



ANNUAL REPORT 2018-19

TOBACCO BOARD



**ANNUAL REPORT
2018-19**

Cycle of activities in FCV Tobacco Cultivation & Processing



GOLDEN LEAF AWARDS - 2019

"MOST IMPRESSIVE PUBLIC SERVICE INITIATIVE"



TOBACCO BOARD

MINISTRY OF COMMERCE & INDUSTRY,
DEPARTMENT OF COMMERCE,
GOVT. OF INDIA

AN ISO 9001:2015 CERTIFIED ORGANIZATION

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BOARD COMPOSITION

As on 31/03/2019

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;

Smt K.Sunitha, IAS - Chairman, Tobacco Board

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

Smt K.Sunitha, IAS – 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 (Lok Sabha)

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

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

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

Shri Vijay Raj Mohan, Director (Trade- 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 Sampa Saha, Director(dealing with Industrial development) Govt. of India, Ministry of Commerce & Industry, Department of Industry.

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

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

Shri B.Y Srinivas, Director of Agriculture, Govt. of Karnataka.

Shri Budithi Rajasekhar, IAS, Special Chief Secretary, Dept., of Food, Agriculture& cooperation, Govt. of Andhra Pradesh

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

Shri N T Shisode, Director of Agriculture, Govt. of Maharashtra

Dr. M.Muthukumar, IAS, Director of Agriculture & Food Products, Govt. of Odisha

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

Shri Gaddamanugu Satyanaryana, Vice Chairman

Shri Krishna Kumar Mishra

Shri P.V.Basavarajappa

Shri C.Kiran Kumar

Shri Balineni Seethaiah

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

Shri P.K.Swain, IAS Agricultural Marketing adviser to the Govt. of India

SENIOR MANAGEMENT

(As on 31/03/2019)

Management and Senior Staff

Executive Director and Chairman i/c

Shri Manoj Kumar Dwivedi, IAS

Joint Secretary, Ministry of Commerce & Industry &
Executive Director and Chairman i/c Tobacco Board
up to 20/08/2018

Smt K.Sunitha, IAS., Executive Director and Chairman i/c
Tobacco Board from 20/09/2018

Secretary

Shri Addanki Sridhar Babu, IAS

Director (Auctions)

Shri Bipin Bihari Choudhury, IOFS
up to 31/01/2019

Manager (Finance & Accounts)

Shri K.Ravi Kumar, Director (Auctions) i/c
from 01/02/2019 to 10/03/2019

Manager (Auctions)

Smt. P.Meena Kumari

Manager (Marketing & Exports)

Shri K.Ravi Kumar

Manager (Extension)

Shri Ch .V. Maruthi Prasad

Manager (Production)

Shri K.V.S.T.Sai

Regional Manager (SBS Ongole)

Shri P.Ramesh

Regional Manager (SLS Ongole)

Shri G. Uma Maheswara Rao

Regional Manager (NLS Rajamahendravaram)

Shri K.Sudhakara Rao

Regional Manager (Mysuru)

Shri G.Ratna Sagar

Regional Manager(Periyapatna)

Shri S.S.Patil

Asst. Manager
(Planning & Coordination)

Shri B.Manju Raju

Personnel Officer

Shri C.Gopinadh

O.S.D (Vigilance)

Shri I Ravi Kumar

Shri C.M. A. Jaleel Ahmed

Personnel

Senior Level Management: 96

Middle Level Management: 86

Junior Level Management: 289

Total:471

Postal Address

Tobacco Board

Govt. of India, Ministry of Commerce & Industry

Department of Commerce

Post Box No. 322, G.T.Road

Guntur-522 004 (Andhra Pradesh)

Telephone No. / Fax

0863-2358399 / 0863-2354232

E-mail & Website

info@indiantobacco.com /www.indiantobacco.com

CORPORATE GOVERNANCE



K.SUNITHA, IAS
EXECUTIVE DIRECTOR & CHAIRMAN I/C



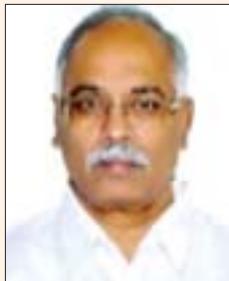
ADDANKI SRIDHAR BABU, IAS
SECRETARY



T. V. RAVI, IRS
DIRECTOR (AUCTIONS)



K.RAVI KUMAR
MANAGER
(AUCTIONS)



Ch V MARUTHI PRASAD
MANAGER
(MARKETING & EXPORTS)



K.V.S.T SAI
MANAGER
(EXTENSION)



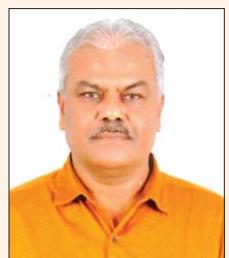
P RAMESH
MANAGER
(PRODUCTION)



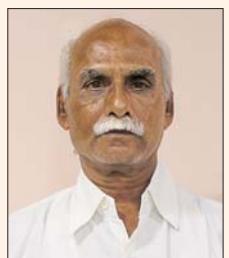
P.MEENA KUMARI
MANAGER
(FINANCE & ACCOUNTS)



S.S. PATIL
REGIONAL MANAGER
MYSURU



B. MANJU RAJU
REGIONAL MANAGER
PERIYAPATNA



G.UMA MAHESWARA RAO
REGIONAL MANAGER
SBS ONGOLE



K. SUDHAKAR RAO
REGIONAL MANAGER
SLS ONGOLE



G. RATNA SAGAR
REGIONAL MANAGER
RAJAMAHENDRARAM

Tobacco Board's Activities during 2018-19- 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 as much as ₹ 22,000 crore (2016-17) as excise duty and ₹ 6,001.02 crore in terms of foreign exchange to the National exchequer, during 2018-19. India has a prominent place in the production of tobacco in the world. **India stands 3rd 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 115 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 2018-19 crop season, the Tobacco Board had fixed a crop size of **236 million kg** as against **235 million kg** fixed during 2017-18 crop season for cultivation of FCV tobacco. Tobacco Board incurred an expenditure of ₹292.84 lakh on extension and development schemes for improvement of yield and quality of tobacco. During the year 2018-19, the Board marketed a quantity of **222.49 million kg** in its auction platforms in both Andhra Pradesh and Karnataka at an **average price of ₹ 134.45 per kg** as against **205.94 million kg** marketed at an average price of ₹ 137.07 per kg during the year 2017-18. **2,20,517 Metric tons** of tobacco and tobacco products were exported from India during 2018-19 valued at ₹ 6,001.02 crore and have increased by 4% in quantity terms and 8% in Value terms respectively when compared to last year. However, in dollar terms, the value of exports is 858.52 million US\$ and have declined by 0.11% 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 18/03/2022.

MEETINGS DURING 2018-19

(From 01/04/2018 to 31/03/2019)

A) Statutory meetings:

Three Board Meetings and three committee meetings were held.

Board Meetings:

1. The 145th meeting of the Board was held on 13th April 2018 (Friday) at 3.00P.M. in Bengaluru.
2. The 146th Board Meeting was held on 20th August 2018 (Monday) at 3.00 P.M. in Guntur.
3. The 147th Board Meeting was held on 26th March 2019 (Tuesday) at 11.00 A.M. in Bengaluru.

Registration Committee for Growers and Others:

1. The 85TH meeting of the Registration Committee for growers and others was held on 10/08/2018 in Head Office, Guntur.
2. The 86TH meeting of the Registration Committee for growers and others was held on 06/09/2018 in Head Office, Guntur.
3. The 87TH meeting of the Registration Committee for growers and others was held on 26/03/2019 in Bengaluru.

Registration Committee for Traders and Manufacturers:

1. The 43rd meeting of the Registration Committee for Traders and Manufacturers approved the subjects by circulation on 03/10/2018.



Executive Director & Chairman and other Board Members in connection with
147th Board Meeting held on 26/03/2019 at Bengaluru

B) Non Statutory meetings:

1. Meetings with the ITA and Trade representatives were held on 08/05/2018, 13/06/2018 & 16/08/2018 at Tobacco Board, Guntur to discuss the issues related to 2018 FCV tobacco auctions in Andhra Pradesh.
2. A prelude meeting with the ITA and Trade representatives was held on 16/08/2018 at Tobacco Board, Guntur to discuss on date of commencement of auctions for sale of 2018-19 FCV tobacco in Karnataka.
3. A meeting with the ITA and Trade representatives was held on 28/11/2018 at Tobacco Board, Guntur to discuss the issues related to 2018 FCV tobacco auctions in Karnataka.
4. A prelude meeting with the ITA, trade and grower representatives was held on 07/02/2019 at Tobacco Board, Guntur to discuss on date of commencement of auctions for sale of 2019 FCV tobacco in Andhra Pradesh.

FORMATION DAY CELEBRATIONS:

Tobacco Board conducted its Formation Day celebrations on 04/01/2019 at Indian Tobacco Association Hall, Guntur. Smt G.Jaya Lakshmi, IAS, Director General, NIPHM, Hyderabad was the Chief Guest. Smt K.Sunitha, IAS Executive Director & Chairman Tobacco Board presided over the meeting. Sri A. Sridha Babu, IAS, Secretary, Sri Bipin Bihari Chowdary, IOFS, Director (Auctions), Board Members, President, ITA, Divisional CEO, ITC Ltd, ILTD, Board Members and around 1000 farmers and traders from Andhra Pradesh and Karnataka attended to the function.

AWARDS TO BEST GROWERS, TRADERS AND EMPLOYEES:-

On the occasion of the Formation day celebrations Tobacco Board presented Best Growers awards (one from each Auction Platform), Best Trade & Manufacturers awards. Also honored best employees.



Awardee Growers:

KARNATAKA: MYSORE REGION		
APF No.01, H.D.Kote	Sri Rudrappa S/o Channappa	Annur
APF No.02, Hunsur-I	Sri Basavaraja Naika S/o Krishna Naika	Gavadagere
APF No.03, Hunsur-II	Sri Basavarajappa S/o Devappa	U.G.Hally
APF No.64, Hunsur-III	Sri Somashekara S/o Thimme Gowda	Thippalapura
APF No.61, Kampalapura	Sri Thammanegowda S/o Mallegowda	Mantikoppal
APF No.62, Chilkunda	Sri Paramesha S/o Late Mogannegowda	Harilapura
KARNATAKA: PERIYAPATNA REGION		
APF No.04, Periyapatna-I	Sri Veerendrakumar, S/o Nanjappa	Malangi
APF No.05, Periyapatna-II	Sri Shivanna S/o Javare gowda	Kellur
APF No.06, Periyapatna-III	Sri Sannegowda S/o Kundegowda	H.Kaval
APF No.07, Ramnathpura-I	Sri Nagaraju, S/o Ramegowda	Hangal
APF No.63, Ramnathpura-II	Sri Dharmegowda, S/o Kattegegowda	Siridhahally

ANDHRA PRADESH SLS REGION		
APF No.22, Podili	Sri Avuluri Koteswara Rao, S/o Kotaiah	Kambalapadu
APF No.26, Kandukur-I	Sri Gundala Konda Reddy S/o Raghava Reddy	Kotha Singarabotlapalem
APF No.27, Kandukuru-II	Sri Tatikonda Ramanaiah, S/o Ramaiah	Kunipalem
APF No.28, Kaligiri	Sri Naladala Sudhakara Rao, S/o Pullaiah	Kotturu
APF No.29, D.C.Palli	Sri Ch. Subbarayudu, S/o Venkataswamy Naidu	Nelluripalem
APF No.35, Kanigiri	Sri Gavadakatla Bodaiah S/o Alluraiah	Nagulavaram (Immadicheruvu)
ANDHRA PRADESH SBS REGION		
APF No.31, Vellampalli-II	Sri Gollapudi Sriramanamurthy, S/o Rmachandraiah	Tellabadu
APF No.20, Ongole-I	Smt. Vaddella Bharathi, W/o Vara Prasad	Mangamuru
APF No.23, Ongole-II	Sri Bandaru Ramanjaneyulu, S/o Anjaneyulu	Kesinenivaripalem
APF No.24, Tangutur-I	Sri Pamidi Krishnaiah, S/o Subbaiah	Tangutur
APF No.34, Tangutur-II	Sri Challa Venkata Reddy, S/o Rami Reddy	Valluru
APF No.25, Kondepi	Sri Nagineni Bhaskara Chowdary, S/o Nagineni Subba Rao	Paidipadu
ANDHRA PRADESH NLS REGION		
APF No.15, Thorredu	Sri Vakalapudi Rambabu, S/o Arava Raju	Mirthipadu
APF No.17, Devarapalli	Sri Gade Muneswara Rao, S/o Ramachandra Rao	Yeranagudem
APF No.18, Jangareddygudem-I	Sri Vamisetty Hari Satyanarayana S/o Krishna Rao	Putagatlagudem
APF No.32, Jangareddygudem-II	Sri Pinnamaneni Sreenu, S/o Krishna Rao	Pamulavarigudem
APF No.30, Kooyalagudem	Sri Millina Suri Babu S/o Gopichand	Dippakayalapadu
APF No.33, Gopalapuram	Sri Duggirala Kondalarayudu S/o Satyanarayana	Vellachinthalagudem

Awardee Traders:

S. No	Category of the Exporter	Name of the Exporter
1	BEST EXPORTER 2018 - Highest value in export of Unmanufactured tobacco in 2017-18 - MANUFACTURER EXPORTER CATEGORY	ITC Limited, Kolkata
2	BEST EXPORTER 2018 - Highest value in export of Unmanufactured tobacco in 2017-18 - MERCHANT EXPORTER CATEGORY	Polisetty Somasundaram, Guntur
3	BEST EXPORTER 2018 - Highest value in export of Tobacco products in 2017-18 - CUT TOBACCO CATEGORY	Godfrey Phillips India Limited, Mumbai
4	BEST EXPORTER 2018 - Highest value in export of Tobacco products in 2017-18 - CIGARETTES CATEGORY	ITC Limited, Kolkata
5	BEST PACKER 2018 - Highest Quantity of Unmanufactured Tobacco Threshed / Redried and Packed in 2017-18	ITC Limited, Kolkata
6	BEST BUYER 2018 - Highest Quantity of FCV tobacco purchased in 2017 Karnataka Auctions & 2018 A.P.Auctions- MANUFACTURER EXPORTER CATEGORY	ITC Limited, Kolkata
7	BEST BUYER 2018 - Highest Quantity of FCV tobacco purchased in 2017 Karnataka Auctions & 2018 A.P.Auctions- MERCHANT EXPORTER CATEGORY	Polisetty Somasundaram, Guntur
8	BEST BUYER 2018 - Highest Quantity of FCV tobacco purchased in 2017 Karnataka Auctions & 2018 A.P.Auctions- DEALER CATEGORY The above Company was regd. as Dealer during the period under consideration i.e., during 2017 KK & 2018 AP Auctions but converted to Exporter category during November 2018	Pragathi Tobacco Traders (I) (P) Ltd., Tangutur
9	STRIVER's AWARD 2018 - Highest Consecutive & Average Growth rate in value in export of Unmanufactured tobacco during the last 3 years i.e., 2015-16 to 2017-18	Cartel Tobaccos, Chilakaluripet
10	Award for Best Extension and Development Activities in the Farmers' Fields for the Year 2017-18	ITC Limited., Kolkata

Honoured Employees:

Sl. No.	Name of the employees	Designation	Place of the work
1	Ch.V.Maruthi Prasad	Manager(Extension)	H.O., Guntur
2	H.K Mahadevaiah	Auction Superintendent	APF NO:5, Periyapatna-II
3	R. Srinivasulu Naidu	Auction Superintendent	APF NO:31, Vellampalli-II
4	Ch. Yesudas	Assist Manager(Accts)	APF NO:32, J.R.Gudem-II
5	G.B Subba Rao	Field Officer	APF NO:31, Vellampalli-II
6	Amal D Sam	Field Officer	RMO, Mysore
7	M D Muzubuddin	Accountant/Assistant	H.O, Guntur
8	D.G.Linga Raju	Accountant/Assistant	APF NO:2, Hunsur-I
9	Y Srinivasa Rao	Computer Operator	APF NO:24, Tangutur-I
10	R Mahesh	UDC	APF NO:32, J.R.Gudem -II
11	G.S.Nagaraju	UDC	APF NO:6, Periyapatna-III
12	A.Sunitha	LDC	APF NO:23,Ongole-II
13	K.Subrahmanyam	LDC	APF No:7,Ramanadhapura-I
14	RNV Appala Charyulu	Stenographer	H.O. Guntur
15	M Siva SankaraRao	Driver	H.O. Guntur
16	CMA Jaleel Ahamed	Auction Superintendent	H.O. Guntur
17	SR Sri Harsha	Field Officer	APF NO:27,Kandukur-II
18	B Sudheer Babu	SFA	APF NO:33,Gopalapuram
19	N Nageswara Rao	MTS	APF No:17,Devarapalli
20	T N Ramamurthy	MTS	DOA ,Bengaluru
21	D.G.Shivakuamar	FA	APF NO:2,Hunsur-I
22	A Muthu Kumaran	FA	APF NO:28,Kaligiri
23	Kooyalaguem APF	Well maintained greenery	
24	Hunsur-III, APF no:64	Best efforts to develop greenery	



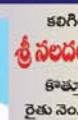
పంగాకు బోర్డు

(భారత ప్రివెట్ మీ, వాడిజ్ మెరియు చెరిప్రిమెల మంత్రిత్వ వార్గ, వాడిజ్ చిల్డర్స్ మీ)
జ.టి. రీడ్, గుంటూరు - 522004 (అంద్రపుద్సేన్)

ವರ್ಣ. 0863-2358399



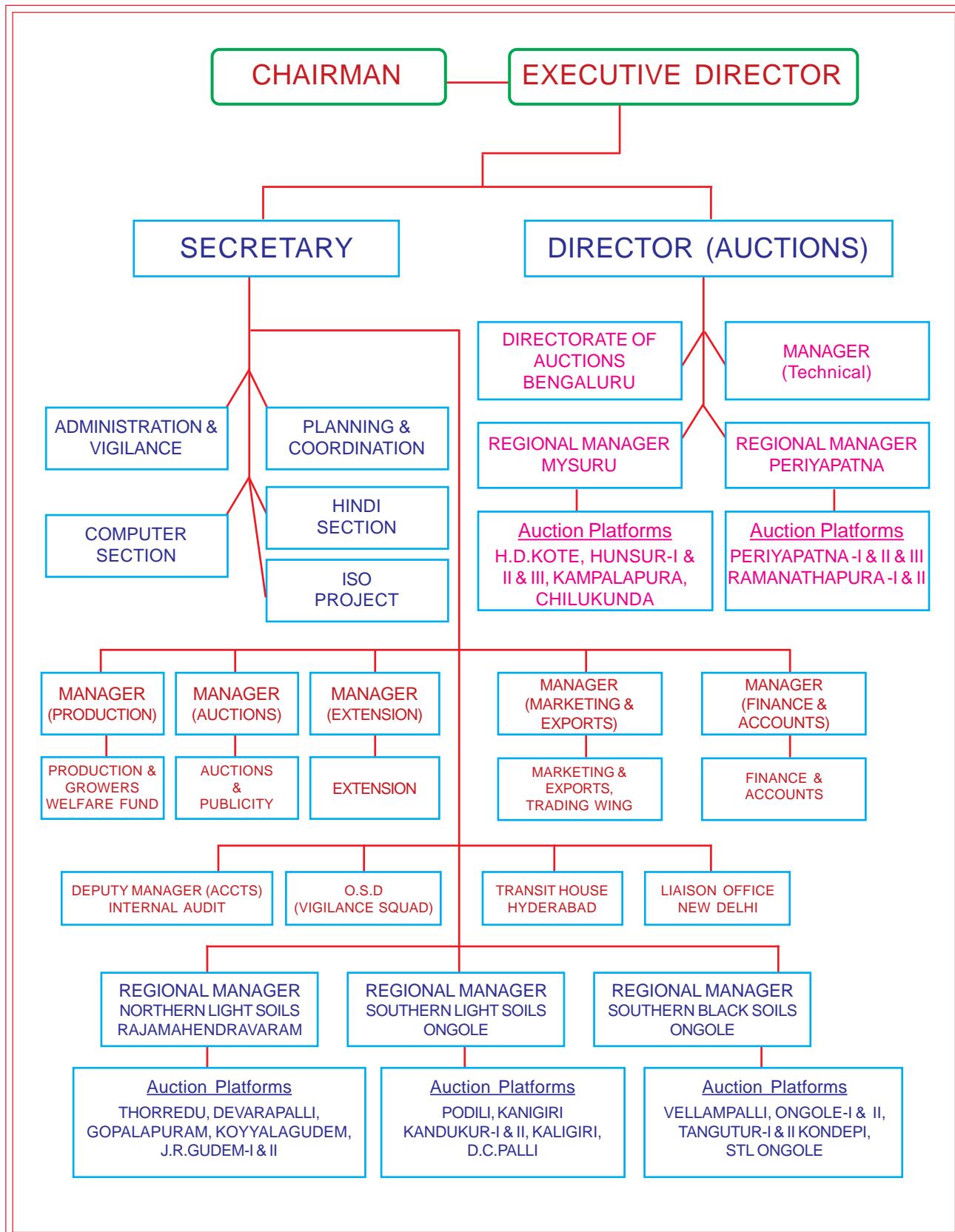
2018 సంవత్సరములో పాగాకుబోర్డు ఉత్తమ రైతు పురస్కార గ్రహీతలు

 <p>శ్రీ విశ్వలంపుల్లు రామబాబు మార్గాడు గ్రామము డైరు నెం. 15-011-081</p>	 <p>శ్రీ గ్రహేష్ ముఖీష్ వృష్టర రావు యాద్రిప్రకోపం గ్రామము డైరు నెం. 17-052-007</p>	 <p>జంగాల్కెర్రిగ్రామాడో-1 వేలం కేంద్రం శ్రీ పీచ్చిమున్ని శ్రీము మామలంబాగ్రామాడో గ్రామము డైరు నెం. 18-158-044</p>
 <p>జంగాల్కెర్రిగ్రామాడో-2 వేలం కేంద్రం శ్రీ పీచ్చిమున్ని శ్రీము మామలంబాగ్రామాడో గ్రామము డైరు నెం. 18-158-044</p>	 <p>కొయ్యలగొడెం వేలం కేంద్రం శ్రీ పీచ్చిమున్ని శ్రీము యాద్రిప్రకోపం గ్రామము డైరు నెం. 30-011-061</p>	 <p>కొయ్యలగొడెం వేలం కేంద్రం శ్రీ పీచ్చిమున్ని శ్రీము యాద్రిప్రకోపం గ్రామము డైరు నెం. 17-022-333</p>
 <p>పాదిల వేలం కేంద్రం శ్రీ లుప్పలు తోచ్చేష్ వృష్టర రావు కంఠంలంబ గ్రామము డైరు నెం. 22-025-031</p>	 <p>కందుకొమ్-1 వేలం కేంద్రం శ్రీ గుండాల కొండారెడ్డి కొత్త-కంగపట్టంలు గ్రామము డైరు నెం. 26-055-029</p>	 <p>కందుకొమ్-2 వేలం కేంద్రం శ్రీ కాదిసించ రఘుము కూమించార్ల గ్రామము డైరు నెం. 27-029-057</p>
 <p>వెల్లంవ్వి వేలం కేంద్రం శ్రీ గ్రాఫ్చుల్లు శ్రీరామ మార్గ పెల్లులు గ్రామము డైరు నెం. 19-143-154</p>	 <p>ఒంగోలు-1 వేలం కేంద్రం శ్రీ చెయికొల సమ్మానాయిటు సెఱ్లులంబ గ్రామము డైరు నెం. 29-033-014</p>	 <p>ఒంగోలు-2 వేలం కేంద్రం శ్రీ బాధాయి రఘుమణియిటు కె-ఎన్-ఎస్-ఎస్-ఎస్ గ్రామము డైరు నెం. 19-135-010</p>
 <p>ఉంగుటుమార్-1 వేలం కేంద్రం శ్రీ పమి క్షిష్టయ్య ఉంగుటుమార్ గ్రామము డైరు నెం. 24-025-146</p>	 <p>ఉంగుటుమార్-2 వేలం కేంద్రం శ్రీ చల్లు వెంకట రెడ్డి పట్టురు గ్రామము డైరు నెం. 24-009-373</p>	 <p>ఉండ్లే వేలం కేంద్రం శ్రీ నగిని భాస్మర వచ్చి ప్రదీపులు గ్రామము డైరు నెం. 25-042-158</p>
 <p>పాత్ర ది కీట వేలం కేంద్రం శ్రీ రుప్రశ్మి అమ్మలు గ్రామము డైరు నెం. 1-081-063</p>	 <p>పాస్వుర్-1 వేలం కేంద్రం శ్రీ బిస్వప్రాజ నాయిక గ్రామము డైరు నెం. 2-311-035</p>	 <p>పాస్వుర్-2 వేలం కేంద్రం శ్రీ బిస్వప్రాజప్త యు జ పాక్ గ్రామము డైరు నెం. 3-356-069</p>
 <p>పాస్వుర్-3 వేలం కేంద్రం శ్రీ సమీశ్వర కిష్టలంబ గ్రామము డైరు నెం. 64-147-139</p>	 <p>కంపెల్కార్-1 వేలం కేంద్రం శ్రీ తమ్మునేగాడ మండియొల్ల గ్రామము డైరు నెం. 61-056-057</p>	 <p>పాస్వుర్-2 వేలం కేంద్రం శ్రీ పరమేశ పాలపుర గ్రామము డైరు నెం. 62-025-106</p>
 <p>పాయిప్పు-1 వేలం కేంద్రం శ్రీ వీరంప్రతమార్ పూలంగి గ్రామము డైరు నెం. 4-042-134</p>	 <p>పాయిప్పు-2 వేలం కేంద్రం శ్రీ రిహ్న్ కెప్పల్ల గ్రామము డైరు నెం. 5-036-084</p>	 <p>పాయిప్పు-3 వేలం కేంద్రం శ్రీ సమ్మేళ పాచ్-కూచ గ్రామము డైరు నెం. 6-031-034</p>
 <p>రామనాథపుర-1 వేలం కేంద్రం శ్రీ నాగరాజ పాంగ గ్రామము డైరు నెం. 7-070-022</p>	 <p>రామనాథపుర-2 వేలం కేంద్రం శ్రీ ధర్మోగాడ శిలధిపుల్లు గ్రామము డైరు నెం. 7-167-037</p>	

