THE FINANCIAL EXPRESS
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Good idea, bad plan

DBT for fertilisers has to be similar to that on LPG

The fact that, as this newspaper reported on Wednesday, the government has been able to start various pilot projects on direct benefits transfer (DBT)—it has been done in 11 districts already—is a big positive and suggests that, over the next 6-12 months, it should be possible to cover the entire country; with 77% of point-of-sale outlets already equipped with Aadhaar-reading scanners, it may take even less time. The problem is that the 'DBT for subsidised fertiliser' project is loosely conceived and is unlikely to achieve its objectives, of reducing leakages of subsidies, encouraging the industry to grow and empowering farmers. What makes this a bigger pity is that the government already has a well-functioning DBT scheme for cooking gas (LPG); so, all that needed to be done was to copy that.

In the LPG scheme, customers get a fixed amount of subsidy in their bank accounts, and they pay the market price to the LPG supplier. Since all purchases are done at market prices, there are no dues for suppliers and this encourages new players to enter the market as well. In the case of fertilisers, however, purchases are made—based on an Aadhaar authentication of the buyer—at a price which is, right now, 30-40% of the market price; the balance is then credited to the suppliers' account. If this happens as soon as the sale happens, there is no difference—at the beginning of the year, dues to fertiliser firms exceeded ₹43,000 crore. With their fate in the hands of government policy on dues, it is unlikely too many new players would want to enter the market.

Also, in the case of LPG, there is a fixed number of cylinders everyone gets in a year, the subsidy is also known. For fertilisers, all that the DBT does is to authenticate who is buying it, there is no cap on the amount or the subsidy. Since 10-15% of fertiliser gets diverted to other countries or to industrial uses, in a DBT scenario, a farmer can buy 10 kg or 100 kg or 1,000 kg and be part of the diversion—ideally, then, the government must come up with per acre norms of usage and fix a ceiling on how much will be eligible for a subsidy; the subsidy per kg should also be fixed in advance. One argument against this is that, since all urea is neem-coated, the scope for diversion is limited—experts, however, argue that this may prevent urea from being mixed in milk, it does not stop it from being used in plywood manufacturing; to the extent, neem-coated urea makes it better, it reinforces the case for smuggling for use in farms in neighbouring Nepal and Bangladesh. Doing fertiliser subsidies the LPG way has another advantage in that it empowers farmers—China has moved to giving all input subsidies to farmers in cash. Once farmers get the subsidy in their bank accounts, they can decide how much of fertiliser they want to use, and even which one; but if the current system continues, farmers have no incentive to lower usage—this is why, right now, there is so much overuse of urea which also damages the soil. Indeed, the government also needs to move to LPG-style DBT for ration shops so the corrupt-and-distorting FCI-system can be ended and farmers freed to grow the crop the market wants, not just what the government is able to buy.

Don't PAN Aadhaar linkage

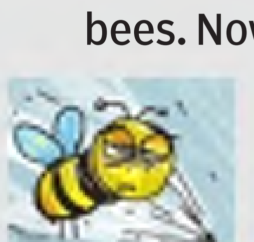
Jaitley does well to stress its anti-evasion properties

Finance minister Arun Jaitley has done well to answer critics of his compulsory Aadhaar-PAN linkage by saying that if there is a new solution to tackling tax evasion, he will use it. While it is true that the PAN card is the fulcrum around which today's tax-evasion strategy is built, there are simply too many fake PAN cards. So, well-heeled individuals use multiple PAN cards to show smaller income levels, for instance. Though PAN card details are sought for high-value purchases like automobiles and jewellery, to the extent the PAN card is a fake, the chain breaks down and the transactions remain secret from the taxman. Similarly, with not all bank accounts declared to the taxman, this becomes another way to hide incomes and expenditures.

The compulsory seeding of all PAN cards with an Aadhaar number solves many of these problems. Once this is done, no individual can have more than one PAN card. And, with some authentication at the user end—say, an OTP while buying a car based on a PAN card which, in turn, is linked to an Aadhaar number—the taxman will get all details of high-value transactions. With this link nicely sealed, and the mandatory Aadhaar-seeding of all bank accounts—while this is the law today, it is not implemented rigorously—the taxman will have a 360-degree view of all potential taxpayers; and those that choose to say they do not have PAN numbers while buying high-value goods can be asked to quote Aadhaar numbers. Getting this is no small task and, till now, just a little over one crore of the nearly 25 crore PAN cards issued are linked with an Aadhaar number; and just about half the country's bank accounts are Aadhaar-seeded even today. But once you have the right idea—and the finance minister appears to be on the right track here—the implementation is just a matter of time. There are valid concerns over privacy that, while UIDAI has assured have been taken care of, need to be encoded in the form of a privacy Bill—none of this, though, takes away from the need to use what looks like a fool-proof technology to try and tackle rampant tax evasion in the country.

