



# TOBACCO BOARD

**ANNUAL REPORT  
2019-20**

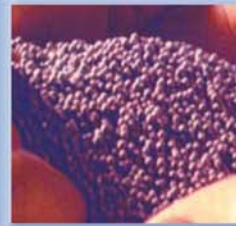
# GOOD AGRICULTURAL PRACTICES (GAP) IN TOBACCO CULTIVATION

## Conservation of soil fertility and Integrated Nutrient Management (INM)



- ◆ Performing deep Summer plowing
- ◆ Following Crop rotation
- ◆ Growing Green manuring crops
- ◆ Usage of Organic and Bio fertilizers
- ◆ Balanced and judicious usage of chemical fertilizers

## Approved, Recommended, High Yielding pure SEED



- Usage of :
- ◆ Varieties approved / recommended by CTRI
  - ◆ Pure seeds supplied by Certified agencies
  - ◆ High yielding variety for Nursery

## Selection of healthy seedlings



- Selection of :
- ◆ Disease and pest free seedlings
  - ◆ Healthy seedlings
  - ◆ 60-65 days old seedling
  - ◆ Sturdy stem (pencil size) seedling
  - ◆ Preferably the seedling grown in TRAYS

## Inter Cultural Operation



- ◆ Performing Inter cultivation for soil aeration
- ◆ Control of weed in the field
- ◆ Formation of Bunds in plant rows at 45 to 50 days age

## Integrated Pest Management (IPM)



- ◆ Planting trap crops on borders
- ◆ Usage of Pheromone traps
- ◆ Installation of Yellow sticky traps
- ◆ Usage of Bio pesticides
- ◆ Judicious usage of chemical pesticides

## Control of Pesticide Residues



- ◆ Usage of recommended pesticides
- ◆ Use of recommended dose
- ◆ Avoiding pesticide residues

## Topping and De-suckering



- ◆ Topping the plant at single bud stage
- ◆ Applying suckercide
- ◆ Control suckers

## Harvest and Curing Management



- ◆ Harvest only riped leaves
- ◆ Performing green leaf grading (Ripe, un-ripe, over ripe)
- ◆ String only two to three leaves for bunch
- ◆ Maintain space between bunch to bunch for circulation of heat
- ◆ Optimum loading of leaf in to the barn

## Grading and elimination of Non-tobacco Related Materials (NTRM)



- ◆ Grading tobacco as per grade specifications and with out NTRM
- ◆ Bulking and re bulking to avoid excess moisture
- ◆ Packing tobacco into bales eliminating NTRM



## Tobacco Board India

Ministry of Commerce & Industry  
Dept. of Commerce, Government of India

Guntur - 522 004 (A. P.) India.  
Ph : +91 863 2358068, 2358399  
Fax : +91 863 2354232

e-mail: info@indiantobacco.com, exports@indiantobacco.com  
website : www.indiantobacco.com

*India-the one stop destination for wide range of quality tobaccos*

# Grown Naturally Preferred around the World



## INDIAN TOBACCO CROP USPs :

- Diverse portfolio of tobaccos to choose from- Neutral filler to semi-flavorful FCV tobaccos, a wide range of air cured and sun cured tobaccos
- Year round supplies for a stable supply chain
- Favourable Quality –Value Ratio
- Sustainable Tobacco Production practices to meet international requirements
- Natural farming initiatives for organic tobacco production
- Low in pesticide residues, TSNAs and heavy metals



**Winner of  
Golden Leaf Award 2019**

*Most Impressive Public Service Initiative*



**TOBACCO BOARD INDIA**

Ministry of Commerce & Industry  
Dept. of Commerce, Government of India

Guntur - 522 004 (A.P.) India | Ph:+91 863 2358068, 2358399 | Fax: +91 863 2354232  
e-mail: info@indiantobacco.com | exports@indiantobacco.com | website: www.tobaccoboard.com

## *Contents*

Board Composition	5
Senior Management	6-7
Tobacco Board's Activities during 2019-2020 - A Review	8
Meetings during 2019-2020	9-10
Formation Day Celebrations 2020	11-16
Statement showing the Sanctioned & Existing strength as on 31/03/2020	17
Organisational Chart of Tobacco Board	18
 <b>CROP PLANNING &amp; REGULATION</b>	
I Trends in production of FCV tobacco in India	19
II FCV Tobacco Production Policy for 2019-2020	19
III Production Policy for 2019-2020 - Highlights	19
IV Registration Criteria for 2019-2020 Highlights	20
V Soil Region wise area and production quota authorized for 2019-2020	21
VI Production Regulation Campaign	21
VII Particulars of Growers registered during 2019-2020	22
VIII Report on 2019-2020 Karnataka crop	22-23
IX Report on 2019-2020 Andhra Pradesh crop	24-27
X Sale of excess / unauthorized tobacco during 2019-2020	27
XI Promotion of alternative crops to tobacco	27-28
XII Reschedulement of crop loans extended to FCV tobacco growers in Prakasam District - special dispensation from Reserve Bank of India	28
XIII Auction Platform wise Growers' registration and plantation particulars for 2019-20 crop season in Andhra Pradesh	29-30
Auction Platform wise Growers' registration and Plantation particulars for 2019-20 crop season in Karnataka	31
 <b>EXTENSION AND ADVISORY SERVICES</b>	
I Supply of critical crop Inputs	32-34
II Extension and Developmental Schemes taken up by Tobacco Board for sustainable Tobacco production during 2019-20 crop season	34-39

III	Initiatives taken up by Board for sustainable Tobacco Production during 2019-2020 crop season	40-41
IV	Transfer of Technology	41-46
V	Expenditure on implementation of Extension & Developmental Schemes in 2019-2020	46
	2019-2020 crop season - Extension & Development Schemes - Physical and Financial Achievements	47-48
	Coverage of SC/ST/Women & Other growers under various Extension and Development schemes during 2019-2020	49-50

### **GROWER WELFARE INITIATIVES**

i)	Tobacco Board Growers' Welfare Fund	51
ii)	Production related services to farmers	51-52
	Details of Grants/Interest Free Loans extended during 2019-2020	53

### **AUCTIONEERING SERVICES AT PLATFORMS**

I	Auctions for sale of 2018-19 FCV Tobacco in Andhra Pradesh	54-61
II	Auctions for sale of 2019-2020 FCV Tobacco in Karnataka	61-65
III	Auctions for sale of 2019-2020 FCV Tobacco in Andhra Pradesh	65-72
	Auction Platform wise quantity of tobacco marketed in Andhra Pradesh and Karnataka during the period from 01/04/2019 to 31/03/2020	
	Auction Platform wise particulars of FCV Tobacco Auctioned as on 31/03/2020	
	Buyer wise Purchases in Andhra Pradesh and Karnataka during the period from 01/04/2019 to 31/03/2020	
IV	Supply of Standardized Bale packing material to the farmers	73

### **TRADING WING**

I	Registration as Processor/ Manufacturer / Commercial graders of Virginia Tobacco/ Exporter of Tobacco and Tobacco Products / Packers / Dealers in tobacco	74
---	---	----

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

I	Indian Tobacco and tobacco products trade analysis	75-81
II	Export Promotion Activities	81-86
III	Study Visit of Department Related Parliamentary Standing Committee on Commerce	86

## IMPLEMENTATION OF OFFICIAL LANGUAGE

I	Measures taken for implementation of Official Language Act, Hindi Teaching Scheme, learn a word a day, Hindi Week, Periodicals, Hindi on Computers and Workshops.	87
---	---	----

## FINANCE AND ACCOUNTS

I	Internal Resources	88
II	Budget Estimates	88-89
III	Separate Audit of the Comptroller and Auditor General of India on the accounts of Tobacco Board - Guntur for the year ended 31/03/2020	90-93
	Tobacco Fund Account-Financial Statements Balance Sheet as on 31/03/2020	94
	Income and Expenditure Account for the period / year ended 31/03/2020	95
	Fund Balances of Earmarked Funds (Balance Sheet)	96-98
	Schedule-24: Significant Accounting Policies for the year ending 31 <sup>st</sup> March 2020	99-102
	Schedule 25: Contingent Liabilities and Notes on Accounts for the year ending 31 <sup>st</sup> March 2020.	103
	Notes on Tobacco Fund Accounts	104-113
	Finance and Accounts Statements	114-122
	Statement showing the Funds Flow position under Non-Plan & Plan from 2008-09 to 2019-20	123
	Abbreviations	124

## BOARD COMPOSITION

**As on 31/03/2020**

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

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

Shri Yadlapati Raghunadha Babu, Chairman, Tobacco Board

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

Shri Bandi Sanjay Kumar, Hon'ble Member of Parliament (Lok Sabha)

Shri Vallabhaneni Balashowri, 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. Ashok Kumar, 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

Shri Punamchand Parmar, IAS, Director of Agriculture, Govt. of Gujarat.

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

Dr.(Smt) Poonam Malakondaiah, 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 Poliseti Shyam Sundar, Vice Chairman

Shri Shaffeeq UR Rahaman Khan

Shri Yarlagadda Ankamma Chowdary

Shri Kodavati Vasudeva Rao

Shri Gundala Konda Reddy

**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

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

Smt K. Sunitha, IAS, Executive Director, Tobacco Board, Guntur.

## SENIOR MANAGEMENT

(As on 31/03/2020)

### Management and Senior Staff

Chairman

Smt K. Sunitha, IAS.,  
Chairman i/c Tobacco Board upto 25/07/2019

Shri Y. Raghunadha Babu,  
from 26/07/2019

Executive Director

Smt K. Sunitha, IAS.,

Secretary

Shri Addanki Sridhar Babu, IAS.,

Director (Auctions)

Shri T.V. Ravi, IRS.,

Manager (Finance & Accounts)

Smt. P. Meena Kumari

Manager (Auctions)

Shri K. Ravi Kumar

Manager (Marketing & Exports)

Shri Ch .V. Maruthi Prasad

Manager (Extension)

Shri P. Ramesh

Manager (Production)

Shri R. Sreenivasa

Regional Manager (SBS Ongole)

Shri G. Uma Maheswara Rao

Regional Manager (SLS Ongole)

Shri K. Sudhakara Rao

Regional Manager (NLS Rajamahendravaram)

Shri V.K. Purushothama Raju

Regional Manager (Mysuru)

Shri B. Manjunatha

Regional Manager(Periyapatna)

Shri K.V.S.T. Sai

Asst. Manager (Planning & Coordination)

Shri C. Gopinadh

Personnel Officer

Shri A.V.S. Ramakrishna Reddy

O.S.D (Vigilance)

Shri C.M. A. Jaleel Ahmed

### Personnel:

**Senior Level Management: 95**  
**Middle Level Management:107**  
**Junior Level Management: 246**  
**Total:448**

### 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)  
0863-2358399 / 0863-2354232  
info@indiantobacco.com /www.indiantobacco.com

**Telephone No. / Fax**

**E.-mail& Website**



# CORPORATE GOVERNANCE



**Y. RAGHUNADHA BABU**  
CHAIRMAN



**K.SUNITHA, IAS**  
EXECUTIVE DIRECTOR



**ADDANKI SRIVIDYA BABU, IAS**  
SECRETARY



**T. V. RAVI, IRS**  
DIRECTOR (AUCTIONS)



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



**Ch V MARUTHI PRASAD**  
MANAGER  
(MARKETING & EXPORTS)



**R. SREENIVASA**  
MANAGER  
(EXTENSION)



**P. RAMESH**  
MANAGER  
(PRODUCTION)



**P.MEENA KUMARI**  
MANAGER  
(FINANCE & ACCOUNTS)



**B. MANJUNATHA**  
REGIONAL MANAGER  
MYSURU



**K.V.S.T. SAI**  
REGIONAL MANAGER  
PERIYAPATNA



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



**K. SUDHAKAR RAO**  
REGIONAL MANAGER  
SLS ONGOLE



**V.K. PURUSHOTHAMA RAJU**  
REGIONAL MANAGER  
RAJAMAHENDRAVARAM

## Tobacco Board's Activities during 2019-20 - A Review

Tobacco Board was constituted by the Government of India, under “TOBACCO BOARD ACT, 1975”, for overall 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 ₹5,969.59 crore in terms of foreign exchange to the National exchequer, during 2019-20. India has a prominent place in the production of tobacco in the world. **India ranks 3<sup>rd</sup> in production and 4<sup>th</sup> in exports of unmanufactured tobacco in the world.** India produces different styles of FCV tobacco, which vary in their physical and chemical characteristics. Indian tobacco is exported to over **114** countries across the globe. India has a fairly diversified base of production for exports and provides a one-stop shop for different styles, qualities and price ranges. FCV tobacco is grown in Traditional Black Soils (TBS), Northern Light Soils (NLS), Southern Light Soils (SLS) and Karnataka Light Soils (KLS). The tobacco produced in India has a wide range in quality such as semi-flavorful to flavorful (NLS & ELS), quality neutral filler (KLS & SLS) and good filler (TBS) styles. During 2019-20 crop season, the Tobacco Board has fixed a crop size of **236 million kg** for cultivation of FCV tobacco which is the same as that of previous year crop season. Tobacco Board incurred an expenditure of **534.49 lakh** on extension and development schemes for improvement of yield and quality of tobacco. During the Financial Year 2019-20, the Board marketed a quantity of **229.72 million kg** in its auction platforms in both Andhra Pradesh and Karnataka at an **average price of ₹123.78 per kg** as against **222.49 million kg** marketed at an average price of **₹134.45 per kg** during the year 2018-19. A quantity of **2,17,393 Metric tons** of tobacco and tobacco products were exported from India during 2019-20 valued at **₹5,969.59 crore** (843.04 USD million). During 2019-20, the exports of tobacco and tobacco products have decreased by 1% in quantity terms, 1% in rupee terms and by 2% in USD terms when compared to previous year.

The Board has been privileged with the 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 2019-20

(From 01/04/2019 to 31/03/2020)

### A) Statutory meetings:

Two Board Meetings and three Committee meetings were held.

#### Board Meetings:

1. The 148<sup>th</sup> meeting of the Board was held on 21<sup>st</sup> August 2019 (Wednesday) in Guntur.
2. The 149<sup>th</sup> Board Meeting was held on 28<sup>th</sup> February 2020 (Friday) in Bengaluru.

#### Registration Committee for Growers and Others:

1. The 89<sup>th</sup> meeting of the Registration Committee for growers and others was held on 22/08/2019 in Head Office, Guntur.
2. The 90<sup>th</sup> meeting of the Registration Committee for growers and others was held on 30/12/2019 in Head Office, Guntur.
3. The 91<sup>st</sup> meeting of the Registration Committee for growers and others was held on 28/02/2020 in Bengaluru.

#### Registration Committee for Traders and Manufacturers:

- 1 The 44<sup>th</sup> meeting of the Registration Committee for Traders and Manufacturers was held on 18/09/2019 at Guntur.



Shri Y. Raghunadha Babu- Chairman, Smt. K. Sunitha - Executive Director, Shri Balashowry - Hon'ble M.P. (LS), Shri Bandi Sanjay Kumar - M.P (LS), Shri N. Ramesh - Director (MOC & I), Shri T.V. Ravi - Director (Auctions) and Shri A. Sridhar Babu - Secretary in connection with 148<sup>th</sup> Board Meeting held on 21/08/2019 at Guntur

**B) Non-statutory meetings:**

1. Meetings with the ITA and Trade representatives were held on 24/05/2019, 21/06/2019 and 05/07/2019 at Tobacco Board, Guntur to discuss the issues related to 2019 FCV tobacco auctions in Andhra Pradesh.
2. Meetings with the ITA and Trade representatives were held on 29/08/2019 and 20/11/2019 at Tobacco Board, Guntur to discuss and review of Auctions for the crop season 2019 at Karnataka.
3. A meeting was held on 11/06/2019 to review the ongoing 2019 Andhra Pradesh FCV auctions with Shri G.V.L. Narasimha Rao, Hon'ble Member of Parliament (RS) and ITA & Trade representatives.
4. A meeting was held on 14/06/2019 to review the ongoing 2019 Andhra Pradesh FCV auctions with Shri K. Kanna Babu, Hon'ble Agricultural Minister, Govt. of Andhra Pradesh and ITA & Trade representatives.
5. A prelude meeting with the ITA and Trade representatives was held on 23/01/2020 at Tobacco Board, Guntur to discuss regarding commencement of auctions for sale of 2019-20 FCV tobacco in Andhra Pradesh.
6. A meeting with the ITA and Trade representatives was held on 18/02/2020 at Tobacco Board, Guntur to discuss the issues related to ongoing Karnataka Auctions as well as sale of "Pandugulla" at Auction Platforms.
7. 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 2019-20 FCV tobacco in Andhra Pradesh.

## FORMATION DAY CELEBRATIONS:

Tobacco Board conducted its Formation Day celebrations on 03/01/2020 at Indian Tobacco Association Hall, Guntur. Dr. Yalamanchili Sivaji, Ex-Member of Parliament (Rajya Sabha) was the Chief Guest. Sri Y Raghunadha Babu, Chairman Tobacco Board presided over the meeting. Smt K. Sunitha, IAS., Executive Director, Shri A. Sridhar Babu, IAS., Secretary, Shri T.V. Ravi, IRS., Director (Auctions), Board Members, President, ITA, Divisional CEO, ITC Ltd., ABD, Board Members and around 800 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 2020, Tobacco Board felicitated the Growers and Traders under various categories. The officers and employees of Tobacco Board were also felicitated for their best performance.

### Awardee Growers:

Region/ APF	Category of the grower (S/Shri/Smt)	
	Progressive grower	Organic/ZBNF grower
PERIYAPATNA		
Periyapatna-I	Ravi Kumar S/o Devegowda, Chowthi (V), TBGR No. 04.016.123	Mahadev, Javanikoppal (V)
Periyapatna-II	Yogesha S/o Boregowda, Matadakoppal (V), TBGR No. 05.055.002	Thammannegowda, Koggalikoppal (V)
Periyapatna-III	Kumara S/o Shivalinga Shetty, Gorahally (V), TBGR No. 06.029.159	Mariyappa, Koppal (V)

Region/ APF	Category of the grower	
	(S/Shri/Smt)	
Ramnathpura-I	Putta Lakshamma W/o Lt. Venkategowda, Haralahally (V), TBGR No. 07.071.001	T.J. Sheshappa, Siranala (V)
Ramnathpura-II	Devamma W/o Lt. Huchaiah, Allapatna (V), TBGR No.07.020.021	Lokesh, Thatavaslu (V)
<b>MYSURU</b>	<b>Progressive grower</b>	<b>Organic / ZBNF grower</b>
H.D. Kote	M.K. Haridas S/o M.N.A.K. Murthy, Moleyur (V), TBGR No. 01.198.004	...
Hunsur-I	H.P. Jayanna S/o Puttanaiah, Harve (V), TBGR No. 02.106.226	Nanjundegowda, S/o Lt. Sannathammegowda, Agrahara (V)TBGR No. 02.301.023
Hunsur-II	Ravi Kumar S/o Shivalingappa, U.G.Hally (V), TBGR No. 03.356.071	Shyamsundar Rao Chavan, S/o Jagannath Rao Chavan, Somanahally (V), TBGR No. 03.349.006
Hunsur-III	Mahadevappa S/o Kariyappa, Beerenahally (V), TBGR No. 64.307.013	Somashekara S/o Thammegowda, Thippalapura (V), TBGR No. 64.147.139
Kampalapura	Savithamma W/o Lt. Marigowda, M.Shettahally (V), TBGR No. 61.058.054	Nagaraju S/o Basavarajappa, Harinalli (V), TBGR No. 61.103.019
Chilkunda	Nagarajappa S/o Kendaganappa, Karnakuppe (V), TBGR No.62.074.032	H.S. Ravi S/o Shankaregowda, Ittagahallykoppalu (V), TBGR No. 62.029.022
<b>RAJAHMUNDRY</b>	<b>Progressive grower</b>	<b>Organic / ZBNF grower</b>
Thorredu	Manyam Ganeswara Rao, S/o Krishna Rao Muggulla (v), TBGR No. 15.012.471	Parimi Subba Lakshmi, W/o Karnal Raju, R.D.Puram (V), TBGR No. 15.016.680
Devarapalli	Komataneni Naga Srinivasa Rao, S/o Satyanarayana, Viswanadhapuram(V), TBGR No. 17.633.002	Padamati Satyanarayana, S/o Rama Rao, Cherukumilli (V), TBGR No. 17.003.025
J.R. Gudem-I	Kunja Gangu, S/o Muthyala Rao Gubbisamaidi (V), TBGR No. 30.016.001	Kuchipudi Ramesh Chowdary, S/o Rama Krishna - Markendeya- puram (V), TBGR No. 18.147.096
J.R. Gudem-II	Akula Ramatarakam S/o Jagadeswara Rao, Makkinavarigudem (V), TBGR No.18.059.278	Akula Srinivas S/o Jagadeswara Rao, Makkinavarigudem (V), TBGR No. 18.059.294

Region/ APF	Category of the grower	
	(S/Shri/Smt)	
Koyyalagudem	Kanuri Hari Konda S/o Satyanarayana, M.P. Devi peta (V), TBGR No. 30.032.052	Kunapomu Lazar S/o Mukkaiah, Dippakayalapadu (V), TBGR No. 30.011.331
Gopalapuram	Kodavati Venkateswara Rao, S/o China Satyanarayana, Peddapuram (V), TBGR No. 17.016.068	Pilli Gandhi S/o Venkata Rao, Peddapuram (V), TBGR No. 17.016.135
<b>SBS, ONGOLE</b>	<b>Progressive grower</b>	<b>Organic / ZBNF grower</b>
Vellampalli-II	Mandava Govinda Rajulu, S/o.Venkateswarlu, Basavannapalem (V), TBGR No. 20.001.097	Navuluri Surendra Mohana Rao, S/o.Muthyalaiah, Vithalapuram (V), TBGR No. 19.112.020
Ongole-I	Gogineni Subrahmanyam S/o. Kotaiah, Narasayapalem (V), TBGR No. 20.074.041	Boddu Veera Raghava Rao, S/o.Peda Raghavulu,Mynampadu (V) TBGR No. 20.068.446
Ongole-II	Inaganti Venkata Ramana Reddy, S/o. Narasareddy, Machavaram (V) TBGR No. 19.58.016	Ravipati Singamma, W/o. Venkata Rao, Pothavaram (V), TBGR No. 19.162.083
Tangutur-I	Kothapalli Venkateswarlu, S/o. Seshaiyah, Jammulapalem (V), TBGR No. 24.006.241	Vaka Venakata Subba Reddy, S/o. Ramalinga Reddy, Alakurapadu (V), TBGR No. 24.001.074
Tangutur-II	Kakumani Nagabrahmam, S/o. Venkateswarlu, T. Naidupalem (V), TBGR No. 24.024.241	Bathula Sekhar S/o. China Ankaiah, Karumanchi (V), TBGR No. 24.009.548
Kondepi	Kommalapati Abbanna, S/o Ramaiah, Chowdavaram (V), TBGR No. 25.005.153	Narala Veera Brahma Reddy, S/o. Brahma Reddy, Mukkodipalem (V), TBGR No. 25.026.067
<b>SLS, ONGOLE</b>	<b>Progressive grower</b>	<b>Organic / ZBNF grower</b>
Podili	Valluri Brahmaiah, S/o Venkateswarlu, Siddavaram (V), TBGR No. 22.059.075	Basireddy Jaganmohana Reddy, S/o. Malakondaiah, Kambalapadu(V), TBGR No. 22.025.044
Kanigiri	Kandi Ramanamma, W/o Venkata Konda Reddy, Dasallapalli (V), TBGR No. 23.043.156	Kamireddy Venkataswamy Reddy, S/o Venkata Subba Reddy, Polavaram (V), TBGR No. 23.057.021
Kandukur-I	Unnam Madhava Rao, S/o Malakondaiah, Chowtapalem (V), TBGR No. 26.009.250	Ponnaganti Venu S/o Lakshmaiah, Mullamurivaripalem (V), TBGR No. 26.030.022
Kandukur-II	Madala Madhava Rao S/o Sriramulu, Polinenipalem (V), TBGR No. 27.045.249	Kasireddy Chennamma , W/o Obula Reddy, Thimmareddypalem (V), TBGR No. 27.053.195

Region/ APF	Category of the grower	
	(S/Sri/Smt)	
Kaligiri	Katta Venkateswarlu, S/o Anjaiah, Kothuru (V), TBGR No. 28.137.175	Ravuri Srikanth Babu, S/o Venkateswarlu, Kothuru (V), TBGR No. 28.137.191
DC Palli	Guvva Bala Vengal Reddy, S/o Raghava Reddy, Bhuvaram (V), TBGR No. 29.202.015	Dorapaneni Chenna Kesavulu S/o Ankaiah, T. Mustapuram (V), TBGR No. 29.046.091

#### Awardee Traders:

S.No.	Category	Description	Awardee
01	BEST EXPORTER OF TOBACCO 2019 (MANUFACTURER EXPORTER CATEGORY)	Highest value in export of Unmanufactured tobacco in 2018-19	ITC Limited.
02	BEST EXPORTER OF TOBACCO 2019 (MERCHANT EXPORTER CATEGORY)	Highest value in export of Unmanufactured tobacco in 2018-19	Messrs. Polisetty Somasundaram.
03	BEST EXPORTER OF TOBACCO PRODUCTS 2019	Highest value in export of tobacco Products in 2018-19	Godfrey Phillips India Limited.
04	BEST BUYER 2019 (DEALERS CATEGORY)	Highest quantity of FCV tobacco purchased in 2018 Karnataka auctions & 2019 Andhra Pradesh Auctions.	Sanjeeva Tobacco Traders.
05	ENDEAVOURER AWARD 2019	Highest consecutive growth rate in value in export of Unmanufactured tobacco during the last 3 years i.e., 2016-17 to 2018-19	Koppuravuri Agro Products.



## Employees Honoured:

### Felicitation to Tobacco Board Technical Officers (Managers, Regional Managers and Auction Superintendents)

Shri K.Ravi Kumar, Manager (Auctions).	For his distinguished and dedicated services to Auctions and protocol arrangements.
Shri Ch.V.Maruthi Prasad, Manager (Mktg & Exports ).	For his wisdom and knowledge in all fields relating to Tobacco sector.
Shri P. Ramesh, Manager (Production).	For his contribution to farmer friendly work.
Shri G. Uma Maheswara Rao, Regional Manager, Ongole (SBS).	For implementation of INM measures.
Shri K. Sudhakara Rao, Regional Manager, Ongole (SLS).	For his proficiency in early completion of auctions.
Shri G. Ratna Sagar, Regional Manager, Rajahmundry.	For implementation of Afforestation program
Shri S.S. Patil, Regional Manager, Mysuru.	For his best performance in his work.
Shri K.V.S. Talpa Sai, Regional Manager, Periyapatna.	For his efforts towards control of CPAs.
Smt P. Meena Kumari, Manager (F&A)	For her diligence in implementation of Cash Management Product internet portal.
Dr. (Smt) M. Krishna Sri, Auction Superintendent (Extension)	For her excellent team spirit and leadership skills.