STATEMENT SHOWING THE SANCTIONED & EXISTING STRENGTH AS ON 31/03/2019

Sl. No.	Name of the Post	TOTAL	
		Sanctioned	Existing
GROUP-A - SENIOR LEVEL MANAGEMENT			
1	Chairman	1	0
2	Executive Director	1	1
3	Director (Auctions)	1	1
4	Secretary	1	1
5	Manager / Regional Manager	10	10
6	Deputy Manager(Accts)	1	0
7	Auction Superintendent/SGO	55	54
8	Asst.Manager(Accts.)	33	29
9	Statistical Officer	1	0
10	Systems Analyst	1	0
Sub-Total		105	96
GROUP-B - MIDDLE LEVEL MANAGEMENT			
11	Programmer	1	1
12	Hindi Officer	1	0
13	P.S. to Chairman	1	1
14	Field Officer/Tech.Assistant	88	62
15	Senior Translator	1	1
16	Stenographer-Grade-I	1	1
17	Accountant	33	18
18	Sr.Investigator	1	0
19	Assistant	13	0
20	Statistical Assistant	1	1
21	Care Taker	1	0
22	Stenographer Gr-II	3	1
23	Spl.Grade Driver	1	0
Sub Total		146	86
GROUP-C - JUNIOR LEVEL MANAGEMENT			
24	Computer Operator	27	25
25	Stenographer Gr-III	4	3
26	U.D.C.	43	32
27	Sr. Field Assistant.	45	21
28	Field Asst.	158	97
29	L.D.C.	52	38
30	Hindi Typist	2	1
31	Driver	31	19
32	Gestetner Operator	1	0
33	Multi Tasking Staff	140	53
Sub-Total		503	289
GRAND TOTAL		754	471

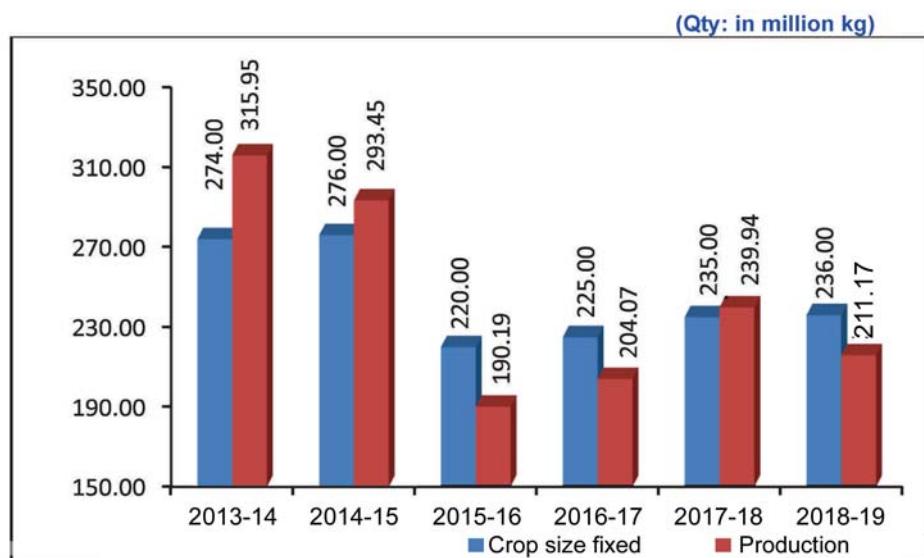
ORGANISATIONAL CHART OF TOBACCO BOARD



CROP PLANNING AND REGULATION

I) Trends in production of FCV tobacco in India

FCV tobacco production for 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 and elasticity of supply. FCV tobacco production has registered a Compound Annual Growth Rate (CAGR) of -5.36% during the last 5 years (i.e., from 2013-14 to 2017-18) and it was -6.15% including the year 2018-19.



*2018-19 – Estimate

II) FCV Tobacco Production Policy for 2018-19

During 2018-19 crop season, Tobacco Board had increased the crop size for cultivation of FCV tobacco to 236 million kg from 235 million kg fixed during 2017-18 crop season. A crop size of 100 million kg was fixed for the state of Karnataka as against 99 million kg fixed during last year. In the state of Andhra Pradesh, the Tobacco Board had fixed a crop size of 136 million kg for 2018-19 crop season.

III) Production Policy for 2018-19 - Highlights

The Board policy framework for regulating production during 2018-19 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 2018-19 - Highlights

The following criteria was laid for renewal of registration or registration of growers during 2018-19 crop season.

- All growers/barns registered with the Board in 2017-18 crop season are eligible for renewal of registration in 2018-19 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 2017-18 but have outstanding dues / pay penalties / involved in barn disputes / repair unfit barns / submit certain documents for transfer of registration shall fulfill these conditions before stipulated date for grant of renewal of registration.
- Grower applicants who are registered in 2017-18 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.
- Grower applicants who are registered in 2017-18 crop season but have sold 50% of the quota or less 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 2018-19 crop season.

- As per orders of Government of India vide letter No.9/11/2016-EP (Agri-III), dated 17/01/2018, the Board has permitted sale / purchase of barns on shifting basis from one platform to another platform against construction of new barns or against regularization of unauthorised barns within the same soil region upto 30/09/2018.

V) Soil region wise area and production quota authorised for 2018-19

The soil region wise area to be cultivated and production quota authorized per barn in Andhra Pradesh and Karnataka during 2018-19 crop season are as follows:

Andhra Pradesh

Soil Region	Area Registered (ha)		Production Quota (Kg/Barn)	
	2018-19	2017-18	2018-19	2017-18
Northern Light Soil (NLS)	1.50	1.50	3,300	3,000
Southern Light Soil (SLS)	2.60	2.60	3,500	3,500
Southern Black Soil (SBS)	1.60	1.60	3,460	3,460
Northern Black Soil (NBS)	1.20	1.20	2,600	2,600

* N.L.S. includes ELS also

Karnataka

Barn	Area Registered (ha)		Production Quota (Kg/Barn)	
	2018-19	2017-18	2018-19	2017-18
Simplex Barn	1.30	1.30	1,750	1,725
Duplex Barn	2.60	2.60	3,500	3,450

VI) Production Regulation Campaign

The Board had undertaken a focused Production Regulation Campaign during 2018-19 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 posters, distribution of pamphlets, playing of audio cassettes, using electronic and print media to deliver right messages are used to appeal to the growers to prevent excess/unauthorised production of FCV tobacco. Around 129 grower meetings in Andhra Pradesh and 184 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 2018-19.



VII) Particulars of growers registered during 2018-19

During 2018-19 crop season, a total of 87,040 growers were registered with the Board for cultivation of FCV tobacco. Of them, 44,583 growers covering 39,598 barns are registered for cultivation of tobacco in Andhra Pradesh. An area of 73,128 ha., was registered for production of FCV tobacco and as against this an area of 76,950 ha. was actually planted. In Karnataka, 42,457 growers covering 55,686 barns are registered for cultivation of tobacco. An area of 72,391 ha., was registered and as against this an area of 83696 ha., was planted under FCV tobacco in Karnataka.

VIII) Report on 2018-19 Karnataka Crop

Nursery

Area sown under Nursery during 2018-19 in Karnataka was 721.57 ha., The area under nursery had reduced by 3% when compared to last year (741.70 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 & diseases. Seedlings were in good supply during this season.

Kanchan is the major variety sown occupying about 66% of total nursery area sown i.e., 478.23 ha. CH-3 and FCH-222 hybrids occupied remaining 34% of area.



Main field

Timely rains during the month of May, 2018 helped in taking up early plantation and plantations have been completed in the month of May itself in Karnataka during this year. A total of 83,696 ha. was planted in Karnataka under FCV tobacco during 2018-19 as against 81,083 ha. planted during the last year i.e., up by 3%. 63% of area planted is under Kanchan variety (52,931 ha.) and remaining 37% is under CH3 (30,459 ha.) and FCH -222 (306 ha.) hybrids



Plantation Category	2018-19		2017-18	
Early Plantation (before 31 st May)	83,696 ha.	100%	81,083 ha.	100%
Middle Plantation (June 1 st to 15 th June)	0.00	0%	0.00	0%
Late Plantation (From 16 th June)	0.00	0%	0.00	0%
Total:	83,696 ha.	100%	81,083 ha.	100%

Crop growth in Karnataka

The crop established well in the main field and shown good growth initially. In the second fortnight of August, the crop received moderate to heavy rainfall, which resulted in the lower yields due to reduced leaf expansion. Thin bodied cured leaf is produced during current year compared to last year.



Pests & diseases

No incidence of major pest and diseases were noticed in the main field during this season.

Harvesting & Curing:

On an average 6 to 7 curings were taken up per barn. The cured leaves are lemon coloured with more no. of medium grades.



Yields:

Yields are less during this year compared to last year and ranged between 1000-1100 kg/ha. A crop of 85.08 million kg is marketed with grade out turn of 23:46:31 in terms of Bright, medium and low grades as against 106.89 million kg marketed in 2017-18 with grade out turn of 21:45:34.

IX. Report on 2018-19 Andhra Pradesh Crop

Nursery

Nursery was taken up in about 402.92 ha., during 2018-19 in Andhra Pradesh as against 370.11 ha., of nursery sown last year. No major pest and disease incidence was observed during this season. The seedling prices were around ₹ 1000/- to ₹ 2000/- per bundle (6000 seedlings) in SLS and SBS regions. In NLS region, the prices were around ₹ 3500 per bundle.



Varieties

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

Main field

A total of 76,950 ha. was planted in Andhra Pradesh under FCV tobacco as against 70,317 ha. planted during 2017-18 crop season. The increase in area is about 9%. Early planted crop during 2018-19 is small (5,695.30 ha.) constituting 7% of total area planted. 57% of crop is planted (43,588.30 ha) between 15th October and 15th November (middle plantation) and 36% of crop is late planted (27,666.32 ha.) i.e., in the 2nd fortnight of November.

In Southern Light Soil and Southern Black Soil Areas, Siri was the major variety grown (54,418.77 ha.) accounting for 99% of total area planted in these areas. The remaining area was under N-98, G-11 (Hema) and VT-1158 varieties. In Northern Light Soils, LV-7 Hybrid was the major variety grown (15,881.35 ha.) and occupied 78% of the area. The other variety grown was K-326. In Northern Black Soils, 'Siri' was the major variety grown (1387.30 ha) and LV-7 (109.60 ha.) variety was planted in some area.

Plantation Category	2018-19		2017-18	
Early Plantation (Up to 15 th October)	5695.30	7%	5,602.46	8%
Middle Plantation (Up to 15 th November)	43,588.30	57%	42,798.91	61%
Late Plantation (After 15 th November)	27,666.32	36%	21,915.23	31%
Total:	76,950.00	100%	70,317.00	100%

Crop growth in Andhra Pradesh

NORTHERN LIGHT SOILS (NLS) CROP

The total plantation in Northern Light Soil regions this year was 20,288.45 ha. and was decreased by 6% when compared to 21,635.05 ha. planted in 2017-18. Majority crop was planted after Oct. 15th during this season due to late onset of monsoon compared to last year. Orabanche incidence was noticed in early crop and affected initial 5 curings. Pethai cyclonic rains received during 17th to 19th December, 2018 affected the crop which resulted in lodging of plantation and leaching of applied Nutrients i.e., Nitrogen and Potassium and there by the yields were reduced during this year compared to last year. Late crop growth was satisfactory and average yields are recorded. Overall in NLS region yields and quality of the crop were average compared to last year.

SOUTHERN LIGHT SOILS (SLS) CROP

Total plantation in SLS region this year was 34,139 ha. and the area had increased by 16% when compared to 29,409 ha. planted in 2017-18. Due to late onset of monsoons transplantations are delayed during this year and farmers have taken up transplantation during the second fortnight of November. Later, the crop experienced dry spell during the December and January and the farmers who are having irrigation facilities have given life-saving irrigation to the crop. 5-10% Orbanche infestation was noticed in all platform regions. Orbanche infestation coupled with drought affected the crop yields and quality of the crop this year. Overall, the yields are reduced during this season compared to last year.



TRADITIONAL BLACK SOILS (TBS) CROP

Total planted area in Southern Black soils region was 21,025 ha. i.e., increased by 17% when compared to 17,934 ha. planted in 2017-18. Majority of the crop was planted after 15th November, due to lack of rains during the month of October. The crop experienced severe drought conditions during ground growth period and majority of the farmers went for irrigation. Severe Orbanche infestation was noticed during this year in SLS region compared to last year. Due to drought and Orbanche infestation crop yields reduced and around 50 percentage of low grades were reported in curing this year. Overall, the crop is rated as average during this year.

Total plantation in Northern Black Soils (NBS) during 2018-19 is in an area of 1497 ha. and there is a 12% increase in area planted when compared to last year. Due to pethai cyclonic rains, the water was stagnated in the fields for about 15-20 days. Due to leaching out of nutrients, quality of the crop affected during this year and low grade out turn is high compared to last year.

Pests and Diseases

Incidence of Orbanche is noticed in all areas during this year and severe incidence was noticed in Southern Black Soils followed by Southern light soils this year compared to last year. Due to this, the crop yield and quality were affected severely in Southern Black Soil and southern Light Soil regions.



Harvestings

8-10 curings were taken up an average in Northern Light Soil areas. In Southern Black Soil and Southern Light Soil areas, 5-7 curings were taken up an average. Crop yields were less with more no. of low grades during this year compared to last year. The estimated grade out turn in terms of bright, medium and low grades is in the ratio of 30:27:43 in SLS region and 20:30:50 in SBS region. In NBS and NLS regions, the grade out turn is in the ratio of 40:30:30 and 44:36:20 respectively.



Yields

FCV tobacco production in Andhra Pradesh is estimated at 126.29 million kg. The production in NLS is estimated at 43.33 million kg. The production in SLS and SBS regions is estimated at 43.18 and 37.28 million kg respectively. The production in NBS region is at 2.50 million kg. The estimated average yields are 1265 kg/ha in SLS and 1826 kg/ha in Black soil. The average yields in NLS are about 2136 kg/ha.

X. Sale of excess/unauthorized tobacco during 2018-19

During 2017-18 crop season in Andhra Pradesh and 2018-19 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

Ministry of Commerce, Government of India vide its communication Ref No.5/2/2018-EP (Agri-VI) dated 06/07/2018 has approved the following KRA for the year 2018-19 for the Tobacco Board.

"Promotion of alternative crops by conducting awareness programmes on alternative crops to FCV tobacco in key tobacco areas in coordination with Central Tobacco Research Institute (CTRI) as per the Crop Diversification Programme (CDP) under RKVY being implemented by State Agricultural Departments of Andhra Pradesh and Karnataka".

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

Tobacco Board is working in co-ordination with State Agricultural Department of Andhra Pradesh and Karnataka to create awareness about the scheme of Crop Diversification Programme (CDP) under Rashtriya Krishi Vikas Yojana (R.K.V.Y) among the FCV tobacco growers for shifting to alternative crops. During 2018-19, Tobacco Board had conducted growers' awareness meetings for promoting cultivation of other economically viable alternative crops in place of FCV tobacco in collaboration with CTRI and Agricultural Department of Andhra Pradesh and Karnataka in key tobacco areas viz., Vellampalli, Kondepi, Tangutur, Kandukur, T. Musthapuram, Jangareedygudem and Devarapalli in Andhra Pradesh and Hunsur and Mysuru in Karnataka.

XII. Crop damage:-

A. Karnataka

Incessant heavy rains received in the month of July and August 2018 have damaged the FCV tobacco grown in the districts of Mysore, Kodagu and Hassan. The yields of FCV tobacco have declined due to reduced growth of the plant and expansion of leaves because of leaching out of fertilizers and lack of nutrients to the plant and reduced photosynthetic activity. About 41 barns were damaged partially and 116 barns fully damaged. Board requested the **Secretary to Government of Karnataka, Department of Agriculture, Bengaluru** vide D.O. letter No.4(9)/2018-19/PDN/KK dated 31/10/2018 to provide essential relief / compensation for crop and barn damages to the FCV tobacco growers under State Disaster Response Fund (SDRF) after due enumeration of losses.

B. Andhra Pradesh

i. Pethai cyclonic rains

FCV tobacco crop in an area of 550.14 ha. covering 821 farmers in East Godavari District and 46.33 ha. covering 59 farmers in West Godavari District were damaged due to Phethai cyclonic rains received in December, 2018. As per the information received from the State Government, FCV tobacco crop damages were enumerated by Officials of Department of Agriculture and the input subsidy eligible under the SDRF norms was ₹59.64 lakh and the same is being released to the farmers.

ii. Drought

Due to severe drought conditions prevailed in Rabi season in Prakasam and SPS Nellore Districts, the FCV tobacco crop experienced moisture stress during grand growth period and crop yields were reduced. Government of Andhra Pradesh has declared 33 FCV tobacco growing mandals in Prakasam District and 9 FCV tobacco growing mandals in SPS Nellore District as drought affected mandals and instructed the concerned authorities to enumerate losses. As per information received from officials of Department of Agriculture, an area of 20,392.61 ha. was damaged above 33% in Prakasam district and 13150 farmers were eligible for input subsidy of ₹2039.26 lakh under SDRF.

XIII) Weather Based Crop Insurance Scheme for FCV Tobacco

Ministry of Commerce and Industry, Government of India, New Delhi directed the Board to hold stake holders meeting in the selected pilot districts (Prakasam District of Andhra Pradesh and Hassan District of Karnataka) involving the representative of AIC limited and submit a proposal to the Ministry. Board conducted stake holders meetings in the selected pilot districts and made efforts for launching of the scheme on pilot basis in the selected districts. However, the growers have not shown interest to join the scheme due to high rate of premium at the rainfall triggers which were acceptable to the growers.



TOBACCO BOARD :: GUNTUR

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

Auction Platform wise registration particulars for 2018-19 (as on 31/03/2019) 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
NLS Region															
Devarapally	7.49	0.00	7.49	1887	0	1887	2178.00	0.00	2178.00	3267.00	0.00	3267.00	3161.00	0.00	3161.00
ELS				49	0	49	55.00	0.00	55.00	82.50	0.00	82.50	79.00	0.00	79.00
TOTAL	7.49	0.00	7.49	1936	0	1936	2233.00	0.00	2233.00	3349.50	0.00	3349.50	3240.00	0.00	3240.00
J.R.Gudem-I	10.42	0.00	10.42	2575	0	2575	3108.00	0.00	3108.00	4662.00	0.00	4662.00	4602.00	0.00	4602.00
J.R.Gudem-II	10.57	0.00	10.57	3086	0	3086	3196.34	0.00	3196.34	4794.64	0.00	4794.64	4599.45	0.00	4599.45
Koyyalagudem	9.71	0.00	9.71	2583	0	2583	2920.60	0.00	2920.60	4381.13	0.00	4381.13	4355.00	0.00	4355.00
Gopalapuram	7.81	0.00	7.81	1928	0	1928	2343.00	0.00	2343.00	3514.50	0.00	3514.50	3492.00	0.00	3492.00
Sub total	46.00	0.00	46.00	12108	0	12108	13800.94	0.00	13800.94	20701.77	0.00	20701.77	20288.45	0.00	20288.45
SBS Region															
Vellampally	3.30	5.33	8.63	1165	1580	2745	902.17	1471.29	2373.46	2345.64	2354.07	4699.71	2010.00	2639.60	4649.60
Ongole-I	1.34	5.81	7.15	964	1528	2492	628.24	1609.05	2237.29	1421.25	2576.88	3998.13	1798.80	3150.00	4948.80
Ongole-II	0.00	8.12	8.12	0	2119	2119	0.00	2291.17	2291.17	0.00	3665.87	3665.87	0.00	3816.40	3816.40
Tangutur-I	0.00	6.20	6.20	0	1983	1983	0.00	1807.14	1807.14	0.00	2891.42	2891.42	0.00	3301.00	3301.00
Tangutur-II	0.00	5.71	5.71	0	1682	1682	0.00	1639.26	1639.26	0.00	2622.82	2622.82	0.00	2807.97	2807.97
Kondepi	4.00	3.90	7.90	2039	1659	3698	1200.40	1208.17	2408.57	3070.24	1933.11	5003.35	3983.20	2234.80	6218.00
Sub total	8.64	35.07	43.71	4168	10551	14719	2730.81	10026.08	12756.89	6837.13	16044.17	22881.30	7792.00	17949.77	25741.77

Particulars	Crop size fixed (mkg)			No. of growers			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
SLS Region												
Podili	9.55	0.79	10.34	4525	273	4798	2527.41	213.35	2740.76	6571.28	341.35	6912.63
Kandukur-I	6.10	2.06	8.16	2525	756	3281	1776.01	635.00	2411.01	3945.29	1016.00	4961.29
Kandukur-II	5.43	1.87	7.30	2124	763	2887	1495.75	532.75	2028.50	3690.92	853.41	4544.33
Kanigiri	4.71	0.00	4.71	1583	0	1583	1267.87	0.00	1267.87	3296.47	0.00	3296.47
Kaligiri	5.08	0.21	5.29	1535	55	1590	1313.62	59.75	1373.37	3415.44	95.60	3511.04
D.C.Palli	6.49	0.00	6.49	2243	0	2243	1755.08	0.00	1755.08	4563.21	0.00	4563.21
Sub Total	37.36	4.93	42.29	14535	1847	16382	10135.74	1440.85	11576.59	25482.61	2306.36	27788.97
NBS Region												
Thonodu	0.00	4.00	4.00	0	1374	1374	0.00	1463.67	1463.67	0.00	1756.44	1756.44
Grand Total	92.00	44.00	136.00	30811	13772	44583	26667.49	12930.60	39598.09	53021.51	20106.97	73128.48

SOIL REGION WISE REGISTRATION PARTICULARS FOR 2018-19 CROP SEASON IN ANDHRA PRADESH

Region	Crop Size Fixed (mkg)	Growers	Barns Registered (ha.)	Area (ha.)	Area planted
NLS	46.00	12,108	13,801	20,701.77	20,288.45
SLS	46.00	18,703	12,867	32,319.74	34,139.20
SBS	40.00	12,398	11,467	18,350.53	21,025.37
NBS	4.00	1,374	1,464	1,756.44	1,496.90
Total:	136.00	44583	39,598	73,128.48	76,949.92

**STATEMENT SHOWING THE PLATFORM WISE REGISTRATION, PLANTATION
FOR 2018-19 CROP SEASON IN KARNATAKA**

S No	Name of the APF	Crop size fixed (million kg)	Growers	Barns	Area Registered (ha.)	Area planted (ha)
Mysore Region:						
1	H.D.Kote-1&65	9.01	3683	4895	6363.50	8361.00
3	Hunsur-2	7.16	3119	4015	5219.50	6295.00
4	Hunsur-3	7.02	3197	3942	5124.60	5815.00
5	Hunsur-64	6.08	2642	3417	4442.10	5620.00
6	Kampalapura-61	7.53	3262	4205	5465.85	6466.00
7	Chilikunda-62	10.63	4474	5936	7716.80	8850.00
Total:		47.43	20377	26410	34332.35	41407.00
Periyapatna Region:						
8	Periyapatna-4	11.92	4572	6583	8557.90	8820.00
9	Periyapatna-5	11.19	4713	6249	8123.70	8729.00
10	Periyapatna-6	10.37	4385	5804	7545.20	8188.00
11	Ramanathpura-7	10.55	4734	5912	7685.60	9009.00
12	Ramanathpura-63	8.54	3676	4728	6146.40	7543.00
Total:		52.57	22080	29276	38058.80	42289.00
Grand Total:		100.00	42457	55686	72391.15	83696.00

Note: Quota per barn is 1750 Kgs & Area per barn is 1.30 ha.

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), Hyderabad and Research & Developmental wings of tobacco companies. The extension and developmental activities of the Board broadly include:

- Supply of critical crop inputs.
- Extension and Developmental Schemes taken up by Tobacco Board for sustainable Tobacco production.
- 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.

i. FCV Tobacco Seed:

During 2018-19 crop season, Board has facilitated the supply of 2271.90 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	G11	SIRI	FCH22	VT 1158	Total
Karnataka	1053.50	516.00	0.00	0.00	8.50	0.00	1578.00
Andhra Pradesh	0.00	378.40	14.00	300.00	0.00	1.50	693.90
Total	1053.50	894.40	14.00	300.00	8.50	1.50	2271.90

ii) FERTILIZERS:

In Karnataka, Tobacco Board had evolved a new and alternative system of procurement and distribution of fertilizers during 2018-19 crop season and in Andhra Pradesh same was implemented in 2017-18 crop season and was continued in 2018-19 crop season without involvement of Board. In the new system, registered growers are empowered to procure and distribute fertilizers by themselves.



This was implemented successfully using the services of The Andhra Pradesh Tobacco Growers Cooperative Union Limited (APTCUL) Ongole, The District Cooperative Marketing Society Ltd (DCMS) Ongole, the Nellore District Cooperative Marketing Society Ltd, Nellore for southern region and The District Cooperative Marketing Society Ltd(DCMS) Eluru in Northern region in Andhra Pradesh and State Trade Corporation(STC)Ltd., in Karnataka. Tobacco Board had provided hand holding support in all aspects of supply starting from collection of indents and advances; input loan arrangement; provid-

ing Tobacco Board godowns. The outsourcing agencies placed orders for supply of fertilizers to the manufacturers as per the indents based on the prices of fertilizers, payment terms and supply schedule agreed upon by the farmers committee. Both the outsourcing agencies and Farmers committee monitored the quality of fertilizers taking the assistance of State Agriculture Departments.

The details of fertilizers supplied in Andhra Pradesh (11105.81 MT) and Karnataka (28338.80 MT) are as under.