'BEE'ING SENSIBLE

Europe does well to mull ban on pesticides that kill bees. Now, to reconcile this with farm needs



Backed by overwhelming evidence presented by a study by the European Food Safety Authority (Efsa) on how neonicotinoids lead to severe decline in bee populations—the insect is a key pollinator—the European Commission is moving closer to a comprehensive ban on the use of these pesticides. Efsa, that conducted large-scale field trials in Hungary, the UK and Germany, outlined over 70 potential risks from consumption of cereals treated with neonicotinoid pesticides. It also said that the evidence presented by some of the pesticide companies—Bayern and Syngenta are prominent neonicotinoid makers—was "not sufficient to address the risks".

Many studies posit that this group of pesticides indeed present a high toxicity risk, which is why the Europe's ban could actually be welcome. The catch, however, is that use of neonicotinoids is widespread. Neonicotinoids make for 80% of all seed-treatment insecticide sales. While there is no doubt that they need to go, in the absence of less-toxic substitutes that have comparable efficacy in pest-management, a ban would mean leaving crops vulnerable to pest infestation—the UN Food and Agriculture Organization estimates that farmers stand to lose nearly 80% of their crop if they don't use any of the available pest control options. This is where transgenic seeds that are genetically geared to fight off pests could prove a viable alternative. But with the EU also sceptical of genetically-modified organisms (GMOs), even this option is hobbled. India, where 23 children died in 2013, because of pesticide contamination seriously needs to rethink its stand on GM crops.

Tracking commodities

Look past oil to China

The Caixin PMI showed monthly contractions in all but one month between December 2014 and June 2016

JASON SCHENKER

Commodities used for industrial purposes, including non-precious metals and rubber, have been on a tear since the second half of 2016. Oil prices, though, have recently started to fall. Investors are now wondering where does the market go from here, and what data should they be watching? There's a simple answer to both questions.

The most important driver of commodity prices is global growth, and a good proxy for that is Chinese growth, or more specifically, Chinese manufacturing. The China story that's been told over the past few years has focused on slower GDP growth rates for the domestic economy, but that is both an oversimplification and a much more pleasant story than the reality. The hard truth is that China spent 18 of the past 27 months in a manufacturing recession.

China entered a manufacturing recession in December 2014 that lasted until June 2016. This isn't reflected in the gross domestic product reports or in the official purchasing managers index data. Instead, it can be seen in a private survey of purchasing managers at small- to medium-sized manufacturers known as the Caixin report released by Markit Economics. It is the PMI to watch for China, and it showed monthly contractions in all but one month between December 2014 and June 2016.

When people ask me why oil prices or industrial metal prices fell during that period, I have consistently given one answer: China was in a manufacturing recession. It was not the shale oil revolution, high inventories of industrial metals, or a strong dollar that pushed various commodity prices lower. It was a manufacturing recession in China. China is both the world's factory and the source of the greatest expected levels of oil demand growth. It also consumes the majority of the world's aluminium and a plurality of the world's natural rubber in its manufacturing processes.

The Chinese manufacturing recession sent prices of oil, aluminium, copper, rubber, and other industrial commodities lower throughout 2015 and put some commodities (like oil) under further pressure in the early part of 2016.

But when China started turning a corner in the first half of 2016, and finally started expanding again in the second half of 2016, industrial metal prices rose sharply, and oil prices jumped to levels where they also found support after the 2016 US summer driving season.