### Felicitation to Best Technical Officers and staff of Andhra Pradesh and Karnataka

Andhra Pradesh	Karnataka
Shri M. Babu Rao Auction Superintendent, Kandukur I	Shri H.K. Gopal Auction Superintendent - Periyapatna I
Shri M. Sankar Rao Field Officer, J.R.Gudem I	Shri Brij Bhooshan Senior Grading Officer - Periyapatna I
Shri M.V. Ram Mohan Rao Field Assistant, Ongole II	Smt Netra Kammar Field Officer - H.D.Kote
	Shri Siddaram Dange Field Officer (Greenery) - Periyapatna II
	Shri C.A. Parameswarappa Field Assistant - R.N.Pura-I

**Dr. (Smt) M. Krishna Sri, Auction Superintendent and other officials of Extension Section received special award for successful implementation of ZBNF practices in tobacco cultivation.**

**Felicitation to Team Officers**

Dr. (Smt) M. Krishna Sri, Auction Superintendent (Extension)	For their distinguished and dedicated services as a Team
Shri K.V. Ramanjaneyulu, Auction Superintendent (Auctions)	
Shri G. Bulli Subba Rao, Auction Superintendent (Exports)	
Smt J. Surekha, Auction Superintendent (Production)	
Shri S. Rama Rao, Auction Superintendent, Tangutur-II	
Shri A. Jeevan Kumar, Field Officer (Exports)	

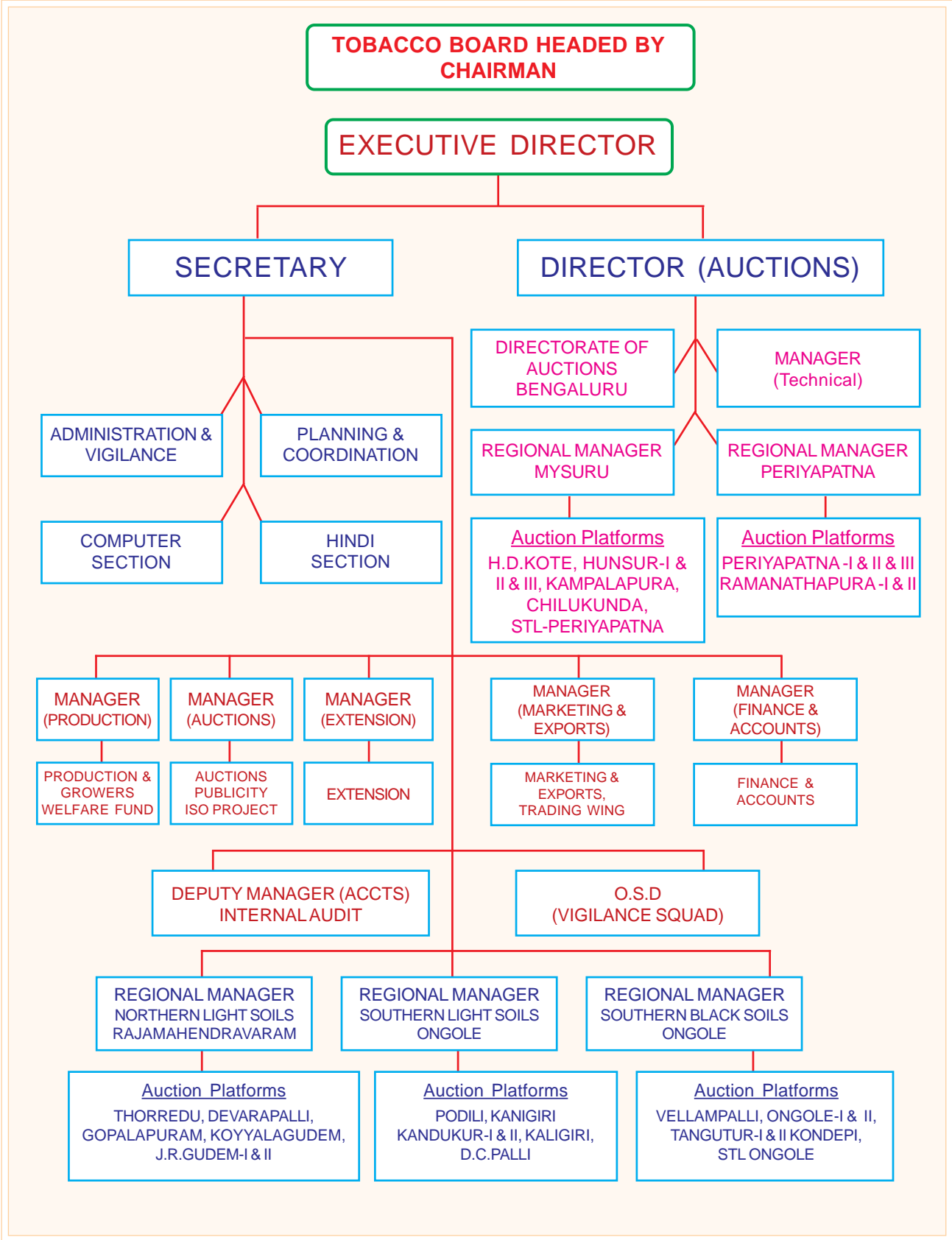
**Felicitation to Administrative Officials /staff of Andhra Pradesh and Karnataka**

Andhra Pradesh	Karnataka
Shri K. Mallikarjuna Rao, Asst. Manager (Accounts), Auction Platform 31, Vellampalli-II	Shri P.N. Krishna, Asst. Manager (Accts), DOA, Bengaluru
Shri Y.V. Namassivaya, Accountant / Superintendent, Head Office, Guntur	Shri Viswanath Prasad, Accountant / Superintendent, Auction Platform 04, Periyapatna
Shri H. Prasada Rao, Computer Operator, Head Office, Guntur	Shri K. Suresh, Computer Operator, DOA, Bengaluru
Shri A. Mahendra Kumar, Upper Divisional Clerk, Head Office, Guntur	Shri Gangadharan, Upper Divisional Clerk, DOA, Bengaluru
Shri P.K. Sabhapathi, Lower Divisional Clerk, Head Office, Guntur	Shri Reddiboina Lakshmana, Lower Divisional Clerk, Kampalapura
Shri G. Murali, Driver, Auction Platform No.26, Kandukur-I	Shri M. Panner Selvam, Driver, DOA, Bengaluru
Shri K. Ravi Kumar, Multi Tasking Staff, J.R.Gudem-I	Shri Chamaraj, Multi Tasking Staff, Regional Manager's Office, Mysuru

**STATEMENT SHOWING THE SANCTIONED & EXISTING STRENGTH AS ON 31/03/2020**

Sl. No.	Name of the Post	TOTAL	
		Sanctioned	Existing
<b>GROUP-A - SENIOR LEVEL MANAGEMENT</b>			
1	Chairman	1	1
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	27
9	Statistical Officer	1	0
10	Systems Analyst	1	0
<b>Sub-Total</b>		<b>105</b>	<b>95</b>
<b>GROUP-B - MIDDLE LEVEL MANAGEMENT</b>			
11	Programmer	1	0
12	Hindi Officer	1	0
13	P.S. to Chairman	1	0
14	Field Officer/Tech.Assistant	88	74
15	Senior Translator	1	1
16	Stenographer-Grade-I	1	1
17	Accountant	33	29
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
<b>Sub Total</b>		<b>146</b>	<b>107</b>
<b>GROUP-C - JUNIOR LEVEL MANAGEMENT</b>			
24	Computer Operator	27	21
25	Stenographer Gr-III	4	3
26	U.D.C.	43	29
27	Sr. Field Assistant.	45	19
28	Field Asst.	158	79
29	L.D.C.	52	36
30	Hindi Typist	2	1
31	Driver	31	18
32	Gestetner Operator	1	0
33	Multi Tasking Staff	140	40
<b>Sub-Total</b>		<b>503</b>	<b>246</b>
<b>GRAND TOTAL</b>		<b>754</b>	<b>448</b>

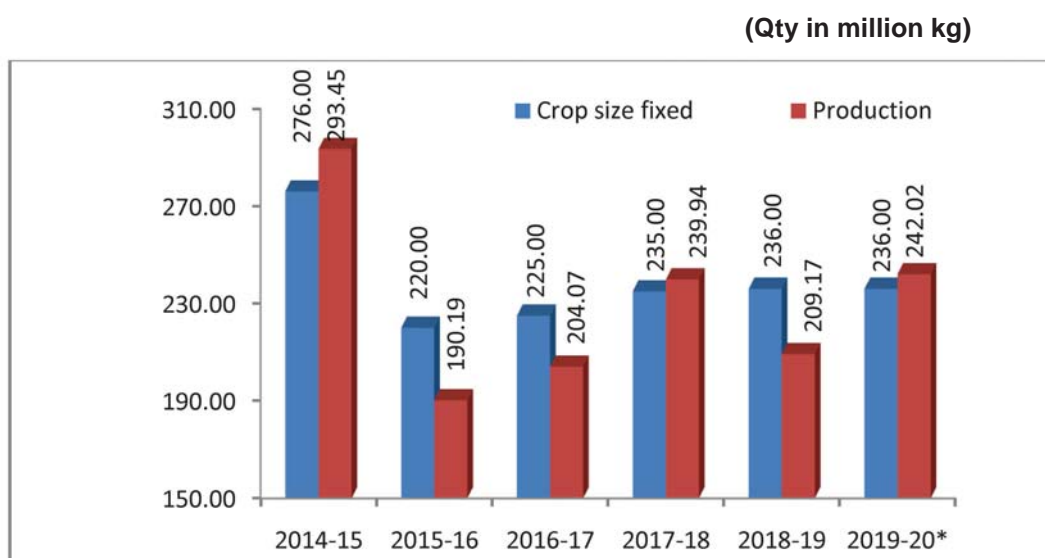
**ORGANISATIONAL CHART OF TOBACCO BOARD**



## CROP PLANNING AND REGULATION

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

FCV tobacco production in the last six years had been fluctuating from year to year. These wide fluctuations reflect weather impacts on yield as well as market dynamics in terms of price elasticity of supply. FCV tobacco production has registered a Compound Annual Growth Rate (CAGR) of - 6.55% during the last 5 years (i.e., from 2014-15 to 2018-19) and it was -3.16% including the year 2019-20.



\*2019-20 – Estimated

### II) FCV Tobacco Production Policy for 2019-20

During 2019-20 crop season, Tobacco Board had retained the same crop size of 236 million kgs for cultivation of FCV tobacco as fixed during 2018-19 crop season. A crop size of 100 million kgs for the state of Karnataka and 136 million kgs for the state of Andhra Pradesh was fixed by the Board for 2019-20 crop season.

### III) Production Policy for 2019-20 - Highlights

The Board's policy framework for regulating production during 2019-20 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 focus on controlling excess and unauthorized cultivation of tobacco.
- Area under FCV tobacco cultivation shall be reduced and diverted to other alternate crop/cropping systems.
- The excess production shall be dealt 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, as per the Board Act and Rules made there under, against the growers who are constructing / constructed unauthorized barns and are taking up unauthorized cultivation of tobacco.

#### **IV) Registration criteria for 2019-20 - Highlights:**

The following criteria were laid down for renewal of registration or registration of growers during 2019-20 crop season.

- All growers/barns registered with the Board in 2018-19 crop season are eligible for renewal of registration in 2019-20 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 2018-19 but have outstanding dues / to pay penalties / involved in barn disputes / to repair unfit barns / to 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 2018-19 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 2018-19 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 unauthorized barn on his own or on the name of his family members shall have to dysfunction the unauthorized 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 2019-20 crop season.
- As per the orders of Government of India vide letter No.9/11/2016-EP(Agri-VI) dated 10/10/2019 and 25/03/2020, 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 up to 31/05/2020 (the last date).

## V) Soil region wise area and production quota authorized for 2019-20

The soil region wise area authorized for cultivation and quota authorized for production per barn in Andhra Pradesh and Karnataka during 2019-20 crop season are as follows

### Andhra Pradesh

Soil Region	Area Registered (ha)		Production Quota (Kg/Barn)	
	2019-20	2018-19	2019-20	2018-19
Northern Light Soil (NLS)	1.50	1.50	3,300	3,300
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)	
	2019-20	2018-19	2019-20	2018-19
Simplex Barn	1.30	1.30	1,750	1,750
Duplex Barn	2.60	2.60	3,500	3,500

## VI) Production Regulation Campaign

The Board had undertaken a focused Production Regulation Campaign during 2019-20 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, electronic and print media were used to appeal to the growers to prevent excess/unauthorised production of FCV tobacco. In addition to 6 formal meetings prescribed per auction platform, 400 group meetings in Andhra Pradesh and 465 group meetings in Karnataka were conducted by field staff in villages as a part of production regulation campaign during 2019-20.



## VII) Particulars of growers registered during 2019-20:

During 2019-20 crop season, a total of 86,467 growers covering 94,392.48 barns were registered with the Board for cultivation of FCV tobacco. Of them, 44,424 growers covering 39,461.48 barns were registered for cultivation of tobacco in Andhra Pradesh. An area of 72,975.5 ha. was authorized for production of FCV tobacco against which an area of 79,293.51 ha. was actually planted. In Karnataka, 42,043 growers covering 54,931 barns were registered for cultivation of tobacco. As against an area of 71,410 ha. authorized for cultivation, an area of 80,364 ha. was planted under FCV tobacco.

The auction platform wise particulars of growers, barns and area registered, quantity authorized and area planted under FCV tobacco in Karnataka and Andhra Pradesh for 2019-20 crop season are furnished at Page Nos. **29 to 31**.

## VIII) Report on 2019-20 Karnataka Crop:

### Nursery

Area sown under Nursery during 2019-20 in Karnataka was 666.71 ha, which is less by 7.6% when compared to previous year (721.57 ha). Majority of the growers have taken up tray nursery to achieve better establishment and uniform growth of seedlings. The growth of the nursery was good and was free from pest and diseases. Seedlings were in good supply during this season.

Kanchan is the major variety sown covering 423.40 ha occupying 63.5 % of the total nursery area sown followed by CH-3 and FCH-222 hybrids which were sown in an area of 237.81 ha. (35.67%) and 5.50 ha. (0.83%) respectively.

### Main field

Like previous year, receipt of timely rains during the month of May, 2019 helped in taking up plantations early and the same were completed in the month of May itself in Karnataka during 2019-20 crop season. A total area of 80,364 ha. of FCV tobacco was planted in Karnataka during 2019-20, which is lower by 3.98% as compared to 83,696 ha. planted during the previous year. Out of the total area planted, about 49,339 ha (61%) of area planted is under Kanchan variety, 30,734 ha. is under CH-3 (38%) and 291 ha. is under FCH-222 (1%).

### Crop growth in Karnataka

Like last year, the notable feature of this year's crop is that the entire area was planted under early plantation. The crop establishment was satisfactory bearing 20 to 22 curable leaves in most of the area.

The rains received from 8<sup>th</sup> - 11<sup>th</sup> August, 2019 in Mysuru, Hassan and Kodagu districts caused over- flowing of the rivers causing floods in H.D.Kote, Kamplapura, Chilkunda, Hunsur and Ramanathapura areas. An estimated area of 935.18 ha. of crop was damaged due to inundation.





Incessant rains under Hunsur platforms jurisdiction caused crop damage and barn damage. Curings were also affected in inundated crop leading to production of medium and low grades and curing of the moisture laden leaves led to barn rotting and production of more green grades. There was reduction in leaf weight due to washing out of gums.

### Pests & diseases

No incidence of major pests and diseases was noticed in the main field during 2019-20 crop season. Incidence of Tobacco Mosaic virus was noticed in all the areas and growers were advised to take up sanitary and preventive measures to avoid further spread. Incidence of Black Shank disease and infestation of Spodoptera were observed in some fields in Periyapatna region.

### Harvesting & Curing

On an average 6 to 7 curings were taken up per barn. The cured leaves are lemon to lemon orange with more number of medium grades.



### Yields

Yields were relatively higher during 2019-20 at around 1300 kg/ha as compared to last year. A total crop of 106.18 million kg was marketed with a grade out turn of 14:44:42 in terms of Bright, Medium and Low grades as against 85.08 million kg marketed in 2018-19 with a grade out turn of 23:46:31.

## IX. Report on 2019-20 Andhra Pradesh Crop

### Nursery

Total area sown under nursery during 2019-20 in Andhra Pradesh was 466.60 ha. as against 402.92 ha. sown during previous year. No major incidence of pest and disease was observed during this season. The seedling prices were around ₹1,300/- to ₹2,000/- per bundle (6000 seedlings) in SLS and SBS regions. In NLS region, the prices were around ₹3,500 per bundle.



### Varieties

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

### Main field

A total area of 79,293.51 ha. was transplanted in Andhra Pradesh which is more by 3% as against 76,949.92 ha. planted during 2018-19 crop season. The area planted under Early (before 15<sup>th</sup> October), Middle (between 15<sup>th</sup> October to 15<sup>th</sup> November) and Late (after 15<sup>th</sup> November) plantation was in the ratio of 10:55:35.

In Southern Light Soil, Southern Black Soil and Northern Black Soil areas, Siri was the dominant variety cultivated in an area of 61,108.85 ha. accounting for 99.56% of total area planted. 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 (11,665.80 ha.) accounting for 65% of the area. The other variety grown was Kanchan.

**SLS REGION****SBS REGION**

Plantation Category	2019-20		2018-19	
	<b>Early Plantation</b> (Up to 15 <sup>th</sup> October)	7,748.80	10%	5,695.30
<b>Middle Plantation</b> (Up to 15 <sup>th</sup> November)	43,437.20	55%	43,588.30	57%
<b>Late Plantation</b> (After 15 <sup>th</sup> November)	28,107.51	35%	27,666.32	36%
<b>Total:</b>	<b>79,293.51</b>	<b>100%</b>	<b>76,949.92</b>	<b>100%</b>

**CROP GROWTH IN ANDHRA PRADESH****NORTHERN LIGHT SOILS (NLS) CROP**

Total plantation in Northern Light Soil region this year was 17,911.60 ha., which is less by 12% when compared to 20,288.45 ha. planted in 2018-19. Majority of crop was planted in the middle phase during this season due to late onset of monsoon. In NLS Region, the area under FCV tobacco has declined during this crop season due to scarcity of skilled labor and increase in area under plantation crops like cashewnut.

The crop condition was good with vigorous growth and better leaf spread. Minor incidence of *Orobanche* infestation was observed in fields of Gopalapuram platform jurisdiction. Bright grade out turn is on par with last year due to better gums development on leaves.

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

Total plantation in Southern Light Soil region this year was 37,220.61 ha. which is more by 9% when compared to 34,139.20 ha. planted during 2018-19. Majority of the crop was planted in middle and late phases. Under SLS region, some of the areas under Kandukur-I, Kandukur-II and Kaligiri were affected with false ripening due to receipt of untimely rains in the 1st week of January, 2020. The plant could not take up sufficient nutrients from the soil due to leaching and lack of aeration to the root zone. The farmers were advised to take up inter-cultural operations, topping and de-suckering to control false maturity. The quality of early and middle planted crop was drastically affected by false/fast maturity (over ripening of leaves) and 1 to 2 curings were also badly affected.

During 2019-20 crop season, the condition of the crop in SLS region is comparatively better than the drought affected previous crop with more number of curings & curable leaves along with improvement in bright grade outturn percentage due to the favourable weather conditions and sufficient rainfall. The *Orobanche* parasite infestation was less during this crop season in comparison with previous years.

### TRADITIONAL BLACK SOILS (TBS) CROP

Total plantation in Southern Black Soil region this year was 22,744.20 ha., which is more by 8% when compared to 21,025.37 ha. planted during 2018-19. Majority of the crop was planted in middle and late phases under SBS region. Untimely rains in the first week of January, 2020 caused false/ fast ripening and the crop under SBS region especially under Tangutur-I, Tangutur-II and Kondapi auction platforms, was affected severely. Growers were advocated to take up topping and de-suckering operation and to take up spraying of Potassium Nitrate @ 10 kg per ha. to improve the yield and quality. The farmers were also advised to take up intercultural operations to facilitate aeration to rootsystem wherever necessary. The crop that was totally damaged was advised for re-plantation. As a result of false maturity, the production of low grades this year were significantly more than the normal crop.

Total area planted in Northern Black Soils (NBS) during 2019-20 is 1,417.10 ha. which is less by 5% when compared to 1,496.90 ha. last year. Crop quality this year is rated as very good with better grade out turn.

### Harvestings

8-9 curings were taken up on an average in Northern Light Soil areas. In Southern Black Soil and Southern Light Soil areas, 6-8 curings were taken up on an average. Estimated crop yields are more with more percentage of low grades during this year in comparison with last year. The estimated grade out turn in terms of Bright, Medium and Low grades is in the ratio of 22:30:48 in SLS region and 20:27:53 in SBS region. In NBS and NLS regions, the grade out turn is in the ratio of 50:30:20 and 41:39:20 respectively



## Yields

During 2019-20 crop season, FCV tobacco production in Andhra Pradesh is estimated at 135.84 million kg. The production in NLS is estimated at 41.27 million kg. The production in SLS and SBS regions is estimated at 48.92 and 42.86 million kg respectively. The production in NBS region is at 2.79 million kg. The estimated average yields are 1,314 kg/ha in Southern Light Soils, 1,885 kg/ha in Southern Black Soils, 2,304 kg/ha in Northern Light soils and 1,969 kg/ha in Northern Black soils.

## X. Sale of excess/unauthorized tobacco during 2019-20

During 2018-19 crop season in Andhra Pradesh and 2019-20 crop season in Karnataka, the excess tobacco produced by registered growers up to the extent of 10% of quota authorized was allowed by levying an extra fee of ₹2/- per kg., and 5% of the proceeds of the sale (including normal service charge of 1%). The tobacco produced by the registered growers over and above the limit of 10% of the quota authorized and the tobacco produced by unregistered growers was allowed for sale by levying extra fee @ ₹2/- per kg., and 15% of the proceeds of the sale (including normal service charge of 1%). This had helped the Board to control readjustment of quotas and avoid sale of unauthorized tobacco as excess tobacco on the names of the registered growers.

## XI. Promotion of alternative crops to tobacco

As a part of Key Result Areas (KRAs) for Tobacco Board for 2019-20, Ministry of Commerce & Industry, Government of India vide its letter number. 5/2/2018-EP (Agri-VI) dated 20/05/2019 has directed the Board to promote alternative crops by conducting awareness programmes on alternative crops to FCV tobacco in key tobacco areas in coordination with CTRI and implement crop diversification schemes / take up alternative crop cultivation, in co-ordination with State Agriculture and Horticulture 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 Departments of Andhra Pradesh and Karnataka to create awareness on 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. Tobacco Board had

conducted growers awareness meetings during 2019-20 for promoting cultivation of other economically viable alternative crops in place of FCV tobacco in collaboration with CTRI and Agricultural Departments of Andhra Pradesh and Karnataka in key tobacco areas viz., Kandukur-I, D.C. Palli, Podili, of SLS region, Kondepi, Vellampalli, Ongole-I&II and Tangutur-I of SBS region, Raghudevapuram of NBS region, Koyyalagudem and Janagareddygudem of NLS region in Andhra Pradesh state. Similar meetings were conducted in Hunsur, H.D. Kote, Kampalapura, Periyapatna, Ramanathapura areas of KLS region in Karnataka state.

## **XII. Reschedulement of crop loans extended to FCV tobacco growers in Prakasam District – special dispensation from Reserve Bank of India:**

During 2018-19 crop season, FCV tobacco crop was planted in an area of 54,582 ha. in 46 mandals of Prakasam district and 15 mandals of Nellore district. Out of total planted area, an area of 39,940 ha. (73%) covering 23,402 growers under Prakasam and Nellore districts was affected due to drought with more than 33% damage resulting in low yields with poor cured leaf quality.

RBI has permitted the banks to reschedule crop loans extended to tobacco growers in 2018-19 crop season in 40 affected mandals of Prakasam district by stipulating a condition that the restructuring exercise should be completed by 31<sup>st</sup> January, 2020. As most of the grower beneficiaries have already repaid their crop loans by that time, only few growers could make use of this facility.

