	110.35
<b>TOTAL (SLS)</b>		<b>27865748.3</b>	<b>114.53</b>	<b>968015.9</b>	<b>157.96</b>	<b>28833764.2</b>	<b>115.99</b>
17	Devarapalli-I	7038770.1	161.85	0.0	0.00	7038770.1	161.85
18	J.R.Gudem - 1	9856801.3	156.79	0.0	0.00	9856801.3	156.79
19	J.R.Gudem - 2	9810443.5	158.38	0.0	0.00	9810443.5	158.38
20	Koyyalagudem	9175900.5	159.17	0.0	0.00	9175900.5	159.17
21	Gopalapuram	7202152.3	159.29	0.0	0.00	7202152.3	159.29
<b>TOTAL (NLS)</b>		<b>43084067.7</b>	<b>158.91</b>	<b>0.0</b>	<b>0.00</b>	<b>43084067.7</b>	<b>158.91</b>
<b>TOTAL</b>		<b>102458884.9</b>	<b>133.70</b>	<b>1642959.1</b>	<b>157.68</b>	<b>104101844.0</b>	<b>134.08</b>

**b) Minimum Guarantee Indicative Prices (MGIP):**

After several years of gap with the concerted efforts of the Board, the Indian Tobacco Association has agreed and announced Minimum Guarantee Indicative Price (MGIP) for the FCV tobacco crop with effect from 2016-17 crop season in Andhra Pradesh. Price indicators will continue to be in force for 3 years.

Minimum Guarantee Indicative Price (MGIP) announced for 2016-17 crop season:

Grade	MGIP for the tobacco in traditional soils (SLS, SBS and NBS) (₹/kg)		MGIP for the tobacco in Northern Light Soils (₹/kg)	
	From	To	From	To
Bright	110.00	120.00	130.00	140.00
Medium	95.00	105.00	110.00	120.00
Low*	50.00	60.00	50.00	60.00

\*Excludes 'NOG' Grade

**c) Highlights of 2017 Andhra Pradesh Auction Sales:**

Crop size fixed and estimated production:

Board has fixed a crop size of 130 million kg for Andhra Pradesh during 2016-17 crop season.

The scanty and late receipt of rainfall prior to transplantations led to delayed transplantations. The area planted under tobacco has come down, and it was less than the area authorised by the Board. Deficit rainfall conditions resulted in stunted growth and poor yield. The crop stand in the fields was highly heterogeneous. Added to the climatic adversities, the menace of debilitating root parasite "Orobanche" outbreak was continued this year also. This had also contributed to the poor yields. Due to prevalence of adverse weather, farmers could not be able to take up any other crops and some farmers have burnt their fingers in cultivation of other crops as they failed to yield hardly anything. Tobacco Farmers had incurred huge expenditure, in providing life saving irrigation to FCV tobacco crop wherever possible. Overall, nature has played a major role in restricting the area under tobacco plantation as well as production in SLS and SBS soil regions. The adverse weather conditions experienced throughout crop season resulted in increased cost of cultivation and reduced FCV tobacco production levels, in the Southern Parts of Andhra Pradesh for the third year in succession. However, the influence of deficient rainfall has not been reflected on NLS region crop, as the crop in this area was irrigated. Crop in this area has come up well and yielded good produce.

Soil region wise crop size target and quantity marketed during 2016-17 is furnished hereunder:

<b>Sl. No.</b>	<b>Soil Region</b>	<b>Crop Targeted (million kg)</b>	<b>Quantity Marketed (million kg)</b>
1	NBS Region	4.00	2.86
2	SBS Region	39.00	31.11
3	SLS Region	45.00	27.72
4	NLS Region	42.00	43.66
<b>Grand Total</b>		<b>130.00</b>	<b>105.35</b>

**d) Grade Out Turn:**

The grade out turn recorded in terms of Bright, Medium and Low grade percentages for the current crop 43%:26%:31% vis-à-vis grade out turn of 39%:31%:30% during last year.

**e) Commencement of Auction sales:**

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

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

Considering the small size of crop, it was decided to auction the tobacco produced under Vellampalli-I and Vellampalli-II auction platforms at Vellampalli-II auction platform and also to market the tobacco produced under Podili-I and Podili-II auction platforms at Podili-I auction platform. Hence, 18 auction platforms are operated during the 2017 auction season in Andhra Pradesh as against 20 auction platforms operated during last year.

Auctions for sale of 2016-17 FCV tobacco crop commenced on a positive note with the Trade offering a record highest price of more than ₹160/- per kg making the expectations of the farmers. The highest bids recorded on the starting day and during the season are as given hereunder:

Soil Region	Starting day		During the season	
	2016 Auctions (₹/kg)	2017 Auctions (₹/kg)	2016 Auctions (₹/kg)	2017 Auctions (₹/kg)
Northern Black Soils (NBS)	130.00	161.00	170.00	179.00
Southern Black Soils (SBS)	146.00	162.00	155.00	203.00
Southern Light Soils (SLS)	140.00	161.00	155.00	199.00
Northern Light Soils (NLS)	156.00	166.00	185.00	200.00

The highest bid recorded ₹203/- in SBS region during the crop season was the historic high since inception of FCV tobacco auctions both in Andhra Pradesh and Karnataka.

A quantity of 105.35 million kg was marketed at an average price of ₹134.28 per kg. The average price realised ₹134.28 per kg during the current season was higher by ₹18.19 per kg over the last year average price and by far highest in the history of FCV Auctions in Andhra Pradesh.

The soil region wise average prices realized during 2016-17 auctions in comparison with previous year are as follows.

Soil Region	Avg. Price in 2017 Auctions (₹/kg)	Avg. price realized in 2016 Auctions (₹/kg)	Difference in Avg. price in 2017 over 2016 Auctions (₹/kg)
Northern Black Soils (NBS)	132.89	99.28	+33.61
Southern Black Soils (SBS)	116.11	107.35	+ 8.76
Southern Light Soils (SLS)	116.22	109.12	+ 7.10
Northern Light Soils (NLS)	158.79	132.53	+26.26
<b>Total:</b>	<b>134.28</b>	<b>116.09</b>	<b>+18.19</b>

With the active participation of the buyers, market was buoyant since day one of commencement of auction sales. Though the market was buoyant, there were some disturbances due to apprehensions of the buyers on the new tax rates in GST regime and in protest of new tax rates buyers have not participated in auctions for a short period of time i.e. from 15/06/2017 to 17/06/2017. Farmers have also showed their solidarity to the buyers and not offered bales on 12<sup>th</sup> June 2017. Later on, the auctions went on smoothly without any disturbances.

Soil region wise quantity marketed and average price realised in terms of bright, medium and low grades, during 2017 Andhra Pradesh auctions in comparison with 2016 Andhra Pradesh auctions are given hereunder:

Soil Region	Grade	2017 Auctions		2016 Auctions		Difference in Average Price of 2017 over 2016 auctions
		Quantity Marketed (mkg)	Average Price (₹ /kg)	Quantity Marketed (mkg)	Average Price (₹ /kg)	
<b>NLS</b>	<b>Bright</b>	24.41	171.89	15.55	157.59	14.30
	<b>Medium</b>	14.02	150.55	16.45	129.95	20.60
	<b>Low</b>	5.23	119.74	7.54	86.48	33.26
	<b>Total</b>	<b>43.66</b>	<b>158.79</b>	<b>39.54</b>	<b>132.53</b>	<b>26.26</b>
<b>SLS</b>	<b>Bright</b>	7.46	162.74	13.67	136.09	26.65
	<b>Medium</b>	6.66	138.20	9.25	114.99	23.21
	<b>Low</b>	11.80	74.40	10.47	68.73	5.67
	<b>Total</b>	<b>25.92</b>	<b>116.22</b>	<b>33.39</b>	<b>109.12</b>	<b>7.10</b>
<b>SBS</b>	<b>Bright</b>	11.58	163.03	16.52	137.88	25.15
	<b>Medium</b>	6.34	123.92	9.62	112.72	11.20
	<b>Low</b>	14.99	76.57	16.46	73.56	3.01
	<b>Total</b>	<b>32.91</b>	<b>116.11</b>	<b>42.60</b>	<b>107.35</b>	<b>8.76</b>
<b>NBS</b>	<b>Bright</b>	1.65	156.96	0.97	122.24	34.72
	<b>Medium</b>	0.80	113.03	1.24	96.16	16.87
	<b>Low</b>	0.41	74.75	0.50	62.35	12.40
	<b>Total</b>	<b>2.86</b>	<b>132.89</b>	<b>2.71</b>	<b>99.28</b>	<b>33.61</b>
<b>All Regions</b>	<b>Bright</b>	45.10	167.55	46.71	143.59	23.96
	<b>Medium</b>	27.82	140.44	36.56	120.48	19.96
	<b>Low</b>	32.43	82.72	34.97	74.74	7.98
	<b>Total</b>	<b>105.35</b>	<b>134.28</b>	<b>118.24</b>	<b>116.09</b>	<b>18.19</b>

The low grade percentage was abnormally high at 46% both in SLS and SBS Regions during 2016-17 crop season. This can be attributed to 'Orobanche' infestation and scanty rainfall conditions.

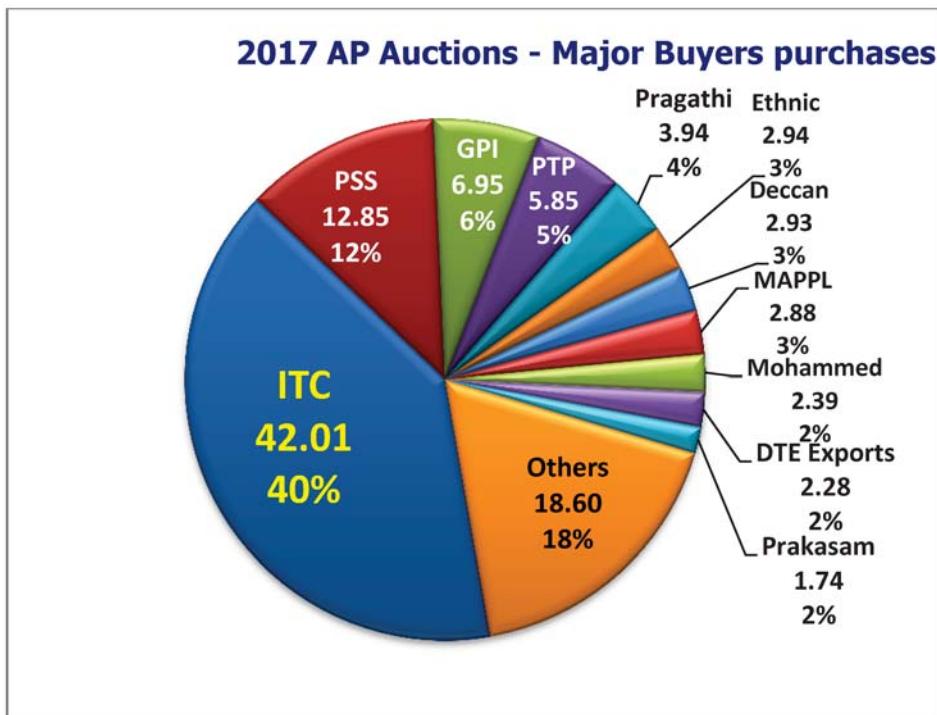
Due to the production of more of low grade tobacco the total average price in SLS and SBS Regions was impacted despite of realisation of good average for bright grade tobacco.

**a) Buyers' Performance:**

A total 80 buyers have participated in 2017 Andhra Pradesh auctions. The quantities of tobacco purchased and average prices paid by Manufacturers, Exporters and Dealers compared to their purchases last year were as follows:

Sl. No.	Category of Buyer	2016 Andhra Pradesh auctions			2017 Andhra Pradesh auctions		
		Quantity (mkg)	% share	Average price (₹ /kg)	Quantity (mkg)	% share	Average price (₹ /kg)
1	Manufacturers	59.82	50.60	121.63	48.96	46.47	143.46
2	Exporters	46.34	39.20	116.35	40.40	38.15	126.02
3	Others(Dealers)	12.08	10.20	87.67	15.99	15.18	127.04
	<b>Total</b>	<b>118.24</b>	<b>100.00</b>	<b>116.09</b>	<b>105.35</b>	<b>100.00</b>	<b>134.28</b>

The purchases of major buyers during 2017 Andhra Pradesh FCV Tobacco auctions are given hereunder:



Overall, it took 149 auction days to market the 105.35 million kg of tobacco.

**g) Total Marketed Value:**

The total value of the tobacco marketed during 2016-17 auctions in Andhra Pradesh was ₹1,414.60 crore.

**h) Sale of excess and un-authorized tobacco:**

Government of India vide Notification S.O.No.2997(E) & 2998(E) dated 12<sup>th</sup> September, 2017 permitted the sale of excess quantity of tobacco produced by the registered growers in Andhra Pradesh State subject to payment of 7.5% service charges and extra fee of ₹2.00 per kg up to the extent of 10% of the quota authorized and also permitted to sale the tobacco produced over and above the limit of 10% of the quota authorized by the registered growers and also by the unregistered growers of flue cured Virginia tobacco, who produced tobacco during 2016-17 crop season upon payment of 15% services charges and extra fee of ₹2.00 per kg.

The particulars of excess tobacco sold by the registered growers and un-authorized tobacco sold by the unregistered growers in Andhra Pradesh are as follows:

SI No	Category of the growers	No. of growers	Qty. marketed (kg)	Avg. Price (₹/kg)
1.	Registered growers	10810	6107069	142.67
2.	Un-registered growers	7	4397	102.62

**II. AUCTIONS FOR SALE OF 2017-18 FCV TOBACCO IN KARNATAKA:**

**a) Report on 2017 Karnataka auctions:**

Board has fixed a crop size of 99 million kg of FCV tobacco for 2017-18 crop season in Karnataka considering the domestic and international demand and supply position. As against the 99 million kg targeted crop size, the production was estimated at 106.12 million kg. The farmers have taken up transplantations early in the season i.e. in the month of May itself, following good rains. Establishment of seedlings in the main field was good with very few gaps. After establishment of seedlings, the crop was subjected to stress due to intermittent dry spells in the month of June and July, but recovered well followed by good amount of rainfall received in the second fortnight of August 2017. Overall, the quality of crop produced this year was rated as 'good'. The estimated percentage of bright, medium and low grades for the current crop were 29%; 43%; 28% vis-à-vis 29%; 38%; 33% for the last crop season. The percentage of production of medium grade tobacco was estimated to be higher than normal.