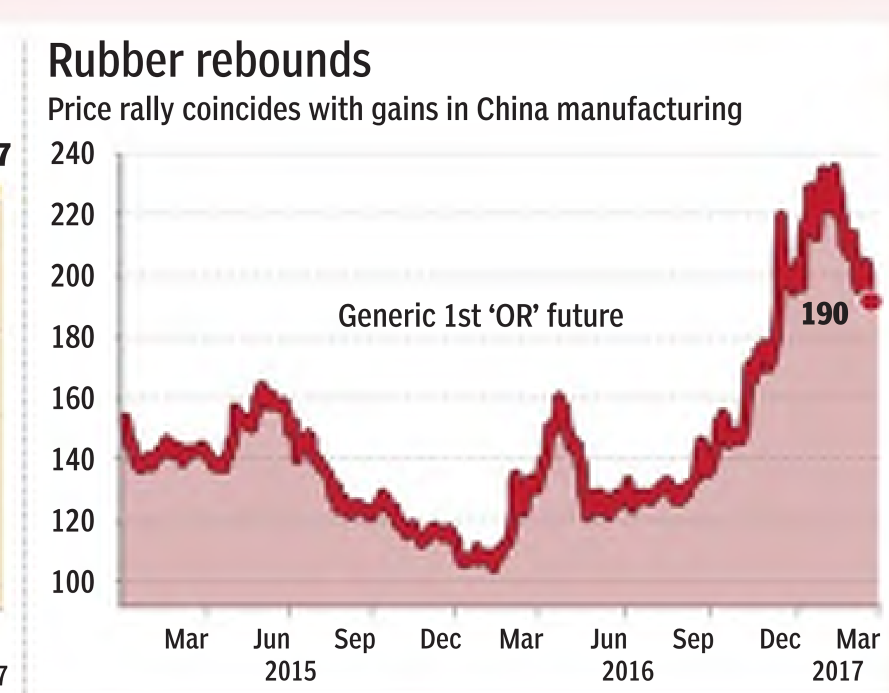
The global growth prospects reflected by the Chinese Caixin manufacturing PMI also affected less commonly discussed industrial commodities. In the same way that aluminium prices bottomed when the Caixin manufacturing index bottomed in the fourth quarter of 2015, so did rubber prices.

It should not be a surprise that global growth is a key driver of rubber, aluminium, and oil prices. These commodities reflect industrial demand. The emergence of the middle-class, especially in Asia, is at the crux of expected future oil demand growth. But, it is also at the heart of almost all growth in commodities demand. As China, India, and other emerging Asian economies, the number of consumers with disposable income will rise. This will drive purchases of some goods—like autos—to new highs. There were record levels of vehicles sold in 2016, and expect record sales to continue. This presents additional fundamental demand for commodities, as higher vehicle sales drive up oil consumption per capita, industrial metals demand for parts and chassis, as well as natural rubber demand for tyres.

Comments by Opec officials are being watched extra closely for any potential implications for oil supply and prices. But, the US summer driving season began March 21 on the Nymex, when the April US West Texas Intermediate crude oil contract closed. This is a seasonally bullish event for crude oil prices. Plus, product inventories have been falling in recent weeks, such that there are year-over-year deficits for both gasoline and distillates. Gasoline inventories, which have fallen over the past four consecutive weeks, are down 1.4% from a year earlier, while distillate inventories, which have fallen during the past five consecutive weeks, are down 2.5%. As such, the US department of energy oil inventory report will be watched closely—especially for potential product inventory changes.

Although near-term oil price action is likely to be impacted by the imminent onset of the US summer driving season, the medium-term trend is likely to be set by the pace of Chinese manufacturing. And Chinese manufacturing PMI data have not only been expanding, but they have also been accelerating in recent months. For now, this is fundamentally supportive of oil and industrial commodity prices. But, if you want to know when commodity prices could really go south—or north—quickly, pay less attention to stories about rising supply, and watch the Caixin manufacturing PMI releases closely.

Bloomberg



Source: Bloomberg

Towards assured healthcare

The National Health Policy's focus on non-communicable diseases and partnering the private sector is welcome

PREETHA REDDY

OVER the last few months, from Budget announcements to the National Health Policy (NHP), it is clear that the government has been pushing the needle substantively towards making universal access to health a reality. More laudable is the focus on a holistic, wellness approach that takes into consideration the risk factors that impact physical, mental and emotional well-being of each and every citizen. In true spirit of 'Antyodya', NHP 2017 emphasises creation of 'an enabling environment for realising health care as a right in the future'.

The intent to upgrade 1.5 lakh rural sub-centres to health and wellness centres in the Budget along with increased budgetary allocation for AYUSH and emphasis on skill development programmes for the rural community, signal the shift towards a 360-degree approach for public health. NHP by raising the targeted public health spending to 2.5% of GDP from the current 1.4% level with focus on NCDs, has given a long over-due thrust to disease prevention and health promotion.

Currently, India faces health challenges on multiple fronts, including the double burden of both communicable and non-communicable diseases (NCDs), many of which can be prevented with timely screening and appropriate interventions. While the mortality rate from NCDs such as cardiovascular, metabolic disease, obesity and cancer has increased to 60%, the incidence of tuberculosis, diarrhoeal disease and water-borne illnesses still remains daunting. The growing burden of NCDs is estimated to lead to a loss of $6.2 trillion by 2030—nearly three times our current GDP.