## TOBACCO BOARD :: GUNTUR

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

Auction Platform wise Growers' registration and plantation particulars for 2019-20 crop season in Andhra Pradesh

Particulars	No. of growers			No. of barns			Area registered (ha)			Crop Size fixed (mtkg)			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
<b>NLS Region</b>															
Devarapally	1840	0	1840	2101.17	0.00	2101.17	3151.80	0.00	3151.80	7.49	0.00	7.49	2595.35	0.00	2595.35
ELS	49	0	49	55.00	0.00	55.00	82.50	0.00	82.50	0	0.00	0	69.50	0.00	69.50
Devarapally Total	1889	0	1889	2156.17	0.00	2156.17	3234.30	0.00	3234.30	7.49	0.00	7.49	2664.85	0.00	2664.85
J.R.Gudem-I	2538	0	2538	3023.75	0.00	3023.75	4535.51	0.00	4535.51	10.42	0.00	10.42	4206.90	0.00	4206.90
J.R.Gudem-II	3057	0	3057	3174.59	0.00	3174.59	4762.03	0.00	4762.03	10.57	0.00	10.57	4190.00	0.00	4190.00
Koyyalagudem	2643	0	2643	2995.10	0.00	2995.10	4492.88	0.00	4492.88	9.71	0.00	9.71	3987.85	0.00	3987.85
Gopalapuram	1865	0	1865	2280.00	0.00	2280.00	3420.00	0.00	3420.00	7.81	0.00	7.81	2862.00	0.00	2862.00
<b>Sub total</b>	<b>11992</b>	<b>0</b>	<b>11992</b>	<b>13629.61</b>	<b>0.00</b>	<b>13629.61</b>	<b>20444.72</b>	<b>0.00</b>	<b>20444.72</b>	<b>46.00</b>	<b>0.00</b>	<b>46.00</b>	<b>17911.60</b>	<b>0.00</b>	<b>17911.60</b>
<b>SBS Region</b>															
Vellampally-I & II	1123	1582	2705	892.51	1471.37	2363.88	2320.52	2354.2	4674.72	3.30	5.33	8.63	2469.20	2920.00	5389.20
Ongole-I	983	1528	2511	624.49	1591.72	2216.21	1414.16	2550.45	3964.61	1.34	5.81	7.15	2036.80	3342.80	5379.60
Ongole-II	0	2114	2114	0.00	2286.34	2286.34	0	3658.14	3658.14	0	8.12	8.12	0.00	3838.50	3838.50
Tangutur-I	0	1996	1996	0.00	1822.83	1822.83	0	2916.53	2916.53	0	6.20	6.20	0.00	3728.00	3728.00
Tangutur-II	0	1655	1655	0.00	1634.42	1634.42	0	2615.08	2615.08	0	5.71	5.71	0.00	3383.00	3383.00
Kondepi	2034	1635	3669	1195.31	1197.34	2392.65	3057.01	1915.77	4972.78	4.00	3.90	7.90	4041.80	2454.10	6495.90
<b>Sub total</b>	<b>4140</b>	<b>10510</b>	<b>14650</b>	<b>2712.31</b>	<b>10004.02</b>	<b>12716.33</b>	<b>6791.69</b>	<b>16010.17</b>	<b>22801.86</b>	<b>8.64</b>	<b>35.07</b>	<b>43.71</b>	<b>8547.80</b>	<b>19666.40</b>	<b>28214.20</b>

Particulars	No. of growers			No. of barns			Area registered (ha)			Crop Size Fixed (mkg)			Area planted (ha.)		
	L.S.	B.S.	Total	L.S.	B.S.	Total	L.S.	B.S.	Total	L.S.	B.S.	Total	L.S.	B.S.	Total
<b>SLS Region</b>															
Podili-I & II	4529	263	4792	2540.54	213.85	2754.39	6605.41	344.15	6949.56	9.55	0.79	10.34	7402.80	341	7743.80
Kanigiri	1579	0	1579	1283.12	0.00	1283.12	3336.12	0	3336.12	4.71	0	4.71	3790.00	0	3790.00
Kandukur-I	2631	676	3307	1777.93	642.25	2420.18	3943.93	1027.6	4971.53	6.10	2.06	8.16	5182.00	1593	6775.00
Kandukur-II	2149	787	2936	1517.26	542.75	2060.01	3739.06	868.41	4607.47	5.43	1.87	7.30	4510.16	1048.2	5558.36
Kaligiri	1514	54	1568	1317.22	59.75	1376.97	3424.81	95.6	3520.41	5.08	0.21	5.29	3277.85	95.6	3373.45
D.C.Palli	2230	0	2230	1770.53	0.00	1770.53	4603.39	0	4603.39	6.49	0	6.49	4510.00	0	4510.00
Sub Total	14632	1780	16412	10206.60	1458.60	11665.20	25652.72	2335.76	27988.48	37.36	4.93	42.29	28672.81	3077.80	31750.61
<b>NBS Region</b>															
Thorredu	0	1370	1370	0.00	1450.34	1450.34	0.00	1740.44	1740.44	0.00	4.00	4.00	0.00	1417.10	1417.10
<b>Grand Total</b>	30764	13660	44424	26548.52	12912.96	39461.48	52889.13	20086.37	72975.50	92.00	44.00	136.00	55132.21	24161.30	79293.51

### REGION WISE ABSTRACT FOR ANDHRA PRADESH

Region	Growers	Barns	Area Regd. (ha)	Crop size Fixed (mkg)	Area Planted (ha)	Area regd. per barn (ha)	Quota per barn (kg)
NLS	11992	13629.61	20444.72	46.00	17911.60	1.50	3300
SLS	18772	12918.91	32444.41	46.00	37220.61	2.60	3500
SBS	12290	11462.62	18345.93	40.00	22744.20	1.60	3460
NBS	1370	1450.34	1740.44	4.00	1417.10	1.20	2600
<b>Total</b>	<b>44424</b>	<b>39461.48</b>	<b>72975.50</b>	<b>136.00</b>	<b>79293.51</b>		



**AUCTION PLATFORM WISE GROWERS' REGISTRATION AND PLANTATION PARTICULARS  
DURING 2019-20 CROP SEASON IN KARNATAKA**

S No	Name of the APF	Growers	Barns	Area Registered (ha.)	Crop size Fixed (mkg.)	Area planted (ha.)
<b>Mysore Region:</b>						
1	H.D.Kote-I & II	3625	4806.00	6247.80	9.01	7950
2	Hunsur-I	3117	3992.00	5189.60	7.16	6050
3	Hunsur-II	3188	3918.00	5093.40	7.02	5770
4	Hunsur-III	2626	3381.00	4395.30	6.08	5475
5	Kampalapura	3223	4147.00	5391.10	7.53	6165
6	Chilikunda	4453	5879.00	7642.70	10.63	8499
	<b>Sub-Total:</b>	<b>20232</b>	<b>26123.00</b>	<b>33959.90</b>	<b>47.43</b>	<b>39909</b>
<b>Periyapatna Region:</b>						
7	Periyapatna-I	4507	6472.00	8413.60	11.92	8771
8	Periyapatna-II	4677	6164.00	8013.20	11.19	8649
9	Periyapatna-III	4370	5736.00	7456.80	10.37	8106
10	Ramanathpura-I	4625	5761.00	7489.30	10.55	7882
11	Ramanathpura-II	3632	4675.00	6077.50	8.54	7047
	<b>Sub-Total:</b>	<b>21811</b>	<b>28808.00</b>	<b>37450.40</b>	<b>52.57</b>	<b>40455</b>
	<b>Grand Total:</b>	<b>42043</b>	<b>54931.00</b>	<b>71410.30</b>	<b>100.00</b>	<b>80364</b>

**Note:** Quota authorized per barn is 1,750 Kgs, Area regd. 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 suckercide to the farmers.

#### i. FCV Tobacco Seed:

During 2019-20 crop season, Board has facilitated the supply of 3,191.09 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	VARIETY							Total
	Kanchan (CTRI)	Kanchan (ITC)	CH3	G11	SIRI	FCH222	VT 1158	
Karnataka	675.00	667.75	604.34	0.00	0.00	174.00	0.00	2121.09
Andhra Pradesh	2.00	0.00	595.00	8.00	459.50	0.00	5.50	1070.00
<b>Total</b>	<b>677.00</b>	<b>667.75</b>	<b>1199.34</b>	<b>8.00</b>	<b>459.50</b>	<b>174.00</b>	<b>5.50</b>	<b>3191.09</b>

## ii) FERTILIZERS:

In Andhra Pradesh and Karnataka, Tobacco Board had facilitated the procurement and distribution of fertilizers through Committee of Farmers(COF) without involvement of Board. This new system was evolved in Andhra Pradesh during 2017-18 crop season and in Karnataka during 2018-19 crop season. 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 (APTGCUL) Ongole, the District Cooperative Marketing Society Ltd (DCMS) Ongole, the Nellore District Cooperative Marketing Society Ltd, Nellore for southern regions and the District Cooperative Marketing Society Ltd (DCMS) Eluru in Northern region in Andhra Pradesh and Karnataka State Cooperative Marketing Federation Ltd., (KCSMF) in Karnataka. Tobacco Board had provided hand holding support in all aspects of supply starting from collection of indents and advances; input loan arrangement; providing Tobacco Board godowns on rent free basis. The outsourcing agencies placed orders for supply of fertilizers to the manufacturers as per the growers 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 (MT) and Karnataka (MT) are as under.

### Andhra Pradesh:

Fertilizer	Supplier	Quantity (M.T)	Price (₹/Ton)	Value (₹ in lakh)
Ammonium Sulphate	GSFC	1878.05	11877.2	223.06
	FACT	2906.00	12000	348.72
	<b>Sub Total</b>	<b>4784.05</b>		<b>571.78</b>
Di-Ammonium Phosphate	IPL	787.35	23400	184.24
	IFFCO	1169.55	23400	273.67
	<b>Sub Total</b>	<b>1956.90</b>		<b>457.91</b>
Sulphate of Potash	IPL	3558.95	41000	1459.17
	FLORIS	304.60	35000	106.61
	TW	155.15	40000	62.06
	TW (Ferti - 25Kgs)	659.3	41000	270.31
	<b>Sub Total</b>	<b>4678.00</b>		<b>1898.15</b>
Calcium Nitrate	GSFC	2.15	16000	0.34
	TW (Ferti - 25Kgs)	221.85	27000	59.90
	<b>Sub Total</b>	<b>224.00</b>		<b>60.24</b>
<b>Grand Total</b>		<b>11642.95</b>		<b>2988.09</b>

**Karnataka:**

Fertilizer	Supplier	Quantity (M.T)	Price (₹/Ton)	Value (₹ in lakh)
Ammonium Sulphate	FACT	5620.8	11390	640.21
	GSFC	5507.7	11374	626.45
	<b>Sub Total</b>	<b>11128.5</b>		<b>1266.65</b>
Sulphate of Potash	IPL	5900	41760	2463.84
	TW	5228.5	41000	2143.69
	<b>Sub Total</b>	<b>11128.5</b>		<b>4607.53</b>
DI Ammonium Phosphate	CIL	1873.6	27911	522.94
	MCF	1835.9	27911	512.42
	<b>Sub Total</b>	<b>3709.5</b>		<b>1035.36</b>
<b>Grand Total</b>		<b>25966.5</b>		<b>6909.54</b>

**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 2019-20 crop season, M/s. Highgrow Floris Chemicals Pvt Ltd., has supplied 53,762 lts of Sucker Control Chemical to indented growers @ ₹897 per 2.5 lts can and M/s. ITC Ltd., has supplied 70,155 lts of Sucker Control Chemical @ ₹910/2.5 lts can as per the decisions of the COF.

As per the decision of the Karnataka Virginia Tambaku Belegarara Sangha (KVTBS), M/s. ITC Ltd., - ABD - ILTD, Guntur has supplied a quantity of 84,730 lts of Suckerout @ ₹880 per can of 2.5 lt to registered eligible growers during 2019-20 Karnataka Crop Season.

**II. Extension and Developmental Schemes taken up by Tobacco Board for sustainable Tobacco production during 2019-20 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 2019-20 crop season an area of **8,291.95 ha** was raised with green manure crops to enrich the soils with organic carbon in Andhra Pradesh and **1,550 ha.**, in Karnataka

State	Soil Region	Area under green manure crop (ha)
Karnataka	KLS Region	1550.00
Andhra Pradesh	NLS Region	3565.00
	SLS Region	1976.55
	SBS Region	2750.40
	<b>Sub-Total</b>	<b>8291.95</b>
	<b>Grand Total</b>	<b>9841.95</b>

## 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, reduce residues, protect environment and conserve 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 Sticky Traps during 2019-20 crop season in Andhra Pradesh are as follows:

Crop Season	Physical Achievement (No. of traps)		Financial Achievement (₹ in Lakh)	
	Pheromone Traps	Yellow Sticky Traps	Pheromone Traps	Yellow Sticky Traps
2019-20	29021	19261	3.77	0.77

### 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 2019-20 crop season, **3,237 Its** of bio pesticides were supplied to growers in NLS region and an amount of **₹2.25 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 Venturi 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 2019-20 crop season Board has spent **₹253.04 Lakh** on these energy conservation measures.

#### a. Scheme for replacing traditional furnace with Venturi Furnace (Improved design of furnace):

An improved design of furnace system - Venturi 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. Deccan Tobacco Enterprises) in **263** barns covering **324 no. of beneficiaries** during 2019-20 and refitted these barns with Venturi furnace. An amount of ₹ 5,000/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 2019-20 was **₹13.15 Lakh**.

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

The Objective of this scheme is to promote energy conservation in curing of FCV Tobacco through glass wool insulation of roof of barns and providing Turbo Ventilator for free air circulation in barn by extending subsidy to the grower beneficiaries. The scheme envisaged fuel wood savings to the extent of 25 to 27% and reduced the cost of cultivation by about ₹6,500/- per ha. approximately. In addition, these interventions in barn had resulted in improvement of leaf quality in curing by avoiding caramalization and sponging of leaf. The total cost of glass wool roof insulation and fitting of turbo ventilator ranged from ₹23,450.76 to ₹31,588.72 per barn of size 16X16 to 16X20 and 16X24 approximately.

Board had implemented this scheme in a focused mode in Andhra Pradesh during 2019-20 in collaboration with trade (M/s ITC Ltd, M/S Godfrey Philips India Ltd, M/s Deccan Tobacco Enterprises) by extending a financial assistance of ₹5,300 per 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 2019-20, **1,323.22 barns** of **1,741 registered growers** in Andhra Pradesh were insulated and Board had incurred an expenditure of **₹70.13 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	174	165	8.74
SLS region	926	661	35.01
SBS region	641	498	26.38
<b>Total</b>	<b>1741</b>	<b>1324</b>	<b>70.13</b>

#### 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/- per barn.

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

Year	No. of barns covered	No. of beneficiaries	Subsidy
2019-20	3,085	2,938	151.70

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

The principles of Sustainable Tobacco Production (STP) aims at 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 to renew their registration.

In Karnataka, Tobacco Board arranged supply of **2 Lakh saplings** to 19,501 registered growers on free of cost by procuring from Deputy Conservator of Forests, Hunsur and from Institute of Forest Genetics and Tree breeding, Coimbatore and incurred an amount of ₹16,27,804/-

In Andhra Pradesh, the farmers obtained saplings from local forest department on free of cost based on pattadar passbook of growers. Tobacco Board has met only the transportation charges of ₹1.78 Lakh towards arrangement of saplings to growers from Forest Department. Growers in Andhra Pradesh planted **4.50 Lakh saplings**.

#### **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 **2,691 canvas tarpaulins to 2,670 growers** in Karnataka and **2,614 canvas tarpaulins to 2,614 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 **₹52.98 Lakh** was incurred under this scheme. An amount of ₹ 1,000/- per Tarpaulin per 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 2019-20 crop season by extending financial assistance and necessary credit through commercial banks. In Andhra Pradesh, during 2019-20 crop season, Tobacco Board had extended financial assistance @ ₹6,500/- to ₹15,000/- per unit towards construction of bulk-sheds depending up on the size of bulk-shed. The total expenditure incurred under this scheme towards construction of **17 bulking sheds** was **₹2.36 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 (MRL). 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 2019-20, the Board had carried out analysis of **209 tobacco leaf samples** from all soil regions of Andhra Pradesh and Karnataka at NIPHM, Hyderabad and specifically **186 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 **₹36.19 Lakh** was incurred towards analysis charges.

Crop season	AP/KK	No. of samples Analysed	Amount incurred (₹)	Analysed at
18-19	AP	98	11,56,400.00	NIPHM
18-19	AP	186	11,52,900.00	Eurofins
19-20	KK	111	13,09,800.00	NIPHM
<b>Total</b>		<b>395</b>	<b>36,19,100.00</b>	

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

Tobacco Board also undertakes the analysis of leaf tobacco in every crop season for determining Nicotine, Sugars and Chlorides so as to determine the quality of leaf grown during the particular season and establish the crop chemistry. During 2019-20, Tobacco Board had got analyzed **249 leaf samples** collected from all platforms of Andhra Pradesh and Karnataka before start of auctions for sale of tobacco at CTRI, Rajahmundry for determining chemical constituents in leaf Tobacco. The total expenditure incurred on this account was **₹5.87 Lakh**.

Crop season	AP/KK	No. of samples Analysed	Amount incurred (₹)	Analysed at
18-19	AP	138	3,40,548.00	CTRI
19-20	KK	111	2,46,987.00	CTRI
<b>Total</b>		<b>249</b>	<b>5,87,535.00</b>	

### III. Initiatives taken up by Board for sustainable Tobacco Production during 2019-20 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.

Tobacco Board has taken 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 and Karnataka during 2019-20 crop season. The trials are undertaken in 18 auction platforms in the fields of **82 interested growers** in Andhra Pradesh and in 11 auction platforms by **12 no. of grower's** in Karnataka @ one plot in each Auction platform. In an area of **325 acres in Andhra Pradesh** and **35.25 acres in Karnataka**, FCV tobacco cultivation was taken up by 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, Jeelugumilli and Kandukur to scientifically evaluate the ZBNF cultivation in FCV Tobacco. The growers who have taken up natural farming practices were extended cash incentive of ₹5,000/- per grower and ₹10,000/- towards cost of inputs.

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. 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 bright grade tobacco percent is high in ZBNF plot when compared to control plots.

#### ii. 365 days green cover in Tobacco Plantation:

In furtherance of efforts for sustainable crop production through countering climate change, carbon sequestration, preventing soil degradation, Tobacco Board has initiated "365 days green cover" in tobacco farming. This concept was implemented under Natural farming mode in low productive, drought prone tobacco growing villages, for improving the soil micro biome and soil organic carbon content. In '365 days green cover', a continuous sequence of crops like legumes, millets and pulses, which are less input intensive besides tobacco are taken all the 365 days. This model ensures sustained cropping even under dry conditions by adopting 'Dry-sowing' of green manure seed before onset of

rains instead of conventional sowing after onset of rains. This model sustains soil health and also facilitates the tobacco growers to reap regular income throughout the year thus mitigating market risks and ensuring overall farmer profitability.

### **iii. Residue free Tobacco Production:**

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 2019-20 crop season for control of pesticide residues to get assured quality of leaf to improve the product integrity. Board has collected 184 leaf samples from 90 potential villages where 80% of crop in NLS is coming up and got analyzed at Eurofins Analytical Services India Pvt. Ltd, Bangalore.

There is a great achievement by production of 100% Pendimethalin residue free tobacco by the farmers (as per GRL of CORESTA) and 98.90% residue free tobacco for Carbendazim pesticide with below 2 ppm.

### **iv. Development of greenery:**

Tobacco Board is focusing on green cover improvement as part of its green drive initiatives for addressing key issues like carbon sequestration, climate change mitigation and improvement of biodiversity. The Tobacco Board has been fostering green cover improvement by pioneering initiatives like 'raise your own fuel programme', community tree planting, development of greenery in village commons envisaged for voluntary replenishment of green cover involving all stake holders. Under community plantation programme 2,44,990 no. of saplings were planted in village commons, Zilla Parishad school premises in the villages.

## **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 2019-20 crop season.

- The Board had organized training programmes in 2019-20 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.
- 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 in Andhra Pradesh as detailed below.

Details of Training Programme	No. of persons	Period
Off campus training on production of bio agents	56	30/11/2019
Off campus training on production of bio agents	95	31/10/2019
On campus training to the Board's technical officers on Integrated Soil Nutrient & Rhizosphere management	15	09/12/2019 to 16/12/2019 & 03/02/2020 to 10/02/2020

- A total no. of 216 training programmes were organized by Tobacco Board to growers / staff in the states of Andhra Pradesh and Karnataka. Around 11,113 participants (growers / staff) had participated in these training programmes.

Extension programmes undertaken towards control of CPA residues in NLS region - Action plan implemented:

- A floor level committee was constituted by Regional Manager, Rajahmundry with Auction Superintendents concerned, two trade members, two grower members, concerned Field Officer and Field Assistant.
- The committee has monitored the usage of pesticides in the crop and convinced farmers not to refrain from unnecessary usage of pesticides in Tobacco.
- Auction Superintendents convened awareness meetings at village level focusing on CPA issues starting from 3<sup>rd</sup> week of November'19 to 1<sup>st</sup> week of December'19.

- Hand bills were prepared and issued to growers depicting the information on ill effects of pesticide residues in Tobacco and need for control along with recommended pesticides and their dosages for control of different pest and diseases.
- An appeal was made to growers through print media not to use un recommended pesticides in Tobacco, avoid use of Carbendazim, Dithiocarbamates and Pendimethalin, highly hazardous agro chemicals.
- Flexies were displayed in each auction floor and 90 identified villages appealing the growers not to use Carbendazim, Dithiocarbamates and Pendimethalin.
- Publicity material in the form of poster/pamphlets on CPA's management highlighting economic threshold level of pest and period of preharvest interval was supplied to growers.
- Pest control measures were displayed on black board and kept in grower gathering places.
- Flexies were provided to pesticide shops on recommended pesticides for control of pests in Tobacco.
- A meeting with growers of NLS region and trade representatives was convened on 18/12/2019 at Deverapalli auction platform to discuss on CPA residue problem in NLS region. The meeting was chaired by Sri A. Sridhar Babu, IAS, Secretary, Tobacco Board.
- During the meeting the growers were enlightened on CPA residue problem in NLS region and measures to overcome the problem. 250 growers across all platforms in NLS region attended for the meeting. An amount of ₹67,116/- was incurred by Regional Manager, Rajahmundry towards convening the meeting.

## 2. Workshops:

### Andhra Pradesh:

- Regional Manager, SBS Region organized workshop at CTRI-Research Station, Kandukur on 9<sup>th</sup> Jan '2020 and 24<sup>th</sup> Jan '2020 covering all the growers of SLS/SBS regions. In the workshop, growers were educated on new Tobacco seed varieties, Orobanche control measures, Summer ploughing, Fertilizer application, Inter cultivation, Integrated Nutrient Management and Integrated Pest Management. An amount of ₹25,270/- was incurred by Regional Manager, Ongole (SBS region & SLS region) to organize said workshop
- Regional Manager, Rajahmundry has organized a workshop to growers of NLS region on 30<sup>th</sup> September '2019 at CTRI- RS, Jeelugumilli on "Good Agricultural Practices in Tobacco to reduce CPA and NTRM". During the workshop the growers were suggested to switch over to organic farming, 365 days green coverage, early plantation (before 15<sup>th</sup> of October), usage of bio pesticides instead of chemical pesticides and control of orobanche. An amount of ₹43,094/- was incurred towards organizing said workshop

### **Karnataka:**

- Regional Manager, Mysore has organized one day workshop to growers of Karnataka at CTRI, Hunsur on 31/07/2019 involving scientists from CTRI, Trade representative and Board staff, 95 growers attended for the workshop. An amount of ₹39,942/- was incurred by Regional Manager, Mysore towards conducting this workshop. During the workshop, growers were enlightened on Good Agricultural Practices, Proper application of fertilizers, Zero Budget Natural Farming, Pest and Disease Management and Alternative crops.

### **Farmer exposure visits-cum-Study Tours:**

#### **i) Study tour to growers of Karnataka:**

##### **a. Study tour to witness ZBNF cultivation in NLS region to growers of Karnataka:**

A study tour was arranged for the growers of Karnataka to Andhra Pradesh to witness ZBNF cultivation in FCV tobacco. The tour was organized from 12<sup>th</sup> February to 13<sup>th</sup> February-2019 to NLS region. The Karnataka growers interacted with growers of NLS region who have taken up ZBNF practices in FCV tobacco cultivation during 2018-19 Andhra Pradesh crop season. The package of practices followed in ZBNF cultivation were explained by the growers of Andhra Pradesh:

An interactive session was arranged with West Godavari District, ZBNF resource person, Department of Agriculture and he has explained the growers about main objective of ZBNF cultivation i.e. encouraging natural farming with the use of natural resources and to restrict usage of chemical fertilizers and pesticides.

**An amount of ₹2,72,421/- was incurred for organizing study tour.**

##### **b. Study Tours to growers of Karnataka to Agritech'19 at BIEC; Krishimela, Bengaluru and National Horticultural Fair 2020:**

Regional Manager, Mysore and Periyapatna conducted study tour to Karnataka growers to i) Agritech '19 at BIEC, Bengaluru on 30/08/2019, 31/08/2019, ii) Krishi Mela, GKVK, Bengaluru on 25/10/2019, iii) National Horticultural Fair '2020, Hesaragatta on 07/02/2020. 594 no. of growers participated in study tours. The growers were exposed to new technologies covering Farm Machinery, Water Management, Techniques (Drip Irrigation), Integrated Farming System, Organic Farming. An amount of ₹4.38 Lakh was incurred by Regional Manager, Mysore and Periyapatna to conduct the study tours.

#### **ii) Study tour to growers of Andhra Pradesh:**

##### **a. Study tour to witness 365 days green cover at Prakasam District:**

A study tour has been conducted by Regional Manager, Rajahmundry to witness 365 days green cover plot at Yerragondapalem, Prakasam (Dt). The growers witnessed the 365 day green cover plots and were explained on different activities taken up in 365 days green cover farming.

The growers were also shown horticultural crops like Taiwan Guava, Lemon, Custard Apple, Pomegranate etc.

**b. Study tour to NOAP, Vijayawada:**

Regional Manager, Rajahmundry organized a study tour to participate in National Organic Agricultural Production (NOAP), Vijayawada on 04/10/19. 33 growers participated in the study tour. Growers were enlightened to opt for Organic farming for better prices and improving environmental health.

**c.** All the Auction Superintendents of Andhra Pradesh have conducted study tours each to various places viz., Agricultural Research Station, Horticultural research station, Natural Farming resource unit, Organic fields and various threshing plants during 2019-20 crop season. 36 no. of study tours were conducted in Andhra Pradesh and 846 growers have participated. An amount of ₹5.08 Lakh was incurred to organize the study tours.

**iii) Study tour to Agrovision, Nagapur:**

Two officials along with 5 growers attended study tour. They visited various stalls on Agriculture, Horticulture, Irrigation, Poultry and Animal Husbandary, Dairy Vermi compost. They were explained on maintaining germ plasm of citrus varieties in research station, Water Management and working of sprayers, maize cob thresher, hole diggers. They attended workshop on Organic Farming, Green House, Dairy, Bee Keeping and Sericulture.

**iv) Awards to growers:**

To encourage the growers to produce good quality of tobacco, and to take up natural farming practices, Board has felicitated two growers from each platform in Andhra Pradesh and Karnataka during formation day celebrations held on 3<sup>rd</sup> January-2020. The growers were felicitated with a certificate of appreciation and cash award of ₹5,000/-.

**v) Publicity Material:**

Tobacco Board had brought out 200 Nos. of English brochures in Multi colour on "Natural Farming Practices in FCV Tobacco Cultivation" and 22,000 no. of pamphlets in multi colour on "Raise Your Own Fuel Scheme" and 15,500 no. of telugu pamphlets in Multi colour on "Elimination of NTRMs and Product Integrity" during 2019-20 for distribution to growers.

**vi) Field Friends' Teams:**

The Tobacco Board has 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 up for improving the crop condition.

### vii) On Farm tests and experimental trials:

Tobacco Board has implemented "On Farm Trials and Experimental Trials" in the fields of the growers on Zero Budget Natural Farming.

During 2019-20 crop season, Tobacco Board had taken up 11 On Farm Trial Plots in Karnataka @ 1 trial plot/Auction Platform and in Andhra Pradesh, Board had take up On Farm Trial plots in the fields of 82 growers. An area of 325 acres was covered in Andhra Pradesh and an area of 35.25 Acres was covered in Karnataka under Natural Farming Practices. Tobacco Board had incurred an expenditure of ₹1.99 Lakh for implementing the scheme in Karnataka and an amount of ₹11.74 Lakh was incurred in Andhra Pradesh towards implementation of ZBNF in Tobacco Cultivation.

### viii) Model Project Area:

Board has implemented Model Project Area scheme in low productivity areas of 18 villages in Andhra Pradesh and 11 villages in Karnataka to encourage farmers in these areas to adopt good agricultural 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 DURING 2019-20:

Tobacco Board had incurred a total expenditure of ₹532.40 Lakh during 2019-20 for implementing various Extension and Developmental schemes.

(₹ lakh)	
Extension Schemes	2019-20
Improving Yield & Quality of Tobacco	165.96
Improvement of Curing Practices	253.04
Elimination of NTRMs and Product Integrity	52.98
Post Harvest Product Management	2.37
Programmes for training of farmers	34.45
On Farm Tests & Experimental Trials	13.75
Model Project Area	9.86
<b>Total:</b>	<b>532.41</b>

The scheme wise Physical/Financial targets and achievements are given from page Nos. 48-50.