Auctions for sale 2017-18 FCV tobacco in Karnataka have commenced on 8<sup>th</sup> September 2017 at 12 auction platforms. As on 31/03/2018, a quantity of 101.84 million kg was marketed at an average price of ₹140.13 per kg, leaving a balance quantity of around 4 million kg to be marketed

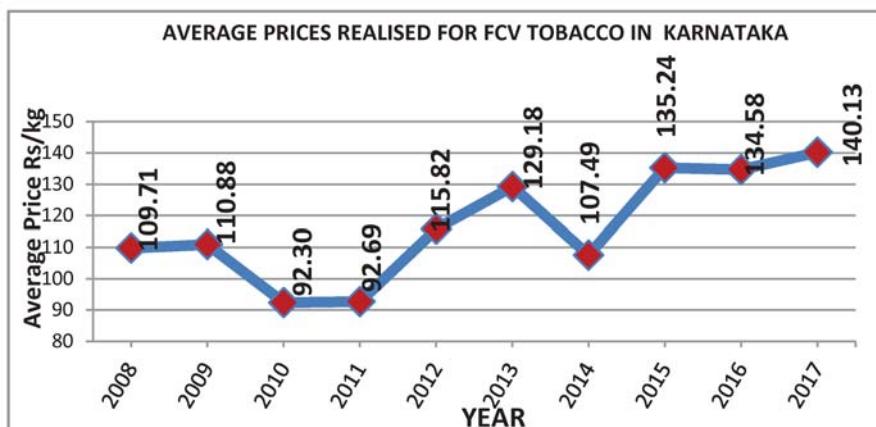
in the next Financial Year i.e., during 2018-19. Auction platform wise quantity of tobacco marketed in Karnataka during the period 01/04/2017 to 31/03/2018 is given at **Page No. 73.**

Right from the day one, the market was buoyant and prices realized are higher compared to previous year's average prices. The prices dropped to some extent i.e. ₹5/- to ₹10/- for medium and low grade tobaccos by 11<sup>th</sup> week. With the down trend in the prices, farmers have reduced the offerings to 5,000 bales per day from about 10,000 bales per day. The Executive Director has reviewed the market prices with the ITA and trade and requested them to maintain the prices that were paid during early part of the auction season. By 13<sup>th</sup> week the prices have gradually improved and farmers started offering sizeable number of bales to the market.

The purchases made by the Manufacturers, Exporters and Dealers during the 2017 Karnataka FCV Tobacco Auctions are 59.8%; 35.7%; 4.5% respectively, out of the total volume marketed. The average price realized for Bright, Medium and Low grade tobaccos during the 2017 Karnataka FCV Tobacco Auctions as on 31/03/2018 in comparison with last year's crop for the corresponding volume are given hereunder:

Grade	2017 Auctions		Avg. price in 2016 Auctions for the corresponding volumes marketed (₹/kg)	Difference in Avg. price in 2017 over 2016 Auctions (₹/kg)
	Quantity marketed (million kg)	Avg. Price (₹/kg)		
Bright	21.98	162.37	163.30	- 0.93
Medium	46.27	148.89	143.53	+ 5.36
Low	33.59	113.53	98.68	+14.85
<b>Total</b>	<b>101.84</b>	<b>140.13</b>	<b>134.58</b>	<b>+ 5.55</b>

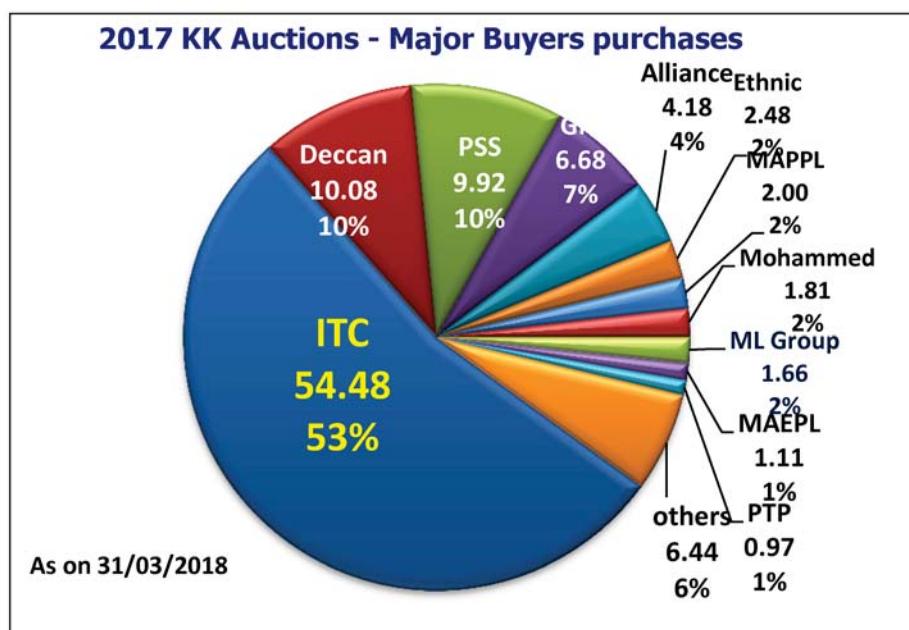
Average prices realized by growers in Karnataka auctions since 2008.



**b) Buyers' Participation and Performance:**

A total number of 39 buyers participated during 2017-18 Karnataka FCV tobacco auctions. The details of quantity of tobacco purchased, percentage share and average prices paid by the manufacturers, exporters and dealers (others) during 2017-18 Karnataka auctions in comparison with previous year are as follows.

Sl. No.	Category of Buyer	2016 Karnataka auctions			2017 Karnataka auctions		
		Quantity (mkg)	% share	Average price (₹ /kg)	Quantity (mkg)	% share	Average price (₹ /kg)
1	Manufacturers	54.49	55.20	146.09	61.17	60.06	145.93
2	Exporters	39.51	40.02	120.27	36.31	35.66	131.35
3	Others (Dealers)	4.72	4.78	121.43	4.36	4.28	131.87
	<b>Total</b>	<b>98.72</b>	<b>100.00</b>	<b>134.58</b>	<b>101.84</b>	<b>100.00</b>	<b>140.13</b>



**c) Permission to growers to sell excess crop and unauthorized crop:**

Government of India vide notifications S.O.Nos.354(E) & 355(E), dated 23<sup>rd</sup> January, 2018 permitted the sale of excess quantity of tobacco produced by the registered growers in Karnataka State subject to payment of 7.5% service charges and extra fee of ₹2.00 per kg up to the extent of 10% of the quota authorized and also permitted to sale the tobacco produced over and above the limit of 10% of the quota authorized by the registered growers and also by every unregistered grower of flue cured Virginia tobacco, who produced tobacco during 2017-18 crop season upon payment of 15% services charges and extra fee of ₹2.00 per kg.

### **III AUCTIONS FOR SALE OF 2017-18 FCV TOBACCO IN AND ANDHRA PRADESH**

#### **i) BRIEF REPORT ON ONGOING 2018 ANDHRA PRADESH AUCTIONS**

Tobacco Board has **fixed a crop size of 136 million kg** for Andhra Pradesh during 2017-18 crop season. As against the 136 million kg targeted crop size, the production was estimated at 127.37 million kg. The 2017-18 FCV tobacco crop in Prakasam and Nellore districts was subjected to prolonged drought for the fourth consecutive year in a row. This had impact on the yields negatively. Initially, during the months of August and September, there were good rains and farmers started preparatory cultivation for taking up main field transplantations. Helped by this congenial weather, the growers in Southern Light Soil (SLS) region had taken-up transplantations early in the season and the establishment of transplanted crop was also good. After transplantations, late in the month of September onwards, there was no rain at all, resulting in exposure of the crop to severe drought conditions.

In case of Southern Black Soil (SBS) region, drought was experienced right from the beginning of transplantations and extended throughout the crop season. Farmers spent huge amounts of money ranging from ₹10,000/- to ₹20,000/- per acre to provide lifesaving irrigation both in SLS and SBS regions and because of these efforts, the farmers in these regions were able to produce reasonably good quality tobacco compared to last two years.

In case of Northern Light Soil (NLS) region, the transplantations were delayed by 15 days than normal because of cyclone forecast. The transplantations were taken up in the 2<sup>nd</sup> fortnight of October 2017. As the crop in this area was being taken-up under irrigated condition, the growth and yields are normal.

Overall, there was no major pest and disease incidence noticed during the season. The impact of "Orobanche" was also limited on account of early plantations and crop rotation.

Soil region wise crop target and estimated production during this year are as follows.

<b>Sl. No.</b>	<b>Soil Region</b>	<b>Crop Targeted (million kg)</b>	<b>Estimated Production (million kg)</b>
1	NBS Region	4.00	2.60
2	SBS Region	40.00	37.81
3	SLS Region	46.00	39.60
4	NLS Region	46.00	47.36
	<b>Grand Total</b>	<b>136.00</b>	<b>127.37</b>

The estimated Bright, Medium and Low grade out turn for the current crop is 47%:33%:20% vis-à-vis grade out turn of 43%:26%:31% during last year.

**ii) Commencement of Auction sales:**

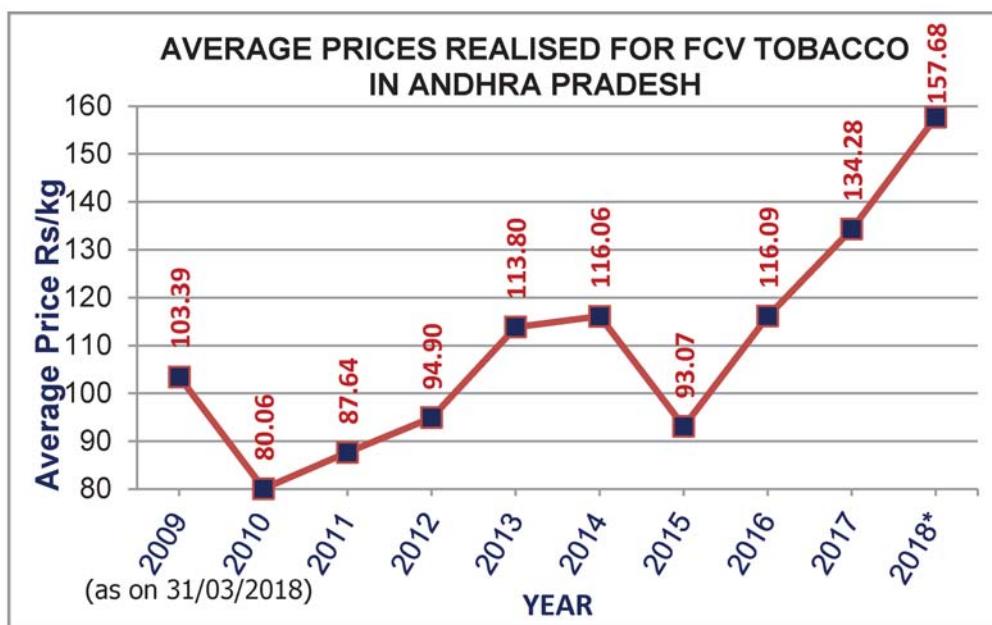
Auctions for sale of 2017-18 season FCV tobacco crop in Andhra Pradesh have commenced in 3 phases as given hereunder:

Sl. No.	Phase	Date of commencement of auction sales	Auction platforms
1	1 <sup>st</sup> Phase (SLS Region)	08/03/2018 Thursday	06 Auction Platforms
2	2 <sup>nd</sup> Phase (SBS Region)	19/03/2018 Monday	06 Auction Platforms
3	3 <sup>rd</sup> Phase (NBS and NLS Regions)	11/04/2018 Wednesday	06 Auction Platforms

**iii) Sales Volume and Prices:**

Auctions at all the auction platforms, under SLS and SBS regions, have commenced on a positive note. A total quantity of 1.64 million kg of tobacco was marketed at an average price of ₹157.68 per kg by the end of March, 2018. The average price realized ₹157.68 per kg during the current season is higher by ₹3.06 per kg over the last year average price for the corresponding volume marketed.

**iv) Average prices realized by growers in Andhra Pradesh auctions since 2009:**



- v) Average prices realized for Bright, Medium and low grades as on 31/03/2018 were as follows:

<b>Grade</b>	<b>Quantity (mkg)</b>	<b>% Share</b>	<b>Average Price (₹ /kg)</b>
Bright	1.41	86.39	158.18
Medium	0.22	13.53	154.70
Low	0.01	0.08	114.43
<b>Total</b>	<b>1.64</b>	<b>100.00</b>	<b>157.68</b>

A statement showing auction platform wise quantities of tobacco marketed and average prices realized as on 31/03/2018 was placed at **Page No.74 to 75**.

vi) **TOTAL QUANTITY OF TOBACCO MARKETED DURING FINANCIAL YEAR 2017-18**

The total quantity of tobacco marketed during the period 01/04/2017 to 31/03/2018 at all the auction platforms both in Andhra Pradesh and Karnataka was 205.94 million kg and the average price realized was ₹137.07 per kg. The particulars are placed at **Page No.61**.

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 01/04/2017 to 31/03/2018 were placed at **Page No.76 to 77**.

vii) **SUPPLY OF STANDARDIZED BALE PACKING MATERIAL TO THE FARMERS**

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

Accordingly, the Board has standardized and facilitated supply of the packing material to the growers, through the Indian Tobacco Association (ITA) free of cost. The ITA supplied 10,65,860 units of bale packing material to tobacco growers of Karnataka and 10,22,000 units to the growers of Andhra Pradesh for 2017-18 crop free of cost. The Board had also arranged for recovery of the cost of bale pattas from the traders and remitted the same to the Indian Tobacco Association.