Given the narrow window of opportunity, a 'Total Health' approach, entailing a shift from the current paradigm focusing on a sickness model to focusing on creating a culture of wellness, is the way forward. The challenge lies in replicating successful pilots and leveraging partnerships to reach the last mile efficiently. It is therefore encouraging to see that the NHP has emphasised on an integrated approach towards prevention of NCDs with focus on timely screening and providing a larger package of comprehensive primary health care. Above all, the NHP has also called for an increased collaboration with the private sector for operationalising health and wellness centres across the country. It is now the implementation that holds the key to its success.

Fostering PPPs for capacity building, skill development, disease surveillance and management will go a long way in meeting public health goals. The health policy's implementation will also help understand health financing needs better

Corporate Social Responsibility (CSR) has been identified as an important area in the NHP that can fill critical gaps in the public health facilities. Several private sector organizations have been working pro-actively in healthcare as part of their CSR.

With a more integrated approach under the health mission, it will be possible to scale up substantial projects to achieve the national goal of universal health within a time-bound framework. Our experience with Apollo Foundation's Total Health Program in the Aragonda village of Andhra Pradesh has shown how mapping and screening of NCDs helps in managing the disease burden and reducing out of pocket expenditure effectively. Providing end-to-end solutions ranging from medical, nutritional, clean water and sanitation to education and livelihood, have led to positive health outcomes for the community. Such efforts, if integrated with the Union and state government initiatives, can be replicated and sustained across the country.

In this direction, the NHP has taken a laudable initiative for the private sector to invest and innovate, by providing a far-sighted patient-centric healthcare delivery framework. The implementation of the NHP framework along the following areas will reinvigorate public private partnership and strengthen the healthcare infrastructure:

- *Incentivisation of private sector to invest in healthcare by providing them financial and non-financial incentives.* Fostering PPPs for capacity building, skill development, disease surveillance and management, will go a long way in meeting public health goals.
- *Setting up of the National Digital Health Authority (NDHA) and health information exchange platform* will create the much needed digital backbone of health infrastructure and will become a game-changer in continuum of care. Deploying technology through SEHAT—our telemedicine partnership with the government has shown how technology can be leveraged across rural and remote areas to deliver patient-centric health care. Enthused by the results, we are certain that a lot more is achievable with the application of digital health as advocated in the NHP.
- Implementation of NHP key strategies will also help understand *health financing* needs of the local population better, especially since rising out of pocket expenditure for healthcare remains a key concern.

We are confident that a comprehensive database, an inter-sector and interdisciplinary approach along with a supporting infrastructure is the way forward to achieve national health goals. It is now time to roll-out the national health mission in earnest as its implementation augurs well for a strong public-private partnership.

The author is executive vice-chairperson, Apollo Hospitals

LETTERS TO THE EDITOR

Make India happy again

This is in response to the article 'Happy nation's do not focus on growth' on happiness (*FE*, March, 22). The World Happiness Report 2017, published by the Sustainable Development Solutions Network, depended on six key variables to explain happiness differences among countries: income, healthy life expectancy, having someone to count on in times of trouble, generosity, freedom and trust; with the latter measured by the absence of corruption in business and government. That some leaders have shown readiness to revisit their vision of development, as also to make economic growth and per capita income as vehicles of happiness in the society, is a welcome development. It is a clear sign that the world still has the verve to break the shackles of market forces and address the anxieties of humanity. India is placed way below, at 122 among the nations, pointing to our dismal engagement on happiness. While the world is ready for course correction, the rulers here are caught in their belief in higher GDP growth and per capita income. Emphasis on economic growth to usher happiness, without enabling access to quality jobs, resolution to agrarian crisis, modern medical amenities at an amenable cost, nutritious food, avenues for higher education, better sanitation and removal of wealth disparity, has not had the desired result. The tentacles of corruption stifle life and good governance remains an election slogan. Freedom of expression is redefined to exclude freedom to dissent and criticise. In ancient India, happiness was a sort of attaining *brahman*, or the state of being in *sat-cit-ananda.* Focus, clarity, ecstasy, love, confidence, serenity, timelessness and motivation were the fundamental variables for happiness ingrained in our culture for ages. These have been replaced by ultra-nationalism, vigilantism to foist animal worship, cacophony on religious conversion, war on love, love of hate and assumed existential crisis of the majority which leave the society restless, unhappy and insecure. One wishes to see a new thought-process making India happy yet again.

***Haridasan Rajan,** Kozhikode*

MP = Man of Privileges?