Andhra Pradesh:

Fertilizer	Supplier	Quantity (M.T)	Price (₹/Ton)	Value (₹ in lakh)
Ammonium Sulphate	GSFC	1720.45	11540	198.54
	FACT	113.05	13500	15.26
	Sub Total	1833.50		213.80
Di-Ammonium Phosphate	IPL	591.75	26600	157.41
	IFFCO	1453.90	25580	371.91
	Sub Total	2045.65		529.31
Sulphate of Potash	IPL(SLS&SBS)	644.2	43100	277.65
	IPL(NLS)	2081.10	42420	882.80
	(TW)25Kgs	170.49	39420	67.21
	Trans world (SLS&SBS)	37.00	39100	14.47
	Transworld(NLS)	382.65	38420	147.01
	Floris	188.85	34420	65.00
	Sub Total	3504.29		1454.14
Potassium Nitrate	CIL SQM (Soil)	1325.65	60320	799.63
	Yara(Water)	284.25	75620	214.95
	Sub Total	1609.90		1014.58
Calcium Nitrate	CIL SQM	42.26	30240	12.78
	Yara(Soil)	1983.74	32020	635.19
	Yara(Water)	86.47	32020	27.69
	Sub Total	2112.47		675.66
	Grand Total	11105.81		3887.50

Karnataka:

Fertilizer	Supplier	Quantity (M.T)	Price (₹/Ton)	Value (₹ in lakh)
Ammonium Sulphate	GSFC	12145.20	10599.50	1287.33
Sulphate of Potash	IPL	9517.00	41999.91	3997.13
	TW	2628.20	40000.00	1051.28
Sub Total		12145.20		5048.41
Dl Ammonium Phosphate	CIL	2091.10	22600.00	472.59
	MCF	1957.30	22762.02	445.52
Sub Total		4048.40		918.11
Grand Total		28338.80		7253.85

iii. Sucker Control Chemical:

The Committee of Farmers formed for supply of fertilizers attended to the process of inviting quotations/finalizing vendor/price for supply of Sucker Control Chemical.

In Andhra Pradesh, during 2018-19 crop season, M/s. Highgrow Floris Chemicals Pvt Ltd., has supplied 1 Lakh Its of Sucker Control Chemical to indented growers @ ₹ 777



per 2.5 Its can and M/s. ITC Ltd., has supplied 80,000 Its of Sucker Control Chemical @ ₹ 899.00 per 2.5 Its can as per the decisions of the COF in a meeting held on 05/12/18 at Koyyalagudem.

As per the decision of the Karnataka Virginia Tambaku Belegarara Sangha(KVTBS) during the meeting held on 18.06.18 at Regional Manager, Office, Mysore, M/s. ITC Ltd., - ABD- ILTD, Guntur has supplied a quantity of 1,20,000 Its of Suckerout @ ₹ 770 per can of 2.5 lt to registered eligible growers during 2018-19 Karnataka Crop Season.

II. Extension and Developmental Schemes taken up by Tobacco Board for sustainable Tobacco production during 2018-19 crop season:

i. Improving soil health - Supply of Green Manure Seeds:

The tobacco soils are mostly light textured and poor in organic carbon and available nitrogen due to continuous tobacco cultivation. Hence Tobacco Board has taken necessary steps to improve the soil fertility through green manuring. Tobacco Board in coordination with Agricultural Department of State Government of Andhra Pradesh and Karnataka making availability of green manure seed to farmers well in advance of the season for adopting green manuring practice in their fields. During 2018-19 crop season an area of 4598 ha was raised with green manure crops to enrich the soils with organic carbon.

State	Soil Region	Area under green manure crop (ha)
Karnataka	Karnataka Light Soils	502.00
Andhra Pradesh	Northern Light Soils	3189.00
	Southern Light Soils	79.00
	Southern Black Soils	828.20
Andhra Pradesh Total		4096.20
Grand Total		4598.20





ii. Improving Yield & Quality of Tobacco:

a. Integrated Pest Management Practices – Pheromone Traps and Yellow Sticky Traps:

Integrated pest management is a concept where effective pest and disease control is achieved through a combination of all pest control methods viz., biological, cultural, mechanical and botanical in addition to chemical methods. Integrated Pest Management is intended to minimize the use of agro-chemicals and to reduce residues and protect environment and soil micro-flora and fauna. Under this scheme, Board supplied Pheromone Traps and Yellow Sticky Traps for monitoring pest population in tobacco fields and helping effective implementation of IPM strategies.

Details of expenditure incurred by Board towards extending subsidy for Supply of Pheromone Traps and Yellow Sticks Traps during 2018-19 crop season in Andhra Pradesh are as follows:

Crop Season	Physical Achievement (No. of traps)		Financial Achievement (₹ in Lakhs)	
	Pheromone Traps	Yellow Sticky Traps	Pheromone Traps	Yellow Sticky Traps
2018-19	20774	12761	2.53	0.64



b. Bio Pesticides:

Bio pesticides are supplied to growers in Andhra Pradesh in collaboration with NIPHM, Hyderabad, so as to prevent incidence of soil borne diseases and thereby reduce the use of application of pesticides/fungicides. During 2018-19 crop season, **1049 Lts** of bio pesticides were supplied to growers in NLS region and an amount of **₹0.71 Lakh** was extended towards subsidy.

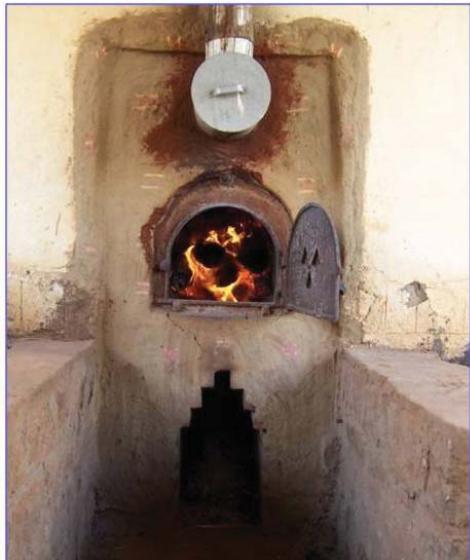


iii. Energy Conservation measures:

To sustain tobacco farmer profitability, and to make the tobacco cultivation eco-friendly, it is very critical to reduce the cost of curing which constitutes 30% of total cost of production. To achieve savings in curing costs and conserve wood fuel usage in tobacco curing, it is essential to adopt fuel efficient technologies like barn roof ceiling with glass wool / Paddy straw and by fixing of turbo ventilator on the top of the barn for proper air circulation and replacing the traditional furnace with Ventury furnace. These measures will ensure saving of 30% in curing costs. Board is implementing these energy conservation methods for the benefit of the farmers for past ten years. During 2018-19 crop season Board has spent **₹145.38 Lakh** on these energy conservation measures.

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 **177.75 barns** covering **200 beneficiaries** during 2018-19 and refitted these barns with Ventury furnace. An amount of ₹5000 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 2018-19 was **₹8.89 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 ₹6500/- 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 to 16X20 and 16X24 approximately.



Board had implemented this scheme in a focused mode in Andhra Pradesh during 2018-19 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 ₹5300 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.

During 2018-19, **1530 barns** of **1704 registered growers** in Andhra Pradesh were insulated and Board had incurred an expenditure of **₹81.06 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 (₹ lakhs)
NLS region	586	580	30.74
SLS region	420	344	18.23
SBS region	698	606	32.12
Total	1704	1530	81.09

c. Paddy straw roof Insulation with turbo ventilator:

The Objective of this scheme is to promote energy conservation in curing of FCV Tobacco through paddy straw insulation of barns and providing Turbo Ventilator for free air circulation in barn by extending subsidy to grower beneficiaries. The total cost of paddy straw insulation approximately will be ₹15,000/- barn.

The Board implemented this scheme in collaboration with trade (M/s ITC) by extending subsidy of ₹5,000/- barn in Karnataka. This technology gave on an average a fuel saving of 30%.

Year	No. of barns covered	Subsidy ₹ Lakh
2018-19	1049	52.45

d. “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 2018-19, Tobacco Board had supplied saplings of fast growing trees on 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 **30,000 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, and incurred an amount of ₹2.95 lakhs. In Andhra Pradesh, Board arranged **21,100 saplings** on free of cost in coordination with Kannapuram forest department for NLS growers and from Kothapatnam, Ballipalli, Apparaopalem nurseries to southern region growers.



iv) Post-Harvest Product Management – Measures for Product Integrity:

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 **3950 canvas tarpaulins** to **3950 growers**

in Karnataka and **3358 canvas tarpaulins** to **3358 growers** in Andhra Pradesh 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 **₹73.08 lakh** was incurred under this scheme. An amount of ₹1,000/- Tarpaulin/grower was extended as subsidy to all category growers in Andhra Pradesh and Karnataka.

v. 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 2018-19 crop season by extending financial assistance and necessary credit through commercial banks. In Andhra Pradesh, during 2018-19 crop season, Tobacco Board had extended financial assistance @ ₹6,500/- to ₹15,000/- unit towards construction of bulk-sheds depending up on the size of bulk-shed. The total expenditure incurred under this scheme towards construction of **21 bulking sheds** was **₹2.60 lakh**.

vi. 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 Level(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 2018-19, the Board had carried out analysis of **199 tobacco leaf samples** of Andhra Pradesh and Karnataka at NIPHM, Hyderabad and **182 samples** of NLS region at M/s. Eurofins Analytical Services India Ltd., Bengaluru to detect CPA residue levels and to take corrective action accordingly. An amount of **₹22.00 lakh** was incurred towards analysis charges.

vii. Leaf chemistry analysis of leaf tobacco for nicotine, sugars and chlorides:



Karnataka before start of auctions for sale of tobacco at CTRI, Rajahmundry for determining chemical constituents in leaf Tobacco. The total expenditure incurred on this account was **₹4.50 Lakhs**.

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 2018-19, Tobacco Board had got analyzed **258 leaf samples** collected from all platforms of Andhra Pradesh and

III Initiatives taken up by Board for sustainable Tobacco Production during 2018-19 crop season:

i. Promotion of natural farming practices in tobacco cultivation:

The tobacco customers, world over, are insisting on Sustainable Tobacco Production (STP) for production of safe tobaccos in light of ever increasing customer concerns. Promoting natural farming practices as a part of sustainable farming, could help in enriching soil organic carbon content by improving soil microbial activity. This method of farming is noted to be completely environmental friendly and less input intensive. The system protects natural resources like soil and water. The non-usage of chemical fertilizers and chemical crop protection agents in this system would help in producing pesticide residue free tobaccos and also help in cost savings.

Hence, Tobacco Board has undertaken up trials in the fields of growers, to demonstrate the benefits of Natural farming to tobacco growers in FCV tobacco cultivation across all the soil regions in Andhra Pradesh during 2018-19 crop season. The trials are undertaken in 18 Auction Platforms in the fields of 21 growers @ one plot in each Auction platform. An area of 75 acres was adopted to grow



tobacco following ZBNF practices evolved and adopted by crop experts. Further the same type of trial plots were also taken up in CTRI research stations at Guntur and Kandukur to scientifically evaluate the ZBNF cultivation in FCV Tobacco.

The trade has also came forward to support the growers taken up natural farming in tobacco cultivation by giving additional prices for ZBNF grown tobacco.

The control plots were selected with existing same varieties to compare the ZBNF crop with normal (inorganic) fields in terms of growth, leaf spread, pest resistance, bright grade out turn and aroma. ZBNF plots reported good growth on par with the control plots and



in few fields, better than the control plots in NLS and SLS. The leaf spread is as good as inorganic fields. The colour is rich and the aroma is good in cured leaf and better than the normal crop. The pest and diseases were under control in ZBNF plots with natural decoctions sprayed on the crop. The yields are also on par with the normal fields, and the average yields in NLS area is expected 8-9 quintals per acre and in south (SBS and SLS) it is expected 6-7 quintals.

ii. CSR activity – Development of greenery and raising plantation in vacant lands:

Tobacco Board along with Tobacco purchasing companies proposed to develop greenery and take up tree plantations in silvo-pasture model in the vacant lands of tobacco growing villages of Prakasam district for the benefit of the society and ecological sustainability. The maintenance of these plantations will be done by Tobacco Board/trade for 3-4 years and the usufruct of this land can be utilized by the local Panchayaths for the benefit of the villagers. This Project is proposed to be taken by Tobacco Board with involvement of tobacco trade companies as a part of their CSR activity along with the co-operation of Govt. agencies such as DWMA, Horticultural department, Forest department.



As per the request of Tobacco Board, The Collector, Prakasam district has provisionally accepted to allot 1500 acres of vacant lands (Commons) in Ballipalli, VijayaGopalapuram and Polinenicheruvu villages of Kanigiri and Valetivaripalem mandals for the said tree plantation scheme. The selected



lands are undulated, eroded with meager vegetation. Endowments department gave consent in writing to Tobacco Board for raising the plantations in 100 acres of temple land of Sri Malaya-dri Lakshmi Narasimha Swamy Devasthanam, Malakonda (V), Voletivaripalem (M), Prakasam District.

Green manuring with Navadhanyalu and Sun hemp is being done in the land. The planting activity is planned in the month of August, 2019 in these earmarked lands. The Horticultural department was requested for arrangement of tree saplings of fruit and forest trees by the time of plantation in the month of August.

Likewise, Board had also decided to keep a criteria for registration / renewal of registration of exporters / dealers regarding planting of trees, as this initiative can be highlighted to negate the environmental impact of tobacco curing. It is proposed to entrust planting of trees and maintenance of the same in the government lands allotted to Tobacco Board, by the manufacturers and exporters and dealers.

iii. Elimination of CPA residues:

In the light of increasing health concerns worldwide, there is an emerging need for reducing harmful substances like pesticide residues in cured tobacco and production of compliant tobaccos.



Minimization of CPA residues below the Guidance Residual Levels (GRL's) is one of the serious areas to be focused.

Board launched massive campaigns during 2018-19 crop season for control of pesticide residues to get assured quality of leaf to improve the product integrity.

There is a great achievement by production of 100% Pendimethalin residue free tobacco by the farmers (as per GRL of CORESTA) and 96% residue free tobacco for Carbendazim pesticide with above 5 ppm with the active involvement of trade, farmers and Board officials.

IV. 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 2018-19 crop season.

- The Board had organized a total of **176 training programmes** in 2018-19 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 **9514 growers** had participated in these training programmes.
- 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 Bio-control agents and microbial bio pesticides as detailed below.

State	Details of Training Programme	No. of persons	No. of days	Period
KK	Off campus Trainings on application of bio pesticides	Growers from all platform of Karnataka	2 days	22.03.18 to 24.03.18
KK	Training on Pest Surveillance and latest technology on IPM Practices	13 officers	5 days	02.07.18 to 06.07.18
KK	Training on Pest Surveillance and latest technology on IPM Practices	23 officers	5 days	23.07.18 to 27.07.18
AP (NLS)	Off campus Trainings on application of bio pesticides	Growers from NLS region	2 days	16.08.18 to 17.08.18
KK	Training on Pest Surveillance and latest technology on IPM Practices	30 growers & 1 officer	3 days	29.11.18 to 01.12.18
KK	Training on Pest Surveillance and latest technology on IPM Practices	30 growers & 2 officers	3 days	04.12.18 to 06.12.18

- High impact meeting involving all stake holders was conducted at Koyyalagudem on 25th October'18 to address the CPA residue problem and NTRM problems in FCV Tobacco in NLS region. An apex committee constituted under the leadership of Regional Manager, Rajahmundry with Principal Scientist from CTRI, Crop Development managers of major stake holders has convened meetings in all auction platforms of NLS region from 13th November'18 to 15th November'18 and narrated the CPA residue problems in tobacco exports to growers. The growers appealed through print media not to use un recommended pesticides on Tobacco, avoid using Carbendazim and Pendimethalin. An appeal in the form of personal letter was issued to growers requesting not to use un-recommended pesticides on Tobacco, avoid using carbendazim and pendimethalin.

a. Workshops:

Andhra Pradesh:

- Regional Manager, SBS Region organized workshop at CTRI-Research Station, Kandukur on 8th Jan'2019 covering all the growers of SLS/SBS regions. In the workshop, growers were highlighted on measures to be taken to mitigate moisture stress conditions, and need for reducing cost of cultivation, implementation of soil testing for knowing nutrient status, implementation of crop rotation with gingelly in Kharif season to arrest growth of orobanche parasite, promoting ZBNF cultivation in Tobacco. An amount of ₹40,362/- was incurred by Regional Manager, SBS region(Ongole) to organize said workshop.



11th Jan'19 at CTRI- Jeelugumilli on "Strategies for enhancing farm income on tobacco under NLS region". During the workshop the growers were suggested to go for plantation by end of September, in upper belt and by end of October in lower belt region. Growers were requested to apply organic and inorganic fertilizers in 25:75 ratio to improve soil health, and avoid use of Pendimethalin as weedicide and suckericide in view of revised MRI to 0.02 ppm from 5 ppm by JTI. Growers were advised to avoid prophylactic application of insecticides, and take up ZBNF in Tobacco cultivation to avoid CPA residue problem. Growers were also suggested to adopt drip irrigation for enhancing water use efficiency. Regional Manager, Rajahmundry has incurred an amount of ₹42,390/- towards organizing said workshop

Karnataka:

- ❖ Regional Manager, Mysore has organized one day workshop to growers of Karnataka at CTRI, Hunsur on 19.07.18 involving scientists from CTRI, Trade representative and Board staff, 90 growers attended for the workshop. An amount of ₹38,285/- was incurred by Regional Manager, Mysore towards conducting this workshop. During the workshop, growers were enlightened on importance of soil health, management of CPA residue problem, importance of Topping/ Desuckering, and proper application of fertilizers/ pesticides on need basis as per CTRI recommendations.



- ❖ Regional Manager, Periyapatna conducted workshop on 12.10.18 at CTRI, Hunsur covering 128 growers of Karnataka and growers were enlightened on importance of Good Agricultural Practices in Tobacco Cultivation, Global market situation and measures to produce good quality Tobacco, Drought management practices to enhance productivity, early plantation and proper application of fertilizers in right time. Regional Manager, Periyapatna has incurred an amount of ₹48,798/- towards conducting this workshop.

2. Farmer exposure visits-cum-Study Tours:

Study Tour to Agritex'18:

- ❖ A study tour to growers covering all soil regions was organized by all Regional Managers in Andhra Pradesh to Agritex'2018 organized by Kenes Exhibition at Hitex Exhibition Centre, Hyderabad from 4th October'18 to 6th October'18. In total 79 growers participated in the study tour. Growers were shown various micro irrigation technologies, fertigation methods, in house growing fruits/vegetables through vertical, green house farming using hydroponics, organic certification procedures and standards, drone driver pest monitoring and pesticide spraying. An amount of ₹1,58,720/- was incurred for organizing study tour.

Study tour to Ananthpur(District):

- ❖ A Study tour to growers and field staff of SLS/SBS region was organized to Ananthapur(Dt) by Regional Manager, SBS region, Ongole on 30th November'18 to witness dry sowing and 5 layer cultivation. In total 17 growers and 21 number of technical staff participated in the tour.
- ❖ The growers witnessed trial plot on "Dry sowing and 5 layer cultivation" at Rayadurgam and Kalyandurgam maintained by Sri. K.Vishnu, Field man and Sri Srinivasa Reddy, Technical Assistance of Accion Fraterna Ecology Centre, Ananthapur. An amount of ₹78,700/- was incurred by RM, SBS region to organize this study Tour.

Mega training of Sri. Subash Palekar on ZBNF:

- ❖ Tobacco growers and technical officers of Tobacco Board attended for the Mega Training Programme on ZBNF organized by Padmasri Dr.Subash Palekar from 8th December'18 to 17th December'18 at opposite Acharya Nagarjuna University, Guntur.

Study Tours to growers in NLS/NBS Region:

Auction Superintendent, J.R.Gudem-II has organized Study tour to growers of J.R.Gudem-II platform on 14th March-2019 to KVK, Dr YSR Horticulture University, Venkataramannagudem, West Godavari District to create awareness on other viable alternative crops and also to expose new techniques in agriculture. Around 23 growers participated in study tour. Nursery cultivation in trays and other techniques in raising nursery were imparted to growers on several horticulture crops like chillies, cucurbits, solanaceous crops.

Auction Superintendent, Gopalapuram and Deverapalli jointly organized study tour to growers on 22nd March -2019 to Krishi Vignan Kendra, Undi. About 40 growers attended for study tour, the growers were enlightened on subsidiary income generation activity through Bee-keeping, poultry, fisheries, integrated farming system cultivation of millets and their importance. Growers were explained on Hydro phonics.

Auction Superintendent, Thorredu has organized study tour to growers of Thorredu auction platform on 23.03.19 to KVK, UNDI, West Godavari District and growers were imparted training on importance of growing millets, and organic farming. 18 no. of growers attended for the study tour.

Auction Superintendent, J.R.Gudem-I organized study tour to growers of J.R.Gudem-I platform on 16th March-2019 to KVK and YSR Horticulture University, Venkataramannagudem. Growers were explained on Horticulture crops and vegetable crops suitable for tobacco growing soils. Growers were shown Azolla production and Bio fertilizer units, fish ponds, different nurseries maintained by KVK. Farmers were enlightened on importance of integrated farming practices.



Auction Superintendent, Koyyalagudem organized study tour to KVK and Dr. YSR Horticulture University, Venkataramannagudem and natural farming unit at Gundugolanugu on 19th March-2019. The growers were enlightened on various horticulture crops, vegetable production, honey bee keeping, poly houses, vermi compost, integrated farming systems, and natural farming, preparation of Agniastram, Jeevamrutham. Farmers were explained on concepts useful for diversification of agriculture to maintain the sustainability in Agriculture.



Study tour to growers of SBS Region:

Auction Superintendent, Tangutur-I organized study tour to growers to B.K. Threshing plant at Singarayakonda on 05/02/2019. Thirty Five growers participated in this study tour. Growers were explained on various steps involved in threshing and were enlightened about NTRM's and were advised to take care while grading and seriousness of rejection by customers in view of presence of NTRM's in packed tobacco.

Auction Superintendent, Kondepudi organized study tour to M/s ITC Pvt Ltd Green threshing plant, Chirala on 8th February, 2019 and growers were educated on ill effects of NTRM's in international market.



Auction Superintendent, Vellampalli-II has organized three study tours, one tour to kisan mela at Iam farm, Guntur on 22nd January, 2019 and second tour to Tobacco Threshing plant of B.K. Threshers, Kalikivai and ZBNF plot at Alakurapadu on 25th January, 2019, the 3rd tour to Tobacco threshing plant of M/s Polisetty Somasundaram at Kaza on 5th February, 2019.



Auction Superintendent, Tangutur-II organized study tour to growers to tobacco leaf threshing plant of ITC, Chirala on 8th February, 2019 and growers were enlightened on ill effects of NTRM's in tobacco and were shown different kinds of NTRM's and were suggested to grade tobacco in Northern light pendals, use tarpaulins, and keep NTRM baskets near graders, use grading tables before bale packing.

Auction Superintendent, Ongole-I and Ongole-II has organized study tour to growers to Kisan mela, Iamfarm, Guntur on 22nd January, 2019 and Green Leaf Threshing plant, Bitragunta on 5th February, 2019. At Kisan mela growers were explained on cultivation of millet crops and were shown stalls of latest farm machinery.

Study tours to growers of SLS Region:

Auction Superintendent, Kandukur-I & II has organized one study tour to Green leaf threshing plant of M/s Polisetty Somasundaram at Kaza on 29/01/2019 and another tour to Green leaf threshing plant of M/s ITC Ltd at Chirala on 6th February, 2019. Growers were shown various operations carried out in threshing plant and were explained on difficulties facing in international and domestic tobacco market due to presence of NTRM's. Growers were advised to use Tarpaulins, NTRM bins, while handling tobacco.



Auction Superintendent, Kaligiri has organized study tour to B.K. Threshing plant, Singarayakonda on 10th January, 2019 and second tour to Kisan mela at Iam farm, Guntur

on 22nd January, 2019. Growers were also taken to ZBNF plot, Kunipalem village and explained on importance of Ghana and Drava Jeevamrutham in tobacco crop growth.

Auction Superintendent, Podili and Kanigiri has taken growers of Podili and Kanigiri to Kisan mela organized at Iam farm, Guntur on 22nd January, 2019 and GLT Threshing plant, Chirala on 7th February, 2019.

Auction Superintendent, D.C.Palli conducted one study tour to B.K. Threshing plant, Singarayakonda and ZBNF plot at Nellarepalem village on 29th January, 2019 and another tour to threshing plant of M/s ITC Ltd at Chirala on 15th March, 2019 and explained on ill effects on presence of NTRMs in Tobacco.

Study Tours to growers of KLS Region:



Regional Manager, Mysore and Periyapatna conducted study tour to growers to Karnataka growers to GKVK VAS, Bengaluru (KRISHIMELA) on 16th and 17th November'18. Three Hundred Nos. of growers participated in study tour. The growers were exposed to new technologies covering Farm Machinery, Water Management, Techniques (Drip Irrigation), Integrated Farming System, Organic Farming. An amount of ₹4.53 Lakhs was incurred by Regional Manager, Mysore and Periyapatna to conduct the study tour.

3. Awards to growers :

To encourage the efforts of growers in attaining good quality and yield of tobacco the Board has felicitated one grower from each auction platform of Karnataka and one growers from each auction platform of Andhra Pradesh. 29 growers have been felicitated on eve of formation day celebrations on 4th January, 2019 with a citation of appreciation and cash award of ₹5000/- each. In Andhra Pradesh growers followed Zero Budget Natural Farming in tobacco cultivation during 2018-19 crop season were felicitated.

4. Publicity Material:

Tobacco Board had brought out 500 no. of Telugubrochures and 200 no. of Englishbrochures in Multi colour on Natural Farming Practices in FCV Tobacco cultivation during 2018-19 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.

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 2018-19 crop season, Tobacco Board had taken up 12 On Farm Trial Pots in Karnataka @ 1 trial plot/Auction Platform on application of Calcium Nitrate @ 25 Kg/ha, at planting time Vs normal practices, foliar nutrition through Potassium Nitrate @ 2% at 45 to 55 days crop stage Vs normal practice, varietal trial KLSH10 Vs Kanchan variety, High density planting Vs normal planting. Farmers who came forward to take up the trials were provided with incentives. Field day programmes were organized by the field staff to demonstrate the outcome of the trials for wide spread adaptation by growers. Tobacco Board had incurred an expenditure of **₹1.73 Lakhs** for implementing the scheme in Karnataka and an amount of **₹3.69 Lakhs** was incurred in Andhra Pradesh towards implementation of ZBNF in Tobacco Cultivation.