**2017 KARNATAKA AUCTIONS - PLATFORM WISE QUANTITY OF TOBACCO MARKETED,  
AVERAGE PRICE REALISED, HIGHEST & LOWEST BIDS RECORDED AS ON 31/03/2018**

Sl. No.	Name of the Platform	APF No.	Targeted	Estimated	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)
1	H.D. Kote-I	1	4.37	4.98	08.09.17	50339	167.00	9.00	4854266.9	657753164.95	135.50	96.4
2	H.D. Kote-II	65	4.80	4.84	08.09.17	49548	168.00	10.00	4783677.4	644457019.33	134.72	96.5
3	Hunsur - I	2	6.95	7.87	08.09.17	80568	169.00	10.00	7891146.7	1116991815.39	141.55	97.9
4	Hunsur - II	3	6.84	7.60	08.09.17	79868	169.00	5.00	7806533.6	1096668864.13	140.48	97.7
5	Hunsur - III	64	5.99	6.48	08.09.17	70000	169.00	9.00	6896346.8	976177889.54	141.55	98.5
6	Kampalapura-I	61	7.34	9.12	08.09.17	86816	170.00	7.00	8620027.6	1202235249.37	139.47	99.3
7	Kampalapura-II	62	10.46	11.99	08.09.17	114520	169.00	9.00	11335428.8	1583672757.65	139.71	99.0
8	Periyapatna - I	4	12.04	12.03	08.09.17	107491	169.00	9.00	11108931.9	1588132904.42	142.96	103.3
9	Periyapatna - II	5	10.90	12.50	08.09.17	104542	169.00	10.00	10808772.6	1543925078.18	142.84	103.4
10	Periyapatna - III	6	10.19	10.80	08.09.17	104247	170.00	10.00	10705544.4	1496528051.68	139.79	102.7
11	Ramanathapura-I	7	10.54	10.09	08.09.17	89842	168.00	9.00	9027271.6	1264540205.73	140.08	100.5
12	Ramanathapura-II	63	8.58	7.82	08.09.17	80990	169.00	7.00	7999579.7	1099462233.97	137.44	98.8
<b>Grand Total</b>		<b>99.00</b>	<b>106.12</b>	<b>08.09.17</b>	<b>1018771</b>	<b>170.00</b>	<b>5.00</b>	<b>101837578</b>	<b>14270545234.33</b>	<b>140.13</b>	<b>100.0</b>	

**2018 ANDHRA PRADESH AUCTIONS - PLATFORM WISE QUANTITY OF TOBACCO MARKETED  
AVERAGE PRICE REALISED, HIGHEST AND LOWEST BIDS RECORDED AS ON 31/03/2018**

Sl. No.	Name of the Platform	APF No.	Targeted	Estimated	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)
1	Thorredu	15	4.00	2.75	11.04.2018							
	<b>TOTAL(NBS)</b>		<b>4.00</b>	<b>2.75</b>	<b>11.04.2018</b>							
2	Vellampally - II	31	8.64	7.5	19.03.2018	1199	162.00	145.00	161248.4	25093476.01	155.62	134.5
3	Ongole - I	20	7.13	7.79	19.03.2018	600	161.00	146.00	81146.4	12675879.14	156.21	135.2
4	Ongole - II	23	8.43	6.61	19.03.2018	787	162.00	104.00	100408.3	15852462.40	157.88	127.6
5	Tangutur-I	24	6.21	5.20	19.03.2018	944	163.00	140.00	126029.7	19946720.62	158.27	133.5
6	Tangutur-II	34	5.42	4.80	19.03.2018	871	163.00	120.00	111360.5	17550414.80	157.60	127.9
7	Kondepi	25	7.89	7.58	19.03.2018	689	161.00	150.00	94749.9	15025439.14	158.58	137.5
	<b>TOTAL (SBS)</b>		<b>43.72</b>	<b>39.48</b>	<b>19.03.2018</b>	<b>5090</b>	<b>163.00</b>	<b>104.00</b>	<b>674943.2</b>	<b>106144392.1</b>	<b>157.26</b>	<b>132.6</b>

Sl. No.	Name of the Platform	APF No.	Targeted	Estimated	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)
8	Podili - I	22	11.09	7.07	08.03.2018	788	161.00	122.00	108207.7	16922602.20	156.39	137.3
9	Kandukur - I	26	7.97	8.76	08.03.2018	2057	162.00	150.00	283412.1	44801784.77	158.08	137.8
10	Kandukur - II	27	7.16	6.88	08.03.2018	1649	162.00	151.00	228144.5	36087897.01	158.18	138.4
11	Kanigiri	35	4.55	3.81	08.03.2018	792	161.00	150.00	109925.1	17251645.19	156.94	138.8
12	Kaligiri	28	5.15	3.60	08.03.2018	771	163.00	154.00	104405.1	16582662.03	158.83	135.4
13	D.C. Palli	29	6.36	5.31	08.03.2018	945	160.00	150.00	133921.4	21264039.89	158.78	141.7
	<b>TOTAL (SLS)</b>		<b>42.28</b>	<b>35.43</b>	<b>08.03.2018</b>	<b>7002</b>	<b>163.00</b>	<b>122.00</b>	<b>968015.9</b>	<b>152910631.1</b>	<b>157.96</b>	<b>138.2</b>
14	Devarapalli	17	7.50	7.37	11.04.2018							
15	J.R. Gudem - I	18	10.4	10.50	11.04.2018							
16	J.R. Gudem - II	32	10.57	11.00	11.04.2018							
17	Koyyalagudem	30	9.71	10.20	11.04.2018							
18	Gopalapuram	33	7.82	8.20	11.04.2018							
	<b>TOTAL(NLS)</b>		<b>46.00</b>	<b>47.27</b>	<b>11.04.2018</b>							
	<b>GRAND TOTAL</b>		<b>136.00</b>	<b>124.93</b>	<b>08.03.2018</b>	<b>12092</b>	<b>163.00</b>	<b>104.00</b>		<b>259055023.2</b>	<b>157.68</b>	<b>135.9</b>

Auction sales yet to be commenced

**BUYER WISE PURCHASES BOTH IN ANDHRA PRADESH AND KARNATAKA DURING THE PERIOD  
01/04/2017 TO 31/03/2018**

Sl. No	Name of the Buyer	2016-17 AP CROP FROM 01/04/2017 TO 09/10/2017			2017-18 AP CROP FROM 08/03/2018 TO 31/03/2018			2017-18 KARNATAKA CROP FROM 08/09/2017 TO 31/03/2018			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
<b>MANUFACTURERS</b>													
1	ITC LTD	40476058.4	142.68	39.50	843516.9	157.19	51.34	54484324.5	146.19	53.50	95803899.8	144.80	46.52
2	GPI LTD	6723239.4	145.60	6.56	107773.4	158.82	6.56	6683092.8	143.88	6.56	13514105.6	144.85	6.56
	<b>Sub-Total</b>	<b>47199297.8</b>	<b>143.10</b>	<b>46.07</b>	<b>951290.3</b>	<b>157.37</b>	<b>57.90</b>	<b>61167417.3</b>	<b>145.93</b>	<b>60.06</b>	<b>109318005.4</b>	<b>144.81</b>	<b>53.08</b>
<b>EXPORTERS</b>													
1	Polisetty Somasundaram	12663727.9	126.65	12.36	47573.3	159.27	2.90	9923010.7	134.21	9.74	22634311.9	130.03	10.99
2	Alliance One Industries Ind. Ltd.	1373116.5	132.04	1.34	5325.4	158.09	3.24	4177887.6	145.83	4.10	5604259.5	142.57	2.72
3	ITT Group	1024282.5	168.46	1.00							1024282.5	168.46	0.50
4	Premier Tob. Packers Pvt.Ltd.	55633387.8	135.74	5.43	221522.0	157.87	13.48	974776.5	145.83	0.96	6759686.3	137.92	3.28
5	M.L. & Co. group	1402890.9	148.44	1.37	42292.0	158.73	2.57	1663661.5	124.33	1.63	3108844.4	135.68	1.51
6	Mittapalli Adinarayana Ent.Pvt.Ltd.	1061498.3	129.37	1.04	3185.0	157.94	0.19	1109398.1	99.51	1.09	2174081.4	114.17	1.06
7	Yarlagadda Exports	619886.3	111.34	0.60				206278.0	152.56	0.20	826164.3	121.63	0.40
8	Bommidala Ventures Pvt. Ltd.												
9	Mittapalli Agro Products Pvt. Ltd.(R )	2845049.0	76.48	2.78				2004706.2	107.72	1.97	4849756.2	89.39	2.35
10	Bommidala Purniah Holdings Pvt.Ltd	445737.4	166.91	0.44							445737.4	166.91	0.22
11	Lakshmi Enterprises	302102.4	162.37	0.29				248372.1	111.19	0.24	550474.5	139.28	0.27

Sl. No	Name of the Buyer	2015-16 AP CROP FROM 01/04/2016 TO 31/08/2016			2016-17 AP CROP FROM 15/03/2017 TO 31/03/2017			2016-17 KARNATAKA CROP FROM 14/09/2016 TO 15/03/2017			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)
12	Prapalsha Agros Ltd.	61258.5	125.40	0.06	2438.4	154.9	0.15	51872.0	122.46	0.05	115568.9	124.70
13	Chaitanya Tobacco Co.							20430.5	127.56	0.02	20430.5	127.56
14	Avinash Tobacos	292393.7	117.10	0.29				87444.9	146.32	0.09	379838.6	123.83
<b>EXPORTERS</b>												
15	Panchajanya Tobacco							100428.8	125.26	0.10	100428.8	125.26
16	Mohammed Enterprises Pvt. Ltd.	2270511.4	155.27	2.22	645.1	159.58	0.04	1814234.7	145.72	1.78	4085391.2	151.03
17	Venkata Suresh Enterprises											1.98
18	Vani Tobaccos	55263.2	171.99	0.05				244844.9	114.60	0.24	300108.1	125.17
19	Ethnic Group	2900223.1	72.99	2.83				2484373.7	105.00	2.44	5384596.8	87.76
20	Deccan Tobacco Company group	5205451.4	141.71	5.08	96458.9	156.25	5.87	10078435.8	136.21	9.90	15380346.1	138.20
21	Saik Masthan Saheb Tobacco	780263.4	81.45	0.76	13433.3	154.45	0.82	653119.8	112.38	0.64	1446816.5	96.09
22	Venkata Sai Tobacco Co.	111275.6	121.20	0.11	1135.1	156.73	0.07				112410.7	121.56
23	Hamid Exports	28750.2	64.94	0.03				74142.4	151.65	0.07	102892.6	127.42
24	Cartel Tobaccos	24132.7	123.93	0.02				383356.8	122.97	0.38	407489.5	123.03
25	Sri Hanuma Enterprises	522289.5	105.19	0.51				12176.3	160.74	0.01	534465.8	106.46
<b>Sub-Total</b>		<b>39553491.7</b>	<b>125.36</b>	<b>38.60</b>	<b>481938.5</b>	<b>157.67</b>	<b>29.33</b>	<b>36312951.3</b>	<b>131.35</b>	<b>35.66</b>	<b>76348381.5</b>	<b>128.41</b>
<b>OTHERS (Dealers)</b>		<b>15706095.4</b>	<b>126.45</b>	<b>15.33</b>	<b>209730.3</b>	<b>159.06</b>	<b>12.76</b>	<b>4357209.4</b>	<b>131.87</b>	<b>4.28</b>	<b>20273035.1</b>	<b>127.95</b>
<b>GRAND TOTAL</b>		<b>102458884.9</b>	<b>133.70</b>	<b>100.00</b>	<b>1642959.1</b>	<b>157.68</b>	<b>100.00</b>	<b>101837578.0</b>	<b>140.13</b>	<b>100.00</b>	<b>205939422.0</b>	<b>137.07</b>

## TRADING WING

### PRICE SUPPORT OPERATIONS:

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

The margin money available with the Board as on 31/03/2018 was ₹20.06 crore. This includes the profit made in the earlier years and interest accrued. Trading Wing of Tobacco Board had not taken up any price support operations during 2017-18, as the market was buoyant and the growers received better prices.

### 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.

The particulars of registration / renewal of registration granted to different categories of traders for the year 2017 and for the year 2018 (as on 31/03/2018) are as follows:

Sl. No.	Category	No. of Companies Registered	
		2017	2018 (As on 31/03/2018)
1	Processor of Virginia Tobacco	16	14
2	Manufacturer of Virginia Tobacco	33	35
3	Exporter of Tobacco	168	139
4	Exporter of Tobacco Products	282	245
5	Dealer in Tobacco	603	485
6	Packer of Tobacco	25	22
7	Commercial Grader of Virginia tobacco	33	33
<b>Total:</b>		<b>1160</b>	<b>973</b>

In line with the Government of India initiative on Digital India, Tobacco Board had introduced online system for e-filing of applications for grant of registration / renewal of registration under various categories of traders 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 years 2017 & 2018.

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

The Indian exports in all segments of FCV tobacco, Non-FCV tobacco and tobacco products have decreased during 2017-18 when compared to exports during 2016-17. A total quantity of 2,12,916 Metric tons of tobacco and tobacco products valued at ₹5,539.94 crore were exported. Total value of exports in dollar terms was US\$ 859.45 Million.

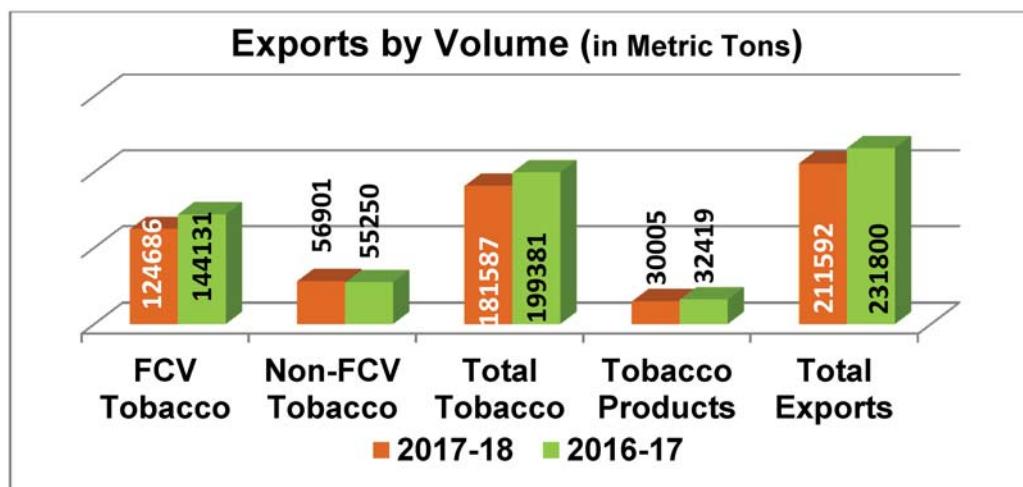
### I. TOBACCO EXPORTS FROM INDIA

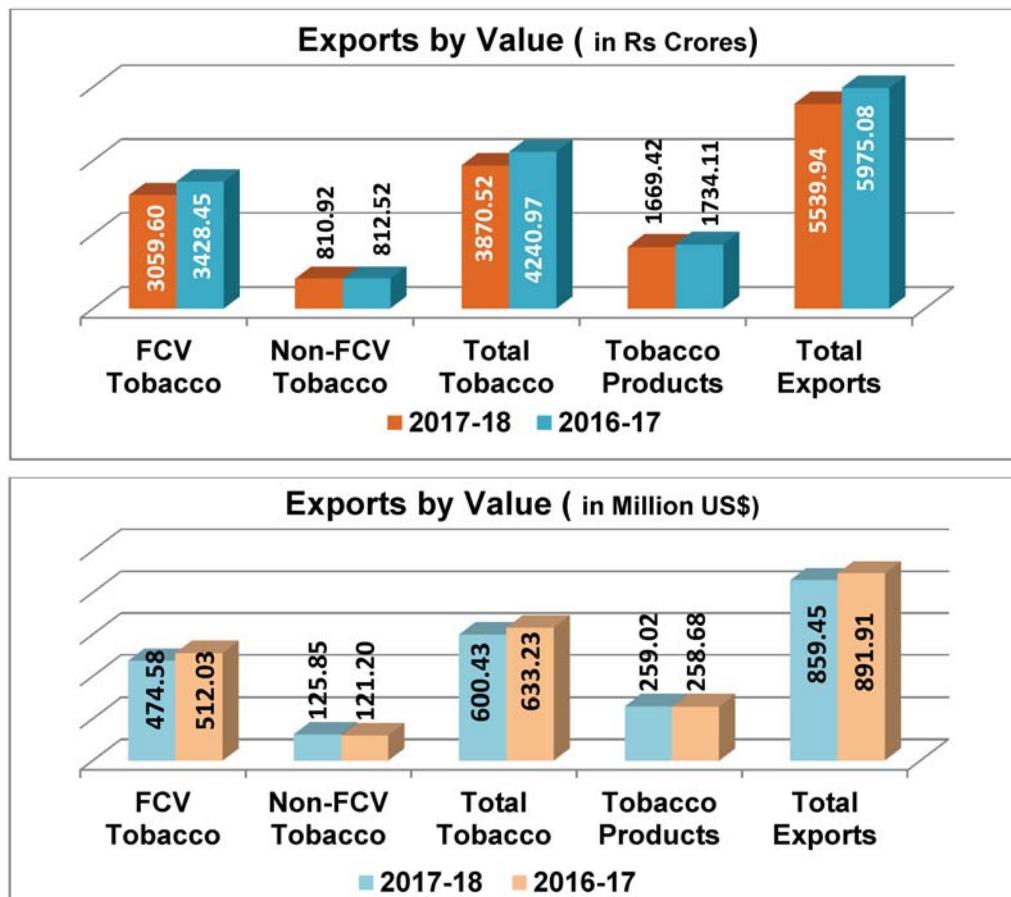
#### A. Overall performance:

Exports of tobacco and tobacco products from India for the year 2017-18 have decreased by 8%, 7% and 4% in terms of quantity, value in rupees and US dollars respectively in comparison with the exports made during the previous year. Exports of unmanufactured tobacco (FCV and Non-FCV tobacco) and tobacco products from India during 2017-18 in comparison with exports during the previous year are as follows:

S. No	Categories	2017-18			2016-17		
		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	124686	3059.903	474.58	144131	3428.45	512.03
b	Non FCV Tobacco	56901	810.92	125.85	55250	812.52	121.20
	<b>Total</b>	<b>181587</b>	<b>3870.52</b>	<b>600.43</b>	<b>199381</b>	<b>4240.97</b>	<b>633.23</b>
II	Tobacco Products	31329	1669.42	259.02	32419	1734.11	258.68
	<b>Grand Total</b>	<b>212916</b>	<b>5539.94</b>	<b>859.45</b>	<b>231800</b>	<b>5975.08</b>	<b>891.91</b>
	% Change over previous Year	-8	-7	-4	-5	-1	-3

Forex conversion factor for April 2017 - March 2018: 1 US\$= ₹64.46





FCV tobacco exports during 2017-18 were in the order of 1,24,686 metric tons valued at 3,059.60 crore as against 1,44,131 Metric tons valued at 3,428.45 crore during last year showing a decrease of 13%, 11% and 7% in terms of quantity, value in rupees and US dollars respectively.

Exports of unmanufactured tobacco for the year 2017-18 have decreased by 9%, 9% and 5% in terms of quantity, value in rupees and US dollars respectively compared to the exports made during the previous year.

As far as exports of tobacco products are concerned, the same have decreased by 3% and 4% in terms of quantity, value in rupees respectively during the year under report compared to the exports made during the last year.

#### B. Unmanufactured tobacco exports:

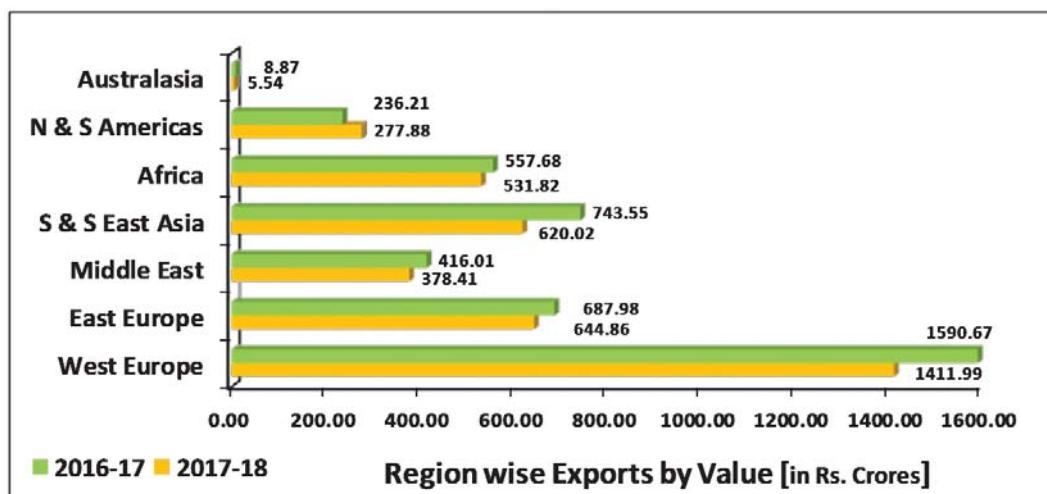
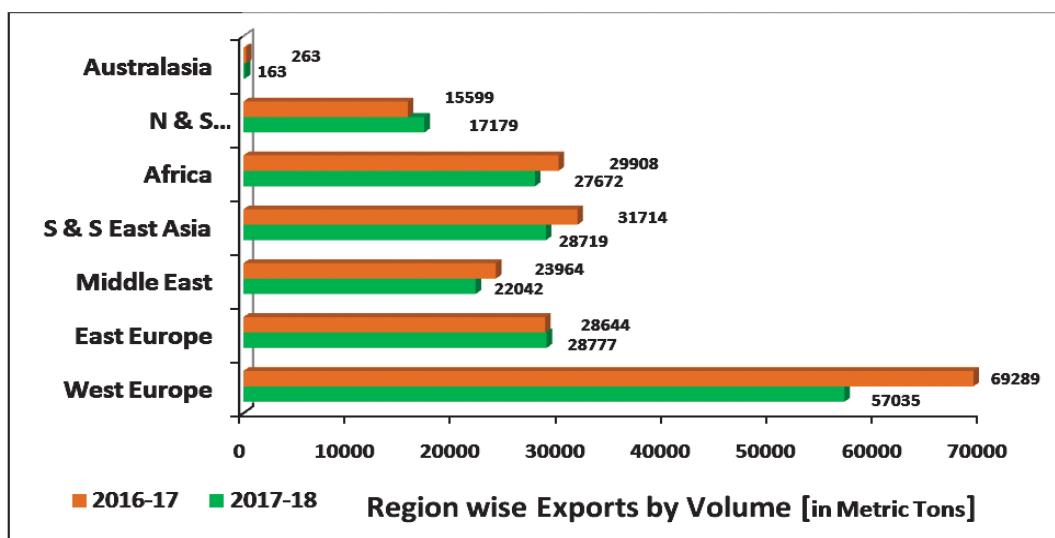
During 2017-18, India's unmanufactured tobacco exports accounted for 85% of total exports of tobacco and tobacco products in terms of quantity and 70% in terms of value in rupees.

In volume terms, Belgium continued to be the leading export destination for Indian unmanufactured tobacco during 2017-18 followed by other important markets viz. Egypt, South Korea, UAE and Russia. Out of the top five destinations, exports to South Korea have improved on Year-on-Year basis whereas there was a decline in export of tobacco to countries – Belgium, Egypt, UAE and Russia.

### C. Region wise exports of unmanufactured tobacco:

(Quantity in Metric Tons, Value in ₹ Crore)

REGION	2017-18				2016-17			
	Quantity	% share in total	Value	Value	Quantity	% share in total	Value	Value
West Europe	57035	31.41	1411.99	36.48	69289	34.75	1590.67	37.51
East Europe	28777	15.85	644.86	16.66	28644	14.37	687.97	16.22
Middle East	22042	12.14	378.41	9.78	23964	12.02	416.01	9.81
South & South East Asia	28719	15.81	620.02	16.02	31714	15.91	743.56	17.53
Africa	27672	15.24	531.82	13.74	29908	15.00	557.67	13.15
North & South Americas	17179	9.46	277.88	7.18	15599	7.82	236.21	5.57
Australasia	163	0.09	5.54	0.14	263	0.13	8.88	0.21
Total	181587	100	3870.52	100	199381	100.00	4240.97	100.00



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

Out of the total exports of Indian unmanufactured tobacco during the year 2017-18, FCV Type tobacco was 1,24,686 metric tons valued at ₹3,059.60 Crore which constituted 69% in quantity terms and 79% in rupee terms. Non-FCV tobacco exports accounted for the balance 31% in quantity terms and 21% in rupee terms. Non-FCV tobacco exports were 56,901 metric tons valued at ₹810.92 crore. Tobacco type wise breakup of exports during the year 2017-18 in comparison to that of 2016-17 is as follows:

(Quantity in Metric Tons, Value in ₹ Crore)

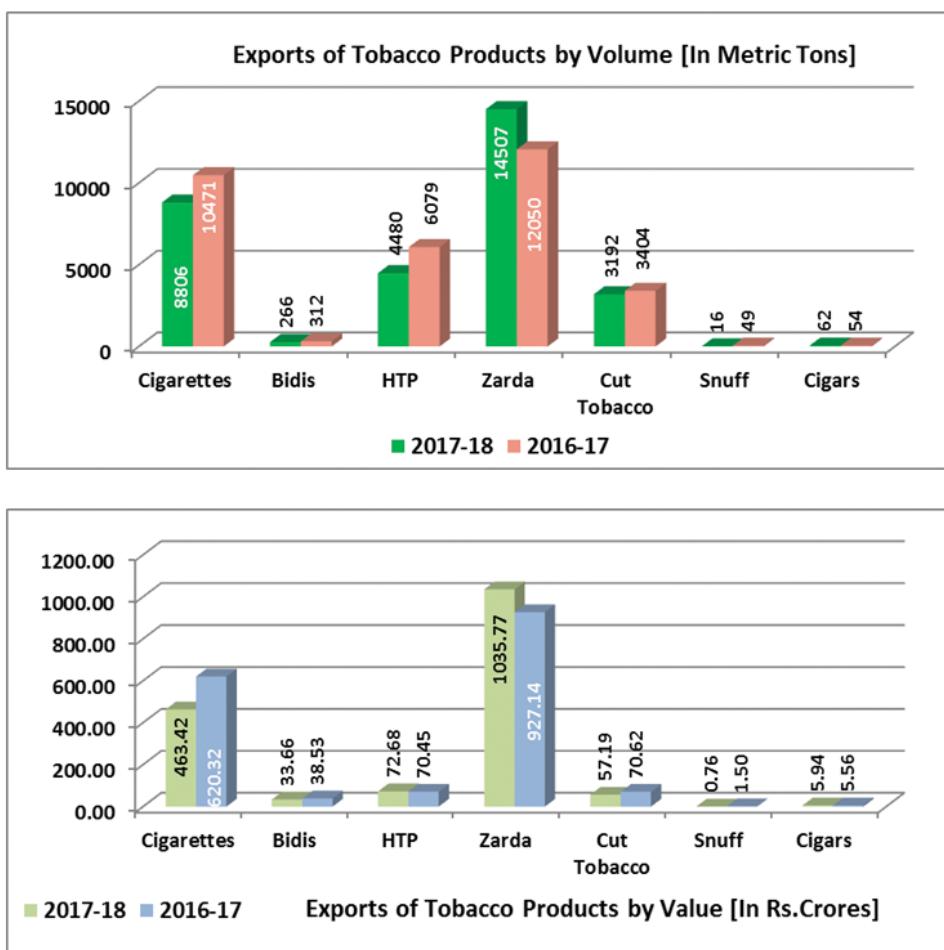
Tobacco Type	2017-18				2016-17	
	Quantity	% change Y-o-Y	Value	% change Y-o-Y	Quantity	Value
Flue Cured Virginia	124686	-13.49	3059.60	-10.76	144131	3428.45
Sub-Total (FCV Type)	124686	-13.49	3059.60	-10.76	144131	3428.45
Burley	32494	18.38	477.71	14.30	27450	417.96
Sun Cured Natu	6449	16.75	95.16	25.77	5524	74.07
Top Leaf / Jutty	500	-81.81	6.66	-79.20	2749	32.02
LalChopadia	5527	-34.74	67.78	-42.90	8469	118.70
Bidi	537	3.87	0.76	-42.86	517	1.33
Rustica	1183	-52.18	16.04	-50.54	2474	32.43
Others	10211	26.58	148.81	9.41	8067	136.01
Sub-Total (Non-FCV Type)	56901	2.99	810.92	-0.20	55250	812.52
<b>Total</b>	<b>181587</b>	<b>-8.92</b>	<b>3870.52</b>	<b>-8.74</b>	<b>199381</b>	<b>4240.97</b>

#### E. Exports of Tobacco Products:

Of the total Indian exports of tobacco and tobacco products during 2017-18, exports of tobacco products accounted for 14% in quantity terms and 30% in rupee terms. The exports of tobacco products have decreased by 7%, 6% and 3% respectively in terms of quantity, value in rupees & US dollars compared to the exports made during the previous year. However the same has increased marginally by 0.13% in terms of value in US dollars.

(Quantity in Metric Tons, Value in ₹ Crore)

S. No	Product Segment	2017-18				2016-17	
		Quantity	% change Y-o-Y	Value	% change Y-o-Y	Quantity	Value
1	Cigarettes	8806	-15.90	463.42	-25.29	10471	620.32
2	Bidis	266	-14.74	33.66	-12.63	312	38.53
3	Hookah tobacco paste	4480	-26.30	72.68	3.16	6079	70.45
4	Chewing Tobacco	14507	20.39	1035.77	11.71	12050	927.14
5	Cut Tobacco	3192	-6.22	57.19	-19.00	3404	70.62
6	Snuff	16	-67.34	0.76	-49.33	49	1.50
7	Cigars	62	-14.81	5.94	7.02	54	5.55
	<b>TOTAL</b>	<b>31329</b>	<b>-3.36</b>	<b>1669.42</b>	<b>-3.73</b>	<b>32419</b>	<b>1734.11</b>



## II. EXPORT PROMOTION ACTIVITIES

### A. Fairs and Exhibitions Abroad:

#### 1. World Tobacco Middle East 2017, Dubai, U.A.E

Tobacco Board participated in World Tobacco Middle East, Dubai during 5<sup>th</sup>-6<sup>th</sup> December 2017 organized by Quartz Business Media in association with Tobacco Journal International. Shri A.Sridhar Babu, IAS., Secretary and Shri K.Ravi Kumar, Manager(Auctions) have participated in the event on behalf of Tobacco Board. Shri R.S.Bisht, Under Secretary, Department of Commerce has also participated representing Ministry of Commerce & Industry, Government of India.