With reference to the news report "Shiv Sena MP Ravindra Gaikwad to be on Air India's 'no-flyer list', says report" (FE, March 24), the reported move of Air India to ban the Shiv Sena MP from boarding its flights—Gaikwad had repeatedly hitting an Air India staffer with his slippers on board the Pune-Delhi flight AI-852—may not be able to achieve its intended objective for some obvious reasons. The moot question is: Will Air India ever be able to 'enforce' its proposed ban on the Shiv Sena MP, more so, when MPs usually fly with the national carrier only? Mind you, Gaikwad is understood to have already dared AI by saying that he will board Delhi-Pune flight in an open defiance of Air India placing his name in its 'no-flyer list'. Unfortunately, several of our MPs like him consider themselves above the law and behave like a 'Man of Privileges' instead of a 'Man of Principles'. Our heart goes out to the poor AI staffer. No wonder, he is likely to fail to get justice.

***Vinayak G,** Bengaluru*

PLEASE SEND YOUR LETTERS TO:

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HONG KONG ELECTIONS

Unquiet on the Eastern Front

Hong Kong elects Chief Executive in muddled waters

ANURAG VISWANATH

Illustration: ROHNIT PHORE

HONG KONG, Asia's financial heart—a city of skyscrapers and tycoons, real-estate cartels and matchbox housing—doesn't stop ever, simply because, as they say, "Hong Kong loves nothing more than the colour of money." But Hong Kong's market mentality, said to be the driving factor behind its rise, fails to explain the recent inordinate interest of Hong Kongers in matters political, such as the recent election of Hong Kong's Chief Executive (CE) which pitted three candidates—Carrie Lam Cheng Yuet-ngor, John Tsang Chun-wah and Woo Kwok-hing—in an election that was "predetermined, preordained and prehugged," as a commentator lamented. Elections aside, the campaign trail itself exposed the growing fault lines between China and Hong Kong. If economics be China's golden principle, why is it that, despite economic integration, there is an unquiet on the eastern front?

"Gifts from Beijing" constitutes a long list: from the Closer Economic Partnership Agreement (CEPA, 2003) which provides Hong Kong priority access to China's market; China as Hong Kong's largest trading partner; Hong Kong as the largest offshore centre for the RMB to China's favourable Individual Visit Scheme (IVS, 2003, covering 49 cities in mainland China), enabling an estimated 45.8 million mainlanders accounting for 77% of total arrivals visiting Hong Kong in 2015. It is mainly the Chinese tourists who are seen climbing the Victoria Peak and taking selfies on the Star Ferry.

Then is China-backed infrastructure and connectivity, by way of Hong Kong-Zhuhai-Macau bridge (HZMB), and Guangzhou-Shenzhen-Hong Kong express rail (XRL) that will connect Hong Kong with Beijing and Shanghai, later this year or next.

But have these economic goodies softened Hong Kong is the big question? An acrimonious campaign trail with Carrie Lam at the receiving end was reflective of a fraying China-Hong Kong "one country, two systems" relation.

Earlier in January 2016, scuffles, protests and arrests broke out as Hong Kongers rallied around street hawkers (many of whom made fish-ball noodles) targeted in a clean-up campaign. This "Fish-ball Revolution" was interpreted as a move to counter the mainland's attempt to homogenise and assimilate Hong Kong's unique street culture and identity.

Just months earlier, following elections to the Legislative Council (LegCo) in September 2016, which saw the highest voter turnout in the history of Hong Kong, two elected LegCo members were barred from office, following one of them draping a flag that said, "Hong Kong is not China," and the other using an offensive slang during oath-taking.

Hong Kongers too have been spewing venom in discussions, online forums, with one instance of netizens getting after former movie star Siao Fong-fong for supporting Lam. It appears a majority of Hong Kongers, if given a choice, would prefer the American-educated savvy political candidate. But the race from day one belonged to Beijing's chosen one. The CE is elected through an electoral college, not universal suffrage, as Hong Kongers would want.

In 2014, this issue of universal suffrage saw protests against Beijing's proposal for a committee that would nominate all candidates for the CE (thereby ensuring Beijing's de facto control). This snowballed into "Occupy Central with Love and Peace" and finally culminated as the "Umbrella Movement," which, as we all know, was a 79-day sit-in protest by students, youngsters and common folk.

The year 2014 also marked an extraordinary shift and turning point in Hong Kong's politics, which until then had been the bastion of seasoned political players and the old guard, dominated by the pan-democrats (pro-democracy) and pro-establishment parties (pro-Beijing).

Since the 1990s, there had been many small political parties, independents, realignments and changing affiliations, but it boiled down to the pan-democrats versus the pro-establishment parties.

Hong Kong's pan-democrats are a medley of parties from the popular Democratic Party to the Civic Party; from the Labour Party to the League of Social Democrats and People Power. It is believed that the Chinese daily, *Apple Daily* run by Jimmy Lai, throws its weight behind the political bent of the above parties.

