

PERFORMANCE OF THE DEPARTMENTAL ENTERPRISES OF THE CENTRAL GOVERNMENT

Railways

3.43 Indian Railways achieved freight loading of 727.8 million tonnes in 2006-07, representing an increase of 61.2 million tonnes over 2005-06. As a consequence, the freight revenue also grew by 15 per cent to Rs. 41,716 crore in 2006-07. The gross traffic receipts grew by 15 per cent to Rs. 62,732 crore in 2006-07. The additional traffic revenue has been realized with minor adjustments in freight structure, despite various concessions allowed to passenger traffic.

3.44 Ordinary Working Expenses of the Indian Railways increased by 7.7 per cent to Rs. 37,433 crore in 2006-07. The total working expenses including appropriations to Depreciation Reserve Fund and Pension Fund increased by 8.3 per cent to Rs. 49,047 crore in 2006-07. Taking into account the net variation of the miscellaneous receipts and miscellaneous expenditure, the net revenues of the Railways improved to Rs 14,453 crore in 2006-07.

3.45 Railways fully discharged the dividend liability for 2006-07 which amounted to Rs. 3,584 crore and have also paid Rs. 663 crore towards outstanding deferred dividend liability. After payment of total dividend from the net revenues earned, Railways in 2006-07 have generated a net surplus of Rs.10,206 crore. A healthy growth in traffic revenues and prudent economy measures adopted in expenditure management during 2006-07 have further consolidated the financial health of the Railways which is reflected in the operating ratio improving to 78.7 per cent as against 83.7 per cent in the previous year. The net revenue as a proportion of capital-at-charge and investment from capital fund has also improved to 19 per cent in 2006-07.

3.46 The Plan Expenditure of Railways for 2006-07 stood at Rs. 25,002 crore including internally generated resources of Rs. 12,233 crore (i.e. 49 per cent of the total outlay). This included market borrowings of Rs. 4,161 crore by the Indian Railway Finance Corporation (IRFC) and borrowings of Rs. 450 crore for Rail Vikas Nigam Limited (RVNL).

Besides, Plan outlay also includes Rs. 244 crore under Wagon Investment Schemes (WIS) as private participation. While certain important projects and strengthening of golden quadrilateral under National Rail Vikas Yojana are in progress, Railways have incorporated the Dedicated Freight Corridor Corporation of India Ltd., to meet the large increase in volume of freight traffic over the years. Railways are also modernizing and upgrading the rail services, especially keeping in view the prevailing boom in the economy.

Posts

3.47 The gross receipts in 2006-07 of the Department of Posts were Rs. 5,322.4 crore. During the same year, gross and net working expenses were Rs. 6,779.1 crore and Rs. 6,572.0 crore, respectively. There was, therefore, a deficit of Rs. 1,249.5 crore. In 2007-08 (BE), the gross receipts are budgeted to increase to Rs. 5,539.7 crore, with gross and net working expenses estimated at Rs. 7,237.4 crore and Rs. 7,021.9 crore, respectively. The deficit is projected to be Rs. 1,482.2 crore.

3.48 The universal service obligations of the Postal Department primarily consist of the social obligation to deliver letters/parcels/moneyorders to rural and remote areas. In a bid to reduce the deficit, the Department of Posts has, over the last few years, made several efforts which include efforts to increase revenue generation and cutting down costs. The efforts to increase revenue generation and cutting down costs include introduction of new products and services, strengthening the existing ones and harnessing the potential of its vast network to earn more revenues. Moreover, with the Indian economy growing at 8 to 9 per cent annually, the vast network of 1,55,516 post offices has caught the attention of many organizations, such as telecom companies, banks, financial institutions and NGOs who are eager to expand their services through the postal network. The Department of Posts is expected to actualize this commercial potential through its vast network and delivery capabilities.

Broadcasting

3.49 Prasar Bharti, a public service broadcaster, gives due priority to the matters of national importance as determined by the Government of the day. The total expenditure of Prasar Bharti in 2006-07 was Rs.1,921.39 crore as compared to

the commercial receipts of Rs. 1,136.78 crore (gross) and Rs. 975.67 crore (net). Prasar Bharti has taken a number of steps to modernize and increase its commercial revenue. Some of the important steps include launching a new entertainment programme under J&K special package, running of Urdu channel for 24 hours,

purchase of right to telecast cricket matches and other sports events, automation and digitization of studios and transmitters, and modernization of satellite broadcast equipment. However, a resource gap continues to exist and Rs.1,346.37 crore has been allocated in 2007-08 (BE) to cover the resource gap of Prasar Bharti.