### B. Trade Delegations to Abroad :

#### 1. Indian Tobacco Trade Delegation to Iran

Sri A.Sridhar Babu, IAS., Secretary, Tobacco Board led the Indian Tobacco Trade Delegation to Tehran, Iran during 17<sup>th</sup> to 21<sup>st</sup> February 2018.

Sri R.Subbarao Choudary, Manager (Marketing & Exports), Tobacco Board has also participated in the Trade delegation besides 4 representatives from the Indian tobacco industry.

## IMPLEMENTATION OF OFFICIAL LANGUAGE

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

### MEASURES TAKEN FOR IMPLEMENTATION OF OFFICIAL LANGUAGE ACT:

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

### PROGRAMME OF HINDI TEACHING SCHEME:

Eligible employees of the Board were nominated to the Classes of Hindi Teaching Scheme. During November, 2017 session nine employees have completed their training in Parangath, Prabodh, Praveen and Pragya.





#### **PROPOGATION OF HINDI SCHEME OF LEARN A WORD A DAY:**

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

#### **HINDI WEEK:**

Hindi Week was celebrated from 14<sup>th</sup> to 20<sup>th</sup> September, 2017 in the Tobacco Board. Mementos and prizes were distributed to the participants.

#### **HINDI PERIODICALS AND LIBRARY:**

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

#### **HINDI ON COMPUTERS:**

Hindi Software has been loaded in all computers and Hindi trained employees are making use of this software.

#### **WORKSHOP IN HINDI:**

Eight Table Hindi Workshops (04 Days- Each day 02 Sections) were conducted during Hindi Week i.e., from 14<sup>th</sup> to 19<sup>th</sup> September 2017 to improve the working efficiency of Hindi Trained Employees. It is an innovative idea of the Hindi Department of the Tobacco Board, where in Hindi Staff goes to the employees table and clarify their doubts, so that the work in Hindi is implemented effectively.

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

## FINANCE AND ACCOUNTS

The Central Government has to provide funds to the Tobacco Board by way of grants or loans for utilization for the purposes of the Act, as per the section 16 of Tobacco Board Act, 1975. However, the Tobacco Board did not draw any grant or loan both under plan and non-plan schemes from the Central Government since 1991-92. The internal resources generated by the Tobacco Board are sufficient to meet its expenditure for carrying out its activities as per the Act and for meeting the salaries, allowances and other remuneration of the officers and other employees of the Board.

### I) INTERNAL RESOURCES:

As per the provision under Section 14 A of the Tobacco Board Act 1975, the Tobacco Board levies fees in the form of "Service Charges" for the services rendered on its auction platforms @ 2% on the value of tobacco marketed. The service charges so levied are equally collected from the grower and buyer @ 1% each on the value of tobacco sold by the grower and purchased by the buyer. Further, as per rule 13(2) of Tobacco Board (General) Regulations 1984 the Board collects "Authorization Fee" from the buyers who participate in the auctions. Apart from the above, the Board collects registration fees from the 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 as fixed by the Government every year through gazette notification. During 2017 auctions, the extra fee @ ₹2/- per Kg and additional charges @ 7.5% of sale proceeds are levied for the sale of excess tobacco produced by registered growers upto the extent of the 10% of the quota authorized. Further, extra fee of ₹2/- per Kg and 15% of sale proceeds are levied on sale of tobacco over and above 10% of the quota authorized from the registered growers and unregistered growers for the unauthorized tobacco produced in Andhra Pradesh and Karnataka which includes 1% of normal service charges as per the provisions section 14 A of Tobacco Board Act 1975.

During the Financial Year 2017-18, an amount of ₹14,477.23 lakh has been realized as against the budget provision (receipts) of ₹10,936.10 lakh made in R.E.2017-18 towards Internal Resources of the Board which consists of Service Charges, Buyer Authorization fee, Registration Fee from Traders & Growers, Interest on Fixed Deposits etc.

## **II) BUDGET ESTIMATES:**

As per the provision under 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 2017-18 have been prepared i.e. Budget Estimates and Revised Estimates with an outlay of ₹18,642.83 lakh and ₹17,389.60 lakh respectively towards expenditure incurred on Capital Expenditure and revenue expenditure for Establishment, Administrative expenditure for conducting auctions in Andhra Pradesh and Karnataka and also on the schemes implemented under Extension & Developmental schemes, Production schemes and Trading Wing schemes and submitted to the Government for its approval.

An amount of ₹13,389.80 lakh has been booked as expenditure under various heads of accounts as against the budgeted outlay of ₹17,389.60 lakh.

During the Financial Year 2017-18, an amount of ₹14,477.23 lakh has been realized as against the budget provision (receipts) of ₹10,936.10 lakh made in R.E. 2017-18 towards Internal Resources of the Board which consists of Service Charges, Buyer Authorization fee, Registration Fee from Traders & Growers, Interest on Fixed Deposits etc.

Statement showing the actual funds flow under Plan and Non-Plan since 2006-07 to 2017-18 is placed at **Page No.123**.

The financial statements of the Balance Sheet, Income and Expenditure account and Receipts and Payments Statement for the accounts of Tobacco Fund of the Tobacco Board for year 2017-18 which includes the earmarked fund accounts of Margin Money for Commercial Operations(Grant-in-aid to Trading Wing), Tobacco Board Employees General Provident Fund, Tobacco Board Employees Pension Fund, Tobacco Board Employees New Pension Scheme (Tier-I), Tobacco Growers Welfare Fund along with the Notes on accounts are incorporated in the Annual Report for the year 2017-18.

**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 2018**

We have audited the attached Balance Sheet of Tobacco Board, Guntur as at 31 March 2018 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 Liabilities and Provisions: ₹177.91 crore (Schedule 7)**

The Above is understated by ₹40.71 crore due to non-provisioning towards Gratuity to be paid to the officials of Tobacco Board who attained the age of superannuation and group leave encashment scheme as estimated by LIC of India, pending approval of Government of India. This has also resulted in understatement of deficit for the year by ₹40.71 crore.

**B. Management Letter**

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

- v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Income & Expenditure Account/Receipt & Payment Account dealt with by this report are in agreement with the books of accounts.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure to this Separate Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:
  - a. In so far as it relates to the Balance Sheet, of the state of affairs of the Tobacco Board as at 31 March 2018; and
  - b. In so far as it relates to Income & Expenditure Account, of the deficit for the year ended as on that date.

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

Sd/xx xx xx

(L.Tochhawng)

Director General

O/o the Director General of Commercial Audit &  
Ex-Officio Member, Audit Board,  
Hyderabad

Place: Hyderabad

Date: 22 October 2018

## ANNEXURE

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

There is no separate sanctioned strength for Internal Audit wing in Tobacco Board. The Internal Audit of accounts of the Auction Platforms and Regional Offices in Andhra Pradesh and Karnataka is conducted by deploying existing staff of the Board. However, the Internal Audit for the year 2017-18 was not conducted. Thus, the 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, subject to the deficiencies in Internal Audit System as stated under point no.(1) above.

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

The 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. Fixed Assets are physically verified on an annual basis, as informed by the Board.

### **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. As informed by the Board, the physical verification of inventory is done annually at the end of March.

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

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

Sd/xx xx xx  
(L.Tochhawng)  
Director General  
O/o the Director General of Commercial Audit &  
Ex-Officio Member, Audit Board,  
Hyderabad

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

**TOBACCO FUND ACCOUNT -**  
**FINANCIAL STATEMENTS BALANCE SHEET AS AT 31/03/2018**

(₹ In thousands)

Particulars	Sche- dule	Current Year	Previous Year
<b>CORPUS / CAPITAL FUND AND LIABILITIES</b>			
1. Corpus/Capital Fund	1	5814068	6100877
2. Reserves and Surplus	2	0	0
3. Earmarked/Endowment Funds:	3		
a) Margin money for Comm. Operations (Grant-in-aid to Trading Wing)		219658	204275
b) Tobacco Board Employees General Provident Fund		250356	243297
c) Tobacco Board Employees Pension Fund		1545098	1308735
d) Tobacco Board Employees New Pension Scheme		2791	7007
e) Tobacco Growers Welfare Fund Scheme		561291	550839
4. Secured Loans and Borrowings	4	0	0
5. Unsecured Loans and Borrowings	5	0	0
6. Differed Credit Liabilities	6	0	0
7. Current Liabilities and Provisions	7	1779098	1109808
<b>TOTAL</b>		<b>10172360</b>	<b>9524838</b>
<b>ASSETS</b>			
1. Fixed Assets	8	1099009	1141497
2. Investments from Earmarked/Endowment Funds	9	0	0
a) Margin money for Comm. Operations (Grant-in-aid to Trading Wing)		219658	204275
b) Tobacco Board Employees General Provident Fund		250356	243297
c) Tobacco Board Employees Pension Fund		1545098	1308735
d) Tobacco Board Employees New Pension Scheme		2791	7007
e) Tobacco Growers Welfare Fund Scheme		561291	550839
3. Investments: Others	10	0	0
4. Current Assets, Loans and Advances etc.	11	6494157	6069188
5. Miscellaneous Expenditure		0	0
<b>TOTAL</b>		<b>10172360</b>	<b>9524838</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)

Sd xx xx xx  
**(ADDANKI SRIDHAR BABU)**  
**SECRETARY**

EXECUTIVE DIRECTOR & CHAIRMAN AND  
JOINT SECRETARY  
DEPARTMENT OF COMMERCE

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

**TOBACCO FUND ACCOUNT -FINANCIAL STATEMENTS**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31/03/2018**

(₹ In thousands)

Particulars	Sche- dule	Current Year	Previous Year
<b>1. INCOME</b>			
I. Income from Sales/Services	12	555769	532936
II. Grants/Subsidies	13	0	0
III. Fees/Subscriptions	14	20055	19298
IV. Income from Investments (From earmarked / endowment funds transferred to Funds)	15	2260	2116
V. Income from Royalty and Publications	16	2361	375
VI. Interest earned	17	386131	419201
VII. Other Income	18	413116	517376
VIII. Increase / (Decrease) in stock of Finished Goods and Works in Progress	19	0	0
<b>Total</b>		<b>1379692</b>	<b>1491302</b>
<b>2. EXPENDITURE</b>			
I. Establishment Expenses			
a) Non-Plan	20	1361817	1163986
II. Other Administrative Expenses		0	0
a) Non-Plan	21	254688	218388
b) Plan	21	0	32443
III. Expenditure on Grants, Subsidies	22	0	0
VI. Interest	23	0	0
V. Depreciation (Net Total at the year-end - Corresponding to Schedule 8)	8	47986	49960
<b>Total</b>		<b>1664491</b>	<b>1464777</b>
<b>3. Balance being Excess of Income over Expenditure (1-2)</b>		-284799	26525
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 (-)		-2010	4666
<b>4. Balance being surplus/deficit carried to Corpus / Capital Fund</b>		<b>-286809</b>	<b>21859</b>
<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)

EXECUTIVE DIRECTOR & CHAIRMAN AND  
JOINT SECRETARY  
DEPARTMENT OF COMMERCE

Sd xx xx xx  
**(ADDANKI SRIDHAR BABU)**  
**SECRETARY**

**FUND BALANCES OF EARMARKED FUNDS  
(BALANCE SHEET)**

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

S. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	Opening Balance	204275409.00	188884667.00
B	Additions to the Fund account:		
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	15383120.37	15390742.00
b)	Grants received	0.00	0.00
c)	Other Receipts	0.00	0.00
	Less:		
a)	Withdrawals	0.00	0.00
b)	Other payments	0.00	0.00
	<b>Total (A+B)</b>	<b>219658529.37</b>	<b>204275409.00</b>
C	Utilisation/Expenditure towards objective of Fund		
i)	Capital Expenditure	0.00	0.00
ii)	Revenue Expenditure	0.00	0.00
	<b>Total (C)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Net Balance at the year-end (A+B-C)</b>	<b>219658529.37</b>	<b>204275409.00</b>

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

S. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	Opening Balance	243296847.45	239865583.45
B	Additions to the Fund account:		
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	17303889.00	18382852.00
b)	Subscriptions	71295082.00	66738570.00
c)	Recovery of GPF advance	122035.00	375151.00
	Less:		
a)	Withdrawals	-81661979.00	-82065309.00
b)	Advances paid	0.00	0.00
	<b>Total (A+B)</b>	<b>250355874.45</b>	<b>243296847.45</b>
C	Utilisation/Expenditure towards objective of Fund		
i)	Capital Expenditure	0.00	0.00
ii)	Revenue Expenditure	0.00	0.00
	<b>Total (C)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Net Balance at the year-end (A+B-C)</b>	<b>250355874.45</b>	<b>243296847.45</b>

### 3 Tobacco Board Employees Pension Fund Account

S. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	Opening Balance	1308735001.17	1003605024.17
B	Additions to the Fund account:		
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	110116878.00	86918009.30
b)	Pension Fund Contributions	401364175.00	400000000.00
	Less:		
a)	Pension Annuities purchased by LIC	-275118225.00	-181787932.30
b)	Other payments	0.00	0.00
	<b>Total (A+B)</b>	<b>1545097829.17</b>	<b>1308735101.17</b>
C	Utilisation/Expenditure towards objective of Fund		
i)	Capital Expenditure	0.00	0.00
ii)	Revenue Expenditure	0.00	100.00
	<b>Total (C)</b>	<b>0.00</b>	<b>100.00</b>
	<b>Net Balance at the year-end (A+B-C)</b>	<b>1545097829.17</b>	<b>1308735001.17</b>

### 4 Tobacco Board Employees New Pension Scheme Account

S. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	Opening Balance	7007474.00	25282645.00
B	Additions to the Fund account:		
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	182707.00	1841323.00
b)	Pension Fund Contributions	10010257.00	7151676.00
	Less:		
a)	Pension Contribution remitted NSDL Mumbai (Pension contributions)	-14409832.00	-27268170.00
b)	Other payments (Bank Charges)	0.00	0.00
	<b>Total (A+B)</b>	<b>2790606.00</b>	<b>7007474.00</b>
C	Utilisation/Expenditure towards objective of Fund		
i)	Capital Expenditure	0.00	0.00
ii)	Revenue Expenditure	0.00	0.00
	<b>Total (C)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Net Balance at the year-end (A+B-C)</b>	<b>2790606.00</b>	<b>7007474.00</b>

