

### PERFORMANCE OF THE DEPARTMENTAL ENTERPRISES OF THE CENTRAL GOVERNMENT

3.49 Indian Railways achieved freight loading of 794 million tonnes in 2007-08, representing an increase of 66 million tonnes over 2006-07. As a corollary, the freight revenue also grew by 13.7 per cent to Rs. 47,435 crore in 2007-08. Gross traffic receipts grew by 14.3 per cent to Rs. 71,720 crore in 2007-08. The additional traffic revenue was realized with minor adjustments in freight structure, despite various concessions provided to passenger traffic.

3.50 Ordinary working expenses of the Indian Railways increased by 9.6 per cent to Rs. 41,033 crore in 2007-08. The total working expenses including appropriations to the Depreciation Revenue Fund and Pension Fund increased by 11.0 per cent

to reach Rs. 54,462 crore in 2007-08. Taking into account the net variations of the miscellaneous receipts and expenditure, net revenues of the Railways improved to Rs. 18,334 crore in 2007-08.

3.51 Railways fully discharged the dividend liability for 2007-08 which amounted to Rs. 4,239 crore and have also paid Rs. 664 crore towards outstanding deferred dividend liability. After payment of total dividend from the net revenues earned, Railways in 2007-08 have generated a net surplus of Rs. 13,431 crore. A healthy growth in traffic revenues and prudent economy measures adopted in expenditure management during 2007-08 have further consolidated the financial health of the Railways which is reflected in the operating ratio improving to 75.9 per cent as against 78.7 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 20.7 per cent in 2007-08.

3.52 The plan expenditure of Railways for 2007-08 stood at Rs. 28,980 crore including internally generated resources of Rs. 14,948 crore (i.e. 52 per cent of the total outlay). This included market borrowings of Rs. 4,604 crore by the Indian Railway Finance Corporation (IRFC) and borrowings of Rs. 240 crore for Rail Vikas Nigam Limited (RVNL). Besides, the plan outlay also includes Rs. 520 crore under the Wagon Investment Schemes (WIS) as private participation. While certain important projects and strengthening of golden quadrilateral under the 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, keeping in view the Eleventh Five Year Plan projections of the economy.

### Department of Posts

3.53 Gross receipts in 2007-08 of the Department of Posts were Rs. 5,494.9 crore. Gross and net working expenses during the year were Rs. 7,272.7 crore and Rs. 7,006.3 crore respectively which resulted in a deficit of Rs. 1,511.4 crore. In BE 2008-09, gross receipts are budgeted to go up to Rs. 6,159.3 crore with gross and net working expenses estimated at Rs. 7,562.4 crore and Rs. 7,295.1 crore respectively. The deficit is projected to be Rs. 1,135.7 crore.

3.54 The universal service obligations of the Postal Department primarily consist of the social obligation to deliver letters/parcels/money orders 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 at increasing revenue generation and cutting down costs. With a view to cutting down the deficit of the Department, it has initiated a host of measures involving both cost-cutting and revenue generation by introducing new products and services, strengthening the existing ones and harnessing the potential of its vast network to earn more revenue. Moreover, with the growth of the Indian economy at

8 per cent to 9 per cent annually, the vast network of India Post of 1,55,516 post offices has caught the attention of many organizations such as telecom companies, banks, financial institutions, NGOs which are eager to expand their services through postal network. Department of Posts hopes to leverage the network and delivery capabilities for actualizing the commercial potential of the same. The Department of Posts has also emerged as a single point of interface between the Government of India and the masses through initiatives such as acceptance of passport forms and filling of income tax returns, and even socially relevant initiatives such as pulse polio campaign and the payment of wages to the workers through the Post Office Savings Account under the National Rural Employment Guarantee Scheme.

### Broadcasting

3.55 Prasar Bharati, 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 Bharati in 2007-08 was Rs. 2,030.0 crore and the total receipts were Rs. 1,185.9 crore (gross) and Rs. 1,035.9 crore (net) in 2007-08.

3.56 Prasar Bharati has taken number of steps to increase the revenue generation by aggressive marketing, introducing digital technology and television on mobile phones. Nine marketing divisions have been set up at major cities (Mumbai, Delhi, Kolkata, Chennai, Kochi, Guwahati, Hyderabad, Bangalore and Thiruvananthapuram). These marketing divisions cater to the advertising needs of the All India Radio and Doordarshan through a single-window facility. Prasar Bharati will be the host broadcaster during the Commonwealth Games to be held in Delhi 2010. As host broadcaster, Prasar Bharati will be providing coverage to various sports events as per the international standards for relay by the member countries of the Commonwealth. Commonwealth Games 2010 would give an opportunity to Prasar Bharati to introduce modern technology of High Definition Television (HDTV) to cover sports events. However, the resource gap of Prasar Bharati continues to exist and Rs. 1,438.7 crore was allocated in 2008-09 (BE) to cover the same.