7. Model Project Area :

Board has implemented Model Project Area scheme in low productivity areas of **18 villages in Andhra Pradesh 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 AND DEVELOPMENTAL SCHEMES IN 2018-19

Tobacco Board had incurred a total expenditure of ₹292.84 Lakhs during 2018-19 for implementing various Extension and Developmental schemes.

Extension Schemes	(₹ lakhs)
2018-19	
Improving Yield & Quality of Tobacco	29.67
Improvement of Curing Practices	145.38
Elimination of NTRMs and Product Integrity	73.08
Post-Harvest Product Management	2.60
Programmes for training of farmers	27.33
On Farm Tests & Experimental Trials	5.42
Model Project Area	9.36
Total:	292.84

The scheme wise Physical / Financial targets and achievements are given at page Nos. 56-58.

**2018-19 CROP SEASON - EXTENSION AND DEVELOPMENTAL SCHEMES
PHYSICAL AND FINANCIAL ACHIEVEMENTS**

Sl. No.	Name of the Scheme	No.of beneficiaries			Physical Achievement			Financial Achievement (₹ in lakh)		
		A.P	KK	Total	A.P	KK	Total	A.P	KK	Total
1	Improving yield and quality of FCV Tobacco									
a	Analysis of leaf for pesticide and chemical constituents	254	203	457	254	203	457	13.99	12.51	26.50
b	Integrated Pest Management Practices Yellow Sticky Traps Pheromone Traps	778 806	0 0	778 806	12761 20774	0 0	12761 20774	0.64 2.53	0.00 0.00	0.64 2.53
	Sub Total:	1838	203	2041				17.16	12.51	29.67
2	Improving of curing practices									
a	Energy conservation measures (Glass wool roof insulation, Ventury Furnace and Paddy Straw Roof Insulation)	1904	1034	2938	1707.8	1049	2756.8	89.98	52.45	142.43
b	Raising of fuel for curing of Tobacco									
	(No.of saplings)	21100	30000	51100	0.00	2.95	2.95
	Sub Total:	1904	1034	2938				89.98	55.40	145.38
3	Elimination of NTRM and Product Integrity through supply of tarpaulins	3358	3950	7308	3358	3950	7308	33.58	39.50	73.08
4	PHPM Measures Construction of Bulking Sheds/Model Storage facilities	21	0	21	21	0	21	2.60	0.00	2.60
5	Other Extension Programmes									
a	Training to farmers & staff									
i	Work shops	184	208	392	2	2	4	0.83	0.87	1.70
ii	Trng. progs by Auction Superintendents	5783	3731	9514	108	68	176	2.87	2.03	4.90
iii	Trng.prog to Officers / Staff / Growers at NIPHM	...	99	99	1	5	6	0.32	7.19	7.51
iv	Extension Programmes to address CPA residue problems	709	0	709	2	0	2	0.78	0.00	0.78
b	Publicity & Extension Literature	700	0	700	0.36	0.00	0.36
c	Study Tours	591	600	1191	32	4	36	5.65	4.53	10.18
d	Field Friend Teams	3	0	3	0.45	0.00	0.45
e	Best Grower Awards	18	11	30	18	11	30	0.90	0.55	1.45
	Sub Total:	7285	4649	11935				12.16	15.17	27.33
6	On Farm Tests & Experimental Trials	1070	706	1776	18	12	30	3.69	1.73	5.42
7	Model Project Area(Ha.)	1059	779	1838	18	12	30	5.33	4.03	9.36
	Grand Total:	16535	11321	27857				164.49	128.35	292.84

**COVERAGE OF SC/ST/WOMEN & OTHER GROWERS UNDER EXTENSION AND
DEVELOPMENTAL SCHEMES DURING 2018-19**

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Sl. No	Name of the scheme	Achievements										Financial (subsidy in ₹)				
		Beneficiaries				Physical (units)						S.C				
S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total		
1	Improving yield and quality of FCV Tobacco															
a	Analysis of leaf for pesticide and chemical constituents	457	457	2650282.00	
b	Integrated pest management practices															
b.1	Pheromone Traps	16	12	181	597	806	442	440	5121	14771	20774	5388.00	5362.00	62439.00	180053.00	253242.00
b.2	Yellow Sticky Traps	14	13	175	576	778	236	276	3157	9092	12761	1182.00	1382.00	15807.00	45498.00	63869.00
	Sub Total:	30	25	356	1173	2041						6570.00	6744.00	78246.00	225551.00	2967393.00
2	Improvement of Curing Practices															
a	Energy conservation measures(Glass Wool Roof Insulation, Ventury Furnace, Paddy Straw Roof Insulation)	119	92	651	2076	2938	108.5	96	635.07	1917.19	2756.76	547600.00	490800.00	3291303.00	9913047.00	14242750.00
b	Raising of fuel for curing of Tobacco	51100	296000.00
	Sub Total:	119	92	651	2076	2938										14538750.00



Sl. No	Name of the scheme	Achievements										Financial (subsidy in ₹)				
		Beneficiaries					Physical (units)					Women	Others	Total		
S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total		
3	Elimination of NTRM and Product Integrity through supply of tarpaulins	419	253	1504	5132	7308	419	253	1504	5132	7308	419000.00	253000.00	1504000.00	5132000.00	7308000.00
4	PHPM Measures Construction of Bulking Sheds/Model Storage facilities	0	0	5	16	21	0	0	5	16	21	0.00	0.00	62000.00	198000.00	260000.00
5	Other Extension Programmes															
a	Training to farmers & staff															
i	Workshops	392	4	169835.00
ii	Training Programmes by Auction Superintendents	9514	176	489568.00
iii	Training programme to Officers/Staff/Growers at NIPHM	99	6	751421.00
iv	Extension programmes to address CPA residue problems	709	2	77724.00
b	Publicity & Extension Literature	700	36000.00
c	Study Tours	1191	36	1017891.00
d	Field Friend Teams	3	44853.00
e	Best Grower Awards	30	30	145000.00
	Sub Total :	11935	2732292.00
6	On Farm Tests & Experimental Trials	1776	30	541525.00
7	Model Project Area (Ha.)	1838	30	936085.00
	Grand Total:				27857											29284045.00

GROWER WELFARE INITIATIVES

I. Tobacco Board Growers Welfare Fund :

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

The Welfare Scheme provides financial assistance, in the form of Death Grants and Interest Free Loans, to perform daughters’ marriage, education of dependent children, treatment for major illness / accident cases requiring surgery and repairs to barns damaged due to natural calamities / fire accidents. Since the inception of the scheme, Tobacco Board provided financial relief to 14,278 growers, in terms of grants and loans so far. Grants worth ₹36.24 crores were sanctioned to 10,397 beneficiaries and interest free loans of ₹8.53 crores were sanctioned to 3,881 growers.

By the end of 2018-19 since the inception of the scheme, a total amount of **₹59.12 crore** was available in Tobacco Board’s Growers’ Welfare Fund.

During 2018-19, **₹6.29 crore** were disbursed in the form of Grants and **₹2.16 crore** in the form of Interest Free Loans, totaling to **₹8.45 crore**. The details of Grants/Interest Free Loans extended scheme wise during 2018-19 are at Page No. **61**.

II. Production related services to farmers

i) Soil and Water Analysis

Tobacco Board every year organizes collection and analysis of soil and water samples of registered tobacco growers at 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 2018-19 crop season, **5,300** soil samples and **625** water samples are analyzed and results were communicated to the concerned growers. In addition to the above, 934 soil samples in Andhra Pradesh and 180 soil samples in Karnataka are analyzed for micro nutrients – Fe, Zn, Mn and Cu during 2018-19 crop season.

State	Soil Samples	Water Samples
Andhra Pradesh	2,300	625
Karnataka	3,000	—
Total	5,300	625

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 2018-19 crop season, The Oriental Insurance Company Limited, Guntur provided an insurance coverage to 26,606 growers and their 31,119.64 barns in Andhra Pradesh and an amount of ₹2.06 crore was paid as premium to the insurance company.

IV) Credit facilities to growers:

Tobacco Board facilitated the advance of following crop loans and barn repair loans by commercial banks to FCV tobacco growers for cultivation of FCV tobacco during 2018-19.

Type of Loan	Andhra Pradesh		Karnataka	
	Beneficiaries	Amount	Beneficiaries	Amount
		(₹ in crore)		(₹ in Crore)
Crop Loans	39356	1280.76	38,675	714.33
Barn Repair Loans	2,218	26.27	8,501	38.76

THE SCHEME WISE DETAILS OF GRANTS / INTEREST FREE LOANS EXTENDED DURING 2018-19

DESCRIPTION (GRANTS / LOANS)	Since Inception of the Scheme to 31.03.2019				During 2018-19 (01-04-2018 to 31/03/2019)			
	Andhra Pradesh	Karnataka	TOTAL	Andhra Pradesh	Karnataka	TOTAL	No. of Beneficiaries	Amount (₹) In. Lakh
GRANTS:								
Natural Death	4629	1417.70	5387	1939.22	10016	3356.92	371	185.30
Accidental Death	245	166.50	136	101.00	381	267.50	24	24.00
TOTAL	4874	1584.20	5523	2040.22	10397	3624.42	395	209.30
LOANS:								
Daughter Marriage Assistance	69	19.50	1037	385.50	1106	405.00	1	0.5
Treatment for Major Illness / Accident cases require surgery	37	13.65	61	17.74	98	31.39	1	0.5
Repair for Damaged Barns / Fire Accident	2228	261.45	110	52.20	2338	313.65	0	0
Education Loan to Dependent Children	239	70.37	100	33.50	339	103.87	6	3.0
TOTAL	2573	364.97	1308	488.94	3881	853.91	8	4.00
GRAND TOTAL (GRANTS + LOANS)	7447	1949.17	6831	2529.16	14278	4478.33	403	213.30
							1268	631.39
							1671	844.69

AUCTIONEERING SERVICES AT AUCTION 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 inter-alia to ensure fair and remunerative prices to the tobacco growers by creating an element of competition among the buyers, to ensure prompt payment to the growers and correct weighment of tobacco. Since then, the Board has been implementing the auction system for sale of FCV tobacco successfully.



E-auctioning of FCV tobacco

I. AUCTIONS FOR SALE OF 2017-18 FCV TOBACCO IN ANDHRA PRADESH:

a) Volume and Prices:

The auctions for sale of 2017-18 FCV tobacco crop in Andhra Pradesh commenced in the financial year 2017-18 on 08/03/2018 and concluded in the financial year 2018-19 on 10/10/2018. A total quantity of 133.05 million kg of tobacco was marketed at an average price of Rs.130.00 per kg at the end of the auction season, out of which, a quantity of 131.41 million kg of tobacco was marketed at an average price of 129.65 per kg during the period from 01/04/2018 to 10/10/2018 i.e. during 2018-19 financial year. Auction platform wise quantity marketed and average price realized during 01/04/2018 to 10/10/2018 are given at Page Nos. **73-74**.

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 FCV tobacco crop with effect from 2016-17 crop season in Andhra Pradesh. The announced Minimum Guarantee Indicative Price (MGIP) will continue to be in force for 3 years.

The Minimum Guarantee Indicative Price (MGIP) announced for 2017-18 crop season is given hereunder:

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 2018 Andhra Pradesh Auction Sales:

Crop size fixed and estimated production:

Tobacco Board has fixed a crop size of 136 million kg for Andhra Pradesh during 2017-18 crop season. The 2017-18 FCV tobacco crop in Prakasam and Nellore districts was subjected to prolonged drought for the third consecutive year in a row. This had negative impact on the yields. 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 additional expenditure to provide lifesaving irrigation both in SLS and SBS regions and because of these efforts, the farmers in SLS and SBS regions were produced 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 2nd fortnight of October 2017. As the crop in this area was being taken-up totally under irrigated condition, the growth was good and yielded good produce.

Overall, there was no major pest and disease incidence noticed during the season. The impact of "Orobanche" (debilitating root parasite of tobacco plant) was also limited its extent and ill-effects on account of early plantations and crop rotation.

Because of adverse weather conditions, only 133.05 million kg was produced against the target quantity of 136 million kg.

d) Grade Outturn:

The grade out-turn recorded in terms of Bright, Medium and Low grade percentages for the current crop were 43%; 31% and 26% respectively vis-a-vis 43%; 26% and 31% during last year.

e) 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:

SI. No.	Phase	Date of commencement of auction sales	Auction platforms
1	1st Phase (SLS Region)	08/03/2018 Thursday	6 Auction Platforms
2	2nd Phase (SBS Region)	19/03/2018 Monday	6 Auction Platforms
3	3rd Phase (NBS & NLS Regions)	11/04/2018 Wednesday	6 Auction Platforms

Auctions at all the auction platforms have commenced in line with the starting day prices of last year. The prices paid were stable up to 5th week of market, later on there was a small correction in the prices. There were no takers for bodied Low grade and Pale tobaccos. Rejection percentage of bales offered for sale has touched 23%.

Farmers worried about fall in prices and farmer leaders from all the auction platforms have visited the Tobacco Board Head Quarters at Guntur, represented their problems and requested for remunerative prices. The grower representatives have also interacted with major manufacturers and exporters of tobacco and requested them to support the farmers with remunerative prices in the light of spiraling up cost of cultivation and other problems faced by them in production of tobacco.

Considering the prevailing market prices and anguish of the farmers, the Secretary, Tobacco Board has convened meetings with the representatives of the Indian Tobacco Association and major manufacturers and exporters of FCV tobacco and impressed upon them regarding the price drop in market and necessity to safeguard the farmers' interests so as to continue the farmers in tobacco cultivation.

During the meeting, the trade has responded positively and subsequently they started procuring tobacco at reasonable prices across the grades offered for sale.

The auction sales were concluded on 10/10/2018. A total quantity of 133.05 million kg was marketed at an average price of ₹130 per kg.

The soil region wise average prices realised during current auctions in comparison with last year were given hereunder:

Soil Region	Quantity marketed in 2018 Auctions (million kg)	Avg. Price realised in 2018 Auctions (₹ /kg)	Avg. price in 2017 Auctions (₹ /kg)	Difference in Avg. price over 2017 auctions (₹ /kg)
Northern Black Soils (NBS)	2.85	124.41	132.89	-8.48
Southern Black Soils (SBS)	41.81	123.38	116.11	7.27
Southern Light Soils (SLS)	37.21	125.83	116.22	9.61
Northern Light Soils (NLS)	51.18	138.74	158.79	-20.05
Total	133.05	130.00	134.28	-4.28

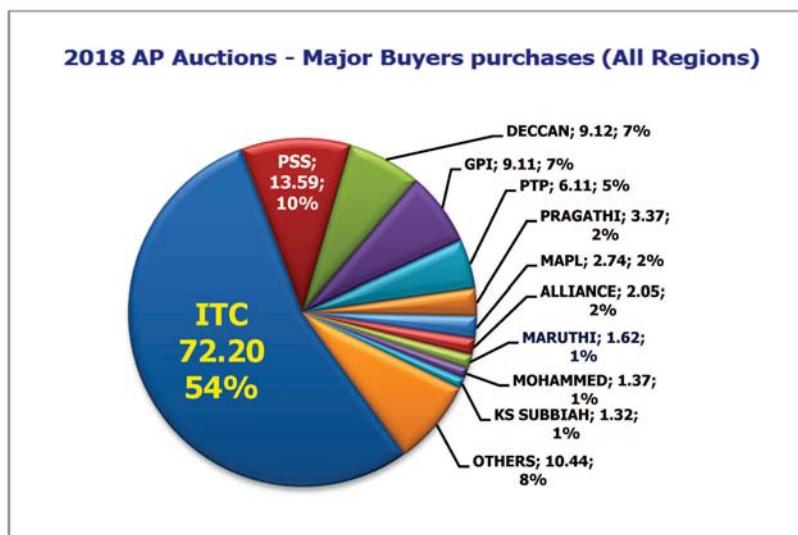
f) Buyers' Performance:

A total of 68 buyers have participated in 2018 Andhra Pradesh auctions. The quantities of tobacco purchased and average prices paid by Manufacturers, Exporters and Dealers compared to their last year purchased were given hereunder:

Sl. No.	Category of Buyer	2018 Auctions			2017 Auctions		
		Quantity (mkg)	% share	Average price (₹ /kg)	Quantity (mkg)	% share	Average price (₹ /kg)
1	Manufacturers	81.31	61.12	135.27	48.96	46.47	143.46
2	Exporters	39.65	29.80	121.43	40.40	38.35	126.02
3	Dealers	12.09	9.08	122.64	15.99	15.18	127.04
	Total	133.05	100.00	130.00	105.35	100.00	134.28

The purchases of major buyers during 2018 Andhra Pradesh FCV Tobacco auctions were given aside:

Overall, it took 173 auction days to market the 133.05 million kg of tobacco.



g) Total marketed value:

The total value of the tobacco of 2017-18 Andhra Pradesh crop purchased by the buyers was ₹1729.63 crore.

h) Permission to growers to sell excess and un-authorized crop:

Government of India vide Notification S.O.No.3867(E) & 3868(E) dated 3rd August, 2018 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 sell 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.

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

Sl. No.	Category of the growers	No. of growers	Qty. marketed (kg)	Avg. Price (₹/kg)
1.	Registered growers	25412	15376459.6	108.30
2.	Un-registered growers	41	43869.1	94.85

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

The auctions in Karnataka for sale of 2017-18 FCV tobacco crop spread over two financial years. The auctions for sale of 2017-18 FCV crop commenced in the financial year 2017-18 (08/09/2017) and concluded in the financial year 2018-19 (18/04/2018). During the financial year 2018-19, i.e. from 01/04/2018 to 18/04/2018, a quantity of 5.05 million kg of 2017-18 FCV tobacco was marketed at an average price of 122.46 per kg. Auction platform wise quantity marketed and average price realized during 01/04/2018 to 18/04/2018 are given at **page No.73-74**.

III. AUCTIONS FOR SALE OF 2018-19 FCV TOBACCO IN KARNATAKA:

a) Volume and Prices:

The auctions in Karnataka for sale of 2018-19 FCV tobacco crop commenced in the financial year 2018-19 i.e. from 19/09/2018 and concluded on 28/03/2019. A total quantity of 85.08 million kg was marketed at an average price of 142.28 per kg.

b) Highlights of 2018 Karnataka auction sales:

Board has fixed a crop size of 100 million kg of FCV tobacco for 2018-19 crop season in Karnataka considering the domestic and international demand and supply position.

As against the 100 million kg targeted crop size, only 85.08 million kg was produced this season. The farmers have taken up transplantations early in the season i.e. in the month of May itself, following good rains. During the crop growth period also record high rains were received. This affected the productivity and lead to significant drop in yield. The crop produced during this year has displayed typical Mysuru tobacco characteristics having thinner bodied, lemon colour and flavoured tobacco. Overall, the quality of crop produced this year was rated as 'good'.

c) Grade Outturn:

The grade out-turn recorded in terms of Bright, Medium and Low grade percentages for the current crop were 23%; 46% and 31% respectively vis-à-vis 21%; 45% and 34% during last year.

d) Commencement of Auction sales:

Auctions for sale 2018-19 FCV tobacco in Karnataka have commenced on 19th September 2018 at 11 auction platforms to market the estimated cured tobacco of 96.71 million kg through e-auction system.

The auction sales have commenced on a positive note and the highest price recorded for quality tobacco on starting day was ₹165/- per kg as against ₹160/- per kg during last year.

Auction prices were corrected by ₹5/- to ₹10/- per kg for medium and low grades and ₹2/- to ₹3/- per kg for bright grade tobaccos during 11 week of auctions and farmers protested the sharp fall and stopped auctions at some of the auction platforms.

A meeting was convened with all the major Manufacturers & Exporters as well as representatives of the ITA and growers on 28/11/2018, and the Executive Director reviewed the market position and impressed upon the trade to improve the prices and pay fair and remunerative price to the farmers so as to sustain the farmer & FCV tobacco cultivation.

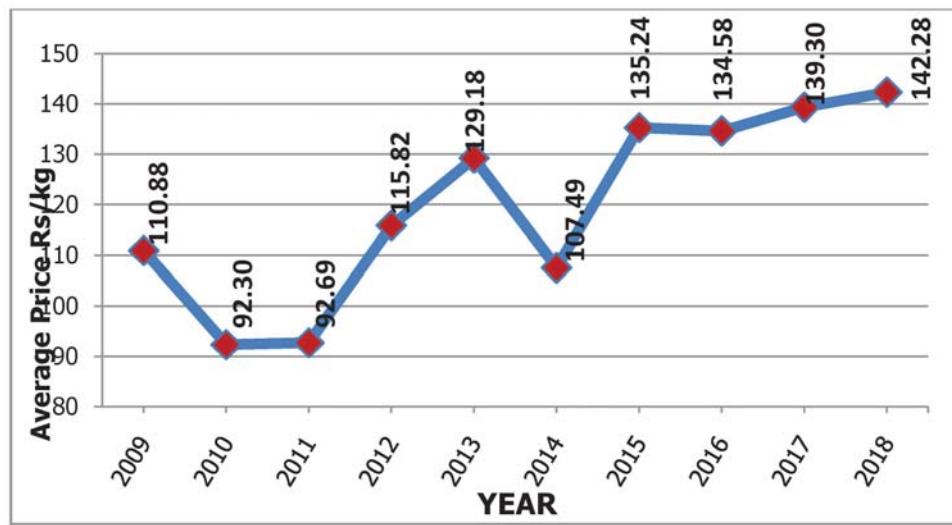
Following the review by the Executive Director, there was considerable improvement in the prices being offered by the trade. By 20th week in February the prices started improving and the trend was continued till end of the season.

The average price realised for Bright, Medium and Low grade tobaccos during 2018 Karnataka FCV Tobacco Auctions in comparison with last year's crop are given hereunder:

Grade	Qty. mkted. in 2018 auctions (million kg)	Avg. Price in 2018 auctions (₹ /kg)	Avg. price in 2017 Auctions (₹ /kg)	Difference in Avg. price in 2018 over 2017 Auctions (₹ /kg)
Bright	19.25	165.48	162.42	3.06
Medium	39.34	146.83	148.97	-2.14
Low	26.49	118.65	112.05	6.60
Total	85.08	142.28	139.30	2.98

The average price realised for bright and low grade tobaccos were higher by ₹3.06 and ₹6.60 per kg respectively over the last year average prices. In case of medium grade tobaccos the average price was lower by ₹2.14 per kg compared to last year's average price. The good average price realised for low grade tobacco has saved the farmers of Karnataka as the grade out turn of the low grade was considerably higher in the crop produced. Overall, the average price realised ₹142.28 per kg during 2018-19 season was higher by ₹2.98 per kg over last year average price and which was historical high recorded for the FCV tobacco in India.

Average prices realized by growers in Karnataka auctions since 2009



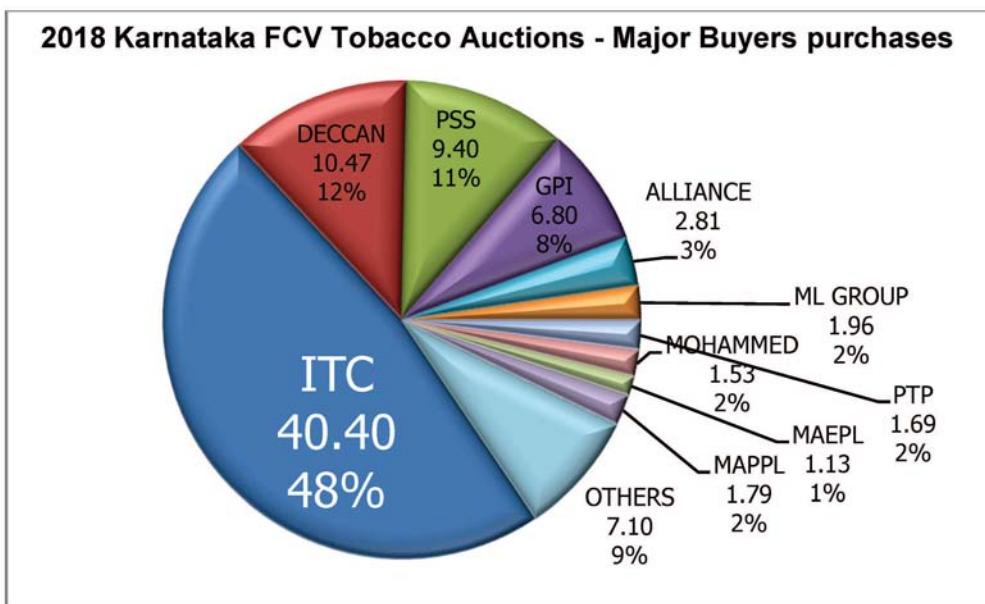
e) Buyers' Performance:

A total of 36 buyers have participated in 2018 Karnataka auctions. The quantities of tobacco purchased, percentage share and average prices paid by the Manufacturers, Exporters and Dealers during 2018-19 Karnataka auctions in comparison with previous year were as follows:

S. No	Category of Buyer	2017-18				2016-17	
		Qty. purchased (million kg)	% share	Average price (₹ /kg)	Qty. purchased (million kg)	% share	Average price (₹ /kg)
1	Manufacturers	47.20	55.48	146.43	63.93	59.80	145.85
2	Exporters	32.18	37.82	138.25	38.17	35.71	129.69
3	Others (Dealers)	5.70	6.70	130.64	4.79	4.49	128.36
	Total	85.08	100.00	142.28	106.89	100.00	139.30

A statement showing auction platform wise quantities of tobacco marketed, average prices realized and highest bids were recorded during 2018-19 Karnataka auctions was placed at page No. 65.

The purchases of major buyers during 2018 Karnataka FCV Tobacco auctions are given hereunder:



Overall, it took 147 auction days to market the 85.08 million kg of tobacco.

f) Permission to growers to sell excess crop and unauthorized crop:

Government of India vide notifications S.O.Nos.927(E) & 928(E), dated 20th February, 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 2018-19 crop season upon payment of 15% services charges and extra fee of ₹ 2.00 per kg.