**5 Tobacco Growers Welfare Fund Scheme account:**

S. No.	Particulars	Current Year (₹)			Previous Year (₹)		
A	<b>Opening Balance</b>	Andhra Pradesh	Karnataka	Total	Andhra Pradesh	Karnataka	Total
B	Additions to the Fund account:						
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	20728000.00	14518248.00	35246248.00	21352710.00	16615176.00	37967886.00
b)	Growers Contribution	1525000.00	1620000.00	3145000.00	1699000.00	1376200.00	3075200.00
c)	Tobacco Board's Contribution	2398623.86	3239872.24	5638496.10	3396000.00	2752400.00	6148400.00
d)	Renewal of Membership Fee	21924015.00	21881270.21	43805285.21	20485654.00	21522104.46	42007758.46
e)	Growers Share of Sweepings	0.00	0.00	0.00	2173829.95	1778242.45	3952072.40
f)	Penalties	136500.00	10700.00	147200.00	65800.00	47716.00	113516.00
g)	Interest on Loans	1000.00	0.00	1000.00	7401.00	1000.00	8401.00
h)	Misc. Receipts	0.00	0.00	0.00	0.00	110.92	110.92
	Less:						
a)	Death Relief to the Growers	-42291615.65	-77531615.65	-18335000.00	-24915000.00	-43250000.00	-43250000.00
b)	Other payments	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total (A+B)</b>	<b>317530882.32</b>	<b>243759823.92</b>	<b>561290706.24</b>	<b>306057743.46</b>	<b>244781349.12</b>	<b>550839092.58</b>
C	Utilisation/Expenditure towards objective of Fund						
i)	Capital Expenditure	0.00	0.00	0.00	0.00	0.00	0.00
ii)	Revenue Expenditure	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total (C)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Net Balance at the year end (A+B-C)</b>	<b>317530882.32</b>	<b>243759823.92</b>	<b>561290706.24</b>	<b>306057743.46</b>	<b>244781349.12</b>	<b>550839092.58</b>

(P.MEEENA KUMARI)  
MANAGER (F&A) I/C

**SCHEDULE-24: SIGNIFICANT ACCOUNTING POLICIES  
FOR THE YEAR ENDING 31ST MARCH 2018**

**1. ACCOUNTING CONVENTION:**

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

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

**2. Inventory Valuation:**

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

**3. Investments:**

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

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

Provided that the funds in the Board's pension fund or provident fund not required for current expenditure may be invested in Trustee Securities or Ten Year Treasury Savings Deposit Certificates or National Defense Certificates to the extent permissible or in fixed

deposit with the State Bank of India + ( or any other Nationalized Bank or any of its subsidiaries).

(Explanation: for the purposes of sub-rule (1) and this sub rule, Nationalized Bank means a corresponding new bank as defined in the Banking Companies (Acquisition and transfer of undertakings) Act, 1970 (5 of 1970).

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

#### **4. Excise Duty: Nil**

#### **5. Fixed Assets:**

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

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

#### **6. Depreciation:**

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

## **7. Miscellaneous Expenditure:**

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

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

There are no sales operations directly took place in Tobacco Board. The Tobacco Board conducted auctions for sale of FCV tobacco brought by the tobacco growers and purchased by the traders on the established auction platforms in Andhra Pradesh and Karnataka as per the provisions of the Tobacco Board Act 1975. Power to levy fees as per the provisions of the Tobacco Board Act 1975 is as under:

- a) **Under Section 14A(1)** – *Where Virginia tobacco is sold at any auction platform established by the Board under this Act, it shall be competent for the Board or for any officer of the Board authorize by it in this behalf to levy fees, for the services rendered by the Board in relation to such sale, at such rate not exceeding two percent of the value of such tobacco as the Central Government may from time to time, by notification in the official gazette, specify;*
- b) **Under Section 14(2)** – *The fees levied under sub section (1) shall be collected by the Board or such officer, equally from the seller of the Virginia tobacco and the purchaser of such tobacco, in such manner as may be prescribed.*
- c) **Fees leviable on the seller under section 14A** - *Rule 42 of Tobacco Board Rules 1976, the fee leviable by the Board under section 14A of the Act on a seller shall be on one percent of the value of the tobacco sold by him at auction platform.*
- d) **Mode of recovery of fees from seller**- *Rule 43 of Tobacco Board Rules 1976, the Board or any officer of the Board authorized by it in this behalf, may recover the fees under section 14A by deducting the same from the sale proceeds of the tobacco.*
- e) **Fees leviable on purchaser under section 14A** - *Rule 44 of Tobacco Board Rules 1976, the fee leviable by the Board under section 14A of the Act on a purchaser shall be on one percent of the value of the tobacco purchased by him at auction platform*

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

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

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

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

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

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

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

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

#### **12. Retirement Benefits:**

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

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

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

### **13. Condition of service of officers and employees of the Tobacco Board:**

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

### **SCHEDULE 25:**

#### **CONTINGENT LIABILITIES FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2018.**

- 1. Contingent Liabilities:** The details of contingent liabilities are indicated in the Balance sheet.
- 2. Capital commitment:** Nil.
- 3. Lease Obligations:** The Tobacco Board has taken following premises on lease the auction platforms at Ongole-II, Kondepi and Tangutur-II in Andhra Pradesh and Kampalapura-II in Karnataka and the offices of the Directorate of Auctions, Bengaluru & Regional Manager Office Periyapatna in Karnataka and Regional Manager Office Rajamahendravaram in Andhra Pradesh, Liaison offices of Hyderabad and New Delhi.

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

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

#### **5. Taxation:**

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

**NOTES ON ACCOUNTS FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2018.**

**a) FORMATION:**

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

**b) OBJECTIVE:**

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

The Trading Wing was created by the Government of India in the year 1984 with a Margin Money of ₹1.25 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.

**c) COMPOSITION OF THE BOARD:**

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

- a) A Chairman to be appointed by the Central Government.
- b) Three members of Parliament of whom two shall be elected by the House of the people and one by the Council of States.
- c) Eight members to be appointed by the Central Government to represent respectively:
  - i) The Ministry of the Central Government dealing with Agriculture;
  - ii) The Ministry of the Central Government dealing with Commerce;
  - iii) The Ministry of the Central Government dealing with Finance;
  - iv) The Ministry of the Central Government dealing with Industrial Development;
  - v) The Indian Council of Agricultural Research;
  - vi) The Government of Gujarat and
  - vii) The Government of Karnataka.
- d) Two members to be appointed by the Central Government by rotation in the alphabetical order, to represent the Governments of tobacco growing States other than the States of Andhra Pradesh, Gujarat and Karnataka.

- e) Not more than + ten members to be appointed by the Central Government from amongst Growers, Tobacco Dealers and Exporters (including Packers) of tobacco and tobacco products, manufacturers of tobacco products and from amongst persons who in the opinion of the Central Government are experts in tobacco marketing or agricultural economics.

\*Provided that the number of members appointed under this clause from amongst the growers of tobacco shall not exceed six.

- f) The Agricultural Marketing Advisor to the Government of India, Department of Rural Development, ex-officio;
- g) The Executive Director, ex-officio;

**d) FUNCTIONS:**

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

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

As per Section 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, The Board shall maintain records and prepares annual statements as –

- (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.
- (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.
- (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.

**f) FINANCIAL TRANSACTIONS IN GENERAL:**

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

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

1. The Board has adopted the accounting figures rounded off to thousands in Balance Sheet and Income & Expenditure account whereas in schedules the amounts have been projected in actual figures for better understanding and readability of the financial statements.
2. All the Known liabilities are brought under Current Liabilities and all the provisional liabilities are Provisions as per Uniform Format of Accounts. An amount of ₹16,14,99,540.35 is total outstanding liabilities amount for the year ending 31.03.2018.
3. The details of freehold and lease hold lands are indicated in the fixed assets statements of annexure-I to III (Schedule-8) of the Balance Sheet of the Board.
4. The stationery and consumable items for the year ending 31.03.2018 valued at ₹21,98,747.86 have been shown under closing stock account by taking into consideration of the actual purchase price of the items.
5. The total investments of Tobacco Fund are with the nationalized banks in Andhra Pradesh and Karnataka for the year ending 2017-18 was ₹549,29,17,807.18. As suggested by the audit, these fixed deposits amount exhibited in the schedule-11 of current assets, loans & advances: with scheduled banks-on deposit accounts (FDRs of the Balance sheet). All the fixed deposit receipts have been physically verified. The details of fixed deposits have been prepared in the form of statement and annexed to the statements are found in order.
6. The depreciation on fixed assets has been calculated on pro-rata monthly basis. The rates of depreciation on different assets adopted by the Board are as under:
  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%

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

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

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

An amount of ₹4,99,96,359.09 was depreciated on the fixed assets of Tobacco Board as on 31/03/2018 along with previous years depreciation on the assets.

7. The assets have been capitalized during the financial year ending 31<sup>st</sup> March 2018 as against the advances released to the executing agencies of CPWD and RITES. As per the expenditure statement in Form-65, an amount of ₹71,42,941.00 was capitalized towards maintenance works and electrical works.
8. An amount of ₹1,06,59,534.80 was incurred on account of Misc. Expenditure account for the year ending 31<sup>st</sup> March 2018 which consists of maintenance of generators, purchase of water, electrical repairs & replacements, expenditure on sweepings and expenditure on vigilance operations etc.
9. An amount of ₹2,31,18,308.05 was realized on account of Misc. Receipts account for the year ending 31<sup>st</sup> March 2018 which consists of penalties on vigilance operations, sale of GSP certificates, Subscriptions to newsletters, sale of newspapers, difference cost of bale pattas from growers, surplus interest under input loan account, sale of tender forms etc.
10. An amount of ₹55,57,69,135.33 was realized on account of Service Charges on FCV tobacco @ 1% each from buyer and growers for the year ending 31<sup>st</sup> March 2018.

11. The Tobacco Board did not draw any grant-in-aid from the Government during the financial year 2017-18.
12. An amount of ₹9,81,376.10 was incurred on account of Fairs & Exhibitions: Abroad and Trade Delegations to Abroad for the year ending 31<sup>st</sup> March 2018.
13. An amount of ₹13,53,37,189.00 is the amount paid on account of retirement benefits such as gratuity, leave encashment and commutation of pension to the officials on attaining age of superannuation including the liability for payment of retirement benefits.
14. An amount of ₹649,41,56,516.62 was available under Current assets, loans and advances account as per the schedule-11 of the Balance Sheet as on 31.03.2018.
15. 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 off losses in respect of 1977 cyclone loans granted to the farmers as the Government is the competent authority to write off losses as per Rule 24(2) of Tobacco Board Rules 1976. In this regard, the Board written a letter vide No. 3(20)/2006-07/LRC dated 27.09.2007 and reminders dated 07.01.2008, 13.05.2008, 23.03.2009, 12.04.2010, 11.10.2010, 30.04.2013, 07.02.2014, 24.10.2014, 28.07.2015, 09.06.2016 and 20.02.2017. The approval of the Government in respect of the said proposals is awaited.
16. The contingent liability amount of ₹110.65 lakh is under sub-judice as a case in the Additional District Judge Court, Kovvur in respect of Gopalapuram auction platform on account of non-eviction of the premises taken on lease by the Tobacco Board in time.
17. The Contingent liability amount of ₹13.38 lakh is under sub-judice as a case in the Additional Senior Civil Judge Court, Ongole Prakasam District, Andhra Pradesh in respect of Ongole-II

auction platform. The petitioner claiming loss of rents for early evicting of his premises taken on lease by the Board against the agreement time. The damages claimed are 13.38 lakh + 18% interest on it from 31.12.2015 and other legal costs.

18. 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 31.03.2018.
19. The Fund accounts are being maintained the following accounts for the purposes of Margin Money for Commercial Operations (Grant-in-aid to Trading Wing), Tobacco Board Employees General Provident Fund, Tobacco Board Employees Pension Fund, Tobacco Board Employees New Pension Scheme (Tier-I) and Tobacco Growers Welfare Fund are exhibited under schedule-3 of Earmarked/Endowment funds as suggested by the Audit.
20. Funds under Margin Money for Commercial Operations (Grant-in-aid to Trading Wing) account, an amount of ₹21,96,58,529.37 was available as per the books of accounts. The Trading Wing was created by the Government of India in the year 1984 with a Margin Money of ₹1.25 Crore for MSP operations. Further, the Board earns profit of ₹0.91 crore while taking up MSP operations during 1987 and 2000 and ₹19.81 crore realized towards interest on Fixed deposits as on 31.03.2018.
21. Funds under Tobacco Board Employees General Provident Fund account, an amount of ₹25,03,55,874.45 was available as per the books of accounts. As per Broad sheet the amount payable to officials was ₹23,87,24,252.00 includes interest on subscriptions. Surplus amount of ₹1,16,31,622.45 is on account of interest realized on Fixed deposits is more than the interest payable to official's GPF contributions.
22. Funds under Tobacco Board Employees Pension Fund account, an amount of ₹154,50,97,829.17 was available as per books accounts in the form of Deposit with LIC of India Vijayawada ₹154,47,02,877.00 and cash at bank ₹3,94,952.17. The LIC of India has submitted the proposal for the total fund requirement of ₹228.96 crore as on 01.03.2018 as per actuarial valuation of fund account and requested to deposit an amount of ₹74.49 crore after taking into consideration available funds of ₹154.47 crore. Hence, the balance amount of ₹74.49 crore is taken as liability in the books of accounts.
23. Funds under Tobacco Board Employees New Pension Scheme account, an amount of ₹27,90,606.00 was available as per books of accounts. An amount of ₹15,48,537.00 is the

payable amount to 9 officials under New Pension Scheme with reference to the contributions of employees and employer along with interest at GPF rates after remitting the contributions and interest amounts NSDL Mumbai as per existing rules to 112 officials as against 121 NPS officials in Tobacco Board. Surplus amount of ₹12,42,069.00 is on account of interest realized on FDRs is more than the interest payable to officials on the contributions invested with the banks.

24. Funds under Tobacco Growers Welfare Fund scheme account, an amount of ₹56,12,90,706.24 was available as per the books of accounts (Andhra Pradesh: ₹31,75,30,882.32 + Karnataka ₹24,37,59,823.92).