## Extension and Development Activities



Shri Y. Raghunadh Babu, Chairman planting in main field



Shri Y. Raghunadh Babu, Chairman visiting the main field



Intigrated Pest Management in FCV Tobacco



Demonstration of Bio-Pesticide multiplication to growers in Koyalagudem Auction Platform



Tree sapling plantation using plant hole digger



Meeting with Trade and Grower representatives at Devarapally regarding advance methods of curing, CPA residues and NTRM elimination in FCV Tobacco



Preparation of natural farming concoction



Grower study tour programme to FCV Tobacco Threshing Plant

**2019-20 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
<b>1</b>	<b>Improving yield and quality of FCV Tobacco</b>									
a	Analysis of leaf for pesticide and chemical constituents	422	222	644	422	222	644	26.50	15.57	42.07
b	Integrated Pest Management Practices									
b.1	Pheromone Traps	1325	0	1325	29021	0	29021	3.77	0.00	3.77
b.2	Yellow Sticky Traps	1346	0	1346	19261	0	19261	0.77	0.00	0.77
c	Supply of Trays and Cocopeat	2109	6219	8328	863184	1384680	2247864	36.59	75.31	111.90
d	Suppl of Bio Pesticides	1255	0	1255	4286	0	4286	2.96	0	2.96
e	Supply of Mari gold seedlings	4878	0	4878	599100	0	599100	4.49	0	4.49
	<b>Sub Total:</b>	<b>11335</b>	<b>6441</b>	<b>17776</b>				<b>75.08</b>	<b>90.80</b>	<b>165.96</b>
<b>2</b>	<b>Improving of curing practices</b>									
a	Energy conservation measures (Glass wool roof insulation, Ventury Furnace and Paddy Straw Roof Insulation)	2065	2938	5003	1587	3085	4672	83.28	151.70	234.98
b	Raising of fuel for curing of Tobacco(no. of saplings)	...	...	...	456000	200000	656000	1.78	16.28	18.06
	<b>Sub Total:</b>	<b>2065</b>	<b>2938</b>	<b>5003</b>				<b>85.06</b>	<b>167.98</b>	<b>253.04</b>
<b>3</b>	<b>Elimination of NTRM and Product Integrity through supply of tarpaulins</b>	2614	2670	5284	2614	2691	5305	26.69	26.29	52.98
<b>4</b>	<b>PHPM Measures Construction of Bulking Sheds/Model Storage facilities</b>	17	0	17	17	0	17	2.37	0.00	2.37
<b>5</b>	<b>Other Extension Programs</b>									
a	Training to farmers & staff									
i	Work shops	702	95	797	4	1	5	1.38	0.40	1.78
ii	Trng.prog by Auction Superintendents to growers	5632	3634	9266	108	66	174	2.94	2.14	5.08
iii	Trng.prog to Officers/Staff/ Growers at NIPHM	166	0	166	3	0	3	2.46	0.00	2.46
iv	Training to growers/staff on classification, package of practices, arrest CPA residue problems	1070	121	1191	35	1	36	1.58	0.30	1.88
v	Training to tenant/small farmers	490	0	490	3	0	3	6.45	0.00	6.45
b	Publicity & Extension Literature	...	...	0	37700	0	37700	0.46	0.00	0.46
c	Study Tours	976	666	1642	41	3	44	7.46	7.10	14.56
d	Field Friend Teams	...	...	0	6	0	6	0.33	0.00	0.33
e	Best Grower Awards	18	11	29	18	11	29	0.90	0.55	1.45
	<b>Sub Total:</b>	<b>9054</b>	<b>4527</b>	<b>13581</b>				<b>23.96</b>	<b>10.49</b>	<b>34.45</b>
<b>6</b>	<b>On Farm Tests &amp; Experimental Trials</b>	1036	663	1699	82	11	93	11.76	1.99	13.75
<b>7</b>	<b>Model Project Area (Ha.)</b>	1158	679	1837	18	11	29	6.05	3.81	9.86
	<b>Grand Total:</b>	<b>27279</b>	<b>17918</b>	<b>45197</b>				<b>230.96</b>	<b>301.44</b>	<b>532.41</b>

**COVERAGE OF SC/ST/WOMEN & OTHER GROWERS UNDER EXTENSION AND DEVELOPMENTAL SCHEMES DURING 2019-20**

Sl. No	Name of the scheme	Achievements															
		Beneficiaries					Physical (units)					Financial (subsidy in ₹)					
		S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total	
1	Improving yield and quality of FCV Tobacco	...	...	...	...	644	...	...	...	644	...	...	...	...	...	4206635	
a	Analysis of leaf for pesticide and chemical constituents	...	...	...	...	644	...	...	...	644	...	...	...	...	...	4206635	
b	Integrated pest management practices	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
b.1	Pheromone Traps	84	34	235	972	1325	1308	733	5527	21453	29021	17004.00	9529.00	71851.00	278889.00	377273.00	
b.2	Yellow Sticky Traps	89	44	247	966	1346	879	577	3675	14130	19261	3516.00	2308.00	14700.00	56520.00	77044.00	
c	Supply of Trays and Cocopeat	631	380	1846	5471	8328	148285	100633	534553	1464393	2247864	1022414.00	670422.00	2498937.00	6997663.00	11189436.00	
d	Suppl of Bio Pesticides	36	36	396	787	1255	108	86	1402	2690	4286	11975.00	9600.00	94215.00	180750.00	296540.00	
e	Supply of marigold seedlings	...	...	...	...	4878	...	...	...	...	599100	...	...	...	...	449325.00	
	<b>Sub Total:</b>	<b>840</b>	<b>494</b>	<b>2724</b>	<b>8196</b>	<b>17776</b>						<b>1054909</b>	<b>691859</b>	<b>2679703.00</b>	<b>7513822.00</b>	<b>16596253.00</b>	
2	Improvement of Curing Practices	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
a	Energy conservation measures (Glass Wool Roof Insulation, Ventury Furnace, Paddy Straw Roof Insulation)	183	111	1056	3653	5003	162	119	1009	3382	4672	816462.00	595900.00	5080542.00	17005162	23498066.00	
b	Raising of fuel for curing of Tobacco	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1805904.00	
	<b>Sub Total:</b>	<b>183</b>	<b>111</b>	<b>1056</b>	<b>3653</b>	<b>5003</b>										<b>25303970.00</b>	

Sl. No	Name of the scheme	Achievements														
		Beneficiaries					Physical (units)					Financial (subsidy in ₹)				
		S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total	S.C	S.T	Women	Others	Total
3	Elimination of NTRM and Product Integrity through supply of tarpaulins	344	141	1029	3770	5284	346	143	1034	3782	5305	385400.00	151800.00	1022000.00	3739000.00	5298200.00
4	PHPM Measures Construction of Bulking Sheds/Model Storage facilities	0	0	2	15	17	0	0	2	15	17	0.00	0.00	250000.00	211500.00	236500.00
5	Other Extension Programmes															
a	Training to farmers & staff															
i	Work shops	...	...	...	...	797	...	...	...	...	5	...	...	...	...	177921.00
ii	Trng. progs. by Auction Superintendents to growers	...	...	...	...	9266	...	...	...	...	174	...	...	...	...	508094.00
iii	Trng.prog to Officers/Staff/ Growers at NIPHM	...	...	...	...	166	...	...	...	...	3	...	...	...	...	245670.00
iv	Training to growers/staff on classification, package of practices,arrest CPA residue problems	...	...	...	...	1191	...	...	...	...	36	...	...	...	...	187350.00
v	Training to tenant/small farmers	...	...	...	...	490	...	...	...	...	3	...	...	...	...	645406.00
b	Publicity & Extension Literature	...	...	...	...	...	...	...	...	...	37700	...	...	...	...	45500.00
c	Study Tours	...	...	...	...	1642	...	...	...	...	44	...	...	...	...	1456344.00
d	Field Friend Teams	...	...	...	...	...	...	...	...	...	6	...	...	...	...	33284.00
e	Best Grower Awards	...	...	...	...	29	...	...	...	...	29	...	...	...	...	145000.00
	Sub Total :	...	...	...	...	13581	...	...	...	...	29	...	...	...	...	3444569.00
6	On Farm Tests & Experimental Trials	...	...	...	...	1699	...	...	...	...	93	...	...	...	...	1374840.00
7	Model Project Area (Ha.)	...	...	...	...	1837	...	...	...	...	29	...	...	...	...	986502.00
	Grand Total:	...	...	...	...	45197	...	...	...	...	29	...	...	...	...	53240834.00

## GROWER WELFARE INITIATIVES

### I) Tobacco Board Growers Welfare Fund:

Tobacco Board is undertaking various welfare measures, to ensure overall welfare of around 86,467 FCV tobacco Growers and their families in the states of Andhra Pradesh, Karnataka, Telangana & Odisha by establishing "Tobacco Board 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 15,728 growers, in terms of Grants and Loans so far. Grants worth ₹42.06 crore were sanctioned to 11,534 beneficiaries and interest free loans of ₹10.10 crore were sanctioned to 4,194 growers.

By the end of 2019-20 since the inception of the scheme, a total amount of ₹62.64 crore was available in Tobacco Board Growers' Welfare Fund. During 2019-20 ₹5.82 crore were disbursed in the form of Grants and ₹1.56 crore in the form of Interest Free Loans, totaling to ₹7.38 crore. The details of Grants/Interest Free Loans extended scheme wise during 2019-20 are at **Page No.53**.

### II) Production related services to farmers

#### a) Soil and Water Analysis

Every year, Tobacco Board 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 dose of fertilizers for improving quality and yields. During 2019-20 crop season, 2,300 soil samples and 625 water samples in Andhra Pradesh state and 4,200 soil samples in Karnataka state were analyzed and results were communicated to the growers concerned. In addition to the above, 1,000 soil samples in Andhra Pradesh and 180 soil samples in Karnataka were analyzed for micro nutrients viz., Fe, Zn, Mn and Cu during 2019-20 crop season.

State	Soil Samples	Water Samples
Andhra Pradesh	2,300	625
Karnataka	4,200	--
<b>Total</b>	<b>6,500</b>	<b>625</b>

**b) Barn and stock insurance for FCV tobacco growers:**

The Board is facilitating insurance coverage of barns and tobacco stocks during curing and storage through Standard Fire and Allied Perils Policy since 2003 in Andhra Pradesh and from 2019-20 onwards in Karnataka. Registered tobacco growers are also being covered under Group Personal Accident Policy (GPA) every year. During 2019-20 crop season, The Oriental Insurance Company Limited provided insurance coverage to 33,872 growers and their 33,035.98 barns in Andhra Pradesh and an amount of ₹2.30 crore was paid as premium to the insurance company. The United India Insurance Company Limited provided insurance coverage to 34,415 growers and their 43,472 barns in Karnataka and an amount of ₹1.49 crore was paid as premium to the insurance company.

**TOBACCO BOARD'S GROWERS' WELFARE SCHEMES**  
**THE SCHEME WISE DETAILS OF DEATH GRANTS/ INTEREST FREE LOANS EXTENDED TILL 31/03/2020**

DESCRIPTION (GRANTS/LOANS)	During 2019-20 (01/04/2019 to 31/03/2020)						Since inception of the scheme to till 31/03/2020					
	Andhra Pradesh		Karnataka		TOTAL		Andhra Pradesh		Karnataka		TOTAL	
	No. of Beneficiaries	Amount (₹) In. Lakh	No. of Beneficiaries	Amount (₹) In. Lakh	No. of Beneficiaries	Amount (₹) In. Lakh	No. of Beneficiaries	Amount (₹) In. Lakh	No. of Beneficiaries	Amount (₹) In. Lakh	No. of Beneficiaries	Amount (₹) In. Lakh
<b>GRANTS</b>												
Natural death	501	250.50	610	305.00	1111	555.50	5130	1668.20	5997	2244.22	11127	3912.42
Accidental death	15	15.00	11	11.00	26	26.00	260	181.50	147	112.00	407	293.50
<b>Total Grants (A)</b>	<b>516</b>	<b>265.50</b>	<b>621</b>	<b>316.00</b>	<b>1137</b>	<b>581.50</b>	<b>5390</b>	<b>1849.70</b>	<b>6144</b>	<b>2356.22</b>	<b>11534</b>	<b>4205.92</b>
<b>INTEREST FREE LOANS</b>												
Daughter's Marriage	9	4.50	182	91.00	191	95.50	78	24.00	1219	476.50	1297	500.50
Treatment for Major illness/Accident cases requiring surgery	2	1.00	2	1.00	4	2.00	39	14.65	63	18.74	102	33.39
Repairs to Barns damaged due to natural calamities/ Fire Accident	0	0.00	89	43.60	89	43.60	2228	261.45	199	95.80	2427	357.25
Education to Dependent Children	7	3.50	22	11.00	29	14.50	246	73.87	122	44.50	368	118.37
<b>Total Loans (B)</b>	<b>18</b>	<b>9.00</b>	<b>295</b>	<b>146.60</b>	<b>313</b>	<b>155.60</b>	<b>2591</b>	<b>373.97</b>	<b>1603</b>	<b>635.54</b>	<b>4194</b>	<b>1009.51</b>
<b>GRAND TOTAL (GRANTS + LOANS)</b>	<b>534</b>	<b>274.50</b>	<b>916</b>	<b>462.60</b>	<b>1450</b>	<b>737.10</b>	<b>7981</b>	<b>2223.67</b>	<b>7747</b>	<b>2991.76</b>	<b>15728</b>	<b>5215.43</b>

## AUCTIONEERING SERVICES AT PLATFORMS

The Tobacco Board has introduced auction system for sale of FCV tobacco during 1984 in Karnataka and during 1985 in Andhra Pradesh by establishing auction platforms 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 2018-19 FCV TOBACCO IN ANDHRA PRADESH:

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

Tobacco Board has fixed a crop size of 136 million kg (mkg) for Andhra Pradesh during 2018-19 crop season.

As against the 136 mkg targeted crop size, the production was estimated at 126.29 mkg. The 2018-19 FCV tobacco crop in Prakasam and Nellore districts was subjected to prolonged drought for the fourth consecutive year in a row. 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. The drought had impacted the yields negatively.

In both the SLS & SBS regions, the farmers struggled hard to bring up the crop and 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 as well as the quality of the crop was affected.

The 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 NLS region, the crop growth was good and yielded good produce. Overall, there was no major pest and disease incidence noticed during the season.

#### b) Grade Outturn:

The grade out-turn recorded in terms of Bright, Medium and Low grade percentages were 27% : 29% : 44% vis - à-vis 43% : 31% : 26% during last year.

The soil region wise bright, medium and low grade percentages vis-à-vis last year is given below:



Region	2018-19 Season			2017-18 Season		
	Bright	Medium	Low	Bright	Medium	Low
NBS	43	45	12	58	31	11
SBS	18	23	59	42	21	37
SLS	20	29	51	38	32	30
NLS	42	36	22	48	38	14
OVER ALL	27	29	44	43	31	26

### c) Minimum Guaranteed Indicative Prices (MGIP):

After several years of gap, with the concerted efforts of the Board, the Indian Tobacco Association has agreed and announced Minimum Guaranteed Indicative Price (MGIP) for FCV tobacco crop with effect from 2016-17 crop season in Andhra Pradesh. The announced Minimum Guarantee Indicative Price (MGIP) is applicable for 3 years i.e. upto 2018-19 crop season.

The Minimum Guaranteed Indicative Price (MGIP) announced for 2018-19 crop season is given hereunder:

Grade	MGIP for the tobacco in traditional soils (SLS, SBS & 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

### d) 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:

Sl. No.	Phase	Region	Date of commencement of auction sales	Auction platforms
1	1 <sup>st</sup> Phase	SLS	22/03/2019 Friday	06 Auction Platforms
2	2 <sup>nd</sup> Phase	SBS & NLS	27/03/2019 Wednesday	11 Auction Platforms
3	3 <sup>rd</sup> Phase	NBS	15/04/2019 Monday	01 Auction Platform

### e) Market trends:

Auctions at all the auction platforms have commenced on a positive note. The good quality tobacco has fetched a highest price of ₹165/- per kg in NBS region, ₹168/- in SBS, ₹167/- in SLS and ₹170/- in NLS region on the starting day of auctions as against ₹160/- per kg in NBS, SBS & SLS regions and ₹165/- per kg in NLS region during previous year. The auctions went on quite well to the satisfaction of all the growers' upto 7<sup>th</sup> week. While the overall average price realizing was just few percentage points below the last year average price and bright grade tobacco was fetching good prices, the low grade tobaccos are not picked up by the buyers actively. This situation led to rejection of lot of bales offered for sale. Sometimes the rejections percentages at some of the platforms in SLS & SBS regions have exceeded 50% of the offerings.

The farmers were more concerned about low grade prices because of the chunk of the produce consists of low grade tobacco and any drop in price will impact their income. Since the crop in SLS & SBS regions has affected with drought conditions for the past 4 years in a row, the farmers were not in a position to bear any further losses.

Right from the beginning of the season, farmers from SLS & SBS regions requesting to ensure the average price of at least ₹100/- per kg for low grade tobaccos. The same has been discussed in several meetings with the trade. The rejection percentage was at higher side during the season due to resistance of the farmers to market the low grade tobacco as per prevailing market price.

The Hon'ble Minister of Agriculture & Co-operation, Andhra Pradesh Sri K. Kanna Babu has reviewed the market situation on 14/06/2019 with the Board Officers, trade and growers and impressed upon the trade to come forward to rescue them by way of procuring the low grades at a reasonable price so that they will be able to sustain and there by the tobacco trade also will able to continue their business.

The issue of the FCV farmers' problem have been raised by Hon'ble MPs both in Lok Sabha and Rajya Sabha and urged the Government to safeguard the interests of the tobacco farmers.

Hon'ble Chief Minister of Andhra Pradesh has also reviewed the prices being realised in the market on 14/08/2019 with the Executive Director and suggested to take necessary measures to provide remunerative prices to the farmers.

**Steps taken by the Tobacco Board to improve the market situation are:**

- Considering the difficult situation that was being faced by the farmers, Board has continuously persuaded the buyers to purchase their share by paying fair prices and rescue the farmers from the current crisis.
- Tobacco Board has written letters to all the International customers to place orders and ensure to complete the auctions at the earliest.
- Tobacco Board has also requested the ITA & Trade several times, during its review meetings to procure all grades of tobacco produced by the farmers by paying remunerative price.
- In view of massive campaigns conducted by the Board, growers have produced crop protection agent residue free tobacco and thereby Board could able to convince the M/s. Japan Tobacco International to enhance their purchases from Indian market.
- Board has conducted review meetings with the trade on 15/04/2019, 24/04/2019, 24/05/2019, 11/06/2019, 21/06/2019 & 05/07/2019 and impressed upon them to improve the prices being paid.
- The Board is also continuously monitoring the market trends by deploying the senior officers of Tobacco Board to visit the auction platforms, to monitor the price realization and to resolve any of the problems on day to day basis.

The auction sales were concluded on 07/09/2019. A quantity of 124.09 mkg was marketed at an average price of ₹121.53 per kg. The average price realised ₹121.53 per kg during the current season is lower by ₹8.47 per kg over the last year average price. The highest price recorded for quality tobacco is ₹230 per kg and this was record high price in the history of FCV tobacco auctions in India.

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

Soil Region	Grade	2019 Auctions (final)		2018 Auctions (final)		Difference in Avg. Price of 2019 over 2018 auctions
		Qty. Mktd. (mkg)	Avg. Pri. (₹/kg)	Qty. Mktd. (mkg)	Avg. Pri. (₹/kg)	
NBS (Northern Black Soils)	Bright	1.06	160.15	1.66	144.85	15.30
	Medium	1.12	102.64	0.89	101.27	1.37
	Low	0.31	71.01	0.30	80.45	-9.44
	<b>Total</b>	<b>2.49</b>	<b>123.24</b>	<b>2.85</b>	<b>124.41</b>	<b>-1.17</b>
SBS (Southern Black Soils)	Bright	7.93	168.65	17.55	153.62	15.03
	Medium	9.73	125.10	8.87	126.09	-0.99
	Low	25.58	84.78	15.39	87.34	-2.56
	<b>Total</b>	<b>43.24</b>	<b>109.24</b>	<b>41.81</b>	<b>123.38</b>	<b>-14.14</b>
SLS (Southern Light Soils)	Bright	7.84	168.87	14.01	153.35	15.52
	Medium	11.46	136.49	11.91	131.59	4.90
	Low	20.59	83.07	11.29	85.62	-2.55
	<b>Total</b>	<b>39.89</b>	<b>115.28</b>	<b>37.21</b>	<b>125.83</b>	<b>-10.55</b>
NLS (Northern Light Soils)	Bright	16.15	172.10	24.29	153.47	18.63
	Medium	13.87	140.86	19.58	134.70	6.16
	Low	8.44	85.10	7.31	100.63	-15.53
	<b>Total</b>	<b>38.46</b>	<b>141.74</b>	<b>51.18</b>	<b>138.74</b>	<b>3.00</b>
All Soil Regions	Bright	32.98	170.12	57.51	153.24	16.88
	Medium	36.19	134.05	41.25	131.23	2.82
	Low	54.92	84.11	34.29	89.54	-5.43
	<b>Total</b>	<b>124.09</b>	<b>121.53</b>	<b>133.05</b>	<b>130.00</b>	<b>-8.47</b>

#### f) Volume and Prices:

The auctions for sale of 2018-19 FCV tobacco crop in Andhra Pradesh commenced in the financial year 2018-19 on 22/03/2019 and concluded in the financial year 2019-20 on 07/09/2019. A total quantity of 124.09 million kg of tobacco was marketed at an average price of ₹121.53 per kg at the end of the auction season, out of which, a quantity of 123.14 million kg of tobacco was marketed at an average price of ₹121.23 per kg during the period from 01/04/2019 to 07/09/2019 i.e. during 2019-20 financial year.

**Auction Platform wise quantity of tobacco marketed in Andhra Pradesh  
during the period 01/04/2019 to 07/09/2019**

Sl. No.	Name of the Auction Platform	2019 Andhra Pradesh auctions Quantity marketed during the period 01/04/2019 to 07/09/2019	
		Qty. Mktd.(kg)	Avg. Pri. (Rs/kg)
<b>I. ANDHRA PRADESH</b>			
1	Thorredu	2487217.4	123.24
<b>TOTAL (NBS)</b>		<b>2487217.4</b>	<b>123.24</b>
2	Vellampally-II	8598085.1	108.61
3	Ongole - I	8020627.8	111.51
4	Ongole - II	7594030.1	109.60
5	Tangutur-I	5973112.2	110.77
6	Tangutur-II	5061366.9	109.24
7	Kondepi	7862200.9	105.20
<b>TOTAL (SBS)</b>		<b>43109423.0</b>	<b>109.08</b>
8	Podili - I	7943001.0	110.11
9	Kandukur - I	9300625.1	112.72
10	Kandukur - II	8183798.7	116.97
11	Kanigiri	3677563.9	112.35
12	Kaligiri	4269778.8	116.13
13	D.C. Palli	5783356.8	119.49
<b>TOTAL (SLS)</b>		<b>39158124.3</b>	<b>114.42</b>
14	Devarapalli	5766708.9	147.46
15	J.R.Gudem - I	8825539.9	136.94
16	J.R.Gudem - II	8964620.5	139.53
17	Koyyalagudem	8516190.2	140.38
18	Gopalapuram	6312418.5	147.97
<b>TOTAL (NLS)</b>		<b>38385478.0</b>	<b>141.70</b>
<b>GRAND TOTAL</b>		<b>123140242.7</b>	<b>121.23</b>

### g) Total marketed value:

The total value of the tobacco of 2018-19 Andhra Pradesh crop purchased by the buyers was ₹1,508.07 crore.

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

Government of India vide Notification S.O. No. 2954(E) & 2955(E) dated 17<sup>th</sup> August, 2019 permitted the sale of excess quantity of tobacco produced by the registered growers in Andhra Pradesh State subject to payment of 5% service charges (incl. normal service charge of 1%) and extra fee of ₹2.00 per kg up to the extent of 10% of the quota authorized; 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 (incl. normal service charge of 1%) 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:

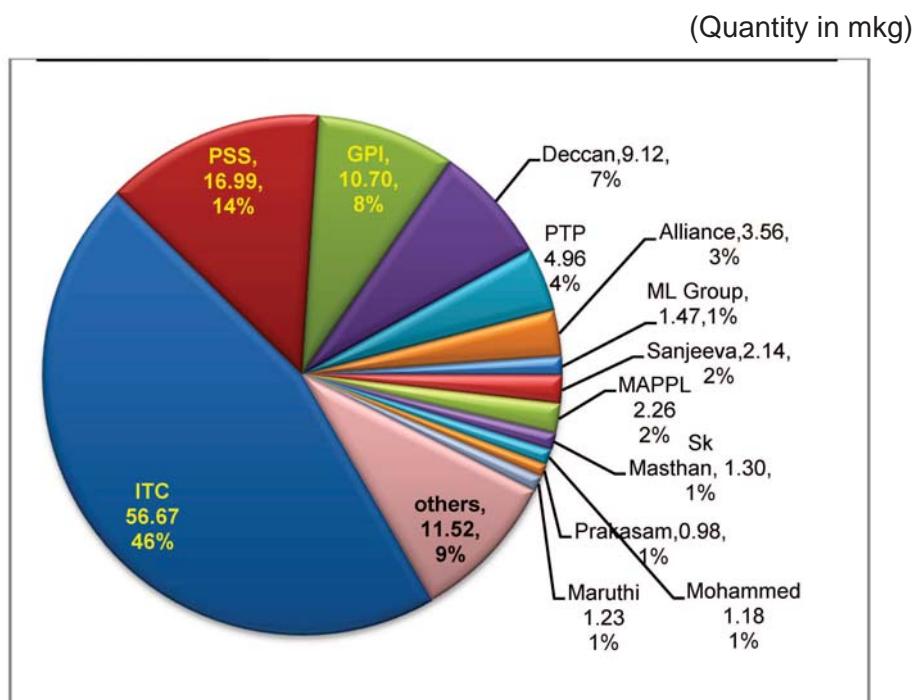
SI. No.	Category of the growers	No. of growers	Qty. marketed (mkg)	Avg. Price (₹/kg)
1.	Registered growers	14768	6.62	74.50
2.	Un-registered growers	5	0.0038	59.93

### i) Buyers performance:

A total of 67 buyers have participated in 2019 Andhra Pradesh auctions. The quantities of tobacco purchased and average prices paid by Manufacturers, Exporters and Dealers compared to their last year purchases were given hereunder.

SI. No.	Category	2019 Auctions			2018 Auctions		
		Quantity (mkg)	% share	Average price (₹/kg)	Quantity (mkg)	% share	Average price (₹/kg)
1	Manufacturers	67.37	54.29	129.53	81.31	61.12	135.27
2	Exporters	45.73	36.85	112.93	39.65	29.80	121.43
3	Dealers	10.99	8.86	108.33	12.09	9.08	122.64
<b>Total</b>		<b>124.09</b>	<b>100.00</b>	<b>121.53</b>	<b>133.05</b>	<b>100.00</b>	<b>130.00</b>

The purchases of major buyers during 2018-19 Andhra Pradesh FCV Tobacco auctions were given hereunder:



Overall it took 135 days to complete auctions as against 173 days in previous year.