Not surprisingly, Beijing has its own fan club, cheerleaders and sing-along preachers who preach what they sing: To love the motherland. Pro-establishment parties such as the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) which is the largest party, the Federation of Trade Unions (FTU) and the Liberal Party have dailies such as *Wen Wei Po* and *Ta Kung Pao* backing them. But things have changed since the "Umbrella Movement". As scholar Malte Philipp Kaeding observes, a new generation of activists—radical and youthful—as the new political vanguard has arrived.

The new political vanguard is so young that some of them are barely done with their acne—well-known faces such as Joshua Wong is 20, Nathan Law is 23, Yau Wai-Ching is 25 and Sixtus Leung is 30 years of age.

John Lennon would approve of the young Hong Kong dreamers whose banners say, "You may say, I am a dreamer; But I am not the only one." They constitute the third force of "localists" spearheading outfits such as Demosisto, Youngspiration, AllinHK (which is an alliance of five parties) and Democracy Groundwork.

> There is no doubt that Hong Kong has "no economic lard" versus Beijing. But China itself has an uneasy, dialectical, dichotomous relationship with a model of its own creation: "One country, two systems," where saying it has been easy, but upholding it as a model for Taiwan has been difficult

For a while, Hong Kong's political ground has been shifting because of perceived "mainlandisation" of Hong Kong. Scholar Sonny Shiu-hing Lo has noted that locals feel that even Hong Kong's local police is going China's (notorious) Public Security way, becoming "gong-anised" (meaning like China's Public Security) and that Hong Kong is witnessing increasing self-censorship.

In 2011, an ethnographer Chen Yun's book, *Hong Kong as a City State*, appeared on the racks which raked up the theme why Hong Kong could be another Singapore. In 2012, *Apple Daily* put out a full-page advertisement featuring locusts (some mainlanders use the pejorative term "locusts" for mainlanders). The Chinese response came from a Beijing professor who called Hong Kongers "running dogs of British government." The year 2012 also saw a protest against mainlanders who preferred to give birth in Hong Kong as children born in Hong Kong get the right of abode.

There is no doubt that Hong Kong has "no economic lard" versus Beijing. There is no doubt, too, that Hong Kong is a convenient lever for China-baiters to browbeat China into a corner. But on the other hand, China itself has an uneasy, dialectical, dichotomous relationship with a model of its own creation: "One country, two systems," where saying it has been easy, but granting autonomy in practice and upholding it as a model for Taiwan has been difficult. Across the straits, Taiwan is watching. Presumably, the one who laughs last, laughs the most.

The dichotomy is evident as China gears to prep up Hong Kong for July 2017, the 20th anniversary of Hong Kong's return to China, possibly topped by a visit by none other than President Xi Jinping. On one hand, there is jubilation, a celebration of the possibility of "one country, two systems"; on the other hand, as China sets into motion "Operation Thunderbolt" aimed against organised crime in Hong Kong and conducts one of the largest drills ever to prevent riots, the unquiet in Hong Kong and the fragility of China's economic goodies is there to see.

The author is a Singapore-based Sinologist and adjunct fellow at the Institute of Chinese Studies, Delhi. She is the author of Finding India in China. *Views are personal*

Data Drive

The state of CPSEs

WHILE the net profit of state-owned companies grew 12.5% year-on-year in FY16, their net revenue contracted nearly 10% in the year. The contribution of central public sector enterprises (CPSEs) by way of excise duty, customs duty, corporate tax, interest on central government loans, dividend increased from ₹2 lakh crore in FY15 to ₹2.78 lakh crore in FY16, a growth of 38.6%.