The particulars of quantity of excess tobacco sold by the registered growers and un-authorized tobacco sold by the unregistered growers in Karnataka were as follows:

Sl. No.	Category of the growers	No. of growers	Qty. marketed (kg)	Avg. Price (₹/kg)
1.	Registered growers	14305	4457708.2	145.82
2.	Un-registered growers	11968	5301467.7	137.80

IV. AUCTIONS FOR SALE OF 2018-19 FCV TOBACCO IN ANDHRA PRADESH

a) Brief Report on 2019 Andhra Pradesh Auctions:

Tobacco Board has fixed a crop size of 136 million kg for 2018-19 Andhra Pradesh crop season. As against the 136 million kg target, the production was estimated at 126.29 million kg.

The 2018-19 FCV tobacco crop in Prakasam and Nellore districts was subjected to prolonged drought for the fourth consecutive year in a row. This had impacted the yields negatively. Transplantations were delayed due to lack of sufficient rains in the months of September and October. After transplantations also there was no rain in majority of SBS areas resulting in exposure to severe drought conditions.

In both the SLS & SBS regions, the farmers spent huge amounts of money i.e. more than ₹10,000/- per acre to provide lifesaving irrigations. The incidence of “Orobanche” (debilitating root parasite of tobacco plant) was severe and the yields and the quality of the crop was affected.

The North Black Soil (NBS) region has taken a worst hit due to ‘Pethai’ cyclone and the farmers were forced go for re-plantations in the month of January.

In case of Northern Light Soil (NLS) region, the crop growth was good and yielded good produce. Overall, there was no major pest and disease incidence noticed during the season.

Soil region wise crop targeted and estimated production during this year is as follows:

Sl. No.	Soil Region	Targeted Crop (million kg)	Estimated Production (million kg)
1	NBS Region	4.00	2.50
2	SBS Region	43.71	40.62
3	SLS Region	42.29	39.84
4	NLS Region	46.00	43.33
	Grand Total	136.00	126.29

The estimated Bright, Medium and Low grade percentages for the current crop are 29%; 33% and 38% respectively vis-à-vis 43%; 31% and 26% during last year.

b) Commencement of Auction sales:

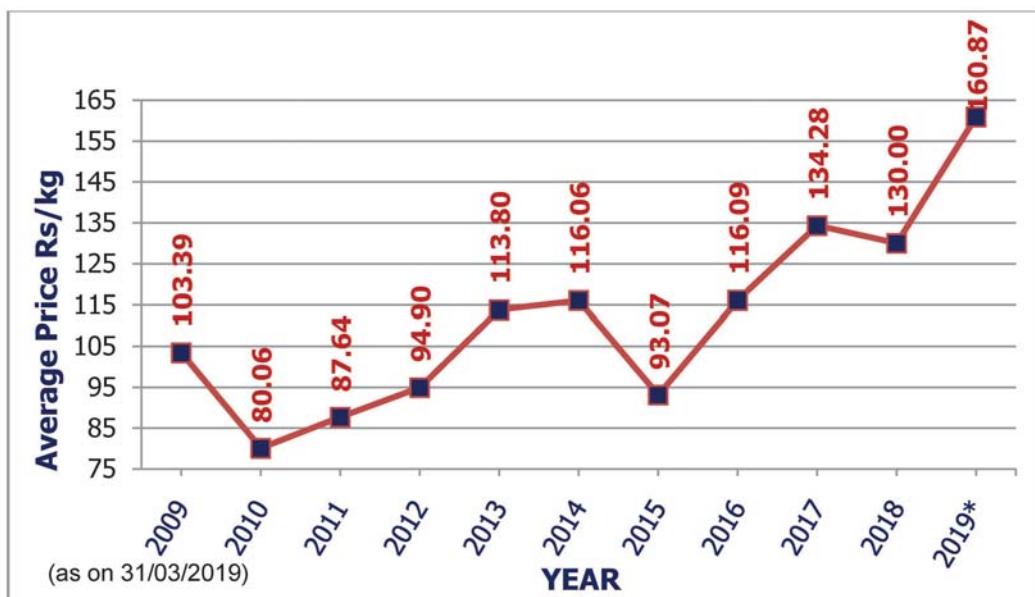
Auctions for sale of 2018-19 season FCV tobacco crop in Andhra Pradesh have commenced in 3 phases as given hereunder:

SI. No.	Phase	Date of commencement of auction sales	Auction platforms
1	1 st Phase (SLS Region)	22/03/2019	6 Auction Platforms
2	2 nd Phase (SBS & NLS Regions)	27/03/2019	6 Auction Platforms
3	3 rd Phase (NBS Region)	15/04/2019	1 Auction Platform

c) Volume and Prices:

Auctions at all the auction platforms, under SLS, SBS & NLS regions, have commenced on a positive note. A quantity of 0.95 million kg of tobacco was marketed at an average price of ₹160.87 per kg by the end of March, 2019. The average price realised ₹160.87 per kg during the current season is higher by ₹2.87 per kg over the last year average price for the corresponding volume marketed.

Average prices realized by growers in Andhra Pradesh auctions since 2009



- d) Average prices realized for Bright, Medium and low grades as on 31/03/2019 were as follow:**

Grade	Quantity marketed (million kg)	% Share	Average Price (₹/kg)
Bright	0.67	70.91	158.52
Medium	0.27	28.70	154.25
Low	0.01	0.39	155.00
Total	0.95	100.00	160.87

A statement showing auction platform wise quantities of tobacco marketed, average prices realized and highest bids recorded as on 31/03/2019 are placed at Page No.75-76.

- e) Total quantity of tobacco marketed during financial year 2018-19:**

The total quantity of tobacco marketed during the period 01/04/2018 to 31/03/2019 at all the auction platforms both in Andhra Pradesh and Karnataka was 222.49 million kg and the average price realized was ₹134.45 per kg. The particulars are placed at Page No. 73-74.

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 01/04/2018 to 31/03/2019 are placed at Page No.77-78.

V. SUPPLY OF STANDARDIZED BALE PACKING MATERIAL TO THE FARMERS

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

Accordingly, Board has standardized the tobacco bale packing material and arranged to supply to the growers, through the Indian Tobacco Association (ITA) at free of cost. The ITA had supplied 10,07,360 units of bale packing material to tobacco growers of Karnataka for 2018-19 crop and 11,57,500 units to the growers of Andhra Pradesh for 2017-18 crop. The Board arranged for distribution of bale packing material to the growers, recovery of the cost from the traders and remitting of the same to the Indian Tobacco Association.

**Auction Platform wise quantity of tobacco marketed in
Andhra Pradesh and Karnataka during the period 01/04/2018 to 31/03/2019**

Sl. No.	Name of the Auction Platform	2018 AP auctions Quantity marketed during the period 01/04/2018 to 10/10/2018		2019 AP auctions quantity marketed during the period 22/03/2019 to 31/03/2019		Total Qty. marketed during the period 01/04/2018 to 31/03/2019	
		Qty. Mkted. (kg)	Avg. Pri. (₹/kg)	Qty. Mkted. (kg)	Avg. Pri. (₹/kg)	Qty. Mkted. (kg)	Avg. Pri. (₹/kg)
I. ANDHRA PRADESH							
1	Thorredu	2847923.8	124.41	0	0.00	2847923.8	124.41
	TOTAL (NBS)	2847923.8	124.41	0	0.00	2847923.8	124.41
2	Vellampally-I						
3	Vellampally-II	7825642.0	118.75	47303.9	160.43	7872945.9	119.00
4	Ongole-I	7907105.6	119.43	20390.3	164.90	7927495.9	119.55
5	Ongole - II	6812708.0	120.96	16401.9	160.20	6829109.9	121.05
6	Tangutur-I	5753457.8	128.85	10903.6	162.35	5764361.4	128.91
7	Tangutur-II	4813202.9	126.10	15606.9	163.25	4828809.8	126.22
8	Kondepi	8022522.6	125.43	21579.5	159.61	8044102.1	125.52
	TOTAL (SBS)	41134638.9	122.82	132186.1	161.45	41266825.0	122.94
9	Podili - I	7017111.3	117.65	101175.6	156.47	7118286.9	118.20
10	Podili –II						
11	Kandukur -I	8779608.6	126.56	158011.2	163.69	8937619.8	127.22
12	Kandukur - II	7447751.8	129.09	149316.7	162.45	7597068.5	129.75
13	Kanigiri	3561647.1	118.53	71731.7	162.12	3633378.8	119.39
14	Kaligiri	3775029.9	129.27	151034.8	159.51	3926064.7	130.43
15	D.C.Palli	5663474.7	127.37	104108.3	160.91	5767583.0	127.98
	TOTAL (SLS)	36244623.4	124.98	735378.3	161.04	36980001.7	125.70
16	Devarapalli	7939196.1	143.70	16340.0	153.50	7955536.1	143.72
17	J.R.Gudem -I	11877167.3	136.90	10817.0	162.16	11887984.3	136.92
18	J.R.Gudem - II	12001993.5	135.78	18644.8	159.81	12020638.3	135.82
19	Koyyalagudem	11194575.5	137.14	12199.4	155.20	11206774.9	137.16
20	Gopalapuram	8167421.0	143.16	21050.6	160.48	8188471.6	143.20
	TOTAL (NLS)	51180353.4	138.74	79051.8	158.29	51259405.2	138.77
	SUB TOTAL	131407539.5	129.65	946616.2	160.87	132354155.7	129.87

II. KARNATAKA

Sl. No.	Name of the Auction Platform	2017 Karnataka auctions Quantity marketed during the period 01/04/2018 to 18/04/2018		2018 Karnataka auctions quantity marketed during the period 19/09/2018 to 28/03/2019		Total Qty. marketed during the period 01/04/2018 to 31/03/2019	
		Qty. Mkted. (kg)	Avg. Pri. (₹/kg)	Qty. Mkted. (kg)	Avg. Pri. (₹/kg)	Qty. Mkted. (kg)	Avg. Pri. (₹/kg)
1	H.D.Kote-I			7482384.2	143.02	7482384.2	143.02
2	H.D.Kote-II						
3	Hunsur-I	289452.9	111.81	7408706.2	142.50	7698159.1	141.35
4	Hunsur-II	187591.9	114.93	7520079.4	141.58	7707671.3	140.93
5	Hunsur-III	256129.5	130.7	6632128.2	143.21	6888257.7	142.74
6	Kampalapura-I	286383.4	120.45	7131200.8	142.21	7417584.2	141.37
7	Chilkunda			9248125.0	142.69	9248125.0	142.69
8	Periyapatna-I	569135.3	111.1	8694001.8	144.21	9263137.1	142.18
9	Periyapatna-II	754635	132.55	8827459.5	142.15	9582094.5	141.39
10	Periyapatna-III	639394.8	121.49	7700179.6	142.05	8339574.4	140.47
11	Ramanathapura-I	1280945.2	125.43	7873960.4	140.83	9154905.6	138.68
12	Ramanathapura-II	791064.8	120.73	6562238.7	140.12	7353303.5	138.03
	SUB TOTAL	5054732.8	122.46	85080463.8	142.28	90135196.6	141.17
	GRAND TOTAL	136462272.3	129.38	86027080.0	142.48	222489352.3	134.45

**2018 KARNATAKA AUCTIONS - AUCTION PLATFORM WISE PARTICULARS OF
FCV TOBACCO AUCTIONED AS ON 31/03/2019**

Sl. No.	Name of the Auction Platform	APF No.	Targetted Quantity (mkg)	Date of commencement	No. of bales sold	Highest bid recorded (₹/kg)	Quantity marketed (kg)	Value of tobacco marketed (₹)	Avg. price (₹/kg)
1	H.D. Kote-I	1	9.18	19.09.18	74751	186.00	7482384.2	1070224381.00	143.02
2	Hunsur - I	2	7.02	19.09.18	74811	188.00	7408706.2	1055737009.60	142.50
3	Hunsur - II	3	6.92	19.09.18	75493	188.00	7520079.4	1064691862.20	141.58
4	Hunsur - III	64	6.05	19.09.18	66374	188.00	6632128.2	949750147.30	143.21
5	Kampalapura	61	7.42	19.09.18	71941	187.00	7131200.8	1014150118.60	142.21
6	Chilkunda	62	10.55	19.09.18	93677	186.00	9248125.0	1319558210.60	142.69
7	Periyapatna - I	4	12.15	19.09.18	85015	186.00	8694001.8	1253795751.50	144.21
8	Periyapatna - II	5	11.04	19.09.18	87060	188.00	8827459.5	1254862172.30	142.15
9	Periyapatna - III	6	10.30	19.09.18	77317	188.00	7700179.6	1093825394.20	142.05
10	Ramanathapura-I	7	10.65	19.09.18	82672	186.00	7873960.4	1108854052.80	140.83
11	Ramanathapura-II	63	8.72	19.09.18	68565	186.00	6562238.7	919470706.50	140.12
Grand Total		100.00	19.09.18	857676	188.00		85080463.8	12104919806.60	142.28

2019 - Andhra Pradesh Auctions - Auction Platform wise particulars of FCV Tobacco Auctioned as on 31/03/2019

Sl. No.	Name of the Auction Platform	APF No.	Targeted Quantity (mkg)	Estimated Quantity (mkg)	Date of commencement	No.of bales sold	Highest bid recorded (₹/kg)	Quantity marketed (kg)	Value of tobacco marketed (₹)	Avg. price (₹/kg)
1	Thorredu	15	4.00	2.50	15.04.19				Auction sales yet to be commenced	
	TOTAL(NBS)	4.00	2.50							
3	Vellampally - II	31	8.63	8.31	27.03.19	355	166.00	47303.9	7588964.68	160.43
4	Ongole - I	20	7.15	7.50	27.03.19	152	175.00	20390.3	3362360.47	164.90
5	Ongole - II	23	8.12	7.30	27.03.19	139	173.00	16401.9	2627584.38	160.20
6	Tangutur-I	24	6.20	5.80	27.03.19	84	166.00	10903.6	1770199.46	162.35
7	Tangutur-II	34	5.71	4.91	27.03.19	135	167.00	15606.9	2547826.43	163.25
8	Kondepi	25	7.90	6.80	27.03.19	154	165.00	21579.5	3444304.00	159.61
	TOTAL (SBS)	43.71	40.62	1019		175.00	132186.1	21341239.41	161.45	
10	Podili - I	22	10.34	8.00	22.03.19	738	168.00	101175.6	15830946.13	156.47
11	Kandukur - I	26	8.16	9.46	22.03.19	1205	178.00	158011.2	25863273.22	163.68
12	Kandukur - II	27	7.30	8.48	22.03.19	1103	179.00	149316.7	24256497.92	162.45
13	Kanigiri	35	4.71	3.60	22.03.19	521	170.00	71731.7	11629143.20	162.12
14	Kaligiri	28	5.29	4.20	22.03.19	1162	173.00	151034.8	24091560.95	159.51
15	D.C. Palli	29	6.49	6.10	22.03.19	755	173.00	104108.3	16752066.55	160.91
	TOTAL (SLS)	42.29	39.84			5484	179.00	735378.3	118423488.0	161.04
16	Devarapalli	17	7.49	6.48	27.03.19	133	170.00	16340	2508190.00	153.5
17	J.R. Gudem - I	18	10.42	10.05	27.03.19	82	170.00	10817	1754084.72	162.16
18	J.R. Gudem - II	32	10.57	9.80	27.03.19	137	170.00	18644.8	2979625.49	159.81
19	Koyyalagudem	30	9.71	9.80	27.03.19	92	170.00	12199.4	1893346.88	155.2
20	Gopalapuram	33	7.81	7.20	27.03.19	160	170.00	21050.6	3378200.29	160.48
	TOTAL(NLS)	46.00	43.33			604	170.00	79051.8	12513109.42	158.29
	GRAND TOTAL	136.00	126.29			7107	179.00	946616.2	152277836.8	160.87

**BUYER WISE PURCHASES BOTH IN ANDHRA PRADESH AND KARNATAKA
DURING THE PERIOD - 01/04/2018 TO 31/03/2019**

Sl. No	Name of the Buyer	2017-18 AP CROP			2018-19 AP CROP			2017-18 KARNATAKA CROP			2018-19 KARNATAKA CROP			TOTAL		
		FROM 01/04/2018 TO 10/10/2018			FROM 22/03/2019 TO 31/03/2019			FROM 01/04/2018 TO 18/04/2018			FROM 19/09/2018 TO 28/03/2019					
		Quantity in kg	Avg. price (₹/kg)	% share	Quantity in kg	Avg. price (₹/kg)										
MANUFACTURERS																
1	ITC LTD	71357055.2	136.20	54.30	403201.7	157.2	42.59	2472790.5	147.22	48.92	40400973.0	146.71	47.49	114634020.4	140.22	51.52
2	GPI LTD	9003887.7	125.60	6.85	70026.9	161.34	7.40	288610.3	116.11	5.71	6802809.4	144.77	8.00	16165334.3	133.65	7.27
	Sub-Total	80360942.9	135.01	61.15	473228.6	157.81	49.99	2761400.8	143.97	54.63	47203782.4	146.43	55.48	130799354.7	139.40	58.79
EXPORTERS																
1	Polisetty Somasundaram	13543960.9	125.76	10.31	93396.5	164.83	9.87	515908.5	127.15	10.21	9404646.3	143.01	11.05	23557912.2	132.83	10.59
2	Alliance One Industries Ind. Ltd.	2000597.0	127.93	1.52							2807612.9	125.69	3.30	4808209.9	126.62	2.16
3	Premier Tob. Packers Pvt.ltd.	5885737.8	130.62	4.48	24563.1	167.08	2.59				1692378.9	141.66	1.99	7602679.8	133.20	3.42
4	M.L. & Co. group	1279344.7	131.32	0.97	16323.0	163.56	1.72	165305.6	102.35	3.27	1958483.8	132.74	2.30	3419457.1	130.89	1.54
5	Mitrapalli Adinayrayana Ent.Pvt.Ltd.	501807.0	132.16	0.38				155785.3	73.50	3.08	1130693.4	101.76	1.33	1788285.7	107.83	0.80
6	Yarlagadda Exports	844906.2	111.75	0.64				9190.2	164.86	0.18	153703.4	153.01	0.18	1007799.8	118.53	0.45
7	Mitrapalli Agro Products Pvt. Ltd.(R)	2742617.6	87.31	2.09				458360.5	80.27	9.07	1785564.9	111.79	2.10	4986543.0	95.43	2.24
8	Lakshmi Enterprises							22869.4	82.56	0.45				22869.4	82.56	0.01
9	Pragathi Tobacco Traders													132241.3	160.32	0.06
10	Prapalsha Agros Ltd.	174840.9	99.02	0.13	132241.3	160.32	13.97	16308.6	60.99	0.32	31482.6	134.91	0.04	222632.1	101.31	0.10
11	Chaitanya Tobacco Co.	45599.0	157.13	0.03							63349.6	130.52	0.07	108948.6	141.66	0.05
12	Avinash Tobaccos	109445.6	116.10	0.08	6641.8	171	0.70							116087.4	119.24	0.05

Sl. No	Name of the Buyer	2017-18 AP CROP				2018-19 AP CROP				2017-18 KARNATAKA CROP				2018-19 KARNATAKA CROP				TOTAL		
		FROM 01/04/2018 TO 10/10/2018				FROM 22/03/2019 TO 31/03/2019				FROM 01/04/2018 TO 18/04/2018				FROM 19/09/2018 TO 28/03/2019						
		Quantity in kg	Avg. price (₹/kg)	% share	Quantity in kg	Avg. price (₹/kg)	% share	Quantity in kg	Avg. price (₹/kg)	% share	Quantity in kg	Avg. price (₹/kg)	% share	Quantity in kg	Avg. price (₹/kg)	% share	Quantity in kg	Avg. price (₹/kg)	% share	
13	Panchajanya Tobacco	33482.9	122.25	0.03				13266.5	50.47	0.26	231753.2	117.32	0.27	278502.6	114.73	0.13				
14	Mohammed Enterprises Pvt.Ltd.	1370155.9	145.97	1.04				28904.8	20.19	0.57	1526785.0	139.95	1.79	2925845.7	141.59	1.32				
15	Vani Tobaccos																			
16	Ethnic Group																			
17	Deccan Tobacco Company group	9024196.7	115.97	6.87	52391.2	157.97	5.53	3285.8	106.71	0.06	341266.4	119.92	0.40	341266.4	119.92	0.15				
18	Shaik Masthan Saheb Tobacco	1074232.2	97.62	0.82				505901.1	104.15	10.01	10469435.6	148.45	12.31	20051924.6	132.74	9.01				
19	Verkata Sai Tobacco Co.	384433.1	82.90	0.29				39342.9	82.12	0.78	321735.4	124.24	0.38	1435310.5	103.16	0.65				
20	Hamid Exports	46960.0	72.10	0.04				8900.5	79.61	0.18	118860.8	81.37	0.14	174721.3	78.79	0.08				
21	Cartel Tobaccos	22710.0	51.52	0.02																
22	Sri Hanuma Enterprises	86387.0	158.01	0.07																
	Sub-Total	39171414.5	120.98	29.81	325556.9	162.13	34.39	1943329.7	99.52	38.45	3217738.8	138.25	37.82	73618039.9	128.14	33.09				
	OTHERS (Dealers)	11875182.1	122.00	9.04	147830.7	167.87	15.62	350002.3	80.18	6.92	5698942.6	130.64	6.70	18071957.7	124.29	8.12				
	GRAND TOTAL	131407539.5	129.65	100.00	946616.2	160.87	100.00	5054732.8	122.46	100.00	85080463.8	142.28	100.00	222489352.3	134.45	100.00				

TRADING WING

The Government of India had created Trading Wing in 1984 with margin money of ₹1.25 crore for its operations. The margin money available with the Board as on 31/03/2019 was ₹22.66 crore. The objective of Trading Wing is to purchase Virginia tobacco from growers on the Auction Platforms at prices fixed by the Government when it is expedient and dispose of the same in India or abroad as per Section 20-A of Tobacco Board Act, 1975. Trading Wing of Tobacco Board had not taken up any price support operations during 2018-19, as the market was buoyant and the growers received better prices.

REGISTRATION AS PROCESSOR/MANUFACTURER / COMMERCIALGRADERS 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 obtain Registration/Renewal of registration from the Tobacco Board for each category separately for carrying out the above business operations. The registration or renewal of registration granted by Tobacco Board is valid for one calendar year.

The particulars of Registration / Renewal of registration granted to different categories of traders for the year 2018 and for the year 2019 (as on 31/03/2019) are as follows:

Sl. No.	Category	No. of Companies Registered	
		2018	2019*
1	Processor of Virginia Tobacco	15	13
2	Manufacturer of Virginia Tobacco	41	26
3	Exporter of Tobacco	167	149
4	Exporter of Tobacco Products	320	280
5	Dealer in Tobacco	509	408
6	Packer of Tobacco	22	22
7	Commercial Grader of Virginia tobacco	34	30
Total		1108	928

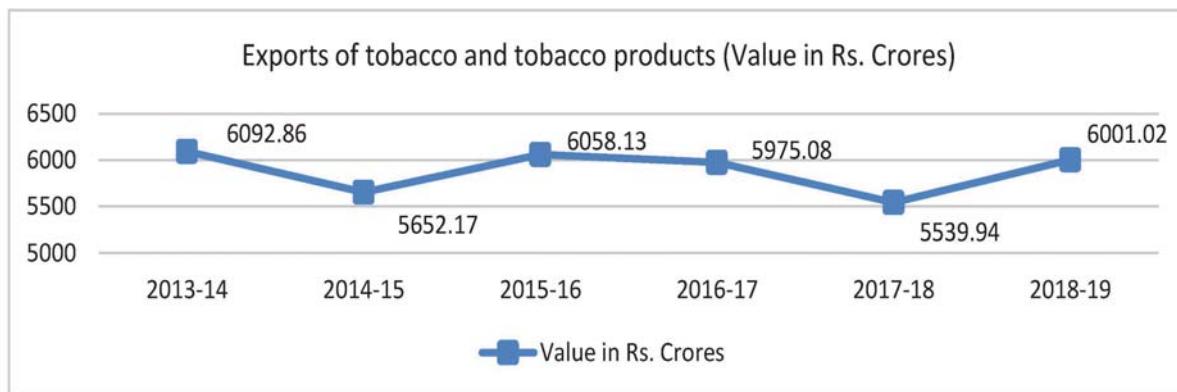
*As on 31/03/2019

In line with the Government of India's 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 a 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 through portal www.tobaccoboard.in

MARKETING AND EXPORTS OF TOBACCO AND TOBACCO PRODUCTS FROM INDIA

Indian exports of unmanufactured tobacco and tobacco products have crossed ₹ 6,000 crore mark once again during 2018-19. After the record exports of ₹ 6,092.86 crores during 2013-14, this is third time that the magic figure was achieved, second time being 2015-16 (₹ 6,058.13 Crore).

Exports of Tobacco and Tobacco Products since 2013-14:



I Indian Tobacco and tobacco products trade analysis

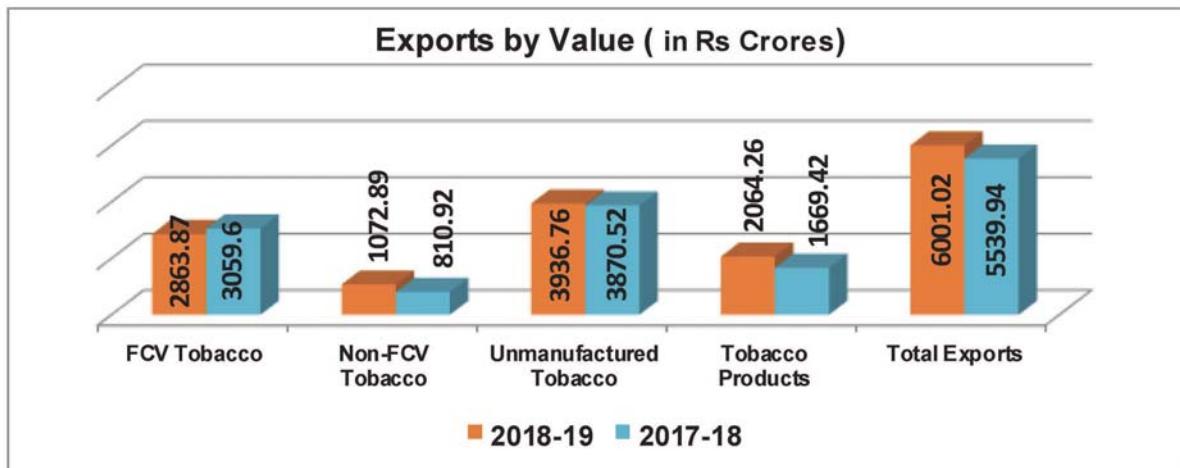
1.1 Overall export performance of tobacco and tobacco products from India:

Indian exports of tobacco and tobacco products during 2018-19 were in the order of 2,20,517 M. Tons valued ₹ 6,001.02 Crores or \$ 858.52 Million US dollars. During 2018-19, the exports have gone up by 4% in terms of quantity and 8% in terms of value in rupees as compared to the exports made during the last year. Exports of tobacco and tobacco products in dollar terms, however, have declined marginally by 0.11%.