## II. AUCTIONS FOR SALE OF 2019-20 FCV TOBACCO IN KARNATAKA:

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

Board has fixed a crop size of 100 mkg of FCV tobacco for 2019-20 crop season in Karnataka considering the domestic and international demand and supply position. As against the 100 mkg targeted crop size, the production was estimated at 93.54 mkg.

### b) Grade Out-turn:

The grade out-turn recorded in terms of Bright, Medium and Low grade percentages for the current crop were 14%; 44%; 42% vis-à-vis 23%; 46%; 31% during last year.

### c) Commencement of Auction sales:

Auctions have commenced on 16<sup>th</sup> September 2019 for sale of 2019-20 Karnataka FCV tobacco.

### d) Market trends:

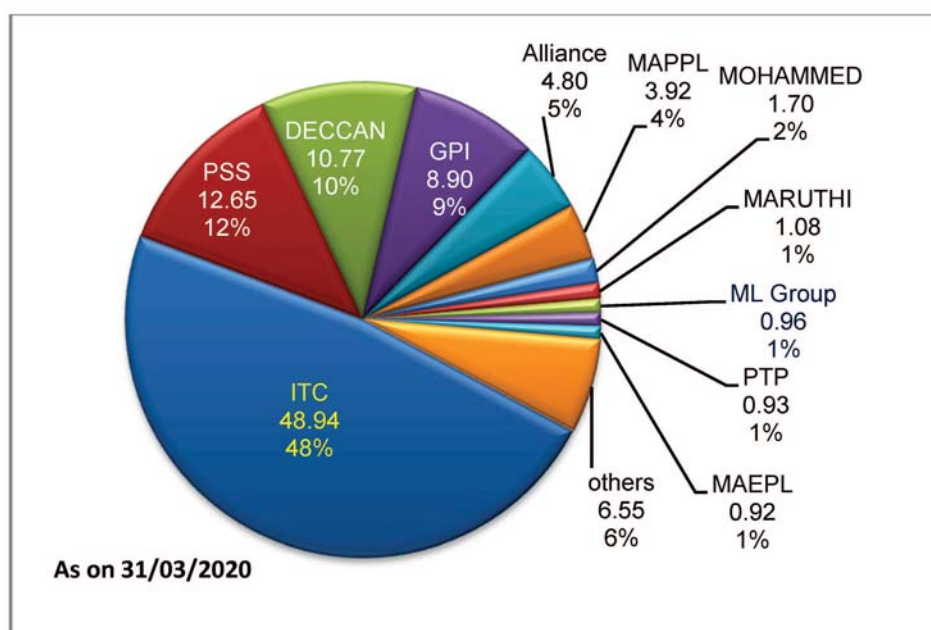
As on 31<sup>st</sup> March 2020, a quantity of 102.11 mkg was marketed and the average price realised was ₹125.50 per kg. The average price realised for the current 2019-20 crop was lower by ₹16.78 per kg compared to the average price realised in the previous year for the final volume marketed.

Quantity of tobacco marketed and average price realised as on 31/03/2020, for Bright, Medium & Low grade tobaccos compared with last year quantities are given hereunder:

Sl. No.	Grade	2019 Auctions		2018 Auctions		Difference in Avg. Price of 2019 over 2018 auctions
		Qty. Mktd. (mkg)	Avg. Pri. (₹/kg)	Qty. Mktd. (mkg)	Avg. Pri. (₹/kg)	
1	Bright	14.54	175.33	19.25	165.48	+ 9.85
2	Medium	45.33	140.46	39.34	146.83	- 6.37
3	Low	42.24	92.30	26.49	118.65	-26.36
	<b>Total</b>	<b>102.11</b>	<b>125.50</b>	<b>85.08</b>	<b>142.28</b>	<b>-16.78</b>

- The bright grade tobacco production this year was lower at 14.23% and low grade tobacco production was higher at 41.36% compared to 22.63% and 31.14% respectively previous year.
- The production of higher percentage of low grades and lower percentage of bright grades impacted the average price realization.
- Board has taken measures to market tobacco speedily by continuous persuasion with trade.
- Permitted sale of authorised excess and un-authorised tobacco in the month of November itself. This enables the un-registered growers to sell their tobacco without loss of quality during prolonged storage.

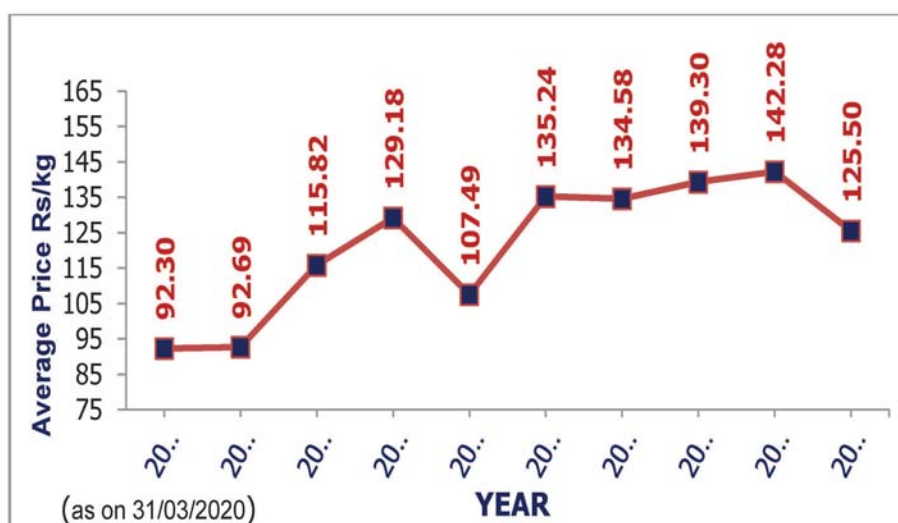
The purchases of major buyers during 2019-20 Karnataka FCV tobacco auctions as on 31/03/2020 are given hereunder:



### e) Volume and Prices:

The auctions in Karnataka for sale of 2019-20 FCV tobacco crop commenced in the financial year 2019-20 i.e. from 16/09/2019 and concluded in the financial year 2020-21. A total quantity of 102.11 mkg was marketed at an average price of ₹125.50 per kg during 2019-20 financial year i.e. from 16/09/2019 to 31/03/2020. Auction platform wise quantity marketed and average price realized during 16/09/2019 to 31/03/2020 are given at **page No.64**.

### f) Average prices realized by growers in Karnataka auctions for the last 10 years



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

Government of India vide notifications S.O.Nos.3873(E) & 3874(E), dated 24<sup>th</sup> October, 2019 permitted the sale of excess quantity of tobacco produced by the registered growers in Karnataka State subject to payment of 5% service charges (incl. normal service charge of 1%) and extra fee of ₹2.00 per kg up to the extent of 10% of the quota authorized; 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 2019-20 crop season upon payment of 15% service charges (incl. normal service charge of 1%) 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 (mkg)	Avg. Price (₹/kg)
1.	Registered growers	20,682	9.74	105.43
2.	Un-registered growers	13,577	13.90	105.74



### h) Buyers' Performance:

As on 31/03/2020, a total of 36 buyers have participated in 2019-20 Karnataka auctions. The quantities of tobacco purchased, percentage share and average prices paid by the Manufacturers, Exporters and Dealers during 2019-20 Karnataka auctions as on 31/03/2020 in comparison with previous year were as follows:

Sl. No.	Category of Buyer	2019-20 Karnataka auctions			2018-19 Karnataka auctions		
		Qty. purchased (mkg)	% share	Average price (₹/kg)	Qty. purchased (mkg)	% share	Average price (₹/kg)
1	Manufacturers	57.84	56.64	129.12	47.20	55.48	146.43
2	Exporters	39.47	38.66	118.94	32.18	37.82	138.25
3	Others (Dealers)	4.80	4.70	135.93	5.70	6.70	130.64
	<b>Total</b>	<b>102.11</b>	<b>100.00</b>	<b>125.50</b>	<b>85.08</b>	<b>100.00</b>	<b>142.28</b>

A statement showing auction platform wise quantities of tobacco marketed, average prices realized and highest bids were recorded during 2019-20 Karnataka auctions was placed at Page No. 64.

**2019 Karnataka Auctions - Auction platform wise particulars of FCV tobacco auctioned as on 31/03/2020**

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	9.01	16.09.2019	92060	195.00	8842404.8	1057551614.08	119.60
2	Hunsur - I	2	7.16	16.09.2019	92551	197.00	9215122.0	1146821932.90	124.45
3	Hunsur - II	3	7.02	16.09.2019	83234	196.00	8227905.2	1021988104.89	124.21
4	Hunsur - III	64	6.08	16.09.2019	61484	188.00	6088903.6	804161498.45	132.07
5	Kampalapura	61	7.53	16.09.2019	94140	195.00	9401683.7	1174082260.46	124.88
6	Chilkunda	62	10.63	16.09.2019	114982	196.00	11290972.9	1403467931.47	124.30
7	Periyapatna - I	4	11.92	16.09.2019	95276	197.00	9968063.2	1310600949.54	131.48
8	Periyapatna - II	5	11.19	16.09.2019	99495	195.00	10512364.2	1382481015.94	131.51
9	Periyapatna - III	6	10.37	16.09.2019	88914	195.00	9032052.3	1114284292.25	123.37
10	Ramanathapura-I	7	10.55	16.09.2019	109202	196.00	10916609.3	1343397940.46	123.06
11	Ramanathapura-II	63	8.54	16.09.2019	86736	195.00	8614548.1	1056057451.58	122.59
	<b>Grand Total</b>		<b>100.00</b>		<b>1018074</b>	<b>197.00</b>	<b>102110629.3</b>	<b>12814894992.02</b>	<b>125.50</b>

### III. AUCTIONS FOR SALE OF 2019-20 FCV TOBACCO IN ANDHRA PRADESH

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

Tobacco Board has fixed a crop size of 136 million kg for Andhra Pradesh during 2019-20 crop season. As against this, a crop of 135.84 mkg is estimated to be produced.

Untimely rainfall during harvesting stage (1<sup>st</sup> week of January) caused damage to the standing crop resulting in poor grade out-turn i.e. production of higher proportion of low grade. The impact of untimely rainfall was higher in SLS & SBS regions. Added to this acute labour shortage had pushed up the cost of production. In SLS & SBS regions the major chunk of production was estimated to be consisting of medium and low grades. The soil regions wise estimated production of BML in 2019-20 vis-à-vis 2018-19 crop are given hereunder:

Category of Buyer	2019-20 Season			2018-19 Season		
	Bright	Medium	Low	Bright	Medium	Low
NBS	23	35	42	43	45	12
SBS	20	27	53	18	23	59
SLS	22	30	48	20	29	51
NLS	41	39	20	42	36	22
<b>OVER ALL BML %</b>	<b>28</b>	<b>32</b>	<b>40</b>	<b>27</b>	<b>29</b>	<b>44</b>

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

Sl. No.	Soil Region	Targeted Crop (mkg)	Estimated Production (mkg)
1	NBS Region	4.00	2.79
2	SBS Region	43.71	47.11
3	SLS Region	42.29	44.67
4	NLS Region	46.00	41.27
<b>Grand Total</b>		<b>136.00</b>	<b>135.84</b>

#### b) Commencement of Auction sales:

As per the consensus of the Growers, ITA & Trade representatives the commencement of auctions for sale of 2019-2020 AP FCV tobacco are as detailed below:

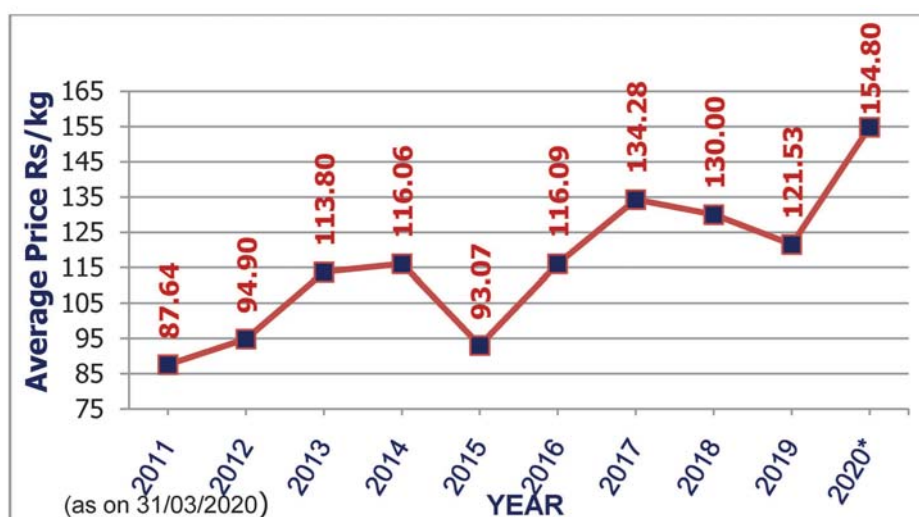
Sl. No.	Phase	Date of commencement of auction sales	Region	Auction Platforms
1	1 <sup>st</sup> Phase	17/02/2020 day	SLS Region	APF No.22; Podili – I, APF No.29; D.C. Palli, APF No.35; Kanigiri
			SBS Region	APF No.20; Ongole – I, APF No.25; Kondapi APF No.31; Vellampalli – II
2	2 <sup>nd</sup> Phase	26/02/2020 Wednesday	SLS Region	APF No.26; Kandukur – I, APF No.27; Kandukur – II, APF No.28; Kaligiri
3	3 <sup>rd</sup> Phase	11/03/2020 Wednesday	SBS Region	APF No.23; Ongole – II, APF No.24; Tangutur – I APF No.34; Tangutur – II
4	4 <sup>th</sup> Phase	20/03/2020 Friday	NLS Region	APF No.17; Devarapalli, APF No.18; J.R.Gudem– I, APF No.30; Koyyalagudem, APF No.32; J.R.Gudem –II, APF No.33; Gopalapuram
5	5 <sup>th</sup> Phase	13/05/2020 Wednesday	NBS Region	APF No.15; Thorredu

Auctions were suspended from 22/03/2020 due to COVID-19 outbreak and subsequent lockdown. The auctions were resumed from 27/04/2020 at 5 auctions platforms and resumed at all the 18 auction platforms by 13/05/2020.

### c) Volume and Prices:

Auctions at all the auction platforms, under SLS, SBS & NLS regions, have commenced on a positive note. A quantity of 4.47 mkg of tobacco was marketed at an average price of ₹154.80 per kg by 31<sup>st</sup> March, 2020. The average price realised ₹154.80 per kg during the current season is higher by ₹3.28 per kg over the last year average price for the corresponding volume marketed.

#### Average prices realized by growers in AP auctions for the last 10 years



d) Average prices realized for Bright, Medium and low grades as on 31/03/2020 were as follow:

Grade	Quantity marketed (m kg)	% Share	Average Price (₹/kg)
Bright	3.04	68.03	160.71
Medium	1.43	31.97	142.23
Low	0.0	0.0	0.0
<b>Total</b>	<b>4.47</b>	<b>100.00</b>	<b>154.80</b>



Shri Y. Raghunadh Babu, Chairman in auctioning of FCV Tobacco

**A statement showing auction platform wise quantities of tobacco marketed, average prices realized and highest bids recorded as on 31/03/2020 are given under.**

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	2.90	13-05-2020	Auction sales yet to be commenced				
	<b>TOTAL(NBS)</b>		<b>4.00</b>	<b>2.90</b>						
2	Vellampally - II	31	8.63	9.95	17-02-2020	5481	174.00	701374.5	110620786.14	157.72
3	Ongole - I	20	7.15	8.73	17-02-2020	5263	175.00	657136.2	103466094.69	157.45
4	Ongole - II	23	8.12	7.70	11-03-2020	769	171.00	91850.8	14370057.66	156.45
5	Tangutur-I	24	6.20	6.50	11-03-2020	413	171.00	44301.8	6647485.09	150.05
6	Tangutur-II	34	5.71	5.90	11-03-2020	638	171.00	70909.9	11327856.53	159.75
7	Kondepi	25	7.90	9.25	17-02-2020	3579	171.00	429939.9	66124756.62	153.80
	<b>TOTAL (SBS)</b>		<b>43.71</b>	<b>48.03</b>		<b>16143</b>	<b>175.00</b>	<b>1995513.1</b>	<b>312557216.85</b>	<b>156.63</b>
8	Podili - I	22	10.34	10.57	17-02-2020	4695	171.00	598650.7	89007386.08	148.68
9	Kandukur - I	26	8.16	7.77	26-02-2020	2334	174.00	282088.5	42750512.18	151.55
10	Kandukur - II	27	7.30	9.54	26-02-2020	2111	174.00	260567.4	39900685.96	153.13
11	Kanigiri	35	4.71	4.93	17-02-2020	3930	175.00	498757.1	76259960.59	152.90
12	Kaligiri	28	5.29	5.29	26-02-2020	2881	171.00	351514.5	55279170.27	157.26
13	D.C. Palli	29	6.49	6.50	17-02-2020	3319	171.00	413854.8	64466162.20	155.77
	<b>TOTAL (SLS)</b>		<b>42.29</b>	<b>44.60</b>		<b>19270</b>	<b>175.00</b>	<b>2405433.0</b>	<b>367670434.05</b>	<b>152.85</b>
14	Devarapalli	17	7.49	6.48	19-03-2020	62	175.00	8107	1360030.32	167.76
15	J.R. Gudem - I	18	10.42	9.50	19-03-2020	100	175.00	12940.8	2210159.23	170.79
16	J.R. Gudem - II	32	10.57	10.00	19-03-2020	101	175.00	13021	2260706.02	173.62
17	Koyyalagudem	30	9.71	9.50	19-03-2020	119	175.00	15745.2	2653696.01	168.54
18	Gopalapuram	33	7.81	6.80	19-02-2020	141	175.00	18866.9	3203976.96	169.82
	<b>TOTAL(NLS)</b>		<b>46.00</b>	<b>42.28</b>		<b>523</b>	<b>175.00</b>	<b>68680.9</b>	<b>11688802.37</b>	<b>170.19</b>
	<b>GRAND TOTAL</b>		<b>136.00</b>	<b>137.81</b>		<b>35936</b>	<b>175.00</b>	<b>4469627.0</b>	<b>691898259.60</b>	<b>154.80</b>

**e) Total quantity of tobacco marketed during financial year 2019-2020:**

The total quantity of tobacco marketed during the period 01/04/2019 to 31/03/2020 at all the auction platforms both in Andhra Pradesh and Karnataka was 229.72 mkg and the average price realized was ₹123.78 per kg. The particulars are given below.

Sl. No.	Name of the Auction Platform	Total Qty. marketed during the period 01/04/2019 to 31/03/2020	
		Qty. Mktd. (kg)	Avg. Price. (₹/kg)
<b>I. ANDHRA PRADESH</b>			
1	Thorredu	2487217.4	123.24
<b>TOTAL (NBS)</b>		<b>2487217.4</b>	<b>123.24</b>
2	Vellampally-II	9299459.6	112.31
3	Ongole - I	8677764.0	114.99
4	Ongole - II	7685880.9	110.16
5	Tangutur-I	6017414.0	111.06
6	Tangutur-II	5132276.8	109.94
7	Kondepi	8292140.8	107.72
<b>TOTAL (SBS)</b>		<b>45104936.1</b>	<b>111.18</b>
8	Podili - I	8541651.7	112.81
9	Kandukur - I	9582713.6	113.86
10	Kandukur - II	8444366.1	118.09
11	Kanigiri	4176321.0	117.19
12	Kaligiri	4621293.3	119.26
13	D.C. Palli	6197211.6	121.91
<b>TOTAL (SLS)</b>		<b>41563557.3</b>	<b>116.64</b>
14	Devarapalli	5774815.9	147.49
15	J.R.Gudem - I	8838480.7	136.99
16	J.R.Gudem - II	8977641.5	139.58
17	Koyyalagudem	8531935.4	140.43
18	Gopalapuram	6331285.4	148.04
<b>TOTAL (NLS)</b>		<b>38454158.9</b>	<b>141.75</b>
<b>SUB TOTAL</b>		<b>127609869.7</b>	<b>122.41</b>

Sl. No.	Name of the Auction Platform	Total Qty. marketed during the period 01/04/2019 to 31/03/2020	
		Qty. Mktd. (kg)	Avg. Price (₹/kg)
<b>II. KARNATAKA</b>			
1	H.D.Kote-I	8842404.8	119.60
2	Hunsur-I	9215122.0	124.45
3	Hunsur-II	8227905.2	124.21
4	Hunsur-III	6088903.6	132.07
5	Kampalapura	9401683.7	124.88
6	Chilkunda	11290972.9	124.30
7	Periyapatna-I	9968063.2	131.48
8	Periyapatna-II	10512364.2	131.51
9	Periyapatna-III	9032052.3	123.37
10	Ramanathapura-I	10916609.3	123.06
11	Ramanathapura-II	8614548.1	122.59
<b>SUB TOTAL</b>		<b>102110629.3</b>	<b>125.50</b>
<b>GRAND TOTAL</b>		<b>229720499.0</b>	<b>123.78</b>



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 01/04/2019 to 31/03/2020 are placed under.

Sl. No.	Name of the Buyer M/s.	2018-19 AP CROP			2019-20 AP CROP			2019-20 KARNATAKA CROP			TOTAL		
		From 01/04/2019 To 07/09/2019			From 17/02/2020 To 31/03/2020			From 16/09/2019 To 31/03/2020			(From 01/04/2019 to 31/03/2020)		
		Qty. in kg	Avg. price (₹/kg)	% share	Qty. in kg	Avg. price (₹/kg)	% share	Qty. in kg	Avg. price (₹/kg)	% share	Qty. in kg	Avg. price (₹/kg)	% share
	<b>MANUFACTURERS</b>												
1	ITCLTD	56269379.1	128.05	45.70	2891363.5	150.66	64.69	48938238.4	128.30	47.93	108098981.0	128.77	47.06
2	GPI LTD	10628695.9	136.09	8.63	421768.7	158.99	9.44	8898544.4	133.58	8.71	19949009.0	135.45	8.68
	<b>Sub-Total</b>	<b>66898075.0</b>	<b>129.33</b>	<b>54.33</b>	<b>3313132.2</b>	<b>151.72</b>	<b>74.13</b>	<b>57836782.8</b>	<b>129.11</b>	<b>56.64</b>	<b>128047990.0</b>	<b>129.81</b>	<b>55.74</b>
	<b>EXPORTERS</b>												
1	Polisetty Somasundaram	16894797.0	115.98	13.72	128805.0	166.88	2.88	12648409.4	128.53	12.39	29672011.4	121.55	12.92
2	Alliance One Industries Ind. Ltd.	3557085.3	104.34	2.89	96969.7	162.92	2.17	4804483.5	101.08	4.71	8458538.5	103.16	3.68
3	Premier Tob. Packers Pvt.Ltd.	4937805.0	139.03	4.01	343122.5	165.76	7.68	930451.0	154.66	0.91	6211378.5	142.85	2.70
4	M.L. & Co. group	1449000.1	149.27	1.18				955012.6	124.22	0.93	2404012.7	139.32	1.05
5	Mittapalli Adinarayana Ent.Pvt.Ltd.	968023.5	88.49	0.79	2593.8	164.73	0.06	915024.0	73.52	0.90	1885641.3	81.33	0.82
6	Yarlagadda Exports	757164.3	108.22	0.61	3332.7	174.47	0.07	721856.9	124.11	0.71	1482353.9	116.11	0.65
7	Mittapalli Agro Products Pvt. Ltd.(R)	2263004.2	71.53	1.84				3917784.6	80.59	3.84	6180788.8	77.27	2.69
8	Pragathi Tobacco Traders	892023.6	140.83	0.72				21207.4	131.79	0.02	913231.0	140.62	0.40
9	Prapaisha Agros Ltd.	152539.1	80.95	0.12				35020.1	107.40	0.03	187559.2	85.89	0.08
10	Chaitanya Tobacco Co.	41589.5	118.45	0.03				54088.1	170.33	0.05	95677.6	147.78	0.04

Sl. No.	Name of the Buyer M/s.	2018-19 AP CROP			2019-20 AP CROP			2019-20 KARNATAKA CROP			TOTAL (From 01/04/2019 to 31/03/2020)		
		From 01/04/2019 To 07/09/2019			From 17/02/2020 To 31/03/2020			From 16/09/2019 To 31/03/2020					
		Qty. in kg	Avg. price (₹/kg)	% share	Qty. in kg	Avg. price (₹/kg)	% share	Qty. in kg	Avg. price (₹/kg)	% share	Qty. in kg	Avg. price (₹/kg)	% share
11	Avinash Tobaccos	239506.1	88.92	0.19				234712.5	151.65	0.23	474218.6	119.97	0.21
12	Panchajanya Tobacco	58023.5	124.70	0.05				214628.1	129.98	0.21	272651.6	128.86	0.12
13	Mohammed Enterprises Pvt.Ltd.	1184788.9	153.99	0.96	21669.0	162.86	0.48	1698676.5	130.72	1.66	2905134.4	140.45	1.26
14	Vani Tobaccos	763444.6	71.61	0.62				244452.0	88.14	0.24	1007896.6	75.62	0.44
15	Deccan Tobacco Company group	9068832.6	107.96	7.36	284154.0	157.62	6.36	10774621.2	131.87	10.55	20127607.8	121.46	8.76
16	Shaik Masthan Saheb Tobacco	1298669.2	83.89	1.05				640390.9	91.85	0.63	1939060.1	86.52	0.84
17	Venkata Sai Tobacco Co.	193504.9	49.41	0.16							193504.9	49.41	0.08
18	Hamid Exports	150267.7	64.40	0.12				91094.5	73.21	0.09	241362.2	67.73	0.11
19	Cartel Tobaccos	104559.1	47.25	0.08				366540.7	52.42	0.36	471099.8	51.27	0.21
20	Teja Tobacco Traders	413706.0	65.01	0.34				141915.7	96.87	0.14	555621.7	73.15	0.24
21	Starz Enterprises							64939.8	99.50	0.06	64939.8	99.50	0.03
22	Prasanna Agro Exports	15184.7	45.29	0.01							15184.7	45.29	0.01
	<b>Sub-Total</b>	<b>45403518.9</b>	<b>112.57</b>	<b>36.85</b>	<b>880646.7</b>	<b>162.94</b>	<b>19.70</b>	<b>39475309.5</b>	<b>118.94</b>	<b>38.66</b>	<b>85759475.1</b>	<b>116.02</b>	<b>37.33</b>
	<b>OTHERS (Dealers)</b>	<b>10838648.8</b>	<b>107.52</b>	<b>8.80</b>	<b>275848.1</b>	<b>165.79</b>	<b>6.17</b>	<b>4798537.0</b>	<b>135.93</b>	<b>4.70</b>	<b>15913033.9</b>	<b>117.10</b>	<b>6.93</b>
	<b>GRAND TOTAL</b>	<b>123140242.7</b>	<b>121.23</b>	<b>100</b>	<b>4469627.0</b>	<b>154.80</b>	<b>100</b>	<b>102110629.3</b>	<b>125.50</b>	<b>100</b>	<b>229720499.0</b>	<b>123.78</b>	<b>100</b>

#### IV. SUPPLY OF STANDARDIZED BALE PACKING MATERIAL TO THE FARMERS

Regulation 7 of the Tobacco Board (Auction) Regulations, 1984, envisages use of standardized bale packing material by all growers for packing their tobacco brought for auction sales. According to Regulation 7 (7) of the Tobacco Board (Auction) Regulation, the packing material along with the string used for packing a bale shall not weigh more than 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 Board arranged for distribution of bale packing material to the growers, recovery of the cost from the traders and remitting of the same to the ITA.



