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Title : Need to check increasing price of cement in the country.

SHRI KINJARAPU YERRANNAIDU (SRIKAKULAM): Cement is one of the main material used in construction, constituting about 13% of the total cost. Cement prices were stable at around Rs. 125 to Rs. 145 per bag between 2003-2005 period. However, it started its upward price movement from the end of December, 2005 and reached to Rs. 225/- per bag on 31st March, 2006. This near 100% increase in cement price shall not only wipe out contractors' profit but shall also result in huge losses. This would also result in cost overrun for all infrastructural works affecting employment. There has been no increase in Excise Duty, royalty on limestone, VAT, railway freight or demand growth warranting such steep price increase. However, there has been marginal increase in road transportation cost due to recent Supreme Court Order prohibiting overloading in trucks. The obvious reason for such unprecedented price increase appears to be cartelization.