Exports of unmanufactured tobacco (FCV & Non-FCV tobacco) and tobacco products from India during 2018-19 in comparison with exports during the previous year are as follows:

S. No	Categories	April 2018 - March 2019			April 2017 - March 2018			% Change in Value (Million US\$)
		Qty. in Metric Tons	Value ₹ in Crore	Value in Million US\$.	Qty. in Metric Tons	Value ₹ in Crore	Value in Million US\$.	
I	Unmanufactured Tobacco							
a	FCV Tobacco	1,13,583	2,863.87	409.71	1,24,686	3059.60	474.58	-13.67
b	Non FCV Tobacco	69,481	1,072.89	153.49	56,901	810.92	125.85	21.96
	Total	1,83,064	3,936.76	563.20	1,81,587	3870.52	600.43	-6.20
II	Tobacco Products	37,453	2,064.26	295.32	31,329	1669.42	259.02	14.01
	Grand Total	2,20,517	6,001.02	858.52	2,12,916	5539.94	859.45	-0.11
	% Change over 2017-18 (+/-)previous Year	4	8	-0.11	-8	-7	-4	

Forex conversion factor for April 2018 - March 2019: 1 US\$= ₹ 69.90

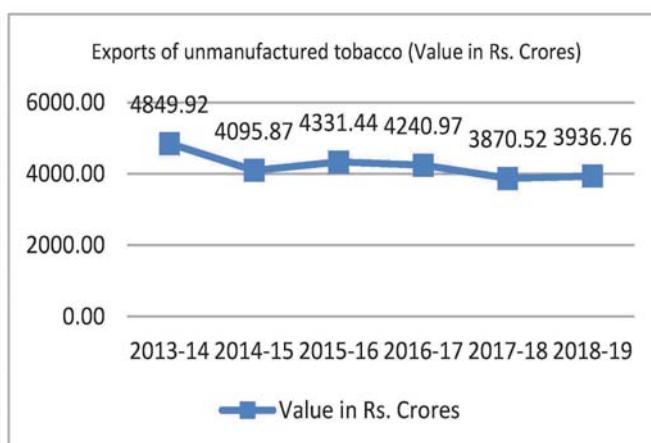


1.2 Unmanufactured tobacco exports:

Exports of unmanufactured tobacco during 2018-19 have increased by 1% to 1,83,064 tons and by 2% in terms of rupees to ₹3,936.76 crore as compared to the exports made during last year. This is against 1,81,587 Metric Tons of unmanufactured tobacco exported during 2017-18 valued at ₹3,870.52 crores (US\$ 600.43 million). However, in dollar terms the exports of unmanufactured tobacco have declined by 6% to US\$ 563.20 million over last year. During 2018-19, India's unmanufactured tobacco exports accounted for 83% of total exports of tobacco and tobacco products in terms of quantity and 66% in terms of value in rupees and in dollar terms.

Exports of Unmanufactured Tobacco since 2013-14:

Year	Exports of Unmanufactured Tobacco	
	Value in ₹ Crore	Value in Million US\$.
2013-14	4,849.92	801.64
2014-15	4,095.87	669.81
2015-16	4,331.44	661.59
2016-17	4,240.97	633.23
2017-18	3,870.52	600.43
2018-19	3,936.76	563.20



1.2.1 Type wise exports of unmanufactured tobacco:

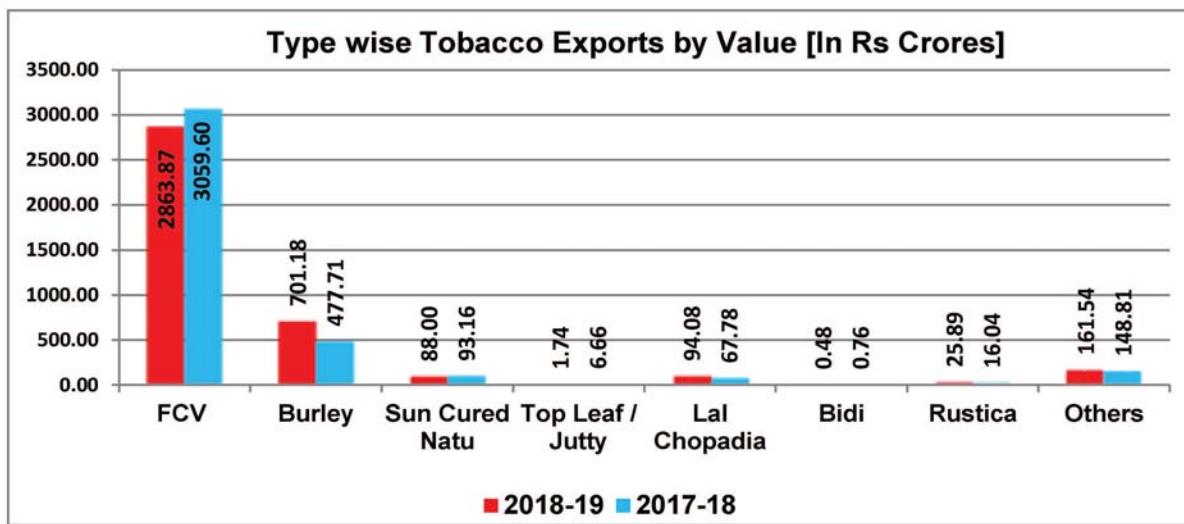
In quantity terms, out of the total exports of Indian unmanufactured tobacco during the year 2018-19, FCV tobacco is the major tobacco type exported with 62% share, followed by Burley (23%). The other tobacco types being exported are Lal Chopadia (5%), Sun Cured Natu (3%), Rustica (1%), Bidi (0.10%) and Top Leaf/Jutty (0.08%).

In value terms, FCV tobacco exports constituted 73% of the total unmanufactured tobacco exports; Non-FCV tobacco exports accounted for the balance 27% in rupee and dollar terms.

Type wise breakup of tobacco exports during the year 2018-19 in comparison to that of 2017-18 is as follows:

(Quantity in Metric Tons, Value in ₹ Crore)

Tobacco Type	2018-19				2017-18	
	Quantity	% change Y-o-Y	Value	% change Y-o-Y	Quantity	Value
Flue Cured Virginia tobacco	1,13,583	-8.90	2,863.87	-6.40	1,24,686	3,059.60
NON-FCV Tobaccos						
Burley tobacco	42,229	29.96	701.18	46.78	32,494	477.71
Sun Cured Natu tobacco	5,652	-12.36	88.00	-5.54	6,449	93.16
Top Leaf / Jutty tobacco	147	-70.69	1.74	-73.93	500	6.66
Lal Chopadia tobacco	8,822	59.62	94.08	38.80	5,527	67.78
Bidi tobacco	185	-65.55	0.48	-36.99	537	0.76
Rustica tobacco	2,132	80.20	25.89	61.38	1,183	16.04
Others	10,314	1.01	161.54	8.55	10,211	148.81
Sub-Total (Non-FCV Type)	69,481	22.11	1,072.89	32.31	56,901	810.92
Total	1,83,064	0.81	3,936.76	1.71	1,81,587	3,870.52



FCV tobacco exports during 2018 - 2019 were in the order of 1,13,583 Metric Tons valued ₹ 2,863.87 crores (US\$ 409.71 million) as against 1,24,686 Metric Tons exported during 2017-18 valued at ₹ 3,059.60 crores (US\$ 474.58 million). Exports of FCV tobacco during 2018-19 have declined by 9% in quantity terms over last year. In value terms, the FCV tobacco exports are down by 6% and 14% respectively in terms of rupees and in US dollars respectively over last years' exports.

Non-FCV tobacco exports during 2018-19 were in the order of 69,481 metric tons valued at ₹ 1,072.89 Crores (153.49 million US\$). Non-FCV tobacco exports recorded a healthy growth of 22% in terms of quantity when compared to the last year. In value terms, Non-FCV tobacco exports have recorded a growth of 32% and 22% in terms of rupees and in US dollars respectively when compared to the last years' exports. Overall, the decline in FCV tobacco exports was compensated by the growth in Non-FCV segment. The main reason for decline in exports of FCV tobacco is reduction in production volumes and PMI's withdrawal from purchase of FCV tobacco from India.

Flue Cured Exports for the last six years:

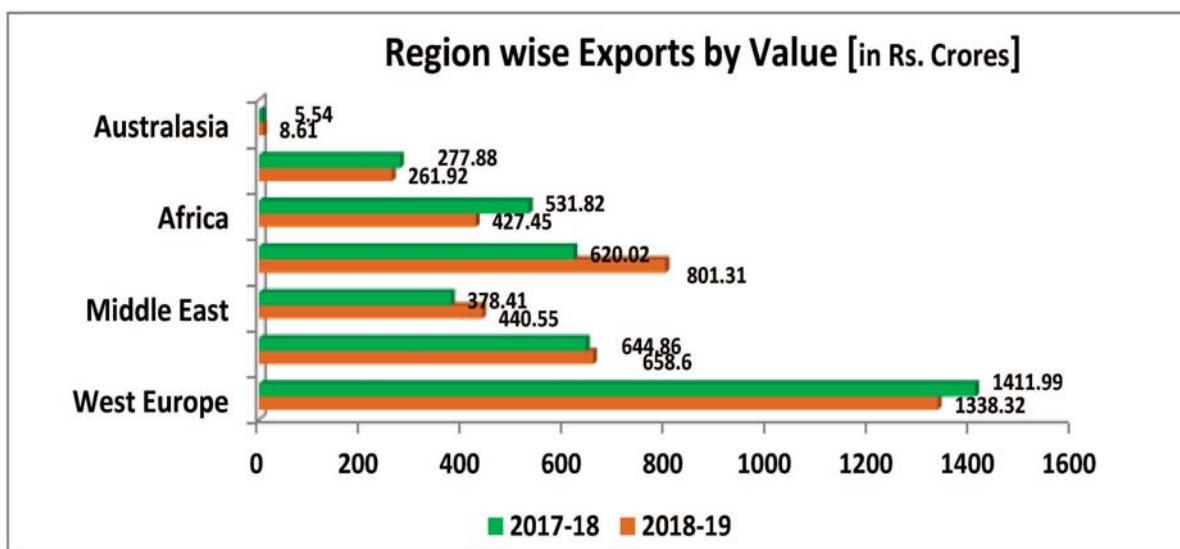
Year	Exports of FCV tobacco		% Change in Value (US \$)Y-o-Y
	Value in ₹ Crore	Value in Million US\$.	
2013-14	4,084.09	675.1	28
2014-15	3,201.71	523.6	-22
2015-16	3,495.81	534.0	9
2016-17	3,428.45	512.0	-2
2017-18	3,059.60	474.6	-11
2018-19	2,863.87	409.7	-6

FCV tobacco exports have declined by whopping 30% from 2013-14 to 2018-19. The declining trend is continuing in the last three years.

1.2.2 Region wise exports of unmanufactured tobacco:

(Quantity in Metric Tons, Value in ₹ Crore)

REGION	2018-19				2017-18				%share in total
	Quantity	% share in total	Value	% share in total	Quantity	% share in total	Value	% share in total	
West Europe	54,808	29.94	1,338.32	34.00	57,035	31.41	1,411.99	36.48	-5.22
East Europe	26,549	14.50	658.60	16.73	28,777	15.85	644.86	16.66	2.13
Middle East	25,061	13.69	440.55	11.19	22,042	12.14	378.41	9.78	16.42
South & South East Asia	36,523	19.95	801.31	20.35	28,719	15.81	620.02	16.02	29.24
Africa	24,129	13.18	427.45	10.86	27,672	15.24	531.82	13.74	-19.63
North & South Americas	15,777	8.62	261.92	6.65	17,179	9.46	277.88	7.18	-5.74
Australasia	217	0.12	8.61	0.22	163	0.09	5.54	0.14	55.42
Total	1,83,064	100	3,936.76	100	1,81,587	100	3,870.52	100	1.71



In value terms, Western Europe continues to be the major destination for Indian tobaccos with a share of about 34% in total exports. However, exports to this region are down by 5.22% over last year. Exports to South and South East Asian region recorded the highest growth of 29.24% during 2018-19, when compared to the corresponding period of last year, followed by Middle East (16.42%) and East Europe (2.13%) offsetting the decline noticed in the regions Africa (-19.63%) and North & South Americas (-5.74%).

1.2.3 Country wise Exports of unmanufactured tobacco to top 10 markets

S. No	Country	April 2018 - March 2019			April 2017 - March 2018			% change in value in terms of US\$
		Qty. Metric Tons	Value in ₹ Crore	Value in Million US\$.	Qty. Metric Tons	Value in ₹ Crore	Value in Million US\$.	
1	BELGIUM	34,934	891.13	127.49	36,949	994.14	142.22	-10.36
2	EGYPT	15,419	206.83	29.59	13,790	177.69	25.42	16.40
3	PHILIPPINES	15,069	243.45	34.83	2,834	37.36	5.34	551.63
4	U A E	9,350	168.11	24.05	10,412	162.95	23.31	3.17
5	SOUTH KOREA	7,994	199.35	28.52	11,268	251.42	35.97	-20.71
6	YEMEN	6,839	68.18	9.75	4,889	58.26	8.33	17.03
7	GERMANY	6,503	140.07	20.04	5,669	112.79	16.14	24.19
8	RUSSIA	6,409	174.43	24.95	7,535	181.28	25.93	-3.78
9	NEPAL	5,798	144.19	20.63	7,421	175.11	25.05	-17.66
10	U.S.A	5,243	69.60	9.96	5,148	55.88	7.99	24.55

Exports to Belgium, the top importer, has shown 10% decline in value terms (US\$) during 2018-19. Other major export markets which showed considerable decline are Nepal (18%), South Korea (21%), and Russia (4%). However, exports to Philippines recorded significant growth of 552% in dollar terms making it the 3rd largest market for Indian Unmanufactured tobacco during 2018-19. Other major markets which showed a significant increase are Germany (24%), USA (25%), Yemen (17%), Egypt (16%) and UAE (3%).

In quantity terms, Exports to Belgium, the top importer, has shown 5% decline during 2018-19. Similarly, exports to UAE and Russia, also showed a decline of 10 and 15 % respectively. Other major export markets which showed considerable decline are Poland (-34%), Nepal (-22%), South Korea (-29%), Nigeria (-46%), South Africa (-67%), France (-17%), Mozambique (-87%) and Bulgaria (-21%).

Markets which showed significant increase are Philippines (432%), Yemen (40 %), Germany (15%), Netherlands (16%), Armenia (33%), Belarus (57%), Georgia (63%), Jordan (90%), Saudi Arabia (219%), Indonesia (29%) and Vietnam (9%).

1.3 Exports of Tobacco Products:

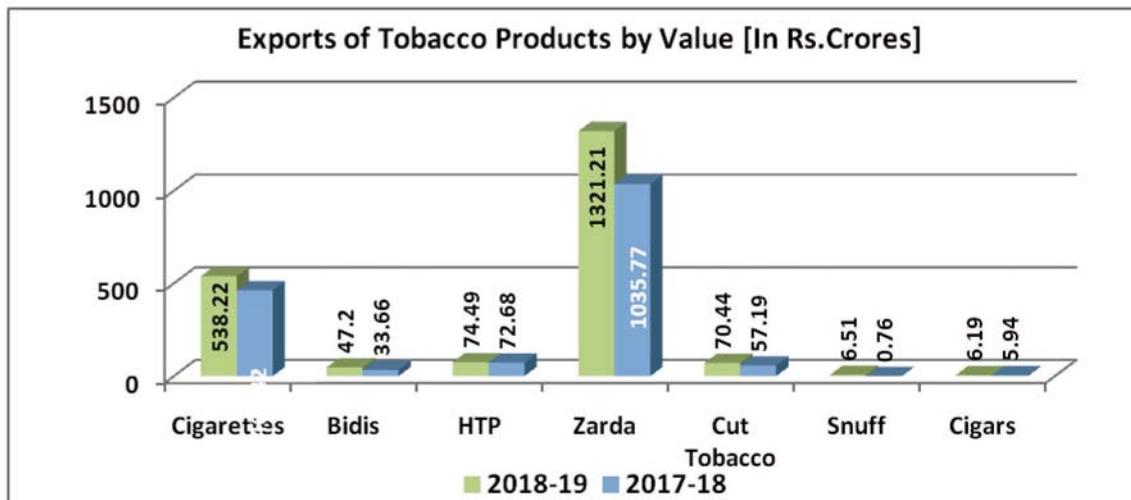
Tobacco product exports during 2018 - 2019 were in the order of 37,453 Metric Tons valued ₹ 2,064.26 crores (US\$ 295.32 million) as against 31,329 Metric Tons exported valued at ₹ 1,669.42 crores (US\$ 259.02 million) during 2017-18. Exports of Tobacco products have increased by 20% in quantity terms during 2018-19 over last year. In value terms, Tobacco product exports are up by 24% and 14% respectively in terms of rupees and in US dollars over last year's exports.

Tobacco product wise exports during the year 2018-19 in comparison to that of 2017-18 is as follows:

(Quantity in Metric Tons, Value in ₹ Crore)

S. No	Product Segment	2018-19			2017-18		
		Quantity	% change Y-o-Y	Value	% change Y-o-Y	Quantity	Value
1	Cigarettes	9,770	10.95	538.22	16.14	8,806	463.42
2	Bidis	364	36.84	47.2	40.23	266	33.66
3	Hookah tobacco paste	4,737	5.74	74.49	2.49	4,480	72.68
4	Chewing Tobacco	18,686	28.81	1,321.21	27.56	14,507	1,035.77
5	Cut Tobacco	3,694	15.73	70.44	23.17	3,192	57.19
6	Snuff	93	481.25	6.51	756.58	16	0.76
7	Cigars	109	75.81	6.19	4.21	62	5.94
TOTAL		37,453	19.55	2,064.26	23.65	31,329	1,669.42

All the categories under tobacco products registered a positive growth, among which all the major segments viz., Chewing tobacco, Cut tobacco, Cigarettes registered significant growth of 29%, 16% and 11% respectively when compared to the last year. The other major segment, Hookah Tobacco Paste (HTP) also showed a positive growth of 6%.



1.4 Imports of Tobacco and Tobacco Products:

Imports of Unmanufactured tobacco into India during 2018-19 was 2,596 tons, constituting about 1% of India's exports of unmanufactured tobacco. Value wise, the share is 2.6%. Tobacco product imports are more than unmanufactured imports accounting for 60% of total imports. Overall, imports of tobacco and tobacco products during 2018-19 have increased by 28% to 6,365 tons from 4,985 tons during last year. In value terms, the total imports of tobacco and tobacco products have increased by 41% and 30% in terms of rupees and dollars terms compared to last year.

Imports of Tobacco and Tobacco products into India during 2018-19

(Quantity in Metric Tons, Value in ₹ Crore)

Commodity	April 2018-March 2019			April 2017 -March 2018		
	Qty in m. tons	Value in ₹ crore	Value in million US \$	Qty in m. tons	Value in ₹ crore	Value in million US \$
FCV tobacco	2,207	99.52	14.03	791	35.00	5.44
Non-FCV tobacco	389	3.37	0.50	751	34.47	5.33
Unmanufactured tobacco	2,596	102.89	14.53	1,542	69.47	10.77
Tobacco Products	3,769	257.66	36.84	3,443	185.93	28.85
Total	6,365	360.55	51.37	4,985	255.4	39.63
% change over last year (+/-)	(+) 27.68%	(+) 41.17%	(+) 29.62%	(+) 9.30	(-) 16.46%	

Source: DGCIS

1.4.1 Imports of Unmanufactured Tobacco:

Indian imports of unmanufactured tobacco during 2018-19 have increased by 68% to 2,596 tons from 1,542 tons in terms of volume and by 48% to ₹102.89 crore from ₹69.47 crore in terms of value when compared to last year.

The imports of unmanufactured tobacco during 2018-19 are mainly from Belgium, Brazil, Bulgaria, China, Egypt, Germany, Italy, Mozambique, Myanmar, Poland, South Africa, Turkey, UAE, UK, USA, Yemen Republic, Zambia, and Zimbabwe.

Among the unmanufactured tobacco imports, FCV tobacco imports occupy the major volume (85%) while the other tobacco types constitute 15% of the total imports.

1.4.2 Imports of Tobacco products

(Cigars, Cigarillos and Cigarettes, of tobacco or tobacco substitutes):

Cigarette imports during 2018-19 have increased by 68% to 514.44 Million pieces from 306.80 Million pieces in quantity terms and by 73% to ₹156.92 Crore from ₹90.90 crore in value terms when compared to the imports during 2017-18.

Cigarette imports occupy the major share (64%) in imports under this category. These imports are mainly from Serbia (151 m tons), Germany (97 m tons), UAE (84 m tons), Singapore (66 m tons), Vietnam (30 m tons), Switzerland (25 m tons), China (24 m tons), Hong Kong (20 m tons), Korea (19 m tons), Indonesia (13 m tons) Thailand (8 m tons), Malaysia (3 m tons), Aruba (1.5 m tons), Croatia (1.2 m tons) and others (0.5 m tons).

Cigars, Cheroots, Cigarillos and other products occupy a share of 36% in imports of tobacco products. These imports are mainly from China, UAE, Thailand, Sri Lanka, Bangladesh, USA, Cuba, Switzerland and others.

1.4.3 Imports of Other Manufactured tobacco and manufactured tobacco substitutes:

Under this category, Cut Tobacco weighing 1,967.48 m. tons valued at ₹61.24 crore, Smoking tobacco (Hookah) of 506.12 m. tons valued at ₹11.24 crore, Reconstituted Tobacco of 466.59 m. tons valued at ₹10.46 crore, Chewing Tobacco of 22.50 m. tons valued at ₹1.45 crore, Tobacco Extract and Essence of 1.24 m. tons valued ₹0.26 crore were imported during 2018-19.

Cut Tobacco occupies a share of 66 % in imports under this category. These imports are mainly from Philippines (688.84 m tons), South Africa (641.02 m tons), UAE (294.93 m tons), Indonesia (182.06 m tons), Germany (71.5 m tons), Korea (35.88 m tons), Vietnam (31.78 m tons), Bangladesh (12.2 m tons), France (3.5 m tons), USA (3.16 m tons), Hong Kong (1.26 m tons) and Belgium (1.2 m tons). Cut tobacco is being imported for manufacture of foreign brand cigarettes in India.

II EXPORT PROMOTION ACTIVITIES

2.1 Renewal of Phyto-sanitary protocol for export of tobacco leaves to China:

China used to import sizeable quantities of tobacco from India in the past. In order to revive exports of Indian tobacco to China, Tobacco Board in coordination with the Ministry of Agriculture & Farmers Welfare (MOA&FW) and Ministry of Commerce & Industry, Government of India had made efforts to revive the protocol of Phytosanitary requirements for the export of tobacco leaves from India to China. Because of these efforts, India has signed the Protocol of Phyto-sanitary requirements for the export of tobacco leaves from India to China, with the General Administration of Customs of the People's Republic of China (GACC) on 21/01/2019. Dr. Anup Wadhawan, Commerce Secretary, Ministry of Commerce & Industry and Mr. Zhang Jiwen, Vice Minister of General Administration of China Customs (GACC), China had signed this protocol, paving way for large exports of Indian tobacco to China.

Quality tobacco on par with international standards is available in India at competitive prices and there is good potential for export of Indian tobacco to China. The revival of the phyto-sanitary protocol with China will pave the way for revival of Indian tobacco exports to China and prove economically beneficial to Indian farmers.



The salient features of the protocol are as under:

- The protocol was signed on 21.01.2019 and the same will be in force for a period of four years from the date of signing of the protocol.
- The tobacco leaves exported to China, which must be produced in Andhra Pradesh and Karnataka in India and have been cured and re-dried, must comply with the relevant phyto-sanitary and sanitary laws and regulations of China, and meet the requirements as stipulated in the Protocol.
- The importers of tobacco must obtain the import quarantine permit from GACC before trade contracts are signed. The tobacco leaves must be securely packaged in airproof way to prevent the contamination of quarantine pests.
- Ministry of Agriculture & Farmers Welfare (MOA&FW) will take effective monitoring measures in the field to ensure that the tobacco producing area is free of tobacco blue mold.
- MOA&FW shall conduct export quarantine inspection for tobacco leaves. For the consignment of tobacco leaves which meets the requirement stipulated in this protocol, MOA&FW shall issue a Phyto-sanitary Certificate according to the standards of International Plant Protection Convention (IPPC).

a. Comprehensive Policy for Tobacco Sector:

Despite of the well-organized institutional support for FCV cultivation, the farmers are often being subjected to crop and market risks in the recent past resulting in huge financial losses and distress. The declining cigarette consumption worldwide, increasing regulatory environment and taxation are impacting the demand for tobacco, which in turn is resulting in frequent fluctuations in prices. Declining export opportunities for Indian tobacco and lack of competition in the market are threatening the sustainability of tobacco cultivation.

This called for a comprehensive approach for reinvigorating the entire value chain from production of tobacco to export and would require a series of interventions to improve productivity and quality of tobacco, better price realization to farmers, along with economizing the cost of production to increase competitiveness of product for better market access and export promotion.