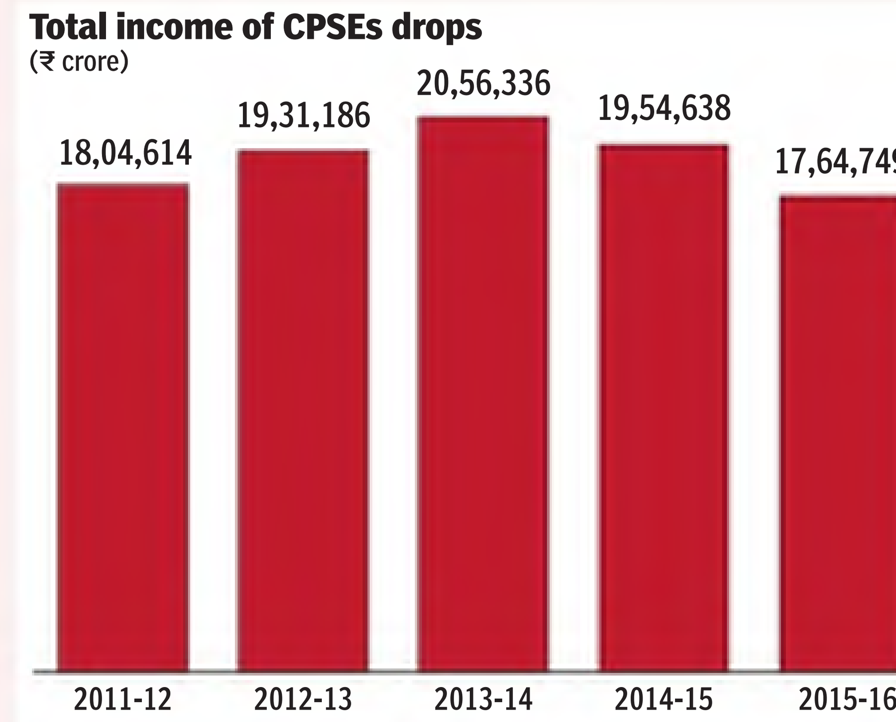
Data from the latest Public Enterprises Survey 2015-16 show that the profit of profit making CPSEs was ₹1,44,523 crore during 2015-16 as compared with ₹1,30,364 crore in 2014-15. Similarly, the loss of loss incurring CPSEs was ₹28,756 crore in FY16 as compared with ₹27,498 crore in FY15.

The top-10 profit making CPSEs contribute 63% of the net profit of profit-making CPSEs. Leading the pack is Coal India Ltd and Oil and Natural Gas Corporation Ltd, indicating companies in area of natural resources and monopoly position tend to do well. In contrast, the top-10 loss making companies account for around 80% of the net losses of loss-making CPSEs.

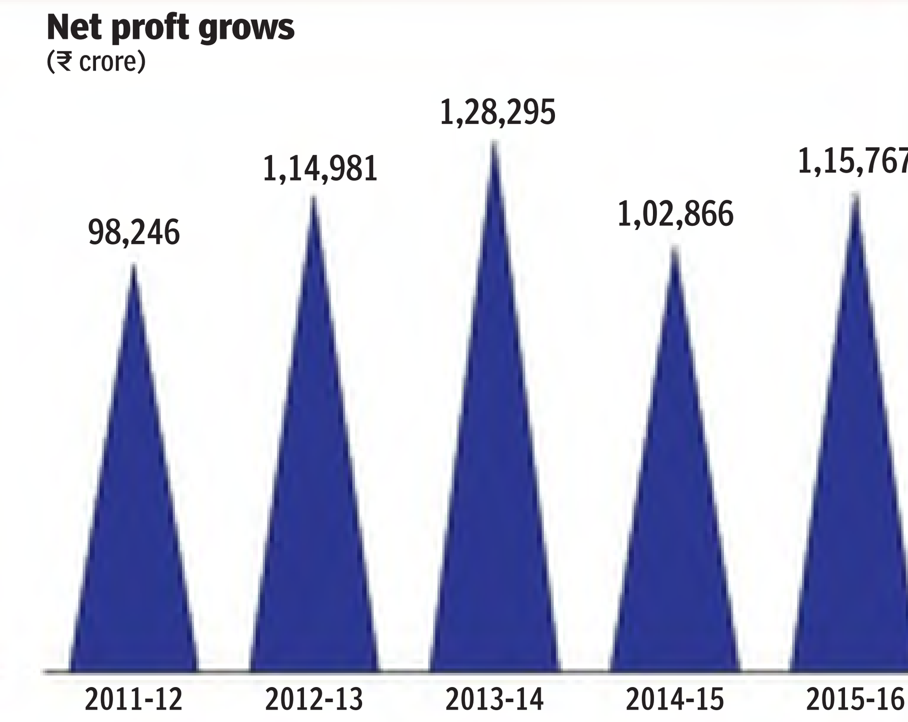
The state-owned companies employed 12.34 lakh people in FY16 as compared with ₹12.91 lakh in FY15, or a 4.4% drop in employment. However, salary and wages went up in all CPSEs from ₹1.26 lakh crore in FY15 to ₹1.28 lakh crore in FY16.

