

Performance of the departmental enterprises of the Central Government

Railways

2.41 The Railways, with the objective of maximizing the throughput capacity to cater to the growing transportation demand of the economy, have recorded significant improvement in the traffic performance, particularly in the freight segment. Following an incremental freight loading of 38.65 million tonnes in 2003-04, Railways achieved a record incremental freight loading of 44.71 MT in 2004-05 yielding additional freight revenues of Rs.3,160 crore over 2003-04. The overall traffic revenues grew by 9.8 per cent over 2003-04 to reach Rs.47,038 crore in 2004-05. These improvements were realised without any major changes in freight rates, and with no increase in passenger fares. The implementation of 'Electronic Payment Gateway' with Badarpur Thermal Power Station enabled the realisation of a substantial amount of Rs.332 crore of the outstanding traffic dues. In the aggregate, gross traffic receipts of the Railways for 2004-05 at Rs.47,370 crore represents a growth of 10.4 per cent over Rs.42,905 crore in 2003-04. With a 9.0 per cent growth in ordinary working expenses over 2003-04, the total working expenses in 2004-05, including appropriations to Depreciation Reserve and Pension Funds, amounted to Rs.42,759 crore, up 8.3 per cent over the previous year. Adjusting for the miscellaneous receipts and expenditure, Railways' net revenue in 2004-05 at Rs.5,273 crore was Rs.795 crore more than that achieved in 2003-04.

2.42 Railways fully discharged the dividend liability for 2004-05 amounting to Rs.2,716 crore. Besides, Railways paid Rs.483 crore towards outstanding deferred dividend liability of Rs.2,473 crore, and with the improved financial position, have committed to clear the entire liability within five years, much ahead of the time frame of eight years decided by the Government. The operating ratio of Railways improved to 91.0 per cent in 2004-05 from 92.1 per cent in 2003-04. The net revenue as a proportion of capital-at-charge and investment from Capital Fund also improved from 8.0 per cent in 2003-04 to 8.9 per cent in 2004-05. The plan outlay for 2004-05 (RE) stood at Rs.15,675 crore, which included market borrowings of Rs.2,992 crore

by the Indian Railways Finance Corporation (IRFC) and Rs.50 crore through a build-operate-transfer (BOT) project. Against this, the actual plan expenditure in 2004-05 amounted to Rs.15,372 crore, excluding BOT project and including Rs.721 crore for Udhampur-Srinagar-Baramulla new line project, which is a national project being funded separately.

Posts

2.43 The gross receipts of the Department of Posts increased from Rs.4,257 crore in 2003-04 to Rs.4,432 crore in 2004-05. With gross working expenses at Rs.5,965 crore in 2004-05 as compared to Rs.5,736 crore in 2003-04 and net working expenses at Rs.5,814 crore in 2004-05 as compared to Rs.5,632 crore in 2003-04, the deficit rose to Rs.1,382 crore in 2004-05 from Rs.1,375 crore in 2003-04. During the year 2005-06, as per the budget estimates, the gross receipts are estimated at Rs.4,714 crore. With gross working expenses estimated at Rs.6,275 crore and net expenses estimated at Rs.6,163 crore, the deficit works out to Rs.1,449 crore. Department of Posts has taken a series of initiatives at increased revenue generation through the introduction of many new value-added services in the last few years. However, given the predominantly establishment-intensive public good nature of the postal services, with its phenomenal outreach, the deficit in operation, though at higher levels, has remained relatively stable in the recent years.

Broadcasting

2.44 Prasar Bharati a statutory autonomous body vested with the objective of public service broadcasting, has taken a number of steps to increase its financial performance in the last few years. The total expenditure of Prasar Bharati in 2004-05 rose to Rs.1,692 crore from Rs.1,670 crore in 2003-04. With total receipts increasing from Rs.674 crore in 2003-04 to Rs.831 crore in 2004-05, there was an improvement of 8.8 percentage points in the ratio of total commercial receipts to total expenditure. The declining trend in commercial receipts was reversed and Doordarshan earned the highest revenue since 2000-01 amounting to Rs.670 crore. In the Budget for 2005-06, the Government has provided a sum of Rs.1,292 crore (Non-Plan Rs.847 crore and Plan Rs.445 crore) to cover the resource gap of Prasar Bharati.