

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

UNSTARRED QUESTION NO:1184  
ANSWERED ON:01.12.2014  
LOSS TO RAILWAYS DUE TO HIKE IN DIESEL PRICES  
Patil Shri Shivaji Adhalrao

**Will the Minister of RAILWAYS be pleased to state:**

- (a) whether the Railways are incurring heavy loss on account of frequent hike in diesel prices in the country;
- (b) if so, the details thereof along with the losses incurred during the last three years; and
- (c) the steps taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI MANOJ SINHA)

(a) to (c) Railways have introduced the mechanism of Fuel Adjustment Component (FAC) in 2013 to neutralise the impact of hike in cost of fuel (for traction purposes, including the HSD oil) on railway finances adjusting the Fuel component of cost built in the fare and freight tariff, biannually. Accordingly, Indian Railways has been insulated against frequent hike in diesel prices in the country.

The average impact of hike in diesel prices on the Ordinary Working Expenses (OWE) of the Railways during the last three years is given below:

Year	Impact (Rs. in cr)
011-12	970
2012-13	2102
2013-14	3973