Shri A. Sridhar Babu, IAS., Secretary, Shri T.V. Ravi, IRS., Director (Auctions), Shri N. Ramesh, Director, Department of Commerce participated in the 148<sup>th</sup> Board Meeting held at Guntur on 21/08/2019

## 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 31/03/2020 is ₹24.33 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 2019-2020.

## REGISTRATION AS PROCESSOR/MANUFACTURER/COMMERCIAL GRADER OF VIRGINIA TOBACCO/ EXPORTER OF TOBACCO AND TOBACCO PRODUCTS/ PACKER/DEALER 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 2019 and for the year 2020 (as on 31/03/2020) are as follows:

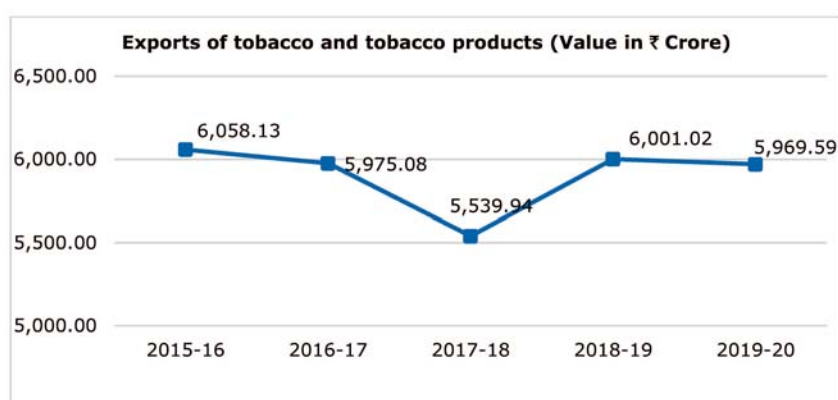
Sl. No.	Category	No. of Companies Registered	
		2019	2020*
1	Processor of Virginia Tobacco	14	09
2	Manufacturer of Virginia Tobacco	32	00
3	Exporter of Tobacco	165	143
4	Exporter of Tobacco Products	371	293
5	Dealer in Tobacco	433	393
6	Packer of Tobacco	24	20
7	Commercial Grader of Virginia tobacco	31	14
	<b>Total</b>	<b>1,070</b>	<b>872</b>

\*As on 31/03/2020

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 through portal [www.tobaccoboard.in](http://www.tobaccoboard.in) was made mandatory for all categories of traders for obtaining registration / renewal of registration from the Board.

## EXPORTS OF TOBACCO AND TOBACCO PRODUCTS FROM INDIA

India is the 3<sup>rd</sup> largest producer and the 4<sup>th</sup> largest exporter of unmanufactured tobacco in the world. Indian exports of tobacco and tobacco products comprise of unmanufactured tobacco (HS Code: 2401- constituting 64% of total value of exports) consisting of Flue Cured Virginia (FCV) tobacco and Non FCV tobaccos viz., Burley, HDBRG, Sun Cured Country (SCC), Rustica, Lal Chopadia, Oriental, Fire Cured tobacco etc; Cigarettes and Cigarillos (HS Code : 2402 - constituting 10% of total value of exports); other tobacco products (H.S.Code - 2403 - constituting 26% of total value of exports) viz., Cut tobacco , Bidis, Hookah tobacco Paste, Chewing tobacco and Snuff. The exports of tobacco and tobacco products from India ranged from ₹5,500 crore to ₹6,100 crore during last five years.



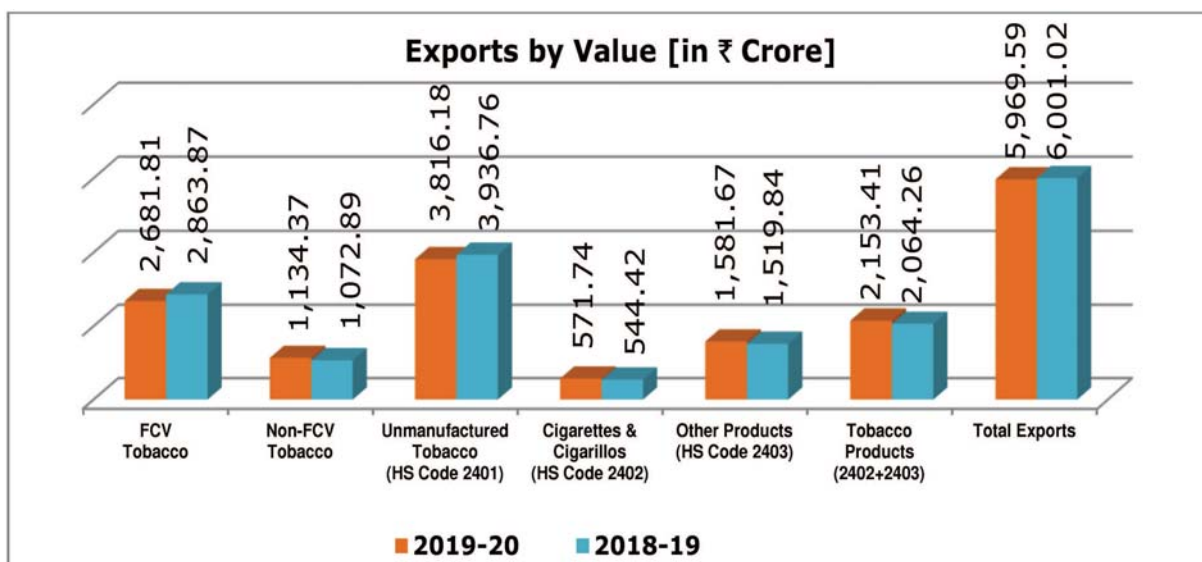
### I. Indian tobacco and tobacco products trade analysis:

#### I.1 Overall export performance of tobacco and tobacco products from India:

Indian exports of tobacco and tobacco products during 2019-20 were in the order of 2,17,393 Metric Tons valued ₹5,969.59 Crore or 843.04 Million US dollars. During 2019-20, the exports have declined by 1% both in terms of quantity and value as compared to the exports made during 2018-19.

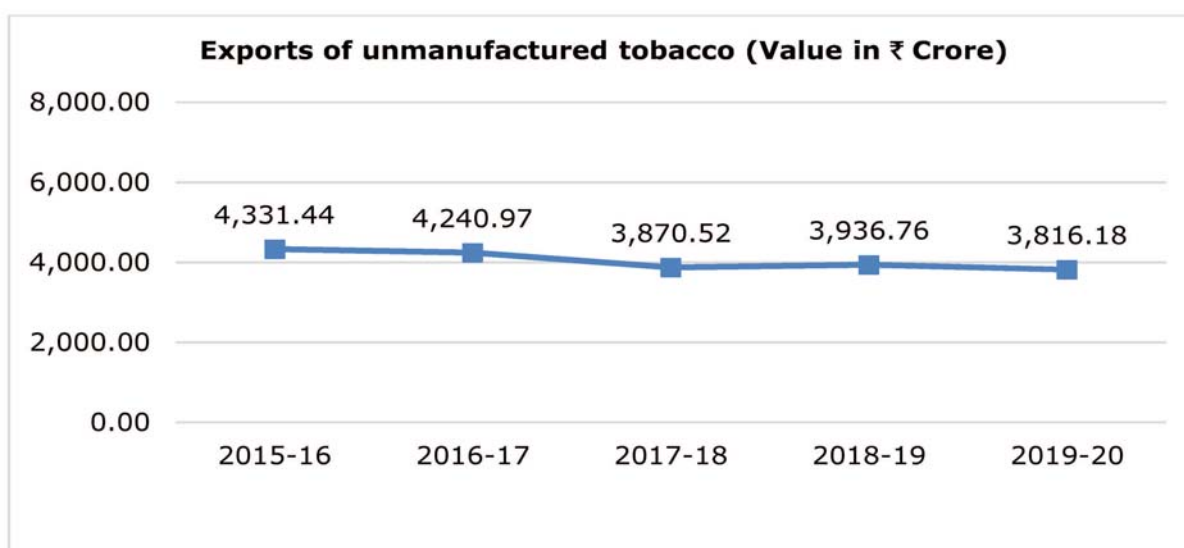
S. No	Categories	2019-20			2018-19			% Change in Value ₹ Crore
		Qty. in Metric Tons	Value in ₹ Crore	Value in Million US\$.	Qty. in Metric Tons	Value in ₹ Crore	Value in Million US\$.	
<b>I</b>	<b>Unmanufactured Tobacco (HS Code 2401)</b>							
a	FCV Tobacco	1,06,310	2,681.81	378.73	1,13,583	2,863.87	409.71	-6
b	Non FCV Tobacco	74,406	1,134.37	160.20	69,481	1,072.89	153.49	6
	<b>Total</b>	<b>1,80,716</b>	<b>3,816.18</b>	<b>538.93</b>	<b>1,83,064</b>	<b>3,936.76</b>	<b>563.20</b>	<b>-3</b>
<b>II</b>	<b>Tobacco Products</b>							
a	Cigarettes & Cigarillos (HS Code 2402)	10,782	571.74	80.74	9,879	544.42	77.89	5
b	Other Products (HS Code 2403)	25,895	1581.67	223.37	27,574	1,519.84	217.43	4
	<b>Total Products</b>	<b>36,677</b>	<b>2153.41</b>	<b>304.11</b>	<b>37,453</b>	<b>2,064.26</b>	<b>295.32</b>	<b>4</b>
	<b>Grand Total</b>	<b>2,17,393</b>	<b>5,969.59</b>	<b>843.04</b>	<b>2,20,517</b>	<b>6,001.02</b>	<b>858.52</b>	<b>-1</b>
	<b>% Change over 2018-19 (+/-)</b>	<b>-1</b>	<b>-1</b>	<b>-2</b>	<b>4</b>	<b>8</b>	<b>-0.11</b>	

Forex conversion factor for April 2019 - March 2020:1 US\$ = ₹70.81 April 2018-March 2019 = ₹69.90  
Source: Tobacco Board Statistics based on the returns submitted by exporters



## I.2 Unmanufactured tobacco exports (HS Code 2401):

Exports of unmanufactured tobacco during 2019-20 have declined by 1% in quantity terms to 1,80,716 Metric Tons and by 3% in terms of rupees to ₹3,816.18 Crore. In dollar terms, the exports were down by 4% to 538.93 Million USD. This is against 1,83,064 Metric Tons of unmanufactured tobacco valued at ₹3,936.76 Crore or 563.20 Million USD exported during 2018-19.

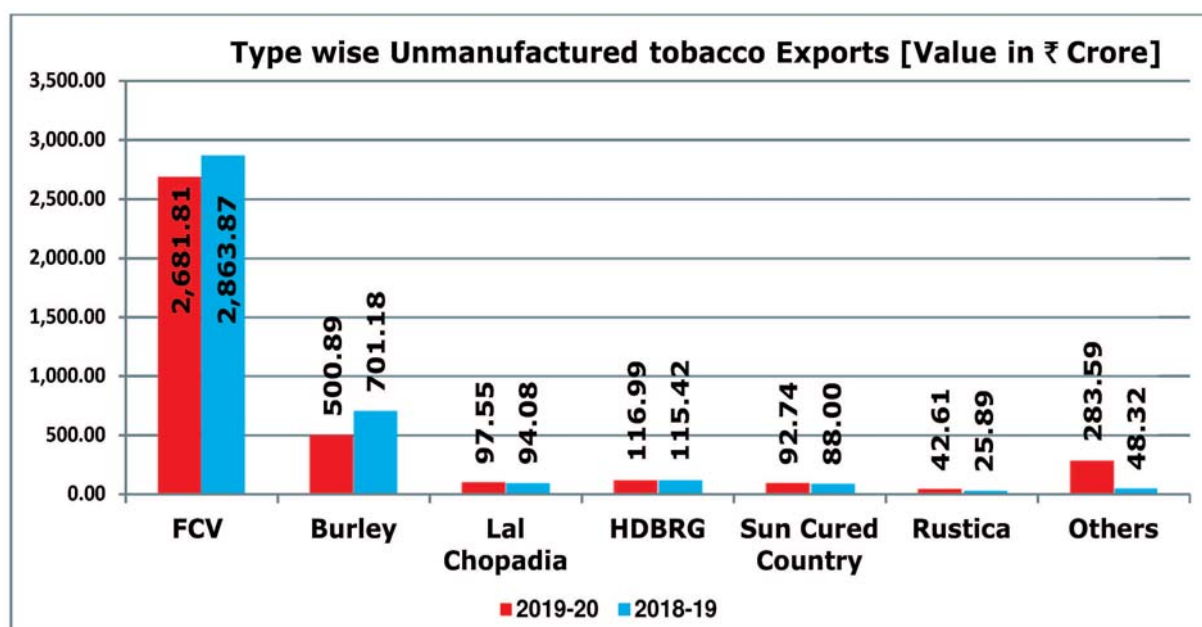


### I.2.1 Type wise exports of unmanufactured tobacco:

Of the total exports of Indian unmanufactured tobacco during the year 2019-20, FCV tobacco constituted 59% share followed by Burley with 17% in quantity terms. The other tobacco types being exported are Lal Chopadia (5%), HDBRG (4%), Sun Cured Country (3%) and Rustica (2%). In value terms, FCV tobacco exports constituted 70% of the total unmanufactured tobacco exports while Non-FCV tobacco exports accounted for the balance 30%.

(Quantity in Metric Tons, Value in ₹ Crore)

Tobacco Type	2019-20				2018-19	
	Quantity	% change Y-o-Y	Value	% change Y-o-Y	Quantity	Value
Flue Cured Virginia tobacco	1,06,310	-6.40	2,681.81	-6.36	1,13,583	2,863.87
<b>Non-FCV Tobaccos</b>						
Burley tobacco	30,326	-28.19	500.89	-28.56	42,229	701.18
Lal Chopadia tobacco	8,976	1.75	97.55	3.69	8,822	94.08
HDBRG	7,927	11.44	116.99	1.36	7,113	115.42
Sun Cured Country tobacco	6,229	10.20	92.74	5.39	5,652	88.00
Rustica tobacco	2,995	40.50	42.61	64.61	2,132	25.89
Others	17953	408.15	283.59	486.90	3,533	48.32
<b>Sub-Total (Non-FCV Type)</b>	<b>74,406</b>	<b>7.09</b>	<b>1,134.37</b>	<b>5.73</b>	<b>69,481</b>	<b>1,072.89</b>
<b>Total</b>	<b>1,80,716</b>	<b>-1.28</b>	<b>3,816.18</b>	<b>-3.06</b>	<b>1,83,064</b>	<b>3,936.76</b>



FCV tobacco exports during 2019 - 20 were in the order of 1,06,310 Metric Tons valued ₹2,681.81 Crore (US\$ 378.73 million) as against the exports of 1,13,583 Metric Tons during 2018-19 valued at ₹2,863.87 Crore (US\$ 409.71 million). Exports of FCV tobacco during 2019-20 have declined by 6% in quantity terms over last year. In value terms, the FCV tobacco exports are down by 6% and 8% in terms of rupees and in US dollars respectively over last years' exports.

Year	Exports of FCV tobacco		% Change in Value (₹Crore) Y-o-Y
	Value in ₹ Crore	Value in Million US\$.	
2015-16	3,495.81	533.96	9
2016-17	3,428.45	512.03	-2
2017-18	3,059.60	474.58	-11
2018-19	2,863.87	409.71	-6
2019-20	2,681.81	378.73	-6

FCV tobacco exports have declined by whopping 23% in value in rupee terms from 2015-16 to 2019-20. The declining trend is continuing since the past four years.

Non-FCV tobacco exports during 2019-20 were in the order of 74,406 Metric Tons valued at ₹1,134.37 Crore (160.20 Million US\$). Non-FCV tobacco exports recorded a growth of 7% in terms of quantity when compared to the last year. In value terms, Non-FCV tobacco exports have recorded a growth of 6% and 4% in terms of rupees and in US dollars respectively when compared to the last years' exports. Overall, the decline in FCV tobacco exports was partially offset by the growth in Non-FCV segment.

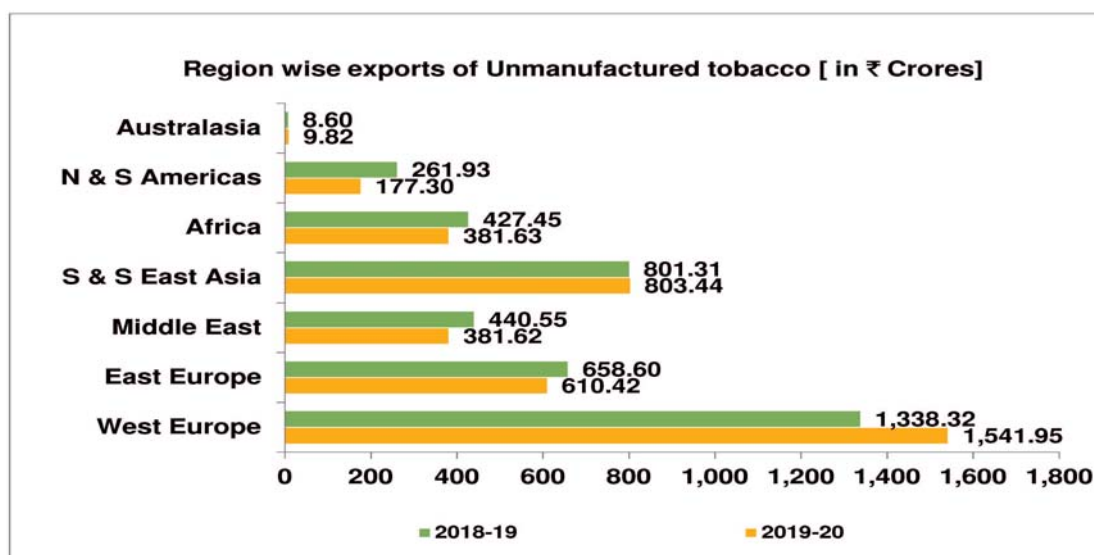
### I.2.2 Region wise exports of unmanufactured tobacco:

Western Europe continues to be the major destination for Indian tobaccos with a share of about 38% in total exports in value terms. Exports to this region have increased by 8.49% over last year. South and South East Asia region registered a minor increase (0.27 %) during 2019-20. Exports to Australasia, though not considerable, have also increased by 14.19% when compared to corresponding period of last year. However, exports to the regions of North & South Americas (-32.31%), Middle East (-13.38%), Africa (-10.72%) and East Europe (-7.32%) have declined.

(Quantity in Metric Tons, Value in ₹ Crore)

REGION	2019-20			2018-19			% Change (value)
	Quantity	% share in total	Value	Quantity	% share in total	Value	
West Europe	60,502	33.48	1,451.95	54,808	29.94	1,338.32	8.49
East Europe	24,163	13.37	610.42	26,549	14.50	658.60	-7.32
Middle East	24,022	13.29	381.62	25,061	13.69	440.55	-13.38
South & South East Asia	36,471	20.18	803.44	36,523	19.95	801.31	0.27
Africa	23,245	12.86	381.63	24,129	13.18	427.45	-10.72
North & South Americas	12,056	6.67	177.30	15,777	8.62	261.93	-32.31
Australasia	257	0.14	9.82	217	0.12	8.60	14.19
<b>Total</b>	<b>1,80,716</b>	<b>100.00</b>	<b>3,816.18</b>	<b>1,83,064</b>	<b>100.00</b>	<b>3,936.76</b>	<b>-3.06</b>





### I.2.3 Country wise Exports of unmanufactured tobacco (Top 10 markets)

S. No	Country	2019 - 20			2018 - 19			% change in value in terms of ₹ crore
		Qty. Metric Tons	Value in ₹ Crore	Value in Million US\$.	Qty. Metric Tons	Value in ₹ Crore	Value in Million US\$.	
1	BELGIUM	43,052.03	1,086.36	153.41	34,933.50	891.13	127.49	21.91
2	EGYPT	15,881.41	207.08	29.24	15,419.46	206.83	29.59	0.12
3	PHILIPPINES	11,290.58	169.28	23.90	15,069.38	243.45	34.83	-30.47
4	UAE	9,036.76	161.73	22.83	9,349.79	168.11	24.05	-3.80
5	YEMEN	7,964.60	87.06	12.29	6,838.97	68.18	9.75	27.69
6	KOREA	7,653.96	200.91	28.37	7,994.12	199.35	28.52	0.78
7	NEPAL	7,149.20	189.15	26.71	5,798.00	144.19	20.63	31.18
8	INDONESIA	6,378.55	148.37	20.95	2,713.00	82.03	11.74	80.87
9	RUSSIA	5,986.95	152.67	21.56	6,409.37	174.43	24.95	-12.47
10	U S A	5,035.77	61.63	8.70	5,242.78	69.60	9.96	-11.45

Exports to Belgium, the top importer, has shown 21.91% increase in value in rupee terms during 2019-20. Other major export markets which showed considerable increase are Indonesia (80.87%), Nepal (31.18%), Yemen (27.69%), Korea (0.78%) and Egypt (0.12%).

Among the major export markets which showed a decline are Philippines (-30.47%), Russia (-12.47%), USA (-11.45%) and UAE (-3.80%).

### I.3 Exports of Tobacco Products:

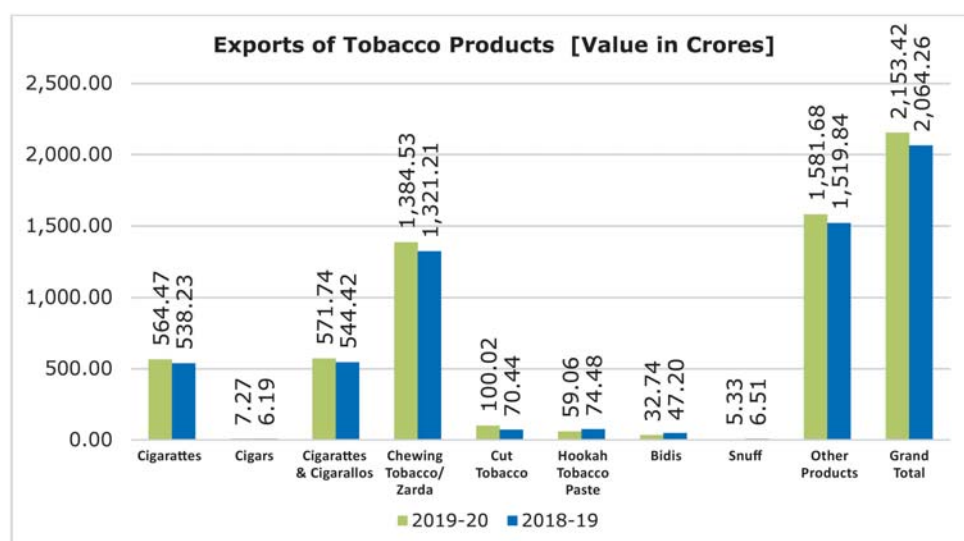
During 2019-20, the exports of Cigarettes and Cigarillos (HS Code 2402) were in the order of 10,782 Metric Tons valued at 571.74 Crore (US\$ 80.74 million) reflecting a positive growth of 9% in quantity terms and 5% in value in rupee terms as against the exports of 9,879 Metric Tons valued at ₹544.42 Crore (US\$ 77.89 million) during 2018-19.

The exports of other tobacco products (HS Code 2403) were in the order of 25,895 Metric Tons values at ₹1,581.68 Crore (US\$ 223.37 million) as against 27,574 Metric Tons valued at ₹1,519.84 Crore (US\$ 217.43 million) exported during 2018-19. The exports of other tobacco products (HS Code 2403) registered a decline of 6% in quantity terms as against the exports made during last year. However, the exports of these products in value in rupee terms have registered an increase of 4%.

The total tobacco product exports (HS Code 2402 & 2403) have decreased by 2% in quantity terms during 2019-20 over last year. However, in value in rupee terms, total tobacco product exports are up by 4% when compared with exports made during 2018-19.

(Quantity in Metric Tons, Value in ₹ Crore)

S. No	Product Segment	2019-20				2018-19	
		Quantity	% change Y-o-Y	Value	% change Y-o-Y	Quantity	Value
<b>Cigarettes &amp; Cigarillos (HS Code 2402)</b>							
1	Cigarettes	10,717	9.69	564.47	4.88	9,770	538.23
2	Cigars	65	-40.37	7.27	17.45	109	6.19
	<b>Sub total</b>	<b>10,782</b>	<b>9.14</b>	<b>571.74</b>	<b>5.02</b>	<b>9,879</b>	<b>544.42</b>
<b>Other Products (HS Code 2403)</b>							
1	Chewing Tobacco/ Zarda	17,592	-5.85	1,384.53	4.79	18,686	1,321.21
2	Cut Tobacco	4,766	29.02	100.02	41.99	3,694	70.44
3	Hookah Tobacco Paste	3,262	-31.14	59.06	-20.71	4737	74.49
4	Bidis	216	-40.66	32.74	-30.64	364	47.2
5	Snuff	59	-36.56	5.33	-18.13	93	6.51
	<b>Sub total</b>	<b>25,895</b>	<b>-6.09</b>	<b>1,581.68</b>	<b>4.07</b>	<b>27,574</b>	<b>1,519.84</b>
	<b>Grand Total</b>	<b>36,677</b>	<b>-2.07</b>	<b>2,153.42</b>	<b>4.32</b>	<b>37,453</b>	<b>2,064.26</b>



## II. EXPORT PROMOTION ACTIVITIES

### II.1 Participation in Tobacco Trade Fairs and Exhibitions :

Tobacco Board is participating in exclusive International tobacco trade fairs/exhibitions for promoting the exports of Indian unmanufactured tobacco and tobacco products every year. During 2019-20, Tobacco Board had participated in three exclusive tobacco international exhibitions.

#### A) World Tobacco Middle East – Dubai

Tobacco Board participated in World Tobacco Middle East 2019, Dubai held from 3<sup>rd</sup>- 4<sup>th</sup> April 2019 by organizing a stall of 18 sq.m. Smt. K. Sunitha, I.A.S., Executive Director, and Shri. K. Ravi Kumar, Manager (Auctions), Tobacco Board were deputed to Dubai to organize this participation. The Board had exhibited leaf samples of various grades of FCV Tobacco apart from Non-FCV tobacco leaf samples such as Light Soil Burley, HDBRG, Dark Fire Cured, Oriental and Sun cured Country tobacco. Tobacco Board had also exhibited samples of tobacco products - Cigarettes and Snuff.

Over 200 exhibitors from all over the world, including Italy, China, Jordan, the UAE, the UK, India, Greece, Lithuania, Indonesia, Switzerland, Germany, France, Brazil and Zimbabwe have attended this event. From India alone, there were 11 exhibitors in this exhibition representing leaf tobacco, cigarettes, tobacco products and packing materials.