Illustration: SHYAM

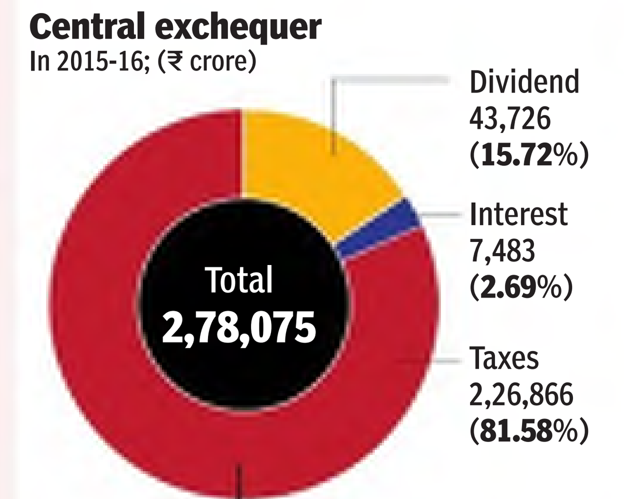
Total income of CPSEs drops
(₹ crore)



Net proft grows
(₹ crore)



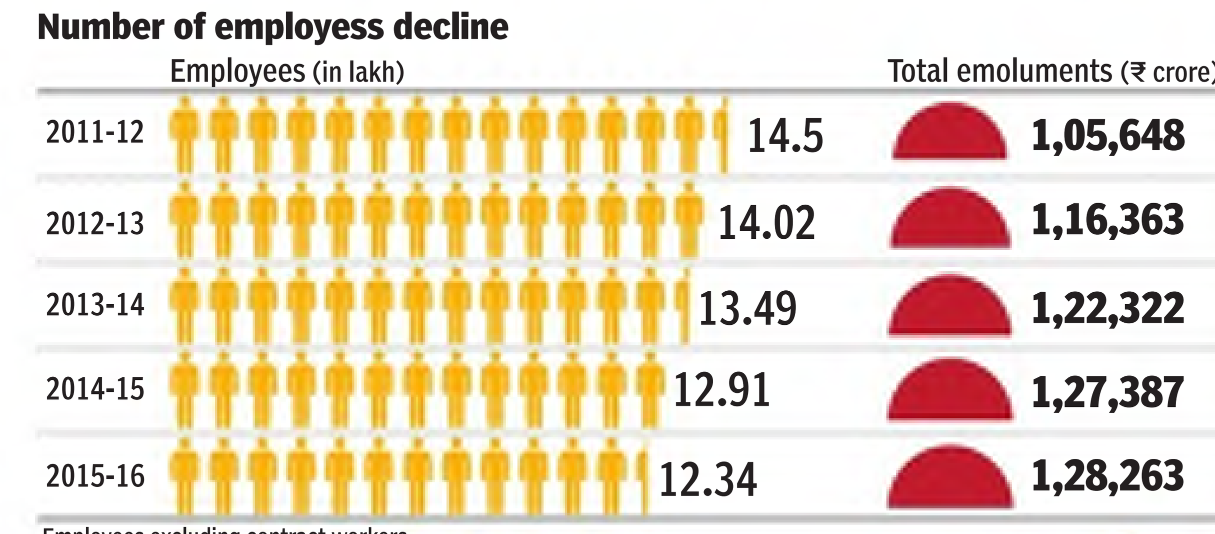
PSU's contribution to Central exchequer
In 2015-16; (₹ crore)



Share of taxes

Excise	1,39,601
Customs duty	9,952
Corporate tax	42,880
Dividend tax	11,878
Sales tax	3,663
Service tax	7,025
Other duties	11,867

Number of employess decline



Employees excluding contract workers

Top 10 profit making CPSEs during 2015-16

		Net profit (2015-16, ₹ cr)	% share
1	Coal India Ltd	16,344	17.8
2	ONGC	16,004	17.5
3	Indian Oil Corporation	10,399	11.3
4	NTPC	10,243	11.2
5	Hindustan Fertiliser Corp*	9,340	10.2
6	Bharat Petroleum Corp	7,432	8.1
7	Power Finance Corp	6,113	6.7
8	Power Grid Corp of India	6,027	6.6
9	Rural Electrification Corp	5,628	6.1
10	Mahanadi Coalfields	4,185	4.6
	Total (1 to 10)	**91,714**	**63.5**
	Net Profit of profit-making CPSEs	**1,44,523**	

*Due to extra-ordinary income, Hindustan Fertilizer Corporation Limited reported net profit in the year 2015-16

10 major loss making CPSEs during 2015-16

		Net loss (2015-16, ₹ cr)	% share
1	Steel Authority of India	4,137	18.0
2	Bharat Sanchar Nigam	3,880	16.9
3	Air India	3,837	16.7
4	Hindustan Photo Films	2,528	11.0
5	ONGC Videsh	2,094	9.1
6	MTNL	2,006	8.7
7	Rashtriya Ispat Nigam	1,421	6.2
8	PEC	1,142	5.0
9	Hindustan Cables	994	4.3
10	BHEL	913	4.0
	Total (1 to 10)	**22,951**	**79.8**
	Net losses of loss-making CPSEs	**28,756**	

Source: Public Enterprises Survey 2015-2016