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

25. The proposal for creation of fund account for Gratuity and Leave Encashment was sent to the Ministry and the approval from the Government is yet to be received. On receipt of the approval from the Government, the exact calculation amount of gratuity, leave salary and half pay will be worked out and provided the actual liability after making actual payments to the fund account. In this connection, a total liability of ₹20.00 crore has been provided towards payment of Leave Salary, Gratuity and half pay leave for the years 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. For creation of Fund for Gratuity, Leave Salary and Half Pay Leave are under process.
26. The amounts payable to Service Tax Department towards service tax on the services of auctioneer service (Buyer Authorization fee, Demurrage Charges & Bale Pattas), Legal consultancy services (Legal Charges) and Rent-a-Cab Operators Service (Hiring of Vehicles) taken as provisional liability for ₹1,78,44,311.00 as the cases are under sub-judice with CESTAT Bangalore, Hyderabad and the Commissioner (Appeals), Central Excise & Service Tax, Guntur. The amounts due from companies for ₹5,05,322.98 shown as current assets in the books of accounts.
27. An amount of ₹89.95 lakh is provided as liability towards payment of Bonus to the employees of the Board for the years 2014-15 (arrears of @ ₹3,500/- to each due to enhancement of amount from ₹3500/- to ₹7000/- ) and ₹7000/- each for the years 2015-16, 2016-17 and 2017-18.

- 28. An amount of ₹31,89,000.00 provided towards liability for the outstanding payment of 7<sup>th</sup> CPC arrears to the Pre-2016 pensioners & family pensioners of the Board from 01.01.2018 to 31.03.2018.
- 29. The amounts payable towards retirement benefits, property tax, maintenance of computers, Tobacco Growers Welfare Fund (Board's Share) and amount payable to executive agencies of CPWD & RITES etc. have been provided as outstanding liabilities in the books of accounts as on 31.03.2018.
- 30. Tobacco Board is procuring and distributing the chemical fertilizers to the indented registered FCV tobacco growers. Up to 2008-09, the Board had engaged the services of Spices Trading Corporation of India Ltd. (STCL) for distribution of fertilizers to the growers.

During 2009-10, Board had taken up the distribution of fertilizers to the growers due to non-availability of services of M/s. STCL. For these operations, the Deputy Commissioner, Commercial Taxes, Mysore vide his assessment order dated 27.05.2011 issued to the Board to pay the tax amount of ₹2,34,27,445/- and penalty on tax of ₹70,28,233/-for distribution of fertilizers to growers as it is deferred payment without obtaining dealer license under KVAT Act 2003. In this connection, the Board made all its efforts with the State Government of Karnataka and through the appeals with the Commissioner of Commercial Taxes Bangalore and through Hon'ble High Court of Karnataka. The writ petition filed by the Board was dismissed by the Hon'ble Court.

In this connection, the Board filed appeal before Sales Tax Appellate Tribunal, Karnataka Bangalore on 07.12.2013. The Tribunal admitted the case on deposit of 30% amount of tax amount of ₹91,36,703/- with DCCT(VAT), Audit-I Mysore on 31.12.2013. Further, an amount of ₹2,13,18,975.00 kept in the form of BG in favour of Dy. Commissioner of Commercial Taxes VAT Audit-I Mysore. The appeals filed by the Board were dismissed vide orders dated 31.08.2016 by the Tribunal. Hence, entire tax + penalty amount was paid to the Deputy Commissioner of Commercial Taxes Mysore by cancelling the B.G. 25.11.2016.

On receipt of tax amount of ₹3,04,55,678/- by the DCCT VAT(Audit-I) Mysore and they have issued another demand notice dated 09.12.2016 for ₹3,26,98,056/- towards interest on the above said tax for the period from 21.05.2009 to 25.11.2016. In this connection, the Board filed a writ petition on 02.01.2017 before the Hon'ble High Court of Karnataka Bangalore challenging the orders of KVAT and demand notice dated 09.12.2016.

The Hon'ble High Court given Ad-interim stay of further proceedings pursuant to the assessment orders dated 27.05.2011 subject to the petitioner to deposit ₹32,69,805.00 with the respondent (DCCT VAT Karnataka). In the meanwhile, The Government of Karnataka introduced the Karasamadhana scheme-2017 for waiver of penalty and interest from VAT, CST and KET where the amount is not paid up to 15.03.2017 for the taxation period from 01.04.2005 to 31.03.2016 and cases pending towards payment of interest and penalty are eligible by paying only 10% of the amount of interest and penalty.

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

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

31. Tobacco Board levies fees in the form of "Service charges" for the services rendered @ 2% on the value of tobacco marketed on its auction platforms as per the provision under section 14A of the Tobacco Board Act 1975. The service charges so levied are equally collected from the grower and buyer @ 1% each on the value of tobacco sold by the grower and purchased by the buyer.
32. The Tobacco Board collects registration fee from growers for according registration as grower, barn operator & nurserymen and from traders for according registration as Exporter, Exporter of Tobacco or Tobacco Products, Dealer in tobacco, Packer of Tobacco, Processor in Tobacco, Manufacturer of Tobacco and Commercial Grader in Tobacco and Authorization fee from the buyers who participate in the auctions as per the provisions of Rules/Regulations of the Tobacco Board Act, 1975.
33. The Tobacco Board levied penalties on the excess tobacco produced by the registered growers and the tobacco produced by the unregistered growers, these penalties are fixed by the Government every year through gazette notification. These penalties are varying from time to time. During 2017 auctions, the Penalty @ ₹2/- per Kg and 7.5% of the sale proceeds for the excess tobacco produced by registered growers up to the extent of 10% of quota authorized

was allowed. The tobacco produced by the registered growers above the limit of 10% of the quota authorized and the tobacco produced by the unregistered was allowed for sale by levying ₹2/- per Kg. and 15% of the sale proceeds in Andhra Pradesh and Karnataka which includes service charges @1% as per Section 14A of Tobacco Board Act 1975.

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

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

35. The major expenditure on Establishment and Administrative Nature for sale of FCV tobacco through auctions in the auction platforms established by the Board in Andhra Pradesh and Karnataka is covered under Non-Plan
36. The expenditure on Capital nature for providing infrastructure facilities for smooth conducting of auctions and Revenue nature for implementation of various schemes under Extension & Developmental Schemes for improving of quality & yield tobacco, saving fuel, curing cost & time and adoption of various technical implements in cultivation of tobacco etc. is covered under Plan.
37. The classification of Plan and Non-Plan Expenditure under Income and Expenditure account has been delinked from 2017-18 by taking into consideration of the guidelines mentioned in the budget circular 2017-18.
38. The expenditure incurred under Extension & Developmental Schemes both for Andhra Pradesh and Karnataka were shown separately and the expenditure has been incurred at Head Office Guntur

An amount of ₹144.77 crore has been realized on account of Board's Receipts. Against which, an amount of ₹133.90 crore incurred towards expenditure for the year 2017-18.

39. As per D.O. letter No. DGCA/AcsDesk/2016-17/ 1.42, dated 27.11.2017 of the Director of Commercial Audit and Ex-Officio Member Audit Board, Indian Audit and Accounts Department, Hyderabad, the modifications suggested by the audit have been taken up in the financial statements of the Tobacco Board for the year 2017-18 as under:

- a) The calculation of depreciation on fixed assets has been ensured and incorporated in the financial statements of the Tobacco Board for the year 2017-18.
- b) The opening balances of bank balances, investments and income on investment with other receipts along with closing balances, investments and other payments for all the earmarked funds of the Tobacco Board projected in the respective schedules of the Balance Sheet and Receipts & Payments statement for the year 2017-18.
- c) The use of words “Tobacco Fund” under three heads of accounts of Current Liabilities and Provisions, Fixed Assets and Current Assets, Loans & Advances in the Balance Sheet of the Tobacco Board have been deleted in the financial statements of Tobacco Board for the year 2017-18.

Sd/ xx xx xx  
**(P.MEENA KUMARI)**  
**MANAGER (F&A) i/c**

**TOBACCO BOARD, MINISTRY OF COMMERCE & INDUSTRY, DEPARTMENT OF COMMERCE, GOVERNMENT OF INDIA, GUNTUR**  
**TOBACCO FUND ACCOUNT - FINANCIAL STATEMENTS**

<b>RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31<sup>st</sup> MARCH, 2018</b>					
				(Amount in ₹)	
	Receipts	Current Year	Previous Year	Payments	Current Year
<b>I.</b>	<b>Opening Balances:</b>				
	<b>Bank Balances</b>				
1.	Current Accounts	302304849.14	459065584.63	1. Salaries & Wages	516391555.00
2.	Deposit Accounts	5416795973.44	5126905032.39	2. Allowances & Bonus	921891.00
3.	Savings Accounts	0.00	0.00	3. Contribution to Provident Fund	0.00
	<b>Earmarked/Endow. Funds</b>			4. Contribution to Pension Fund	40000000.00
1.	Current Accounts			5. Contribution to Pension Fund (NPS)	5007876.00
i)	Margin money for Comm. Operations (Grant-in-aid to Trading Wing)	5000.00	5000.00	6. Staff Welfare Expenses	3631459.00
2.	Deposit Accounts	0.00	0.00	7. Retirement & Terminal Benefits	0.00
3.	Savings Accounts	670850.45	35609.45	8. Others:	197510192.00
i)	Tobacco Board Employees General Provident Fund			a) Leave Salary & Pension Contribution	279825.00
ii)	Tobacco Board Employees Pension Fund	187113.17	51480.17	b) Medical Claims (Officers & Staff)	8021485.00
iii)	Tobacco Board Employees New Pension Scheme	316081.00	616.00	c) LTC Claims	1075093.00
iv)	Tobacco Growers Welfare Fund Scheme	20003761.12	12152623.64	d) Uniform to Staff	128776.00
<b>II</b>	<b>Grants received</b>				288256.00

**RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31<sup>st</sup> MARCH, 2018**

<b>Receipts</b>		<b>Current Year</b>		<b>Previous Year</b>		<b>Payments</b>		<b>Current Year</b>		<b>Previous Year</b>			
<b>III. Investments and Deposits made</b>						<b>II. Other Administrative Expenses</b>							
<b>a) Earmarked/Endow. Funds (FDRs)</b>						1. O.T. A. to Staff		14646.00		38553.00			
i) Margin money for Comm. Operations (Grant-in-aid to Trading Wing)		1940668352.00		180549956.00		2. T.A. to Officers & Staff		10798145.00		7498816.00			
ii) Tobacco Board Employees General Provident Fund		230920705.00		230493106.00		3. T.A. to Board Members		390612.00		192105.00			
iii) Tobacco Board Employees Pension Fund		1308547888.00		1003553544.00		4. Maint of Administrative Buildings / Qtrts / APFS		3275130.00		2198533.00			
iv) Tobacco Board Employees New Pension Scheme		6439119.00		24191746.00		5. Rent of Buildings		15024628.00		12754064.00			
v) Tobacco Growers Welfare Fund Scheme		495956252.00		460495230.00		6. Printing & Stationery (Incl. Computer stationery)		4739309.00		1927641.00			
<b>b) Own Funds</b>						7. Electricity Charges		10391369.00		10412330.81			
<b>IV. Income on Investments:</b>						8. Postage & Telephone Charges		4526230.72		4723885.00			
<b>a) Earmarked/Endow. Funds (FDRs)</b>						9. Expenditure on Meetings		1587501.00		1927485.00			
i) Margin money for Comm. Operations (Grant-in-aid to Trading Wing)		6607137.97		13518396.00		10. Miscellaneous Expenditure		10214279.80		9818070.88			
ii) Tobacco Board Employees General Provident Fund		83484742.00		83128149.00		11. Entertainment Charges		678981.00		658468.00			
iii) Tobacco Board Employees Pension Fund		511481053.00		486918009.30		12. Subscription to Journals		283023.00		295650.00			
iv) Tobacco Board Employees New Pension Scheme		10307006.00		9831008.00		13. Repairs to Furniture & other assets		866153.00		857717.00			
										341933.00		369005.00	
										0.00		0.00	

**RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31<sup>st</sup> MARCH, 2018**

Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
v) Tobacco Growers Welfare Fund Scheme	93324596.50	89932659.48	<b>II. Other Administrative Expenses</b>		
ii) Own Funds	0.00	0.00	16. Rates & Taxes	3548062.00	3925538.00
3. Rents			17. Bank charges	13467.15	10358.00
a) Rents on Premises lease	2408551.00	1986035.00	18. Legal charges	398725.00	301233.00
<b>V. Interest Received</b>			19. Hiring of Vehicles	8158976.00	9064343.00
a) On Bank Deposits	450152786.41	358319582.10	20. Maintenance of Vehicles	3334478.00	2871866.55
2. Loans & Advances (Officials)	1100239.00	1248468.00	21. Insurance	1199895.00	941082.00
<b>VI. Other Income</b>			22. Audit Fee	0.00	0.00
1. Growers Registration Fee (Area, Barn Operator & Nursery men)	14764318.38	13079955.23	23. Interest Contribution to GPF	0.00	0.00
2. Exporters Registration Fee	883250.00	989300.00	24. Membership with other organisations	0.00	0.00
3. Products Registration Fee	1330100.00	1494200.00	25. Loan Recovery Expenditure	0.00	0.00
4. Dealers Registration Fee	1362550.00	1564658.00	26. Library Books	19588.00	16674.00
5. Packers Registration Fee	35600.00	51600.00	27. Maintenance of Computers	200630.00	1815164.00
6. Processors Registration Fee	158000.00	446500.00	28. Service charges for weighing scales	2672719.00	2936579.00
7. Commercial Graders Regn. Fee	54150.00	64650.00	29. Mutta labour charges	26612330.34	32374690.98
8. Manufacturers Registration Fee	959000.00	1123000.00	30. Construction of temporary structures	0.00	0.00
9. Sale of Priced Publications(TGPBS)	2360800.00	374896.62	31. Human Resource Development	67700.00	252000.00
10. Misc. Income	56426129.75	40776043.99	32. Implementation of e-auction system	47079474.00	49449913.35
11. Service charges on FCV tobacco	555769135.33	532936335.59	33. Automation of Office(MIS) online	487551.00	242251.00
12. Penalty @ 6.5% from regd. Growers	66841033.38	80204485.64	34. Regulation & Develop. of FCV tobacco	943669.00	756721.00
			35. Scientific, Tech & Economic Research	3161416.00	1359749.00

**RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(Amount in ₹)					
<b>Receipts</b>	<b>Current Year</b>	<b>Previous Year</b>	<b>Payments</b>	<b>Current Year</b>	<b>Previous Year</b>
13. Penalty @ ₹2/- per Kg. collected from Regd. & Un-regd. Growers	40187070.40	61531253.90	36. Imp. & Maint. of MKTG facilities	66788.00	17685.00
14. Penalty @ 14% collected from Regd. & Un-regd. Growers	251550971.23	340764670.67	37. Financial Relief to growers (Crop/Barn damages in cyclones)	0.00	0.00
15. Buyers Authorisation Fee	644900.00	769100.00	38. Farmers Study Tours :Abroad	0.00	0.00
16. Loans & Advances to staff	1749881.00	3944503.00	39. Market Survey	0.00	0.00
<b>VII. Amount Borrowed</b>	0.00	0.00	40. Trade Delegations to Abroad	2177706.40	0.00
<b>VIII. Any Other Receipts</b>			41. Fairs & Exhibitions	763669.70	1520020.80
1. Other Liabilities	448403479.91	65248217.75	42. Publicity & Propaganda	989562.00	1855414.00
2. Deposits with ACTO & Others	219687.00	1650190.00	43. Farm Mechanization	856250.00	2400902.00
			44. Improving Yield & Quality of FCV Tobacco	7144724.00	6572645.00
			45. Improving of Curing Practices	7911330.00	12257975.00
			46. Elimination of NTRMs & Product Integrity	3790466.00	7301414.00
			47. PHPM Measures - Bulking sheds/ Model Storage facilities	30000.00	105000.00
			48. Other Extension Programmes	2352898.00	1408671.00
			49. On-farm Tests & Experimental Trials	412543.00	371615.00
			50. Model Project Area	1094036.00	2205338.00
			51. Tobacco Growers Welfare Fund (Board's Share)	1393400.00	0.00
			52. Commercial Tax Penalties & Interest	3449430.00	0.00
			<b>III. Payments Made against Funds for various Projects</b>	0.00	0.00

<b>RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31<sup>st</sup> MARCH, 2018</b>						(Amount in ₹)
<b>Receipts</b>	<b>Current Year</b>	<b>Previous Year</b>	<b>Payments</b>	<b>Current Year</b>	<b>Previous Year</b>	
			<b>III. Expenditure on Grants and Subsidies</b>	0.00	0.00	
			<b>IV. Investments and Deposits made</b>			
			<b>i) Earmarked/Endowment Funds: (FDRs)</b>			
			a) Margin money for Comm. Operations (Grant-in-aid to Trading Wing)	200675489.97	194068352.00	
			b) Tobacco Board Employees General Provident Fund	233011572.00	230920705.00	
			c) Tobacco Board Employees Pension Fund	1544702877.00	1308547888.00	
			d) Tobacco Board Employees New Pension Scheme	2606182.00	6439119.00	
			e) Tobacco Growers Welfare Fund Scheme	508713603.00	495956252.00	
			<b>b) Other Payments:</b>			
			a) Margin money for Comm. Operations (Grant-in-aid to Trading Wing)	0.00	0.00	
			b) Tobacco Board Employees General Provident Fund	81661979.00	82065309.00	
			c) Tobacco Board Employees Pension Fund	275118225.00	181788032.30	
			d) Tobacco Board Employees New Pension Scheme	14409832.00	27268170.00	
			e) Tobacco Growers Welfare Fund Scheme Own Funds	89639935.65 0.00	46620500.00 0.00	
			<b>V. Expenditure on Fixed Assets</b>			
			1. Purchase of Fixed Assets	1226512.00	1644756.00	
			2. Advances to:			
			a) CPWD	1399158.00	18180266.00	
			b) RITES	739613.00	26121934.00	
			<b>VI. Refund of Surplus money/Loans</b>	0.00	0.00	
			<b>VII. Finance Charges (Interest)</b>	0.00	0.00	

**RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31<sup>st</sup> MARCH, 2018**

Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
					(Amount in ₹)
<b>VIII. Other Payments:</b>					
1) Loans and Advances to Staff				1283738.00	2643776.00
2) Loans & Advances to Cultivators				0.00	0.00
3) Other Liabilities				63491488.28	212905494.47
4) Deposits with ACTO & Others				3846248.60	391511.45
<b>IX. Closing Balances</b>					
<b>Bank Balances</b>					
1. Current Accounts				716211998.20	302304849.14
2. Deposit Accounts				5492917807.18	5416795973.44
3. Savings Accounts				0.00	0.00
<b>Earmarked/Endow. Funds</b>					
1. Current Accounts				5000.00	5000.00
i) Margin money for Comm. Operations (Grant- in-aid to Trading Wing)					
2. Deposit Accounts				0.00	0.00
3. Savings Accounts					
i) Tobacco Board Employees General Provident Fund				402746.45	670850.45
ii) Tobacco Board Employees' Pension Fund				394952.17	187113.17
iii) Tobacco Board Employees New Pension Scheme				46192.00	316081.00
iv) Tobacco Growers Welfare Fund Scheme				10931070.97	20003761.12
<b>Total</b>	<b>10578782112.58</b>	<b>9689395395.55</b>	<b>Total</b>	<b>10578782112.58</b>	<b>9689395395.55</b>

(SD/- XX XX XX)

(MANOJ KUMAR DWIVEDI)  
EXECUTIVE DIRECTOR & CHAIRMAN

AND JOINT SECRETARY, DEPARTMENT OF COMMERCE  
SECRETARY

(SD/- XX XX XX)  
(ADDANKI SRIDHAR BABU)  
SECRETARY

**Fund Balances of Earmarked Funds :**

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

Sl. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	<b>Opening Balance</b>		
a)	Cash at Bank (Current account) (SBH Guntur)	5000.00	5000.00
b)	Investments (Fixed Deposits)	194068352.00	180549956.00
B	<b>Receipts:</b>		
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	6607137.97	13518396.00
b)	Grants received	0.00	0.00
c)	Other Receipts	0.00	0.00
	<b>Total Receipts (A+B)</b>	<b>200680489.97</b>	<b>194073352.00</b>
C	<b>Payments</b>		
a)	Withdrawals	0.00	0.00
b)	Other Payments	0.00	0.00
D	<b>Closing Balance</b>		
a)	Investments (Fixed Deposits)	200675489.97	194068352.00
b)	Cash at Bank (Current account) (SBH Guntur)	5000.00	5000.00
	<b>Total Payments (C+D)</b>	<b>200680489.97</b>	<b>194073352.00</b>

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

Sl. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	<b>Opening Balance</b>		
a)	Cash at Bank (Savings account) (SBH Guntur)	670850.45	35609.45
b)	Investments (Fixed Deposits)	230920705.00	230493106.00
B	<b>Receipts:</b>		
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	12067625.00	16014428.00
b)	Subscriptions	71295082.00	66738570.00
c)	Recovery of GPF advance	122035.00	375151.00
	<b>Total Receipts (A+B)</b>	<b>315076297.45</b>	<b>313656864.45</b>
C	<b>Payments</b>		
a)	Withdrawals	81661979.00	82065309.00
b)	Advances Paid	0.00	0.00
D	<b>Closing Balance</b>		
a)	Investments (Fixed Deposits)	233011572.00	230920705.00
b)	Cash at Bank (Savings account) (SBH Guntur)	402746.45	670850.45
	<b>Total Payments (C+D)</b>	<b>315076297.45</b>	<b>313656864.45</b>

### 3. Tobacco Board Employee's Pension Fund Account

Sl. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	<b>Opening Balance</b> a) Cash at Bank (Savings account) (SBH Guntur) b) Investments (Fixed Deposits)	187113.17 1308547888.00	51480.17 1003553544.00
B	<b>Receipts:</b> a) Income from investments (Interest on Fixed Deposits & SB a/c) b) Pension Fund Contributions	110116878.00 401364175.00	86918009.30 400000000.00
	<b>Total Receipts (A+B)"</b>	<b>1820216054.17</b>	<b>1490523033.47</b>
C	<b>Payments</b> a) Pension Annuities purchased by LIC b) Bank Charges	275118225.00 0.00	181787932.30 100.00
D	<b>Closing Balance</b> a) Investments (Fixed Deposits) b) Cash at Bank (Savings account) (SBH Guntur)	1544702877.00 394952.17	1308547888.00 187113.17
	<b>Total Payments (C+D)</b>	<b>1820216054.17</b>	<b>1490523033.47</b>

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

Sl. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	<b>Opening Balance</b> a) Cash at Bank (Savings account) (SBH Guntur) b) Investments (Fixed Deposits)	316081.00 6439119.00	616.00 24191746.00
B	<b>Receipts:</b> a) Income from investments (Interest on Fixed Deposits & SB a/c) b) Pension Fund Contributions	296749.00 10010257.00	2679332.00 7151676.00
	<b>Total Receipts (A+B)</b>	<b>17062206.00</b>	<b>34023370.00</b>
C	<b>Payments</b> a) Amount remitted to NSDL Mumbai (Pension contributions) b) Other Payments	14409832.00 0.00	27268170.00 0.00
D	<b>Closing Balance</b> a) Investments (Fixed Deposits) b) Cash at Bank (Savings account) (SBH Guntur)	2606182.00 46192.00	6439119.00 316081.00
	<b>Total Payments (C+D)</b>	<b>17062206.00</b>	<b>34023370.00</b>

5. Tobacco Grower's Welfare Fund Scheme account

(₹)

S . No.	Particulars	Current Year			Previous Year	
		Andhra Pradesh	Karnataka	Total	Andhra Pradesh	Karnataka
A	<b>Opening Balance</b>					
a)	Cash at Bank (Savings account) (SBH Guntur) (SBM B'Lore)	3577064.08	16426697.04	20003761.12	255166.57	11897457.07
b)	Investments (Fixed Deposits)	286610642.00	209345610.00	495956252.00	261149125.00	199346105.00
B	<b>Receipts:</b>					
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	13069597.00	15990952.00	29060549.00	22858844.00	15477255.00
b)	Growers Contribution	1525000.00	1620000.00	3145000.00	1699000.00	1376200.00
c)	Tobacco Board's Contribution	9254000.00	4680000.00	13934000.00	0.00	0.00
d)	Renewal of Membership Fee	21924015.00	21526646.82	43450661.82	20485654.00	21522104.46
e)	Growers Share of Sweepings	0.00	0.00	0.00	2173829.95	1778242.45
f)	Penalties	136500.00	10700.00	147200.00	65800.00	47716.00
g)	Interest on Loans	1000.00	0.00	1000.00	7401.00	1000.00
h)	Misc. Receipts	0.00	0.00	0.00	0.00	110.92
i)	Marriage Loan	47500.00	2410713.73	2458213.73	125000.00	999760.14
b)	Education Loan	541230.44	223240.87	764471.31	324519.56	195709.00
c)	Major Illness Loan	55000.00	56000.00	111000.00	365116.00	40647.00
d)	Barn Damaged Loan	122500.64	130000.00	252500.64	353750.00	35000.00
	<b>Total Receipts (A+B)</b>	<b>336864049.16</b>	<b>272420560.46</b>	<b>609284609.62</b>	<b>309863206.08</b>	<b>252717307.04</b>
						<b>562580513.12</b>

<b>S. No.</b>	<b>Particulars</b>	<b>Current Year</b>			<b>Previous Year</b>	
		<b>Andhra Pradesh</b>	<b>Karnataka</b>	<b>Total</b>	<b>Andhra Pradesh</b>	<b>Karnataka</b>
<b>C</b>	<b>Payments</b>					
a)	Death Relief to Growers	35240000.00	42291615.65	77531615.65	18335000.00	24915000.00
b)	Marriage Loan	550000.00	9150000.00	9700000.00	100000.00	1725000.00
c)	Education Loan	648500.00	629820.00	1278320.00	980500.00	75000.00
d)	Major Illness Loan	250000.00	50000.00	300000.00	150000.00	100000.00
e)	Barn Damaged Loan	140000.00	690000.00	830000.00	110000.00	130000.00
<b>D</b>	<b>Closing Balance</b>					
a)	Investments (Fixed Deposits)	298770205.00	209943398.00	508713603.00	286610642.00	209345610.00
b)	Cash at Bank(Savings account) (SBH Guntur) (SBM B'llore)	1265344.16	9665726.81	10931070.97	3577064.08	16426697.04
	<b>Total Payments (C+D)</b>	<b>336864049.16</b>	<b>272420560.46</b>	<b>609284609.62</b>	<b>309863206.08</b>	<b>252717307.04</b>
						<b>562588513.12</b>

Statement showing the Funds Flows Position under Non-Plan and Plan from 2006-07 to 2017-18

(₹ in lakh)

S.No	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	<b>Opening Balance (Plan &amp; Non-Plan)</b>	11040.23	13078.14	14740.62	18868.34	22721.86	25868.35	34406.37	36542.81	41384.66	47696.18	51899.06	54701.21
2	<b>Receipts</b>												
	a) Non-Plan	5498.84	6621.68	8843.57	11900.92	11689.90	15650.73	11541.65	15083.54	16581.13	15387.68	14399.60	14477.23
	b) Plan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	<b>Grant-in-aid</b>												
	a) Non-Plan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	b) Plan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	<b>Add: Misc.Receipts (Adj. Of addl. Service Charges of prior period)</b>	578.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	<b>Total IEBR (1 to 4)</b>	17117.07	19699.82	23584.19	30769.26	34411.76	41519.08	45948.02	51626.35	57965.79	63083.86	66298.66	69178.44
6	<b>Expenditure</b>												
	a) Non-Plan	3005.25	4379.67	3690.17	1703.68	1148.77	1565.04	2054.13	2061.98	1728.82	634.50	748.37	13389.80
	b) Plan	1033.68	579.53	1025.68	6343.72	7394.64	5547.67	7351.08	8179.71	8540.79	10550.30	10849.08	0.00
	<b>Total Expenditure (6)</b>	<b>4038.93</b>	<b>4959.20</b>	<b>4715.85</b>	<b>8047.40</b>	<b>8543.41</b>	<b>7112.71</b>	<b>9405.21</b>	<b>10241.69</b>	<b>10269.61</b>	<b>11184.80</b>	<b>11597.45</b>	<b>13389.80</b>
7	<b>Closing balance (5-6)</b>	13078.14	14740.62	18868.34	22721.86	25868.35	34406.37	36542.81	41384.66	47696.18	51899.06	54701.21	55788.64

## 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
Mkted.	Marketed
MPA	Model Project Area
MSP	Minimum Support Price
NBS	Northern Black Soils
NIPHIM	National Institute of Plant Health Management
NLS	Northern Light Soils
NPV	Nuclear Polyhedrosis Virus
NTRM	Non Tobacco Related Material
OFTS	On Farm Tests
OLIC	Official Language Implementation Committee
PHPM	Post Harvest Production Management
Qty.	Quantity
RCMC	Registration cum Membership Certificate
RITES	Rail India Technical and Economic Services
SLS /SBS	Southern Light Soils / Southern Black Soils
STL	Soil Testing Laboratory
TBS	Traditional Black Soils
TOLIC	Town Official Language Implementation Committee
TQC	Tobacco Quality circle
UAE	United Arab Emirates
UK	United Kingdom
US	United States

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Smt. K. Sunitha, IAS assumed charge as Executive Director & Chairman, Tobacco Board on 20/09/2018



## 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)