

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

UNSTARRED QUESTION NO:280  
ANSWERED ON:01.03.2007  
ONGOING PROJECTS OF RAILWAYS  
Pallani Shamy Shri K.C .

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

- (a) whether the frequent increases in the prices of steel and cement have an adverse impact on the ongoing and pending railway projects in the country are also the prime reason for target failures;
- (b) if so, the details thereof;
- (c) whether the Railways have taken any remedial measures to tackle the situation; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU)

- (a) and (b): The frequent abnormal increase in prices of steel and cement generally have an adverse impact on the progress of projects. In some cases, it has been the reason for termination of contracts affecting the targets.
- (c) and (d): The price variation formula, covering for variation in prices has been suitably modified to incorporate variation in prices of steel and cement with respect to Wholesale Price Index of respective subgroup.