To address the problems of tobacco industry in a holistic manner, Sri Suresh Prabhakar Prabhu, Hon'ble Minister for Commerce and Industry and Civil Aviation in the stake holders' meeting held on 04th December, 2018 at Vijayawada advised the Tobacco Board to come up with a comprehensive tobacco policy after consultations with stakeholders so as to prepare a road map for the betterment of the tobacco sector in the larger interest of tobacco farmers and tobacco trade. He desired that tobacco farmers must be provided with the necessary support, encouragement and incentives in a comprehensive manner through such policy, instead of making them to run from pillar to post for their needs. He desired that all the problems and challenges faced by the farmers shall be addressed in a comprehensive manner so as to provide sustainable solutions, instead of a piece meal approach. The Hon'ble Minister had specifically stressed that the perspective plan shall be farmer centric and include measures for increasing the productivity as well as quality of the product, resource use efficiency

or savings in cost of production, thus ensuring farmer profitability. He said that the policy must accelerate all-round development and economic viability of tobacco cultivation in comprehensive terms, safeguarding the interests of the farmers primarily. He emphasized the need to draft a policy that will increase the incomes of the farmers in real terms through crucial export opportunities in line with the vision of Hon'ble Prime Minister to double farmer's income by 2022. The policy shall also help in increasing India's share of tobacco and tobacco product exports at the global level.



The stakeholders of the industry were called for a review of the tobacco sector performance and based on the issues/ concerns/opportunities pointed by the stakeholders, a comprehensive policy for tobacco sector was drafted to prepare a road map for increasing farmers' income and boosting exports in alignment with the Agricultural Export Policy, 2018.



Based on inputs / suggestions proposed by the stakeholders, the comprehensive policy had enlisted the following recommendations:

I. Policy Recommendations:

Crop regulation by Tobacco Board may be demand driven subject to the upper ceiling of crop size fixed by the Government of India; optimization of barn quotas to achieve economies of scale by phasing out tobacco cultivation in unsuitable lands areas by implementing Barn Buyout scheme; introduction of Integrated Production System (IPS) on pilot scale; strengthening of Tobacco Board Act by making necessary amendments.

II. Crop Improvement / Product Development Initiatives.

Increasing crop productivity and reducing cost of production through varietal improvement, popularizing tray nurseries, Integrated Nutrient Management (INM), energy conservation measures, Farm Mechanization; implement measures for Sustainable Tobacco Production (STP) by promoting Natural Farming practices; ensuring product integrity by establishing a monitoring mechanism for elimination of Crop Protection Agent (CPA) residues and by elimination of Non Tobacco Related Material (NTRM).

III. Strategies for improving the market efficiencies

It was proposed to announce opening and closing dates of auctions before commencement of the marketing season and inform all the trade and foreign customers with a request to actively participate to help complete the auctions as per schedule. It was proposed to develop cold storage facilities under PPP model for facilitating long term storage of the farmers' tobacco in times of crisis situations; to advance payment of farmers' tobacco sale proceeds by proposing payments by the 5th day of sale as against the present system of making payments on the 15th day of sale.

IV. Export Promotion Strategies:

Inclusion of Chapter 24 (Tobacco & tobacco products) under MEIS so that the Indian tobacco exporters could benefit from MEIS incentives @ 5 % for unmanufactured tobacco (ITC HS Code 2401) to increase competitiveness of Indian tobacco in the global markets; restoring duty drawbacks to the pre-GST levels of 1 % on FOB value as against the current rate of 0.15 % of the FOB value; to treat exports to Nepal with INR realization on par with exports to other countries; waiving off levy of service tax on service charges on tobacco auctioned on the lines of the exemptions made available to other Government bodies like state APMCs for marketing of Agricultural Produce; initiate measures for increasing tobacco exports to major world importers like China, USA, Japan, Iran and Thailand; to identify potential trading partners having surplus trade with India and pursue reduction of tariffs on import of Indian tobacco and tobacco products into these countries; to encourage manufacturers and exporters for product development and brand positioning of Indian tobacco products in International markets by incentivizing tobacco product exports and branding of niche products like 'Organic Tobacco' request DGFT; to treat registration granted by Tobacco Board as Exporter of Tobacco/Tobacco Products valid for the purposes of FTP in place of RCMC.

b. Stakeholders meetings for export promotion :

A meeting with exporters of tobacco to review the exports of tobacco and tobacco products during 2018-19 was organised at The Gateway Hotel, Vijayawada on 15/03/2019. Sri Santosh Kumar Sarangi, Joint Secretary, EP-Agri, Department of Commerce, Ministry of Commerce and Industry, Sri. N. Ramesh, Director, EP-Agri, Department of Commerce, Ministry of Commerce and Industry, Smt. K. Sunitha, IAS, Executive Director, Shri. A. Sridhar Babu, IAS, Secretary and Shri T.V. Ravi, IRS, Director (Auctions), Tobacco Board have participated in the meeting to review Indian tobacco exports and solicit the suggestions of the Indian tobacco exporters for promotion of exports of tobacco in short term as well as long term.



The action points emerged from this meeting are as follows:

1. To cover unmanufactured tobacco under MEIS, as it is also an agricultural commodity and provide export incentives of 5 %.
2. To exempt the tobacco from GST levy, by treating the same as agricultural commodity or levy a uniform GST of 5% across the tobacco value chain.
3. To cover the tobacco exporters under the interest subvention scheme of the Government of India available for MSME's.
4. To enhance duty draw back on exports of tobacco from 0.15 % to 1 %, as earlier.
5. To provide transport subsidy for export of tobacco that is available under Transport and Development Fund.
6. To take measures for reducing transaction costs by addressing the problems of NTRM's and labour issues.
7. To address the difficulties in obtaining Phyto-sanitary certificates as there is no officer posted for this purpose in Guntur.
8. To amend the Tobacco Board Rules to make the Registration of traders to be valid for 05 years.

Tobacco Board had initiated action on all these action points.

c. Trade Fairs and Exhibitions :

Tobacco Board has proposed to participate in World Tobacco Middle East, Dubai originally scheduled to be held from 30th March - 1st April 2019. Tobacco Board with the prior approval of the Government of India, had made all arrangements to participate in this exclusive tobacco exhibition along with other Indian exporters of tobacco. However, the exhibition was later postponed and held during 3th-4th April 2019. Hence, the trade fair originally planned for 2018-19 was organized during 2019-20.

d. Trade delegations to abroad :

Following the signing of the Phytosanitary protocol with China, Tobacco Board has initiated efforts for revival of tobacco exports to China by organizing a tobacco trade delegation to China to explore the possibilities of export of tobacco with State Tobacco Monopoly (STMA), China National Tobacco Corporation (CNTC) and China Tobacco International (CTI), China. The Ministry of Commerce vide its letter dated 19.02.2019 has approved Tobacco Board's proposal for taking up a trade delegation to China in February, 2019. Due to delay in receiving an invite from the Chinese authorities, the trade delegation to China could not be taken up in 2018-19.

e. Trade delegation from abroad :

A delegation of tobacco experts - Sri. Hellings Hezekiya Nasoni and Sri. Richards Daniel Chinthunzi from The Tobacco Commission (TTC), Malawi, visited India from 2nd to 7th September 2018. The delegation visited the tobacco processing plants, auction platforms and interacted with the tobacco farmers in Andhra Pradesh. In a meeting held on 05.09.2018, the delegation also interacted with the officials of Tobacco Board at Guntur. The delegation assured to share the data on tobacco production and prices with Indian tobacco board authorities on regular basis.



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'.
- Administrative and other reports of the Board, which are to be placed before Parliament were prepared and submitted both in Hindi and English.
- The forms and applications of different sections of Board were printed in bilingual.
- Standard stationery is printed bilingually e.g., Envelops, File folders, Letter heads etc.
- All rubber stamps were made bilingual and all name plates were made trilingual/bilingual.
- Addresses on envelopes which were sent to the Ministry and other offices situated in Region 'A' were printed in Hindi and in Region 'C' were printed in bilingual.

PROGRAMME OF HINDI TEACHING SCHEME

Eligible employees of the Board were nominated to the Classes of Hindi Teaching Scheme. During Jan-June, 2019 session Parangath (02), Prabodh (01), Praveen (05) and Pragya(02) employees were nominated for training.

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 men were displayed at some important eye-catching places.

HINDI WEEK:

Hindi Week was celebrated from 14th to 20th September, 2018 in the Tobacco Board. As a part of celebrations, Eight Table Hindi workshops (Eight Sections) were conducted on 14th to 19th September, 2018 to improve the working efficiency of Hindi trained employees. Mementos and prizes were distributed to the participants in the Table workshop.

HINDI PERIODICALS AND LIBRARY:

One Hindi daily "Hindi Milap" news paper was made available in the Board at present along with some Hindi Periodicals. Some Hindi Books, Novels, Epics like Ramayana, Mahabharat 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 they are being used.

WORKSHOP IN HINDI

Eight Table Hindi Workshops (04 Days- Each day 02 Sections) were conducted during Hindi Week i.e., from 14th September 2018 to 19th September, 2018. 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 section 16 of the Tobacco Board Act, 1975. However, the Tobacco Board did not draw any grant or loan against the budgeted expenditure and 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 14A 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 regulation 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, nurserymen, 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 2018 auctions, the contributions @ ₹2/- per Kg and 7.5% of sale proceeds are levied for the sale of excess tobacco produced by registered growers up to the extent of the 10% of the quota authorized. Further, the contribution @ ₹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 unauthorized tobacco produced by the unregistered growers in Andhra Pradesh and Karnataka which includes 1% of normal service charges as per the provisions section 14A of Tobacco Board Act 1975.

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 2018-19 have been prepared i.e. Budget Estimates and Revised Estimates with an outlay of ₹19,610.50 lakh and ₹19,941.50 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 the expenditure 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 ₹12,298.38 lakhs has been booked as expenditure under various head of accounts as against the budgeted outlay of ₹19,941.50 lakhs.

During the Financial year 2018-19, an amount of ₹15,395.87 lakh has been realized as against the budget provision of ₹13,296.50 lakh in R.E.2018-19 towards internal resources of the Board which consists of service charges, buyer authorization fee, registration fee from traders & growers, interest on fixed deposits and misc. receipts of demurrage charges, interest on delayed payments etc.

Statement showing the actual funds flow under Plan and Non-Plan since 2007-08 to 2018-19 is placed at Page.131.

The financial statements of the Balance Sheet, Income & Expenditure account and Receipts & Payments Statement for the accounts of Tobacco Fund of the Tobacco Board for year 2018-19 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 2018-19.

SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF THE TOBACCO BOARD, GUNTUR FOR THE YEAR ENDED 31 MARCH 2019

We have audited the attached Balance Sheet of Tobacco Board, Guntur as at 31 March 2019 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(Schedule 7): ₹210.56 crore

Payment of Gratuity, Leave Salary and Half Pay Leave Fund ₹30.00 crore

The above is understated by ₹24.35 crore due to non-provisioning towards Gratuity and group leave encashment to be paid to the officials of Tobacco Board who attained the age of superannuation as estimated by LIC of India, pending approval of Government of India. Thus, instead of a surplus of ₹16.41 crore, there will be a deficit of ₹7.94 crore during the year.

B) Schedule 25: Contingent Liabilities and Notes on Accounts

As per Note (g) 24 of schedule 25, an amount of ₹122.50 lakh has been provided as liability towards payment of bonus to the employees for the years 2015-16 to 2018-19. However, it has not been disclosed that the approval of the administrative Ministry in this regard is awaited. To that extent, the disclosure made in the aforesaid Note is incomplete.

C) General

Delay in submission of accounts:

The Committee on Papers Laid on the Table of the House (COPLOT) recommended in its first report (Fifth Lok Sabha) 1975-76, that after the close of the accounting year, every autonomous body should complete its accounts within a period of three months and make them available for audit and that the reports and the audited accounts should be laid before Parliament within nine months of the close of the accounting year. These were reiterated by the Ministry of Finance vide its office Memorandum No.8 (II)/E.II-A/09, dated 17th November, 2009.

The Board did not adhere to the above stipulations of the COPLOT and approved its accounts for the year 2018-19 on 21 August, 2019. The same was communicated to audit on 19 September, 2019.

D) 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 2019; and
 - b. In so far as it relates to income & Expenditure Account, of the surplus for the year ended as on that date.

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

Sd/xx xx xx

(M.S.Subrahmanyam)

Director General

O/o the Director General of Commercial Audit &

Ex-Officio Member, Audit Board,

Hyderabad

Place: Hyderabad

Date: 19 November, 2019.

ANNEXURE

1. Adequacy of Internal Audit System

Internal Audit System of the Tobacco Board is not adequate and commensurate with the size and nature of business of the Board. The Internal Audit for the year 2018-19 was not conducted.

2. Adequacy of Internal Control System

Subject to the deficiencies in Internal Audit System as stated under point no.1 above, Internal Control system of the Tobacco Board is adequate and commensurate in relation to the size of the organization and nature of business.

3. System of Physical Verification of Fixed Assets

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. The Board has conducted physical verification of the Fixed Assets for the year 2018-19.

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. The annual physical verification of inventory and stationery for the year 2018-19 has been done by the Board and value of stock available with the stores has been taken as closing stock in the balance sheet.

5. Regularity in payment of statutory dues

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

Sd/xx xx xx
(M.S.Subrahmanyam)
Director General

TOBACCO BOARD

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

TOBACCO FUND ACCOUNT - FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31/03/2019

(₹ In Lakh)

Particulars	Sche- dule	Current Year	Previous Year
CORPUS / CAPITAL FUND AND LIABILITIES			
1 Corpus/Capital Fund	1	59782	58141
2 Reserves and Surplus	2	0	0
3 Earmarked/Endowment Funds:	3		
a) Margin money for Comm. Operations (Grant-in-aid to Trading Wing)		2356	2197
b) Tobacco Board Employees General Provident Fund		2478	2503
c) Tobacco Board Employees' Pension Fund		15582	15451
d) Tobacco Board Employees New Pension Scheme		30	28
e) Tobacco Growers Welfare Fund Scheme		5912	5613
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	21056	17791
TOTAL		107196	101724
ASSETS			
1. Fixed Assets	8	10777	10990
2. Investments from Earmarked/Endowment Funds	9	0	0
a) Margin money for Comm. Operations (Grant-in-aid to Trading Wing)		2356	2197
b) Tobacco Board Employees General Provident Fund		2478	2503
c) Tobacco Board Employees' Pension Fund		15582	15451
d) Tobacco Board Employees New Pension Scheme		30	28
e) Tobacco Growers Welfare Fund Scheme		5912	5613
3. Investments: Others	10	0	0
4. Current Assets, Loans and Advances etc.	11	70061	64942
5. Miscellaneous Expenditure		0	0
TOTAL		107196	101724
Significant Accounting Policies	24	Placed at Schedules	
Contingent Liabilities and Notes on Accounts	25	Placed at Schedules	

Sd xx xx xx
(ADDANKI SRIDHAR BABU)
SECRETARY

Sd xx xx xx
(K.SUNITHA)
EXECUTIVE DIRECTOR & CHAIRMAN

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

TOBACCO FUND ACCOUNT - FINANCIAL STATEMENTS
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2019
(₹ In Lakh)

Particulars		Sche- dule	Current Year	Previous Year
1.	INCOME			
1	Income from Sales/Services	12	6030	5558
2	Grants/Subsidies	13	0	0
3	Fees/Subscriptions	14	257	200
4	Income from Investments (From earmarked/ endowment funds transferred to Funds)	15	18	23
5	Income from Royalty and Publications	16	21	24
6	Interest earned	17	3788	3861
7	Other Income	18	5269	4131
8	Increase/(Decrease) in stock of Finished Goods and Works in Progress	19	0	0
	Total		15383	13797
2.	EXPENDITURE			
1	Establishment Expenses	20	10159	13618
2	Other Administrative Expenses	21	3121	2547
3	Expenditure on Grants, Subsidies	22	0	0
4	Interest	23	0	0
5	Depreciation (Net Total at the yearend - Corresponding to Schedule 8)	8	462	500
	Total		13742	16665
3.	Balance being Excess of Income over Expenditure (1-2)		1641	-2868
1.	Transfer of Special Reserve (Specify each)		0	0
2.	Transfer of General Reserve		0	0
3.	Previous Years payments		0	0
4.	Balance being surplus/deficit carried to Corpus/ Capital Fund		1641	-2868
5.	SIGNIFICANT ACCOUNTING POLICIES	24	Placed at schedules	
6.	CONTINGENT LIBILITIES AND NOTES ON ACCOUNTS	25	Placed at schedules	

Sd/- xx xx xx
(ADDANKI SRIDHAR BABU)
SECRETARY

Sd/- xx xx xx
(K. SUNITHA)
EXECUTIVE DIRECTOR & CHAIRMAN

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	219658529.37	204275409.00
B	Additions to the Fund account:		
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	15933637.60	15383120.37
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
	Total (A+B)	235592166.97	219658529.37
C	Utilisation/Expenditure towards objective of Fund		
i)	Capital Expenditure	0.00	0.00
ii)	Revenue Expenditure	0.00	0.00
	Total (C)	0.00	0.00
	Net Balance at the year-end (A+B-C)	235592166.97	219658529.37

2 Tobacco Board Employees General Provident Fund Account

S. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	Opening Balance	250355874.45	243296847.45
B	Additions to the Fund account:		
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	16492144.83	17303889.00
b)	Subscriptions	73436420.00	71295082.00
c)	Recovery of GPF advance	92000.00	122035.00
	Less:		
a)	Withdrawals	-92556424.00	-81661979.00
b)	Advances paid	0.00	0.00
	Total (A+B)	247820015.28	250355874.45
C	Utilisation/Expenditure towards objective of Fund		
i)	Capital Expenditure	0.00	0.00
ii)	Revenue Expenditure	0.00	0.00
	Total (C)	0.00	0.00
	Net Balance at the year-end (A+B-C)	247820015.28	250355874.45

3 Tobacco Board Employees Pension Fund Account

S. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	Opening Balance	1545097829.17	1308735001.17
B	Additions to the Fund account:		
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	117274539.58	110116878.00
b)	Pension Fund Contributions	304570008.00	401364175.00
Less:			
a)	Pension Annuities purchased by LIC	-408786112.00	-275118225.00
b)	Other payments	0.00	0.00
	Total (A+B)	1558156264.75	1545097829.17
C	Utilisation/Expenditure towards objective of Fund		
i)	Capital Expenditure	0.00	0.00
ii)	Revenue Expenditure	0.00	0.00
	Total (C)	0.00	0.00
	Net Balance at the year-end (A+B-C)	1558156264.75	1545097829.17

4 Tobacco Board Employees New Pension Scheme (Tire-I) Account

S. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	Opening Balance	2790606.00	7007474.00
B	Additions to the Fund account:		
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	186939.00	182707.00
b)	Pension Fund Contributions	9482990.00	10010257.00
Less:			
a)	Pension Contribution remitted NSDL Mumbai (Pension contributions)	-9475170.00	-14409832.00
b)	Other payments (Bank Charges)	0.00	0.00
	Total (A+B)	2985365.00	2790606.00
C	Utilisation/Expenditure towards objective of Fund		
i)	Capital Expenditure	0.00	0.00
ii)	Revenue Expenditure	0.00	0.00
	Total (C)	0.00	0.00
	Net Balance at the year-end (A+B-C)	2985365.00	2790606.00

5 Tobacco Growers Welfare Fund Scheme account:

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S. No.	Particulars	Current Year (₹)			Previous Year (₹)		
		Andhra Pradesh	Karnataka	Total	Andhra Pradesh	Karnataka	Total
A	Opening Balance	317530882.32	243759823.92	561290706.24	306057743.46	244781349.12	550839092.58
B	Additions to the Fund account:						
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	21911660.00	13991032.00	35902692.00	20728000.00	14518248.00	35246248.00
b)	Growers Contribution	1869000.00	1721000.00	3590000.00	1525000.00	1620000.00	3145000.00
c)	Tobacco Board's Contribution	4389376.00	3120000.00	7509376.00	2398623.86	3239872.24	5638496.10
d)	Renewal of Membership Fee	19507350.00	20129866.09	39637216.09	21924015.00	21881270.21	43805285.21
e)	Growers Share of Sweepings	1955206.31	2072765.53	4027971.84	0.00	0.00	0.00
f)	Penalties	22600.00	0.00	22600.00	136500.00	10700.00	147200.00
g)	Interest on Loans	5082.00	0.00	5082.00	1000.00	0.00	1000.00
h)	Misc. Receipts	732500.00	1051438.00	1783938.00	0.00	0.00	0.00
i)	Grower Contribution (Break in registration)	302100.00	0.00	302100.00	0.00	0.00	0.00
	Less:						
a)	Death Relief to the Growers	-20930000.00	-41925131.63	-62855131.63	-35240000.00	-42291615.65	-77531615.65
b)	Other payments	0.00	0.00	0.00	0.00	0.00	0.00
	Total (A+B)	347295756.63	243920793.91	591216550.54	317530882.32	243759823.92	561290706.24
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
	Total (C)	0.00	0.00	0.00	0.00	0.00	0.00
	Net Balance at the year-end (A+B-C)	347295756.63	243920793.91	591216550.54	317530882.32	243759823.92	561290706.24

SCHEDULE-24 : SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING 31ST MARCH 2019

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

Fees leviable on the seller under section 14A:

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

Mode of recovery of fees from seller:

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

Fees leviable on purchaser under section 14A:

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

Mode of recovery of fees from purchaser:

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

9. Government Grants/Subsidies:

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

10. Foreign Currency Transactions:

As per Rule 24(4) of Tobacco Board Rules 1976, the Board shall not incur expenditure outside

India in excess of fifteen thousand rupees on any single item without the previous sanction of the Central Government.

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

11. Lease:

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

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 AND NOTES ON ACCOUNTS FOR THE YEAR ENDING 31st March 2019.**1. Contingent Liabilities:**

The details of contingent liabilities are given at point no.3 in the Notes on Accounts of the annual accounts for the year 2018-19.

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-I, the offices of the Directorate of Auctions, Bengaluru & Regional Manager Office Periyapatna in Karnataka and Regional Manager Office Rajamahendravaram in Andhra Pradesh and also the 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(29(A) (d) of the Income Tax Act, 1961.

NOTES ON ACCOUNTS FOR THE YEAR ENDING 31ST MARCH, 2019

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 lakhs 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 ₹14,24,04,848.69 is total outstanding liabilities amount for the year ending 31/03/2019.
3. The contingent liabilities of the Tobacco Board are as under:
 - a) 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. The issue was disposed by the Court by awarding decree for payment of ₹8,13,248.00 to the landlord. Accordingly, the amount was paid to the landlord and settled the issue.
 - b) 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.
 - c) An amount of ₹25,000/- is available with the State Redressal Commission, Bangalore as per the orders of the Karnataka State Consumers Disputes Redressal Commission and shown under the assets side of the Balance sheet as on 31/03/2019.
 - d) The Additional Director General, Directorate General of GST Intelligence (DGGI), Chennai Zonal Unit, Chennai has issued show-cause Notice No.20/2019 vide their letter No. F.No.INV/

DGGSTI/CZU/ ST/31/2018, dated 19/04/2019 to Tobacco Board for non-payment of service tax of ₹24,86,69,972/- on the taxable value of additional service charges/ penalties for ₹183,83,73,622/- and service tax of ₹129,98,928/- on taxable value of penalties on vigilance cases shown under misc. receipts for ₹9,98,83,002/- for the period from 2013-14 to 2017-18 as per the provisions of Finance Act 1994. In this connection, the Board is proposed to prefer an appeal before the Commissionerate, Goods & Service Tax Guntur for non-collection of service tax from the growers for the above said period as per the provisions under Finance Act 1994 from time to time.

4. 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.
5. The stationery and consumable items for the year ending 31/03/2019 valued at ₹16,61,210.00 have been shown under closing stock account by taking into consideration of the actual purchase price of the items.
6. The total investments of Tobacco Fund are with the nationalized banks in Andhra Pradesh and Karnataka for the year ending 2018-19 was ₹584,86,40,851.06. 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.
7. 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: Cycles, Library Books, Misc. Equipment, Tarpaulins:	9.50%
Trolleys, Weighing Scales & Cubicles:	9.50%
5. Office Equipment, Demonstration Equipment: Scientific Equipment, Copier Machine:	19.00%
6. Fire Extinguishers:	19.00%
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 ₹4,62,43,119.47 was depreciated on the fixed assets of Tobacco Board as on 31/03/2019 along with previous year depreciation on the assets.

8. The assets have been capitalized/adjusted during the financial year ending 31st March 2019 as against the advances released to the executing agencies of CPWD and RITES and amount of outstanding liabilities (Capital) accounts. As per the expenditure statement in Form-65, an amount of ₹4,31,85,400.00 was capitalized towards Civil, Electrical and Maintenance works.
9. An amount of ₹1,19,06,849.56 was incurred on account of Misc. Expenditure account for the year ending 31st March 2019 which consists of maintenance of generators, purchase of water, electrical repairs & replacements, expenditure on sweepings and expenditure on vigilance operations etc.

An amount of ₹4,51,81,101.96 was realized on account of Misc. Receipts account for the year ending 31st March 2019 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 and sale of tender forms etc.

10. An amount of ₹60,29,54,406.04 was realized on account of Service Charges on FCV tobacco @ 1% each from buyer and growers for the year ending 31st March 2019.
11. The Tobacco Board did not draw any grant-in-aid from the Government during the financial year 2018-19.
12. An amount of ₹8,11,603.03 was incurred on account of Fairs & Exhibitions: Abroad and Trade Delegations to Abroad for the year ending 31st March 2019.
13. An amount of ₹15,39,62,920.00 is the amount paid on account of retirement benefits such as gratuity, leave encashment and commutation of pension including the liability for payment of retirement benefits to the officials retired on attaining the age of superannuation/death/VR cases.
14. An amount of ₹700,60,59,023.64 was available under Current assets, loans and advances account as per the schedule-11 of the Balance Sheet as on 31/03/2019.
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 subjudice. The Board has made vigorous efforts

to recover the loan amounts by giving various concessions viz. 50% in interest and waiver of legal charges for recovery of outstanding dues under one time settlement, as the recovery of dues was very poor. All most all the borrowers were died even any few members alive also become very old ie., 85 to 90 years and 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 122nd 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 addressed a letter and reminded the same to the Ministry. The approval of the Government is awaited.

