

(c) RCF has reported that no complaints from the local trading community in this regard were received

(d) Does not arise

**Penalty Imposed on a Japanese Firm -  
by Nhava Sheva Port Trust**

8106. SHRI SHANTARAM POTDUKHE. Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Nhava Sheva Port Trust imposed a penalty of several crores of rupees on a Japanese firm which could not complete the job assigned to it in the prescribed time.

(b) if so, whether there is any proposal to waive the penalty clause in the agreement.

(c) if so, the reasons therefor and

(d) the final outcome of the penalty imposed by the Nhava Sheva Port Trust?

THE MINISTER OF SURFACE TRANSPORT (SHRI K P UNNIKRISHNAN) (a) Liquidated damages to the extent of Rs 108 crs were levied on the Japanese contractor in accordance with the terms and conditions of the contract entered into by the contractor with Jawaharlal Nehru Port Trust

(b) No, Sir

(c) Does not arise

(d) Since a dispute has arisen in regard to this subject, the matter is being referred to arbitration

**Declaration of State Highway as National Highway**

8107. SHRI A.R. ANTULAY: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether there is any discretion vested in the Union Government to upgrade/declare a State highway as a National Highway in the interest of the people of the area as also in the interest of the nation, in the absence of any proposal from the concerned State Government;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF SURFACE TRANSPORT (SHRI K P. UNNIKRISHNAN): (a) and (b) The National Highways fall under item 23 of the List I (Seventh schedule) of the Constitution of India and according to Section 2 (2) of the National Highway Act, 1956, the Central Government may declare any highway as a National Highway. However, New National Highways are declared in the country keeping in view the following guidelines, besides the availability of resources, recommendations of the National Transport Policy Committee *inter-se* priorities and various proposals received from the State Governments —

i) roads which run through the length and breadth of the country,

ii) roads connecting adjacent countries,

iii) roads connecting State capitals,

iv) roads connecting major ports and important industrial or tourist centres;

v) roads meeting very important strategic requirements;

vi) roads carrying high density of traffic over an adequate length; and