During the trade fair, the officials of Tobacco Board presented one minute videos on the activities of Tobacco Board and Zero Budget Natural Farming to all the visitors. The cigarettes prepared from organically grown tobaccos of 2018-19 Andhra Pradesh crop were also made available to the visitors, who have tasted these cigarettes and have given feedback on these Organic cigarettes. The contact details of Indian exporters of unmanufactured tobaccos, manufacturers of cigarettes and other products were also made available at the stall to all the business visitors.

Visitors from almost all the participating countries have visited the Tobacco Board stall and some of these visitors evinced interest in Indian tobaccos and made enquiries with the officials and exporters present in the stall. During the interaction with the visitors, the officers of Tobacco Board have explained in detail the mandate of Tobacco Board, the various extension and developmental activities being promoted for brand positioning of Indian tobaccos.

### B) World Tobacco Asia - Surabaya, Indonesia

Tobacco Board had participated in World Tobacco Asia 2019 held at Surabaya, Indonesia from 16<sup>th</sup>-17<sup>th</sup> October 2019. Sri. T.V. Ravi, Director (Auctions), Tobacco Board has attended this event as a visitor. Since Indonesia is the second largest cigarette market in Asia after China, Tobacco Board intended to utilize this opportunity for increasing exports of



Indian unmanufactured tobacco to Indonesia. During the exhibition, Tobacco Board's official had visited all the stalls and met with leaf merchants and overseas customers, with special focus on the domestic manufacturers and leaf merchants in Indonesia. Tobacco Board has also participated in B2B meetings between overseas customers and Indian exporters who had attended the event and highlighted the USP's of Indian tobacco to the overseas customers.

### C) TAB EXPO – Amsterdam, The Netherlands

Tobacco Board participated in TABEXPO 2019, Amsterdam, The Netherlands from 12<sup>th</sup>-14<sup>th</sup> November, 2019 by organizing a stall of 15 sq. m. The Board had exhibited leaf samples of various grades of FCV and Non-FCV tobaccos. Samples of organic tobacco, which was produced under natural farming mode were also exhibited to highlight the organic production initiatives in Indian FCV tobacco. Smt. K. Sunitha, I.A.S., Executive Director and Shri. G. Bulli Subba Rao, AS/SGO, Exports & Marketing Section, Tobacco Board organized this participation.

**TABEXPO 2019** exhibition had over **100 exhibitors** from every part of the supply chain, including cigar, cut rag, vapors and leaf import and export from all over the world including Italy, China, Indonesia, the USA, Brazil, Zimbabwe, Turkey, the UAE, the UK, Germany, France, Switzerland, Bulgaria, Azerbaijan, Russia, Greece, Lithuania, Indonesia, Australia, Iran, Iraq, among others. From India, there were 04 exhibitors in this exhibition representing leaf tobacco, cigarettes, tobacco products and product traceability. Tobacco Board had facilitated meetings between Indian exporters and their

customers through one to one discussions on business opportunities. Many of the Indian exporters utilized Tobacco Board's stall to meet their customers and discuss their businesses, while showing the Indian tobacco samples displayed in the stall.



### PRESENTATION OF GOLDEN LEAF AWARD 2019 TO TOBACCO BOARD

Tobacco Board received the Golden Leaf Award on 13/11/2019 at an event organized by Tobacco Reporter alongside the TABEXPO 2019. Smt. K. Sunitha, IAS., Executive Director received this award under "Most Impressive Public Service Initiative" for the year 2019.

Tobacco Board got this award for its unique and first of its kind sustainability initiatives in FCV tobacco cultivation such as introduction of natural farming practices for production of organic tobaccos, introduction of 365 days green cover and green cover development initiatives through mandatory planting of trees by tobacco farmers and tobacco trade. Tobacco Board has taken up various other initiatives such as improvement of soil health through green manuring, promotion of advanced nursery technologies, elimination of Non-Tobacco Related Materials (NTRM's), elimination of pesticide residues among others which were considered for bestowing the Golden Leaf Award 2019 to Tobacco Board.



## II. 2 Visit of tobacco trade delegation to China:

A seven member tobacco trade delegation led by the Executive Director, Tobacco Board visited China from 24<sup>th</sup>-28<sup>th</sup> June 2019 to explore the opportunities for revival of Indian tobacco exports to China. The Indian delegation comprised of the following members:

S. No.	Name of the delegate Shri/Smt.	Designation	Organization
	<b>OFFICIALS</b>		
1	K. Sunitha, I.A.S.,	Executive Director & Chairman I/c	Tobacco Board
2	Ayyapusetty Jeevan Kumar	Field Officer	Tobacco Board
	<b>MEMBERS FROM TOBACCO TRADE</b>		
3	Mudumala Isaac David	Divisional Manager- Exports	M/s ITC Ltd-ABD
4	Daka Subramanya Jithendra Kumar	Vice President	M/s Godfrey Phillips India Ltd.,
5	Shafeeq Ur Rahman Khan	Director	M/s Deccan Tobacco Company
6	Bommidala Srimannarayana	Director	M/s Premier Tobacco Packers Pvt. Ltd.,
7	Maddi Venkateswara Rao	Managing Director	M/s Maddi Lakshmaiah & Co

The delegation visited the tobacco research facilities and growing areas in the provinces of Kunming and Zhejiang. The delegation had a meeting with Mr. Zhang Jianmin, Chief Commissioner of STMA and his team in the Office of STMA at Beijing on 28<sup>th</sup> June 2019 along with Indian Embassy officials.

The following are the outcomes of the discussions:

- The Chinese side had agreed to send a delegation to India to make an assessment of Indian tobacco situation.
- Chinese side had also agreed to enter into a technical collaboration with India in seed and leaf quality aspects.
- The Chinese side responded favorably to grow the Indian tobacco in the World Tobacco Variety Garden, Yunnan

## II.3 Trade delegation from abroad :

In response to the invitation by Tobacco Board during the visit of the Indian tobacco trade delegation to China, STMA, China had sent an 8-member delegation headed by Ms Zhang Hao, Vice-President of China Tobacco International (CTI) to visit India from 4<sup>th</sup>-8<sup>th</sup> December 2019 for evaluating the prospects of import of Indian tobaccos. The details of the delegation are as follows:

S. No.	Name	Company	Position
1	Zhang Hao	China Tobacco International Inc.	Vice President
2	Lu Hong	China Tobacco International Inc.	Department Deputy Director
3	Li Rui	China National Leaf Tobacco Inc.	Department Deputy Director
4	Ge Liming	China Tobacco International Inc.	Department Deputy Director
5	Wang Yihai	Yun Nan Tobacco Monopoly Administration	Department Manager
6	He Wenmiao	China Tobacco Zhejiang Industrial Co., Ltd	Tobacco Engineer
7	Fu Jianguo	China Tobacco HuNan Industrial Co., Ltd.	Tobacco Agronomist
8	Hu Qiang	China Tobacco Guang Dong Industrial Co. Ltd.,	Tobacco Agronomist



The delegation visited the tobacco threshing plants of major manufacturers and inspected the tobacco samples and also carried back 11 tobacco samples of FCV and Non-FCV tobaccos for further evaluation. The delegates also visited the tobacco fields to know about the tobacco production practices. The delegates have shown interest in Organic tobacco production using natural farming practices. The delegation also assured to send a high-level delegation again to India.

During the visit of the delegation, as a way forward, Tobacco Board on behalf of Indian tobacco Industry has requested China Tobacco International (CTI) to analyse Indian tobaccos and call for samples of desired grades and price quotes from Indian exporters. Based on approval of the samples, Tobacco Board has also requested CTI to place orders for import of Indian tobacco. Tobacco Board had also suggested CTI to procure Indian tobaccos by tying up with MNC's or by starting its own commercial venture (CTI - India) for purchase of Indian tobacco. Tobacco Board has also requested CTI for entering into a technical collaboration to produce quality tobaccos required by CTI and to explore options for contract farming in Burley & other tobaccos. CTI was also requested to examine use of Indian tobacco in its overseas cigarette manufacturing companies of China. Tobacco Board has also assured the delegation that it would render all needed assistance, as required by CTI in import of Indian tobaccos.

The delegation had informed that the visit was fruitful and they were impressed by the full range of different types of Indian tobaccos and professional expertise shown by Indian exporters. They have specifically commented that quality of FCV tobacco grown in India had improved compared to tobaccos grown 10 years ago. The delegation also informed that they will inform their sample requirements and other details to Tobacco Board. Tobacco Board is following up on this matter through the Indian embassy, Beijing.



### III. Study Visit of Department Related Parliamentary Standing Committee on Commerce:

The Study Visit of the Department Related Parliamentary Standing Committee on Commerce was taken up from 06/01/2020 to 07/01/2020 at Vijayawada to study the issues related to "Export of Agricultural & Marine Products, Plantation Crops, Turmeric and Coir". The Committee was headed by Shri V. Vijayasai Reddy, Hon'ble Member of Parliament, Rajya Sabha. There were 31 members in the Committee consisting of 9 members from Rajya Sabha and 21 members from Lok Sabha along with the Chairman of the Committee. Tobacco Board was entrusted with the task of looking after the arrangements for the visit of the Committee to Vijayawada. Shri V. Vijaya Sai Reddy, Chairman of the Committee along with 10 MPs (Rajya Sabha -01, Lok Sabha -09) and officials of Rajya Sabha Secretariat have participated in the Study Visit to Vijayawada. During the visit of the Parliamentary Committee, a meeting with Tobacco Board and other stakeholders was held at Vijayawada on 06<sup>th</sup> January 2020 and a review on the performance of the Tobacco Board was taken up along side the review on "Export of Agricultural and Marine products, Plantation crops, Turmeric and Coir".



Smt. K. Sunitha, Executive Director, Tobacco Board gave a detailed presentation on the activities of Tobacco Board while emphasizing Board's significant achievements during 2019-20. The export performance of tobacco and tobacco products since inception of the Board along with a detailed analysis on exports was presented to the Committee. The Committee had brief discussions with the representatives of farmers on the problems faced by them in crop production and with trade on the issues being faced by them in exports.

The Committee also arranged visited the local tobacco processing plants to have a first hand knowledge of the tobacco industry.



## HINDI IMPLEMENTATION

During the period 2019-2020 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 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 June, 2019 session Parangath (02), Prabodh (01), Praveen (05) and Pragya(02) employees were successfully completed their courses.

### 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 16th Sep to 20th September, 2019 in the Tobacco Board. As a part of celebrations, Four Table Hindi workshops (Four Sections) were conducted from 16<sup>th</sup> Sep to 17<sup>th</sup> Sep, 2019 to improve the working efficiency of Hindi trained employees and also conducted Hindi Memory competition and Hindi Noting & Drafting competition from 18<sup>th</sup> Sept to 19<sup>th</sup> Sep, 2019 to the employees. Books were distributed to the participants in the Table workshop and to the winners of the competitions as prizes.

### HINDI PERIODICALS AND LIBRARY

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

### HINDI ON COMPUTERS

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

### WORKSHOP IN HINDI

Four Table Hindi Workshops (02 Days - Each day 02 Sections) were conducted during Hindi Week i.e., from 16<sup>th</sup> Sep, 2019 to 17<sup>th</sup> Sep, 2019. 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.

## 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 2019 auctions, the contributions @ ₹2/- per Kg and 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.

During the Financial year 2019-20, an amount of ₹15,558.10 lakh has been realized as against the budget provision of ₹11,871.15 lakh in R.E.2019-20 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.

### 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 2019-20 have been prepared i.e. Budget Estimates and Revised Estimates with an outlay of ₹23,204.50 lakh and ₹18,678.00 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 under Extension & Developmental schemes, Production schemes and Trading Wing schemes and submitted to the Government for its approval.

An amount of ₹12,951.20 Lakh has been booked as expenditure under as against the budgeted outlay of ₹18,678.00 Lakh.

Statement showing the actual funds flow under Plan and Non-Plan since 2008-09 to 2019-20 is placed at **Page.123**.

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 2019-20 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 2019-20.

**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 2020**

We have audited the attached Balance Sheet of Tobacco Board, Guntur as at 31 March 2020 and the Income & Expenditure Account / Receipts & Payments 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 / Receipts & Payments 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

### Fixed Assets

#### Freehold Buildings (Schedule 8): ₹133.60 crore

A.1 The Board has capitalized assets based on the extent of payment made to CPWD / RITES instead of considering the actual expenditure / gross value of expenditure. Actual cost incurred for bringing the asset to its working condition should be reflected in the book value of the asset. As a result of this practice, depreciation is being calculated on advance payment which is an incorrect practice as depreciation should be calculated on the actual cost attributed to the asset.

#### Current Liabilities and Provisions (Schedule 7):

##### Provisions:

#### Payment of Gratuity, Leave Salary and Half Pay Leave Fund Account ₹46 crore

A.2 The board has not done actuarial valuation of employee benefit obligations as on the 31 March 2020. The actuarial valuation was done as of 1 October 2019. This has resulted in non-compliance to AS 15. In absence of non-availability of actuarial valuation for 31 March 2020, Audit is not able to comment on amount of short provision, if any.

## B) Income and Expenditure Account

### Income

#### Income from services (Schedule 12): ₹58.95 crore

B.1 The service charges receivable from buyers and growers were not accounted in books on accrual basis and the same was accounted in the books on the date of realization. It was observed that the service charges of ₹48.38 lakh<sup>1</sup> were not accounted in the books on accrual basis for the year 2019-20. This has resulted in understatement of Income from service charges by ₹48.38 lakh and also resulted in understatement of Current Assets by ₹48.38 lakh.

Similarly the service charges of ₹1.86 crore<sup>2</sup> for the year 2018-19 were realized in the year 2019-20 but the same was accounted in the current year Income. This has resulted in overstatement of Income from Services for the year 2019-20 by ₹1.86 crore.

B.2 It was also observed that accrued liability of service tax / GST on service charges and cess on tobacco were not accounted in the books as on 31st March 2020. As the financial statements are prepared on the basis of accrual method of accounting, service charges recoverable and the applicable service tax / GST has to be accounted on accrual basis only.

B.3 Specific accounting policy on accounting of service charges by the Board needs to be included in the significant accounting policies of the Board.

1 Auctions conducted in Andhra Pradesh from 02 to 21st March 2020 and accrued service charges of ₹16.85 lakh from growers from 18 to 21 March were not taken. In Karnataka, auctions conducted from 02 to 21st March 2020 and accrued services of ₹31.53 lakh from buyers from 18 to 21 of March were not taken in the accounts.

2. Accrued service charges of ₹30.30 lakh (₹15.23 lakh) from growers and ₹15.07 lakh from buyers) for auctions conducted in Andhra Pradesh from 22 March 2019 to 30 March 2019 were not considered in 2018-19. In Karnataka auctions were conducted from 01 to 28 March 2019 but accrued service charges of ₹155.24 lakh (₹108.88 lakh from growers from 18 to 28 March and ₹46.36 lakh from buyers from 23 to 28 of March were not taken in 2018-19.

## Income

### Other Income (Schedule 18): ₹51.85 crore

B.4 The above includes ₹6.73 crore towards penalty on excess crop as well as unauthorized cultivation of tobacco for the year 2018 which was received in the year 2019-20 from the growers of Karnataka. The Tobacco Board levied penalties of ₹18.40 crore during 2018 auctions but an amount of ₹11.67 crore was accounted in the year 2018-19 and balance amount of ₹6.73 crore was not accounted in the year 2018-19. Non-accounting of other income on accrual basis has resulted in overstatement of "Other Income" by ₹6.73 crore and understatement of 'Prior Period Income' by ₹6.73 crore.

### 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 / Receipts & Payments 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 2020; 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 of Commercial Audit &  
Hyderabad

Place: Hyderabad

Date: 29 December, 2020.

## 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 2019-20 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

Physical Verification of assets is conducted annually under the supervision of office head and reports submitted to Head Office. As verified from the physical verification reports of the fixed assets, the Tobacco Board is conducting the verification at regular intervals and no material discrepancies were found on such verification except that details of land and building were not mentioned in some of the physical verification reports submitted by the Auction Platforms/ Regional Offices. The same was commented. As such, the system of physical verification fixed assets is reasonable and adequate in relation to the size of organization and nature of business.

### 4. System of Physical Verification of Inventory

The Tobacco Board does not have any inventory but stationery and consumable items were treated as inventory. The Board valued closing stock of stationery on cost basis at the end of each balance sheet date. As such, system of physical verification of inventory of the Tobacco Board is reasonable and adequate in relation to the size of the organization and nature of business.

### 5. Regularity in payment of statutory dues

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

Sd/- xx xx xx  
(M.S. Subrahmanyam)  
Director General Commercial Audit  
Hyderabad.

**TOBACCO BOARD**

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

**TOBACCO FUND ACCOUNT - FINANCIAL STATEMENTS**

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2020**

(₹ In Lakh)

Particulars	Schedule	Current Year	Previous Year
<b>CORPUS / CAPITAL FUND AND LIABILITIES</b>			
1. Corpus/Capital Fund	1	63097	59782
2. Reserves and Surplus	2	0	0
3. Earmarked/Endowment Funds:	3		
a) Margin money for Comm. Operations (Grant-in-aid to Trading Wing)		2522	2356
b) Tobacco Board Employees General Provident Fund		2271	2478
c) Tobacco Board Employees' Pension Fund		14963	15582
d) Tobacco Board Employees New Pension Scheme		37	30
e) Tobacco Growers Welfare Fund Scheme		6268	5912
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	14884	21056
<b>TOTAL</b>		<b>104042</b>	<b>107196</b>
<b>ASSETS</b>			
1. Fixed Assets	8	10429	10777
2. Investments from Earmarked/Endowment Funds	9	0	0
a) Margin money for Comm. Operations (Grant-in-aid to Trading Wing)		2522	2356
b) Tobacco Board Employees General Provident Fund		2271	2478
c) Tobacco Board Employees' Pension Fund		14963	15582
d) Tobacco Board Employees New Pension Scheme		37	30
e) Tobacco Growers Welfare Fund Scheme		6268	5912
3. Investments: Others	10	0	0
4. Current Assets, Loans and Advances etc.	11	67552	70061
5. Miscellaneous Expenditure		0	0
<b>TOTAL</b>		<b>104042</b>	<b>107196</b>
<b>Significant Accounting Policies</b>	<b>24</b>	<b>Placed at Schedules</b>	
<b>Contingent Liabilities and Notes on Accounts</b>	<b>25</b>	<b>Placed at Schedules</b>	

Sd xx xx xx  
(ADDANKI SRIDHAR BABU)  
SECRETARY

Sd xx xx xx  
(R. MUTHURAJ)  
EXECUTIVE DIRECTOR



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

**TOBACCO FUND ACCOUNT - FINANCIAL STATEMENTS**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

(₹ In Lakh)

Particulars		Schedule	Current Year	Previous Year
<b>1.</b>	<b>INCOME</b>			
I.	Income from Sales/Services	12	5895	6030
II.	Grants/Subsidies	13	0	0
III.	Fees/Subscriptions	14	329	257
IV.	Income from Investments (From earmarked/ endowment funds transferred to Funds)	15	12	18
V.	Income from Royalty and Publications	16	10	21
VI.	Interest earned	17	4094	3788
VII.	Other Income	18	5185	5269
VIII.	Increase/(Decrease) in stock of Finished Goods and Works in Progress	19	0	0
	<b>Total</b>		<b>15525</b>	<b>15383</b>
<b>2.</b>	<b>EXPENDITURE</b>			
I.	Establishment Expenses	20	7646	10159
II.	Other Administrative Expenses	21	4156	3121
III.	Expenditure on Grants, Subsidies	22	0	0
IV.	Interest	23	0	0
V.	Depreciation (Net Total at the year end - Corresponding to Schedule 8)	8	408	462
	<b>Total</b>		<b>12210</b>	<b>13742</b>
<b>3.</b>	<b>Balance being Excess of Income over Expenditure (1-2)</b>		<b>3315</b>	<b>1641</b>
I)	Transfer of Special Reserve (Specify each)		0	0
II)	Transfer of General Reserve		0	0
III)	Previous Years payments		0	0
<b>4.</b>	<b>Balance being surplus/deficit carried to Corpus/ Capital Fund</b>		<b>3315</b>	<b>1641</b>
<b>5.</b>	<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>24</b>	<b>Placed at schedules</b>	
<b>6.</b>	<b>CONTINGENT LIBAILITIES AND NOTES ON ACCOUNTS</b>	<b>25</b>	<b>Placed at schedules</b>	

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

Sd xx xx xx  
(R. MUTHURAJ)  
**EXECUTIVE DIRECTOR**

### FUND BALANCES OF EARMARKED FUNDS – BALANCE SHEET

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

(₹ in Lakh)

S. No.	Particulars	Current Year	Previous Year
A	Opening Balance	2355.92	2196.59
B	Additions to the Fund account:		
	a) Income from investments (Interest on Fixed Deposits & SB a/c)	166.06	159.34
	b) Grants received	0.00	0.00
	c) Other Receipts	0.00	0.00
	Less:		
	a) Withdrawals	0.00	0.00
	b) Other payments	0.00	0.00
	<b>Total (A+B)</b>	<b>2521.98</b>	<b>2355.92</b>
C	Utilisation/Expenditure towards objective of Fund		
	i) Capital Expenditure	0.00	0.00
	ii) Revenue Expenditure	0.00	0.00
	<b>Total (C)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Net Balance at the year-end (A+B-C)</b>	<b>2521.98</b>	<b>2355.92</b>

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

(₹ in Lakh)

S. No.	Particulars	Current Year	Previous Year
A	Opening Balance	2478.20	2503.56
B	Additions to the Fund account:		
	a) Income from investments (Interest on Fixed Deposits & SB a/c)	151.76	164.92
	b) Subscriptions	655.39	734.36
	c) Recovery of GPF advance	0.25	0.92
	Less:		
	a) Withdrawals	-1014.16	-925.56
	b) Advances paid	0.00	0.00
	<b>Total (A+B)</b>	<b>2271.44</b>	<b>2478.20</b>
C	Utilisation/Expenditure towards objective of Fund		
	i) Capital Expenditure	0.00	0.00
	ii) Revenue Expenditure	0.00	0.00
	<b>Total (C)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Net Balance at the year-end (A+B-C)</b>	<b>2271.44</b>	<b>2478.20</b>

**3 Tobacco Board Employees Pension Fund Account**

(₹ in Lakh)

S. No.	Particulars	Current Year	Previous Year
A	Opening Balance	15581.56	15450.98
B	Additions to the Fund account:		
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	967.86	1172.75
b)	Pension Fund Contributions	3000.00	3045.70
	Less:		
a)	Pension Annuities purchased by LIC of India	-4586.36	-4087.86
b)	Other payments	0.00	0.00
	<b>Total (A+B)</b>	<b>14963.06</b>	<b>15581.56</b>
C	Utilisation/Expenditure towards objective of Fund		
i)	Capital Expenditure	0.00	0.00
ii)	Revenue Expenditure	0.00	0.00
	<b>Total (C)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Net Balance at the year-end (A+B-C)</b>	<b>14963.06</b>	<b>15581.56</b>

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

(₹ in Lakh)

S. No.	Particulars	Current Year	Previous Year
A	Opening Balance	29.85	27.91
B	Additions to the Fund account:		
a)	Income from investments (Interest on Fixed Deposits & SB a/c)	1.96	1.87
b)	Pension Fund Contributions	144.26	94.83
	Less:		
a)	Pension Contribution remitted NSDL Mumbai (Pension contributions)	-139.42	-94.75
b)	Other payments (Bank Charges)	0.00	0.00
	<b>Total (A+B)</b>	<b>36.65</b>	<b>29.85</b>
C	Utilisation/Expenditure towards objective of Fund		
i)	Capital Expenditure	0.00	0.00
ii)	Revenue Expenditure	0.00	0.00
	<b>Total (C)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Net Balance at the year-end (A+B-C)</b>	<b>36.65</b>	<b>29.85</b>



**SCHEDULE-24:****SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING 31ST MARCH 2020****1. ACCOUNTING CONVENTION:**

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

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

**2. Inventory Valuation:**

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

**3. Investments:**

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

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

Provided that the funds in the Board's pension fund or provident fund not required for current expenditure may be invested in Trustee Securities or Ten Year Treasury Savings Deposit Certificates or National Defense Certificates to the extent permissible or in fixed deposit with the State Bank of India + ( or any other Nationalized Bank or any of its subsidiaries).

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

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

**4. Excise Duty :** Nil

**5. Fixed Assets:**

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

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

**6. Depreciation:**

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

**7. Miscellaneous Expenditure:**

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

**8. Accounting for Sales:**

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

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

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

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

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

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

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

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

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

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

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

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

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

**10. Foreign Currency Transactions:**

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

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

**11. Lease:**

The Board hires the premises/office buildings on lease for field level activities and 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.

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

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



**SCHEDULE 25:****CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2020.**

- 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 2019-20.
- 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.

**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 TOBACCO FUND ACCOUNTS:

### a) **FORMATION:**

The Tobacco Board was constituted by 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 Lakh in Balance Sheet, Income & Expenditure account and Receipts and Payments Statement including in schedules as suggested by the audit.
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 ₹1,435.85 Lakh is total outstanding liabilities amount for the year ending 31/03/2020.
3. The contingent liabilities of the Tobacco Board are as under:

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. The same was disposed by the Commissioner, Central Tax, Guntur and issued Order-in-Original No.GUN-EXCUS-000-CUM-026/19-20-S. Tax dated 13.12.2019 by confirming the tax demand as shown in the show cause. In this connection, the Board is filed the appeal before the Central Tax Appellate Tribunal, Regional Branch of Hyderabad against the Order-in-Original and an amount of ₹1,96,25,168/- was deposited pre-deposit to admit the appeal at CESTAT Hyderabad and the case is under sub-judice.

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 31/03/2020 valued at ₹22.56 Lakh 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 2019-20 was ₹60,966.99 Lakh. 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.
7. The details of fixed deposits have been prepared in the form of statement and annexed to the statements are found in order.
8. The depreciation on fixed assets has been calculated on pro-rata monthly basis. The rates of depreciation on different assets adopted by the Board are as under:
  1. Land - Leasehold : 360 months period
  2. Buildings - On lease hold lands : 276 months period
  3. Freehold Buildings : 1.58% (RCC Roof) &  
3.17% Non-RCC
  4. Furniture & Fittings, Electrical Equipment : 9.50%
  - Cycles, Library Books, Misc. Equipment, : 9.50%
  - Tarpaulins Trolleys, Weighing Scales & Cubicles : 9.50%
  5. Office Equipment, Demonstration Equipment : 19.00%
  - 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 ₹408.14 lakh was depreciated on the fixed assets of Tobacco Board as on 31/03/2020 along with previous year depreciation on the assets.

9. The assets have been capitalized/adjusted during the financial year ending 31<sup>st</sup> March 2020 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, a net amount of ₹7.35 lakh was capitalized towards Civil, Electrical and Maintenance works.
10. An amount of ₹136.54 lakh was incurred on account of Misc. Expenditure account for the year ending 31<sup>st</sup> March 2020 which consists of maintenance of generators, purchase of water, electrical repairs & replacements, expenditure on sweepings and expenditure on vigilance operations etc.