16. The fund 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. The opening balances of bank balances, investments and income on investments, other receipts along with closing balances of investments, bank balances 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 2018-19.
17. Funds under Margin Money for Commercial Operations (Grant-in-aid to Trading Wing) account, an amount of ₹23,55,92,166.97 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 & 2000 and ₹21.40 crore realized towards interest on Fixed Deposits as on 31/03/2019.
18. Funds under Tobacco Board Employees General Provident Fund account, an amount of ₹24,78,20,015.28 was available as per the books of accounts. As per Broad sheet the amount payable to officials was ₹23,75,14,713.00 includes interest on subscriptions. Surplus amount of ₹1,03,05,302.28 is on account of interest realized on Fixed deposits is more than the interest payable to official's GPF contributions.
19. Funds under Tobacco Board Employees Pension Fund account, an amount of ₹155,81,56,264.75 was available as per books accounts. Out of which, ₹155,77,01,505.58 available with LIC of India Vijayawada as deposit and ₹4,54,759.17 as cash at. The LIC of India has submitted the proposal vide their letter dated 17.05.2019 for the total fund liability as per actuarial valuation of ₹234.47 crore as on 01/03/2019 and requested to deposit an amount of ₹78.70 crore after taking into consideration available funds of ₹155.77 crore. Hence, the balance amount of ₹78.70 crore is taken as liability in the books of accounts.

20. Funds under Tobacco Board Employees New Pension Scheme account, an amount of ₹29,85,365.00 was available as per books of accounts. An amount of ₹17,00,491.00 is the payable amount to 9 officials under New Pension Scheme. The contributions of employees and employer (Tobacco Board) to the officials covered under NPS are remitting every month to NSDL Mumbai as per existing rules. Surplus amount of ₹12,84,874.00 is on account of interest realized on FDRs is more than the interest payable to officials on the contributions invested with the banks.
21. Funds under Tobacco Growers Welfare Fund scheme account, an amount of ₹59,12,16,550.54 was the available as per the books of accounts (Andhra Pradesh: ₹34,72,95,756.63 + Karnataka ₹24,39,20,793.91).
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.
22. 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 ₹30.00 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, 2017-18 and 2018-19. The issue for creation of this fund account is placed before the Board for approval. The Board resolved to study the proposal in detail and evaluate for creation of fund account. The study on proposal for creation of fund account is under process to submit before next Board Meeting.
23. The amounts payable to Service Tax Department towards service tax on the services of auctioneer service (Buyer Authorization fee, Demurrage Charges & Bale Patta), 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.
24. An amount of ₹122.50 lakh is provided as liability towards payment of Bonus to the employees of the Board for the years 2014-15 (arrears of @ ₹3500/- to each due to enhancement of amount from ₹3500/- to ₹7000/-) and ₹7000/- each for the years 2015-16, 2016-17, 2017-18 and 2018-19.
25. 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 31/03/2019.

26. The Tobacco Board filed Income Tax Returns for the financial year 2017-18 as per the changes of rules of the Income Tax Act 1961 for filing of tax returns after taking up tax audit on the accounts of the Board by the Chartered Accountants of M/s. Umamaheswara Rao & Co Guntur even though there is exemption from payment of income tax under section 10(29)(A)(d) of the Income Tax Act 1961.
27. 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 the Karnataka State Sales Tax Appellate Tribunal, 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. on 25/11/2016.

On receipt of tax amount of ₹3,04,55,678/- by the DCCT VAT(Audit-I) Mysore and they have issued another demand notice dated 09/12/2016 for ₹3,26,98,056/- towards interest on the above said tax for the period from 21/05/2009 to 25/11/2016. In this connection, the Board filed a writ petition on 02/01/2017 before the Hon'ble High Court of Karnataka Bangalore challenging the orders of KVAT and demand notice dated 09/12/2016.

The Hon'ble High Court given An-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 letter from DCCT VAT Karnataka for disposal of the issue is yet to be received.

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

28. 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.
29. 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.
30. The Tobacco Board levied penalties on the excess tobacco produced by registered growers and tobacco produced by unregistered growers as per the rates fixed by the Government from time to time as per gazette notification. During 2018 auctions, the Penalty @ ₹2/- per Kg and 7.5%(including normal service charges of 1%) 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% (including normal service charges of 1%) of the sale proceeds in Andhra Pradesh and Karnataka.
31. 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:

32. 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.
33. 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.

34. 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 ₹153.96 crores has been realized on account of Board's Receipts. Against which, an amount of ₹122.98 crores incurred towards expenditure for the year 2018-19.

35. As per D.O. letter No. DGCA/A/Cs Desk / 2017-18/1.42/381, dated 28/12/2018 of Director General, O/o the Director General of Commercial Audit and Ex-Officio Member, Audit Board, Hyderabad for remedial action on the points raised in the Management Letter on the accounts of the Tobacco Board for the year 2017-18. The modifications as suggested by the audit have been taken up in the financial statements of the Tobacco Board for the year 2018-19 as detailed below:

- a) As suggested by the audit, the accounting figures have been rounded off to lakh in the Balance Sheet and Income & Expenditure Account by taking into consideration of the turnover exceeds to one crore or more but less than one hundred crore. The schedules of the above financial statements have been projected with exact figures in rupees for better understanding and readability of Receipts and Payments
- b) The depreciation on the fixed assets for the current year and previous year shown in the Income & Expenditure Account without bifurcation.
- c) The factual position on payment of commercial tax and penalties to DCCT VAT (Audit-I) Mysore have given at point No.28 of the Notes on Accounts.
- d) The details of contingent liabilities are mentioned separately in the Notes on Accounts of the balance sheet at point No.3 (a to d) as suggested by the earlier audits.
- e) The difference of depreciation for ₹36,176.00 for the assets of Furniture & Fittings, Office Equipment, Trolleys, Weighing Scales and Computers pertaining to 2017-18 have been taken into account during 2018-19 as suggested by the audit.
- f) The Tobacco Board is investing surplus funds in the form of fixed deposits for fetching interest on quarterly rests with the nationalized banks as per provisions of the Tobacco Board Act 1975. The accrued interest was calculated to the accrued days as on 31st March by taking into consideration of total investment period, rate of interest and interest earned as the Board gets full interest on its maturity. The Board is having huge number of term deposits for calculation of accrued interest. It is very difficult to calculate actual interest for each fixed deposit receipt by taking into consideration of number of days falls as on 31st March, rate of interest, bank to bank due to frequent changes in rate of interest offered by the banks from time to time as per the RBI guidelines.

Sd/- xx xx xx
 (P.MEENAKUMARI)
 MANAGER(F&A)

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

RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31st MARCH, 2019					
(Amount in ₹)					
Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
I. Opening Balances:			I. Establishment Expenses		
A) Bank Balances			1. Salaries & Wages	510986344.52	516391555.00
1. Current Accounts	716211998.20	302304849.14	2. Allowances & Bonus	1505891.00	921891.00
2. Deposit Accounts	5492917807.18	5416795973.44	3. Contribution to Provident Fund	0.00	0.00
3. Savings Accounts	0.00	0.00	4. Contribution to Pension Fund	300000000.00	400000000.00
B) Earmarked/Endowment Funds			5. Contribution to Pension Fund (NPS)	4784184.00	5007876.00
1. Current Accounts:			6. Staff Welfare Expenses	0.00	0.00
i) Margin Money for Comm. Operations (Grant-in-aid to Trading Wing)	50000.00	50000.00	7. Retirement & Terminal Benefits	151762950.00	197510192.00
2. Deposit Accounts	0.00	0.00	8. Others:		
3. Savings Accounts			a) Leave Salary & Pension Contribution	1994785.00	279825.00
i) Tobacco Board Employees General Provident Fund	402746.45	670850.45	b) Medical Claims (Officers & Staff)	6808883.00	8021485.00
ii) Tobacco Board Employees Pension Fund	394952.17	187113.17	c) LTC Claims	1645286.00	1075093.00
iii) Tobacco Board Employees New Pension Scheme	46192.00	316081.00	d) Uniform to Staff	355100.00	288256.00
iv) Tobacco Growers Welfare Fund Scheme	10931070.97	20003761.12			

RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31st MARCH, 2019					
(Amount in ₹)					
	Receipts	Current Year	Previous Year	Payments	Current Year
II.	Grants Received	0.00	0.00	II. Other Administrative Expenses	
III.	Investments and Deposits made			1. O.T. A. to Staff	14646.00
a)	Earmarked / Endow. Funds: (FDRs)			2. T.A. to Officers & Staff	10798145.00
i)	Margin Money for Comm. Operations (Grant-in-aid to Trading Wing)	200675489.97	194068352.00	3. T.A. to Board Members	390612.00
ii)	Tobacco Board Employees General Provident Fund	233011572.00	230920705.00	4. Maintenance of Admin Buildings/ Ofcts/ Auction Platforms	3115699.20
iii)	Tobacco Board Employees' Pension Fund	1544702877.00	1308547888.00	5. Rent of Buildings	10930244.32
iv)	Tobacco Board Employees New Pension Scheme	2606182.00	6439119.00	6. Printing & Stationery (Incl. Comp. stationery)	3776443.60
v)	Tobacco Growers Welfare Fund Scheme	508713603.00	495956252.00	7. Electricity Charges	10767478.00
b)	Tobacco Board Own Funds	0.00	0.00	8. Postage & Telephone Charges	3916059.39
				9. Expenditure on Meetings	4526230.72
				10. Miscellaneous Expenditure	1478785.34
				11. Entertainment Charges	12074927.56
				12. Subscription to Journals	710213.00
				13. Repairs to Furniture & other assets	291760.00
					866153.00
					1375893.28

RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31st MARCH, 2019

(Amount in ₹)

Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
IV. Income on Investments					
a) Earmarked/Endowment Funds			14. Conveyance Charges	399295.00	341933.00
i) Margin Money for Comm. Operations (Grant-in-aid to Trading Wing)	26019490.00	6607137.97	15. Workshops & Seminars	7433.00	0.00
ii) Tobacco Board Employees General Provident Fund	99101538.83	83484742.00	16. Rates & Taxes	2630597.79	3548062.00
iii) Tobacco Board Employees' Pension Fund	421844547.58	511481053.00	17. Bank charges	25628.20	13467.15
iv) Tobacco Board Employees New Pension Scheme	9670634.00	10307006.00	18. Legal charges	500080.00	398725.00
v) Tobacco Growers Welfare Fund Scheme	106425205.12	93324596.50	19. Hiring of Vehicles	9258743.68	8158976.00
b) Own Funds	0.00	0.00	20. Maintenance of Vehicles	4000614.72	3334478.00
c) Rents			21. Insurance	1221398.02	1199895.00
a) Rents on Premises lease	2119395.08	2408551.00	22. Audit Fee	177160.00	0.00
V. Interest Received					
1. On Bank Deposits	377743752.72	450152786.41	23. Interest Contribution to GPF	0.00	0.00
2. Loans & Advances (Officials)	519835.00	1100239.00	24. Membership with other organisations	0.00	0.00
			25. Loan Recovery Expenditure	0.00	0.00
			26. Library Books	14969.00	19588.00
			27. Maintenance of Computers	1151579.51	2006305.00
			28. Service charges for weighing scales	2263179.68	2672719.00
			29. Mutta labour charges	32442599.39	26612330.34
			30. Construction of temporary structures	0.00	0.00
			31. Human Resource Development	8850.00	67700.00

RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31st MARCH, 2019

(Amount in ₹)					
Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
VI. Other Income					
1. Growers Registration Fee (Area, Operator & Nurserymen)	19353169.37	14764318.38	32. Implementation of e-auction system 33. Automation of Office(MIS) online	41164332.61	47079474.00
2. Exporters Registration Fee	2162410.00	883250.00	34. Regulation & Develop. Of FCV/tobacco	221250.00	487551.00
3. Products Registration Fee	1215200.00	1330100.00	36. Imp. & Maint. of MKTG facilities	376430.00	943669.00
4. Dealers Registration Fee	1203375.00	1362550.00	36. Financial Relief to growers	40685.00	66788.00
5. Packers Registration Fee	26100.00	35600.00	38. Farmers Study Tours :Abroad	0.00	0.00
6. Processors Registration Fee	219500.00	158000.00	39. Market Survey	0.00	0.00
7. Commercial Graders Regn. Fee	43750.00	54150.00	40. Export Promotion	0.00	217706.40
8. Manufacturers Registration Fee	964100.00	959000.00	(TradeDelegation:Abroad)		
9. Sale of Priced Publications(TGPBS)	2062470.95	2360800.00	41. Fairs & Exhibitions(Abroad)	811603.03	763669.70
10. Misc. Income	52543984.17	56426129.75	42. Publicity & Propaganda	835441.44	989552.00
11. Service charges on FCV tobacco	602954406.04	555769135.33	43. Farm Mechanization	0.00	856250.00
12. Penalty @ 6.5% from Regd. Growers	82044971.99	66841033.38	44. Improving yield and quality of FCV Tobacco	2967393.00	7144724.00
13. Penalty @ ?/- per Kg. from Regd. & Un-regd. Growers	59817653.60	40187070.40	45. Improving of Curing Practices	14538550.00	7911330.00
14. Penalty @ 14% from Regd. & Un-regd. Growers Crop/Barn damages)	333710802.15	251550971.23	46. Elimination of NTRMs & Product Integrity	7308000.00	3790466.00
	0.00	0.00	47. PHPM Measures - Bulking sheds/ Model Storage facilities	260000.00	30000.00
			48. Other Extension Programmes	2732292.00	2352898.00
			49. On-farm Tests & Experimental Trials	541525.00	412543.00

RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31st MARCH, 2019

(Amount in ₹)					
Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
15. Buyers Authorisation Fee	544700.00	644900.00	50. Model Project Area	936085.00	1094036.00
16. Loans & Advances to staff	2282659.00	1749881.00	51. Tobacco Growers Welfare Fund (Board's Share)	9420000.00	13934000.00
17. Loans & Advances to Cultivators	0.00	0.00	52. Commercial Tax Penalties & Interest	0.00	3449430.00
VII. Amount Borrowed		0.00	53. Service Tax, Penalties and Interest	16550.00	0.00
VIII. Any Other Receipts		0.00	III. Payments Made against Funds	0.00	0.00
1. Other Liabilities	269775834.27	448403479.91	for various Projects	0.00	0.00
2. Deposits with ACTO & Others	1616352.25	219687.00	III. Expenditure on Grants and Subsidies	0.00	0.00
			IV. Investments and Deposits made		
			i) Earmarked/Endowment Funds:		
			a) Fixed Deposits		
			i) Margin Money for Comm. Operations (Grant-in-aid to Trading Wing)	226694979.97	200675489.97
			ii) Tobacco Board Employees General Provident Fund	239126868.00	233011572.00
			iii) Tobacco Board Employees' Pension Fund	1557701505.58	1544702877.00

RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31st MARCH, 2019

					(Amount in ₹)
Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
			iv) Tobacco Board Employees New Pension Scheme	2787290.00	2606182.00
			v) Tobacco Growers Welfare Fund Scheme	526017086.00	508713603.00
b) Other Payments					
i) Margin Money for Comm. Operations (Grant-in-aid to Trading Wing)			0.00	0.00	
ii) Tobacco Board Employees General Provident Fund			92556424.00	81661979.00	
iii) Tobacco Board Employees' Pension Fund			408786112.00	275118225.00	
iv) Tobacco Board Employees New Pension Scheme			9475170.00	14409832.00	
v) Tobacco Growers Welfare Fund Scheme			84469031.63	89639935.65	
ii) Own Funds			0.00	0.00	

RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31st MARCH, 2019

				(Amount in ₹)	
Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
V.	Expenditure on Fixed Assets & Capital Works in Progress				
1. Purchase of Fixed Assets		1448695.54		1226512.00	
2. Advances to:					
a) CPWD		40912870.00		1399158.00	
b) RITES		2061468.00		739643.00	
VI.	Refund of Surplus money/Loans				
VII.	Finance Charges (Interest)				
VIII.	Other Payments:				
1) Loans and Advances to Staff		2523689.00		1283738.00	
2) Loans & Advances to Cultivators		0.00		0.00	
3) Other Liabilities		70183273.44		63491488.28	
4) Deposits with ACTO & Others		603815.02		3846248.60	
IX.	Closing Balances				
A)	Bank Balances				
1. Current Accounts		870848338.92		716211998.20	
2. Deposit Accounts		5848640851.06		5492917807.18	
3. Savings Accounts		0.00		0.00	

RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31st MARCH, 2019

				(Amount in ₹)		
Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year	
			B) Earmarked/Endowment Funds:			
			1. Current Accounts:			
			i) Margin Money for Comm. Operations (Grant-in-aid to Trading Wing)	5000.00	5000.00	
			2. Deposit Accounts	0.00	0.00	
			3. Savings Accounts			
			i) Tobacco Board Employees' General Provident Fund	832565.28	402746.45	
			ii) Tobacco Board Employees' Pension Fund	454759.17	394952.17	
			iii) Tobacco Board Employees' New Pension Scheme	60548.00	46192.00	
			iv) Tobacco Growers Welfare Fund Scheme	15583761.46	10931070.97	
Total	11186605328.06	10578782112.58	Total	11186605328.06	10578782112.58	

Sd/- xx xx xx
 (ADDANKI SRIDHAR BABU)
 SECRETARY

Sd/- xx xx xx
 (K. SUNITHA)
 EXECUTIVE DIRECTOR & CHAIRMAN

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	Opening Balance		
	a) Cash at Bank (Current account) (SBI, Guntur)	5000.00	5000.00
	b) Investments (Fixed Deposits)	200675489.97	194068352.00
B	Receipts:		
	a) Income from investments (Interest on Fixed Deposits & SB a/c)	26019490.00	6607137.97
	b) Grants received	0.00	0.00
	c) Other Receipts	0.00	0.00
	Total Receipts (A+B)	226699979.97	200680489.97
C	Payments		
	a) Withdrawals	0.00	0.00
	b) Other Payments	0.00	0.00
D	Closing Balance		
	a) Investments (Fixed Deposits)	226694979.97	200675489.97
	b) Cash at Bank(Current account) (SBI, Guntur)	5000.00	5000.00
	Total Payments (C+D)	226699979.97	200680489.97

2. Tobacco Board Employees General Provident Fund Account

Sl. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	Opening Balance		
	a) Cash at Bank (Savings account) (SBI, Guntur)	402746.45	670850.45
	b) Investments (Fixed Deposits)	233011572.00	230920705.00
B	Receipts:		
	a) Income from investments (Interest on Fixed Deposits & SB a/c)	25573118.83	12067625.00
	b) Subscriptions	73436420.00	71295082.00
	c) Recovery of GPF advance	92000.00	122035.00
	Total Receipts (A+B)	332515857.28	315076297.45
C	Payments		
	a) Withdrawals	92556424.00	81661979.00
	b) Advances Paid	0.00	0.00
D	Closing Balance		
	a) Investments (Fixed Deposits)	239126868.00	233011572.00
	b) Cash at Bank(Savings account) (SBI, Guntur)	832565.28	402746.45
	Total Payments (C+D)	332515857.28	315076297.45

3) Tobacco Board Employees' Pension Fund Account

Sl. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	Opening Balance a) Cash at Bank (Savings account) (SBI, Guntur)	394952.17	187113.17
	b) Investments (Fixed Deposits)	1544702877.00	1308547888.00
B	Receipts: a) Income from investments (Interest on Fixed Deposits & SB a/c)	117274539.58	110116878.00
	b) Pension Fund Contributions	304570008.00	401364175.00
	Total Receipts (A+B)	1966942376.75	1820216054.17
C	Payments a) Pension Annuities purchased by LIC	408786112.00	275118225.00
	b) Bank Charges	0.00	0.00
D	Closing Balance a) Investments (Fixed Deposits)	1557701505.58	1544702877.00
	b) Cash at Bank(Savings account) (SBI, Guntur)	454759.17	394952.17
	Total Payments (C+D)	1966942376.75	1820216054.17

4) Tobacco Board Employees New Pension Scheme Account

Sl. No.	Particulars	Current Year (₹)	Previous Year (₹)
A	Opening Balance a) Cash at Bank (Savings account) (SBI, Guntur)	46192.00	316081.00
	b) Investments (Fixed Deposits)	2606182.00	6439119.00
B	Receipts: a) Income from investments (Interest on Fixed Deposits & SB a/c)	187644.00	296749.00
	b) Pension Fund Contributions	9482990.00	10010257.00
	Total Receipts (A+B)	12323008.00	17062206.00
C	Payments a) Amount remitted to NSDL Mumbai (Pension contributions)	9475170.00	14409832.00
	b) Other Payments	0.00	0.00
D	Closing Balance a) Investments (Fixed Deposits)	2787290.00	2606182.00
	b) Cash at Bank(Savings account) (SBI, Guntur)	60548.00	46192.00
	Total Payments (C+D)	12323008.00	17062206.00

5. Tobacco Grower's Welfare Fund Scheme account

(₹)

S . No.	Particulars	Current Year			Previous Year		
		Andhra Pradesh	Karnataka	Total	Andhra Pradesh	Karnataka	Total
A	Opening Balance						
a)	Cash at Bank (Savings account) (SBI Guntur) (SBM Bengaluru)	1265344.16	9665726.81	1093107.97	3577064.08	16426697.04	20003761.12
b)	Investments (Fixed Deposits)	298770205.00	209943398.00	508713603.00	286610642.00	209345610.00	495956252.00
B	Receipts:						
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	23259339.00	18221056.00	41480395.00	13069597.00	15990952.00	29060549.00
b)	Growers Contribution	1869000.00	1721000.00	3590000.00	1525000.00	1620000.00	3145000.00
c)	Tobacco Board's Contribution	4420000.00	5000000.00	9420000.00	9254000.00	4680000.00	13934000.00
d)	Renewal of Membership Fee	19507350.00	20484489.48	39991839.48	21924015.00	21526646.82	43450661.82
e)	Growers Share of Sweepings	1955206.31	2072765.53	4027971.84	0.00	0.00	0.00
f)	Penalties	22600.00	0.00	22600.00	136500.00	10700.00	147200.00
g)	Interest on Loans	5082.00	0.00	5082.00	1000.00	0.00	1000.00
h)	Misc. Receipts	732500.00	1051438.00	1783938.00	0.00	0.00	0.00
i)	Grower contribution(Break in Regn.)	302100.00	0.00	302100.00	0.00	0.00	0.00
i)	Marriage Loan	185000.00	4238764.36	4423764.36	47500.00	2410713.73	2458213.73
b)	Education Loan	501000.00	269040.49	770040.49	541230.44	223240.87	764471.31
c)	Major Illness Loan	195000.00	60000.00	255000.00	55000.00	56000.00	111000.00
d)	Barn Damaged Loan	90000.00	262473.95	352473.95	122500.64	130000.00	252500.64
	Total Receipts (A+B)	353079726.47	272990152.62	626069879.09	336864049.16	272420560.46	609284609.62
C	Payments						
a)	Death Relief to Growers	2093000.00	41925131.63	62855131.63	35240000.00	42291615.65	77531615.65
b)	Marriage Loan	500000.00	15100000.00	15150000.00	5500000.00	9150000.00	9700000.00
c)	Education Loan	300000.00	1600000.00	1900000.00	648500.00	629820.00	1278320.00
d)	Major Illness Loan	500000.00	223900.00	273900.00	250000.00	50000.00	300000.00
e)	Barn Damaged Loan	0.00	4290000.00	4290000.00	140000.00	690000.00	830000.00
D	Closing Balance						
a)	Investments (Fixed Deposits)	324652229.00	201364857.00	5260117086.00	298770205.00	209943398.00	508713603.00
b)	Cash at Bank(Savings account) (SBI Guntur&SBM Bengaluru)	7097497.47	8486263.99	15583761.46	1265344.16	96655726.81	10931070.97
	Total Payments (C+D)	353079726.47	272990152.62	626069879.09	336864049.16	272420560.46	609284609.62

STATEMENT SHOWING THE FUNDS FLOWS POSITION UNDER NON-PLAN AND PLAN FROM 2007-08 TO 2018-19

		₹(in lakh)											
S.No.	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1	OpeningBalance (Plan & Non-Plan)	13078.14	14740.62	18868.34	22721.86	25868.35	34406.37	36542.81	41384.66	47696.18	51899.06	54701.21	55788.64
2	Receipts												
	a) Non-Plan	6621.68	8843.57	11900.92	11689.90	15650.73	11541.65	15083.54	16581.13	15387.68	14399.60	14477.23	15395.93
	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	Grant-in-aid												
	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	Total IEBR (1 to 3)	19699.82	23584.19	30769.26	34411.76	41519.08	45948.02	51626.35	57965.79	63083.86	66298.66	69178.44	71184.57
5	Expenditure												
	a) Non-Plan	4379.67	3690.17	1703.68	1148.77	1565.04	2054.13	2061.98	1728.82	634.50	748.37	13389.80	12298.38
	b) Plan	579.53	1025.68	6343.72	7394.64	5547.67	7351.08	8179.71	8540.79	10550.30	10849.08	0.00	0.00
	Total Expenditure (5)	4959.20	4715.85	8047.40	8543.41	7112.71	9405.21	10241.69	10269.61	11184.80	11597.45	13389.80	12298.38
6	Closing balance (4-5)	14740.62	18868.34	22721.86	25868.35	34406.37	36542.81	41384.66	47696.18	51899.06	54701.21	55788.64	58886.19

ABBREVIATIONS

A.P./AP	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
NIPHFM	National Institute of Plant Health Management
NLS	Northern Light Soils
NPV	Nuclear Poly Hedrosis 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



Smt. K. Sunitha, I.A.S., Executive Director, Tobacco Board with her team of officers with GOLDEN LEAF AWARD - 2019.

Category: "MOST IMPRESSIVE PUBLIC SERVICE INITIATIVE"



Hon'ble Union Minister for Commerce and Industry Shri Suresh Prabhu attended for the Stakeholders Meeting held on 04/12/2018



Shri Y. Raghunadh Babu assumed the charge as Chairman, Tobacco Board on 07/08/2019



TOBACCO BOARD

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