An amount of ₹374.33 lakh was realized on account of Misc. Receipts account for the year ending 31<sup>st</sup> March 2020 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.

11. An amount of ₹5,895.49 lakh was realized on account of Service Charges on FCV tobacco @ 1% each from buyer and growers for the year ending 31<sup>st</sup> March 2020.
12. The Tobacco Board did not draw any grant-in-aid from the Government during the financial year 2019-20.
13. An amount of ₹40.17 Lakh was incurred on account of Fairs & Exhibitions: Abroad and Trade Delegations to Abroad for the year ending 31<sup>st</sup> March 2020.
14. An amount of ₹1,978.64 lakh 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.
15. An amount of ₹67,551.97 lakh was available under Current assets, loans and advances account as per the schedule-11 of the Balance Sheet as on 31/03/2020.
16. An amount of ₹16.02 lakh is outstanding from the principal borrowers (farmers) pertaining to 1977 cyclone loan account. General suits and EPs have been filed before the respective Hon'ble Courts in the platform jurisdictions and they are sub-judice. The Board has made vigorous efforts to recover the loan amounts by giving various concessions viz. 50% in interest and waiver of legal charges for recovery of outstanding dues under one time settlement, as the recovery of dues was very poor.

All most all the borrowers were died even any few members alive also become very old i.e., 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 122<sup>nd</sup> meeting held on 28/07/2007 at Hyderabad and resolved to send the proposals to the Government for writing off losses in respect of 1977 cyclone loans granted to the farmers as the Government is the competent authority to write off losses as per Rule 24(2) of Tobacco Board Rules 1976. In this regard, the Board addressed a letter and reminded the same to the Ministry. The approval of the Government is awaited.

17. 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 2019-20.
18. Funds under Margin Money for Commercial Operations (Grant-in-aid to Trading Wing) account, an amount of ₹2,521.98 lakh 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 ₹91.40 Lakh while taking up MSP operations during 1987 & 2000 and ₹2,430.58 lakh realized towards interest on Fixed Deposits as on 31/03/2020.
19. Funds under Tobacco Board Employees General Provident Fund account, an amount of ₹2,271.44 lakh was available as per the books of accounts. As per Broad sheet the amount payable to officials was ₹2,191.97 lakh includes interest on subscriptions. Surplus amount of ₹79.47 Lakh is on account of interest realized on fixed deposits is more than the interest payable to official's GPF contributions.
20. Funds under Tobacco Board Employees' Pension Fund account, an amount of ₹14,963.06 lakh was available as per books accounts. Out of which, ₹14,958.32 lakh was available with LIC of India Vijayawada as deposit and ₹4.74 lakh as cash at bank. An amount of ₹56.20 lakh is provided as provisional liability to deposit with LIC of India against the past and current service liability to the existing officials of the Tobacco Board as on 31/03/2020.
21. Funds under Tobacco Board Employees New Pension Scheme account, an amount of ₹36.65 lakh was available as per books of accounts. 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. The said amount includes surplus under the fund account along with refundable amounts to NPS officials/balance remittances to NSDL for want of PRAN by newly recruited officials in the Tobacco Board as on 31/03/2020.

22. Funds under Tobacco Growers Welfare Fund scheme account, an amount of ₹6,267.53 lakh was the available as per the books of accounts (Andhra Pradesh: ₹3,721.33 lakh + Karnataka: ₹2,546.21 Lakh).

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.

23. 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.
24. The amounts payable to Service Tax Department towards service tax on the services of auctioneer service (Buyer Authorization fee, Demurrage Charges & Bale Pattas), Legal consultancy services (Legal Charges) and Rent-a-Cab Operators Service (Hiring of Vehicles) taken as provisional liability for ₹178.44 lakh 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 ₹4.96 shown as current assets in the books of accounts.
25. An amount of ₹122.50 is provided as liability towards payment of Bonus to the employees of the Board for the years 2014-15 (arrears of @ ₹3,500/- to each due to enhancement of amount from ₹3,500/- to ₹7,000/-) and ₹7,000/- each for the years 2015-16, 2016-17, 2017-18 and 2018-19. In this connection, the Ministry has informed vide their letter No. 2/3/2017-EP (Agri.VI), dated 19/06/2020 that the benefits of non-productivity linked bonus (ad hoc bonus) are not applicable for Tobacco Board's employees. Hence, the provisional liability for payment of bonus to the employees of the Tobacco Board for the years 2014-15 to 2018-19 for ₹122.50 lakh was reversed and no liability is provided under this head for the earlier period along with current year.



26. 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 31/03/2020.
27. The Tobacco Board filed Income Tax Returns for the financial year 2018-19 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 through there is exemption from payment of income tax under section 10(29)(A)(d) of the Income Tax Act 1961.
28. 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 Board has paid 10% of the demand notice amount of ₹32,69,805/- to DCCT VAT(Audit) Mysore by availing the benefit of Kara Samadhana Yojana Scheme and the Hon'ble High Court of Karnataka disposed the case on 30/05/2017 due to its settlement of the issue on payment of the said amount.

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

29. 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.
30. 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.
31. 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 2019 auctions, the Penalty @ ₹2/- per Kg and 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.
32. 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:**

33. 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.
34. 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.
35. 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 ₹155.58 crore has been realized on account of Board's Receipts. Against which, an amount of ₹129.51 crore incurred towards expenditure for the year 2019-20.

36. As per D.O. letter No. DGCA/A/CsDesk/2018-19/1.42/262, dated 19/11/2019 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 2018-19. The modifications as suggested by the audit have been taken up in the financial statements of the Tobacco Board for the year 2019-20 as detailed below:
  - a) As suggested by the audit, the accounting figures have been rounded off to lakh in the Balance Sheet, Income and Expenditure Account and Receipts and Payments Statement including schedules by taking into consideration of the turnover exceeds to one crore or more but less than one hundred crore.
  - b) 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.
  - c) The suggestions for providing contingent liabilities are noted for compliance.
  - d) The calculation of accrued interest on the investments has been calculated on quarterly rests as suggested by the audit.

Sd/- xx xx xx  
(P. MEENA KUMARI)  
MANAGER (FINANCE & ACCOUNTS)

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

<b>RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31<sup>st</sup> MARCH, 2020</b>						
<b>Receipts</b>		<b>Current Year</b>	<b>Previous Year</b>	<b>Payments</b>	<b>Current Year</b>	<b>Previous Year</b>
		(₹ in Lakh)				
<b>I. Opening Balances:</b>				<b>I. Establishment Expenses</b>		
A) Bank Balances				1. Salaries & Wages	4790.71	5109.86
1. Current Accounts		8708.48	7162.12	2. Allowances & Bonus	15.21	15.06
2. Deposit Accounts		58486.41	54929.18	3. Contribution to Provident Fund	0.00	0.00
3. Savings Accounts		0.00	0.00	4. Contribution to Pension Fund	3000.00	3000.00
B) Earmarked/Endowment Funds				5. Contribution to Pension Fund (NPS)	86.92	47.84
1. Current Accounts:				6. Staff Welfare Expenses	0.00	0.00
i) Margin Money for Comm. Operations (Grant-in-aid to Trading Wing)		0.05	0.05	7. Retirement & Terminal Benefits	1784.54	1517.63
2. Deposit Accounts		0.00	0.00	8. Others:		
3. Savings Accounts		8.33	4.03	a) Leave Salary & Pension Contribution	12.96	19.95
i) Tobacco Board Employees				b) Medical Claims (Officers & Staff)	79.19	68.09
General Provident Fund				c) LTC Claims	12.89	16.45
ii) Tobacco Board Employees		4.55	3.95	d) Uniform to Staff	3.05	3.55
Pension Fund				II. Other Administrative Expenses		
iii) Tobacco Board Employees		0.61	0.46	1. O.T. A. to Staff	0.00	0.00
New Pension Scheme				2. T.A. to Officers & Staff	214.36	168.04
iv) Tobacco Growers Welfare		155.84	109.31			
Fund Scheme						
<b>II. Grants Received</b>		0.00	0.00	3. T.A. to Board Members	2.69	1.99
<b>III. Investments and Deposits made</b>				4. Maint of Admn Buildings/ Qrttrs/ APFs	29.06	31.16
a) Earmarked/Endow.Funds:(FDRs)				5. Rent of Buildings	111.84	109.30

## RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31<sup>ST</sup> MARCH, 2020

		(₹ in Lakh)			
Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
i) Margin Money for Comm. Operations (Grant-in-aid to Trading Wing)	2266.95	2006.75	6. Printing & Stationery (Incl Computer stationery)	52.31	37.76
ii) Tobacco Board Employees General Provident Fund	2391.27	2330.12	7. Electricity Charges	120.39	107.67
iii) Tobacco Board Employees Pension Fund	15577.02	15447.03	8. Postage & Telephone Charges	33.86	39.16
iv) Tobacco Board Employees New Pension Scheme	27.87	26.06	9. Expenditure on Meetings	14.61	14.79
v) Tobacco Growers Welfare Fund Scheme	5260.17	5087.14	10. Miscellaneous Expenditure	137.51	120.75
b) Own Funds	0.00	0.00	11. Entertainment Charges	8.06	7.10
<b>IV. Income on Investments</b>			12. Subscription to Journals	3.69	2.92
a) Earmarked/Endowment Funds			13. Repairs to Furniture & other assets	11.01	13.76
i) Margin Money for Comm. Operations (Grant-in-aid to Trading Wing)	166.06	260.19	14. Conveyance Charges	4.21	3.99
ii) Tobacco Board Employees General Provident Fund	814.66	991.02	15. Workshops & Seminars	0.00	0.07
iii) Tobacco Board Employees' Pension Fund	3967.86	4218.45	16. Rates & Taxes	17.00	26.31
iv) Tobacco Board Employees New Pension Scheme	146.50	96.71	17. Bank charges	0.61	0.26
v) Tobacco Growers Welfare Fund Scheme	1128.32	1064.25	18. Legal charges	6.71	5.01
			19. Hiring of Vehicles	107.29	92.59
			20. Maintenance of Vehicles	34.55	40.01
			21. Insurance	19.38	12.21
			22. Audit Fee	7.96	17.72
			23. Interest Contribution to GPF	0.00	0.00
			24. Membership with other organisations	0.00	0.00
			25. Loan Recovery Expenditure	0.00	0.00
			26. Library Books	0.54	0.15
			27. Maintenance of Computers	22.53	11.52

### RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
b) Own Funds	0.00	0.00	28. Service charges for weighing scales	25.63	22.63
c) Rents			29. Mutta labour charges	345.50	324.43
i) Rents on Premises lease	11.85	21.19	30. Construction of temporary structures	0.00	0.00
<b>V. Interest Received</b>			31. Human Resource Development	5.61	0.09
1. On Bank Deposits	4122.26	3777.44	32. Implementation of e-auction system	507.45	411.64
2. Loans & Advances (Officials)	3.51	5.20	33. Automation of Office(MIS) online	1.99	2.21
<b>VI. Other Income</b>			34. Regulation & Develop.of FCV tobacco	4.83	3.76
1. Growers Registration Fee	265.19	193.53	35. Scientific, Tech&Economic Research	12.88	16.79
(Area, Barn Operator & Nurserymen)			36. Imp. & Maint. of MKTG facilities	1.19	0.41
2. Exporters Registration Fee	20.01	21.62	37. Financial Relief to growers	0.00	0.00
3. Products Registration Fee	13.79	12.15	(Crop/Barn damages)		
4. Dealers Registration Fee	12.26	12.03	38. Farmers Study Tours :Abroad	0.00	0.00
5. Packers Registration Fee	0.55	0.26	39. Market Survey	0.00	0.00
6. Processors Registration Fee	1.34	2.20	40. Export Promotion (Trade Delegations)	14.69	0.00
7. Commercial Graders Regn. Fee	0.76	0.44	41. Fairs & Exhibitions(Abroad)	25.49	8.12
8. Manufacturers Registration Fee	8.33	9.64	42. Publicity & Propaganda	20.86	8.35
9. Sale of Priced Publications(TGPBS)	9.61	20.62	43. Farm Mechanization	0.00	0.00
10. Misc. Income	456.67	525.44	44. Improving Yield &Quality of FCV Tob.	165.75	29.67
11. Service charges on FCV tobacco	5895.49	6029.54	45. Improving of Curing Practices	253.21	145.39
12. Contribution @4% from regd.	294.41	0.00	46. Elimination of NTRMs & Product Integrity	52.98	73.08
13. Contribution @ 6.5% from regd. Growers	82.70	820.45	47. PHPM Measures - Bulking sheds/ Model Storage facilities	2.37	2.60
14. Contribution @ ₹ 2/- per Kg. from Regd. & Unregd. Growers	680.29	598.18	48. Other Extension Programmes	32.41	27.32
			49. On farm tests & Experment Trails	13.75	5.42

## RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31<sup>ST</sup> MARCH, 2020

		(₹ in Lakh)			
Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
15. Penalty @ 14% from Regd. & Unregd. Growers	3671.44	3337.11	50. Model Project Area	9.87	9.36
16. Buyers Authorisation Fee	5.89	5.45	51. Tobacco Growers Welfare Fund (Board's Share)	88.06	94.20
17. Loans & Advances to staff	16.99	22.83	52. Commercial Tax Penalties	0.00	0.00
18. Loans & Advances to Cultivators	0.00	0.00	53. Service Tax Penalties & Interest	0.03	0.17
<b>VII. Amount Borrowed</b>			<b>III. Payments Made against Funds for various Projects</b>	0.00	0.00
<b>VIII. Any Other Receipts</b>			<b>III. Expenditure on Grants and Subsidies</b>	0.00	0.00
1. Other Liabilities	910.11	2697.76	<b>IV. Investments and Deposits made</b>		
2. Deposits with ACTO & Others	9.24	16.16	<b>a) Fixed Deposits</b>		
			i) Margin Money for Comm. Operations (Grant-in-aid to Trading Wing)	2433.01	2266.95
			ii) Tobacco Board Employees General Provident Fund	2189.93	2391.27
			iii) Tobacco Board Employees' Pension Fund	14958.32	15577.02
			iv) Tobacco Board Employees New Pension Scheme	22.97	27.87
			v) Tobacco Growers Welfare Fund Scheme	5570.88	5260.17
			<b>b) Other Payments</b>		
			i) Margin Money for Comm. Operations (Grant-in-aid to Trading Wing)	0.00	0.00

**RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(₹ in Lakh)					
Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
			ii) Tobacco Board Employees General Provident Fund	1014.16	925.56
			iii) Tobacco Board Employees' Pension Fund	4586.36	4087.86
			iv) Tobacco Board Employees New Pension Scheme	139.42	94.75
			v) Tobacco Growers Welfare Fund Scheme	745.15	844.69
			<b>V. Expenditure on Fixed Assets &amp; Capital Works in Progress</b>		
			1. Purchase of Fixed Assets	52.85	14.49
			2. Advances to:		
			a) CPWD	579.86	409.13
			b) RITES	0.00	20.61
			<b>VI. Refund of Surplus money/Loans</b>	0.00	0.00
			<b>VII. Finance Charges (Interest)</b>	0.00	0.00
			<b>VIII. Other Payments:</b>		
			1) Loans and Advances to Staff & Officers	12.58	25.24
			2) Loans & Advances to Cultivators	0.00	0.00
			3) Other Liabilities	6485.82	701.83
			4) Deposits with ACTO & Others	90.97	6.04
			<b>IX. Closing Balances</b>		



## RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31<sup>ST</sup> MARCH, 2020

		(₹ in Lakh)			
Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
			<b>A) Bank Balances</b>		
			1. Current Accounts	3168.38	8708.48
			2. Deposit Accounts	60966.99	58486.41
			3. Savings Accounts	0.00	0.00
			<b>B) Earmarked/Endowment Funds:</b>		
			1. Current Accounts:		
			i) Margin Money for Comm. Operations (Grant-in-aid to Trading Wing)	0.05	0.05
			2. Deposit Accounts	0.00	0.00
			3. Savings Accounts		
			i) Tobacco Board Employees General Provident Fund	10.16	8.33
			ii) Tobacco Board Employees' Pension Fund	4.74	4.55
			iii) Tobacco Board Employees New Pension Scheme	12.59	0.61
			iv) Tobacco Growers Welfare Fund Scheme	228.31	155.84
<b>Total</b>	<b>115603.62</b>	<b>111866.05</b>	<b>Total</b>	<b>115603.62</b>	<b>111866.05</b>

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

Sd xx xx xx  
(R. MUTHURAJ)  
EXECUTIVE DIRECTOR

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

Sl. No.	Particulars	Current Year	Previous Year
<b>A</b>	<b>Opening Balance</b>		
	a) Cash at Bank (Current account) (SBI Guntur)	0.05	0.05
	b) Investments (Fixed Deposits)	2266.95	2006.75
<b>B</b>	<b>Receipts:</b>		
	a) Income from investments (Interest on Fixed Deposits & SB a/c)	166.06	260.19
	b) Grants received	0.00	0.00
	c) Other Receipts	0.00	0.00
	<b>Total Receipts (A+B)</b>	<b>2433.06</b>	<b>2267.00</b>
<b>C</b>	<b>Payments</b>		
	a) Withdrawals	0.00	0.00
	b) Other Payments	0.00	0.00
<b>D</b>	<b>Closing Balance</b>		
	a) Investments (Fixed Deposits)	2433.01	2266.95
	b) Cash at Bank (Current account) (SBI, Guntur)	0.05	0.05
	<b>Total Payments (C+D)</b>	<b>2433.06</b>	<b>2267.00</b>

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

(₹ in Lakh)

Sl. No.	Particulars	Current Year	Previous Year
<b>A</b>	<b>Opening Balance</b>		
	a) Cash at Bank (Savings account) (SBI Guntur)	8.33	4.03
	b) Investments (Fixed Deposits)	2391.27	2330.12
<b>B</b>	<b>Receipts:</b>		
	a) Income from investments (Interest on Fixed Deposits & SB a/c)	159.02	255.73
	b) Subscriptions	655.39	734.36
	c) Recovery of GPF advance	0.25	0.92
	<b>Total Receipts (A+B)</b>	<b>3214.26</b>	<b>3325.16</b>
<b>C</b>	<b>Payments</b>		
	a) Withdrawals	1014.16	925.56
	b) Advances Paid	0.00	0.00
<b>D</b>	<b>Closing Balance</b>		
	a) Investments (Fixed Deposits)	2189.93	2391.27
	b) Cash at Bank (Savings account) (SBI Guntur)	10.16	8.33
	<b>Total Payments (C+D)</b>	<b>3214.26</b>	<b>3325.16</b>

**3) Tobacco Board Employees' Pension Fund Account**

(₹ in Lakh)

Sl. No.	Particulars	Current Year	Previous Year
<b>A</b>	<b>Opening Balance</b>		
	a) Cash at Bank (Savings account) (SBI Guntur)	4.55	3.95
	b) Investments (Fixed Deposits)	15577.02	15447.03
<b>B.</b>	<b>Receipts:</b>		
	a) Income from investments (Interest on Fixed Deposits & SB a/c)	967.86	1172.75
	b) Pension Fund Contributions	3000.00	3045.70
	<b>Total Receipts (A+B)</b>	<b>19549.43</b>	<b>19669.42</b>
<b>C</b>	<b>Payments</b>		
	a) Pension Annuities purchased by LIC	4586.36	4087.86
	b) Bank Charges	0.00	0.00
<b>D</b>	<b>Closing Balance</b>		
	a) Investments (Fixed Deposits)	14958.32	15577.02
	b) Cash at Bank(Savings account) (SBI Guntur)	4.74	4.55
	<b>Total Payments (C+D)</b>	<b>19549.43</b>	<b>19669.42</b>

**4) Tobacco Board Employees New Pension Scheme Account**

(₹ in Lakh)

Sl. No.	Particulars	Current Year	Previous Year
<b>A</b>	<b>Opening Balance</b>		
	a) Cash at Bank (Savings account) (SBI Guntur)	0.61	0.46
	b) Investments (Fixed Deposits)	27.87	26.06
<b>B</b>	<b>Receipts:</b>		
	a) Income from investments (Interest on Fixed Deposits & SB a/c)	2.24	1.88
	b) Pension Fund Contributions	144.26	94.83
	<b>Total Receipts (A+B)</b>	<b>174.98</b>	<b>123.23</b>
<b>C</b>	<b>Payments</b>		
	a) Amount remitted to NSDL Mumbai (Pension contributions)	134.70	94.75
	b) Other Payments (Refunds to NPS Officials)	4.71	0.00
<b>D</b>	<b>Closing Balance</b>		
	a) Investments (Fixed Deposits)	22.97	27.87
	b) Cash at Bank(Savings account) (SBI Guntur)	12.59	0.61
	<b>Total Payments (C+D)</b>	<b>174.98</b>	<b>123.23</b>

### 5. Tobacco Grower's Welfare Fund Scheme account

(₹ in Lakh)

S. No.	Particulars	Current Year		Previous Year		Total
		Andhra Pradesh	Karnataka	Andhra Pradesh	Karnataka	
A	<b>Opening Balance</b>					
	a) Cash at Bank (Savings account) (SBI Guntur) (SBM B'Loire)	70.97	84.86	12.65	96.66	109.31
B	b) Investments (Fixed Deposits)	3246.52	2013.65	2987.70	2099.43	5087.14
	<b>Receipts:</b>					
	a) Income from investments (Interest on Fixed Deposits & SB a/c)	254.85	141.32	232.59	182.21	414.80
	b) Growers Contribution	19.77	13.70	21.71	17.21	38.92
	c) Tobacco Board's Contribution	46.96	41.10	44.20	50.00	94.20
	d) Renewal of Membership Fee	189.01	229.56	195.07	204.84	399.92
	e) Growers Share of Sweepings	26.58	8.46	19.55	20.73	40.28
	f) Penalties	0.21	0.00	0.23	0.00	0.23
	g) Interest on Loans	0.00	0.00	0.05	0.00	0.05
	h) Misc. Receipts	0.00	2.91	7.33	10.51	17.84
	i) Grower contribution(Break in Regn.)	0.00	0.00	0.00	0.00	0.00
	j) Marriage Loan	2.70	112.04	1.85	42.39	44.24
	b) Education Loan	4.19	9.85	5.01	2.69	7.70
	c) Major Illness Loan	1.30	1.90	1.95	0.60	2.55
	d) Barn Damaged Loan	1.45	20.46	0.90	2.62	3.52
	<b>Total Receipts (A+B)</b>	<b>3864.51</b>	<b>2679.82</b>	<b>3530.80</b>	<b>2729.90</b>	<b>6260.70</b>
C	<b>Payments</b>					
	a) Death Relief to Growers	265.50	313.20	209.30	419.25	628.55
	b) Marriage Loan	4.50	97.55	0.50	151.00	151.50
	c) Education Loan	3.50	12.20	3.00	16.00	19.00
	d) Major Illness Loan	1.00	1.50	0.50	2.24	2.74
	e) Barn Damaged Loan	0.00	46.20	0.00	42.90	42.90
D	<b>Closing Balance</b>					
	a) Investments (Fixed Deposits)	3528.51	2042.36	3246.52	2013.65	5260.17
	b) Cash at Bank(Savings account) (SBI Guntur) (SBM B'Loire)	61.49	166.81	70.97	84.86	155.84
	<b>Total Payments (C+D)</b>	<b>3864.51</b>	<b>2679.82</b>	<b>3530.80</b>	<b>2729.90</b>	<b>6260.70</b>

**Statement showing the Funds Flows Position under Non-Plan and Plan from 2008-09 to 2019-20**  
(₹ in Lakh)

S.No.	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1	OpeningBalance (Plan & Non-Plan)	14740.62	18868.34	22721.86	25868.35	34406.37	36542.81	41384.66	47696.18	51899.06	54701.21	55788.64	58886.19
2	Receipts												
	a) Non-Plan	8843.57	11900.92	11689.90	15650.73	11541.65	15083.54	16581.13	15387.68	14399.60	14477.23	15395.93	15558.10
	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)	23584.19	30769.26	34411.76	41519.08	45948.02	51626.35	57965.79	63083.86	66298.66	69178.44	71184.57	74444.29
5	Expenditure												
	a) Non-Plan	3690.17	1703.68	1148.77	1565.04	2054.13	2061.98	1728.82	634.50	748.37	13389.80	12298.38	12951.20
	b) Plan	1025.68	6343.72	7394.64	5547.67	7351.08	8179.71	8540.79	10550.30	10849.08	0.00	0.00	0.00
6	Total Expenditure (5)	4715.85	8047.40	8543.41	7112.71	9405.21	10241.69	10269.61	11184.80	11597.45	13389.80	12298.38	12951.20
7	Closing balance (4-5)	18868.34	22721.86	25868.35	34406.37	36542.81	41384.66	47696.18	51899.06	54701.21	55788.64	58886.19	61493.09

## 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
Mktd.	Marketed
MPA	Model Project Area
MSP	Minimum Support Price
NBS	Northern Black Soils
NIPHM	National Institute of Plant Health Management
NLS	Northern Light Soils
NPV	Nuclear 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

*The preferred choice world wide*

# CHOICEST TOBACCOS VALUE FOR MONEY

With its diverse range of tobaccos, consistent volumes and favourable quality-price ratio, Indian tobacco is the preferred choice of all world major cigarette manufacturers.

Sustainable Tobacco Production program, Natural farming initiatives for Organic FCV Tobacco Production, state-of-art processing facilities have placed India as the favoured destination of the world cigarette industry for compliant and quality tobaccos.



**Winner of  
Golden Leaf Award 2019**  
*Most Impressive Public Service Initiative*



**TOBACCO BOARD INDIA**

Ministry of Commerce & Industry  
Dept. of Commerce, Government of India

Guntur - 522 004 (A.P.) India | Ph:+91 863 2358068, 2358399 | Fax: +91 863 2354232  
e-mail: [info@indiantobacco.com](mailto:info@indiantobacco.com) | [exports@indiantobacco.com](mailto:exports@indiantobacco.com) | website: [www.tobaccoboard.com](http://www.tobaccoboard.com)



Shri R.Muthuraj, I.T.S., taken over the charge of Executive Director from Smt. K.Sunitha, I.A.S., and grand farewell to Smt. K.Sunitha, I.A.S



Shri Y.Ragunadha Babu, Chairman, Tobacco Board & Sri A. Sridhar Babu, IAS, Secretary observing the auction process



Honouring the FCV Tobacco Progressive Grower on the occasion of Formation Day Celebrations , 2020

Nursery Field visit by Shri R.Muthuraj., I.T.S, Executive Director



Government of India, Ministry of Commerce & Industry,  
Department of Commerce  
P.B. No. 322, G.T. Road  
Guntur - 522 004, Andhra Pradesh, India.  
Ph : 91 863 2358399, Fax : 91 863 2354232  
E-mail : [info@indiantobacco.com](mailto:info@indiantobacco.com), Website : [www.indiantobacco.com](http://www.indiantobacco.com)