

**THE TUNGA BHADRA SUGARS (DEVI SUGARS) LIMITED (ACQUISITION AND
TRANSFER OF UNDERTAKING) (REPEAL) ACT, 2001
ARRANGEMENT OF SECTIONS**

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STATEMENT OF OBJECTS AND REASONS

The Governor of Karnataka promulgated the Tungabhadra Sugars (Deve Sugars) Limited (Acquisition and Transfer of Undertaking) Ordinance, 1998 to acquire and transfer the undertaking of Tungabhadra Sugars (Deve Sugars) Limited, Shimoga in public interest. Further it was replaced by the Tungabhadra Sugars (Deve Sugars) Limited (Acquisition and Transfer of undertakings) Act, 1998 (Karnataka Act 1 of 1999). Neither the provisions of the said Ordinance nor the Act have been brought into force till today by appointing a day for commencement.

In the meanwhile, the Government designated the KSIIDC as the agency to prepare the Schedule of assets and liabilities and to determine the net worth of the said company. KSIIDC in turn engaged TECSOK for this purpose.

As per the assessment made by TECSOK, the Company has assets to the extent of Rs. 2,945.92 lakhs and liabilities to the extent of Rs. 5,272.50 lakhs. Thus there is a huge gap of Rs.2,326.58 lakhs between the assets and liabilities of the said Company.

In view of the huge gap between the assets and liabilities of the company, it was felt that the process of Acquisition and Transfer of this unit would be very uneconomical and the Government has to shoulder a big responsibility in running this unit. Moreover, such practice of acquiring sick unit would open the door for other sick units, which would pressurise the Government to acquire them. Therefore, it is considered necessary to repeal The Tungabhadra Sugars (Deve Sugars) Limited (Acquisition and transfer of Undertaking) Act, 1998 (Karnataka Act 1 of 1999).

Hence the Bill.

(L.A. Bill No. 18 of 2001 - File No. ಸಂವಿಶ್ವಾಸ 18 ಶಾಸನ 2001)

KARNATAKA ACT No. 25 OF 2001

(First published in the Karnataka Gazette Extraordinary on the thirtieth day of August, 2001)

THE TUNGA BHADRA SUGARS (DEVI SUGARS) LIMITED (ACQUISITION AND TRANSFER OF UNDERTAKING) (REPEAL) ACT, 2001

(Received the assent of the Governor on the Twenty Ninth day of August 2001)

An act to repeal the Tunga Bhadra Sugars (Deve Sugars) Limited (Acquisition and Transfer of Undertaking) Act, 1998.

Whereas it is expedient to repeal the Tunga Bhadra Sugars (Deve Sugars) Limited (Acquisition and Transfer of Undertaking) Act, 1998 (Karnataka Act 1 of 1999) for the purpose hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Fifty second year of the Republic of India, as follows:-

1. Short title and commencement.- (1) This Act may be called the Tunga Bhadra Sugars (Deve Sugars) Limited (Acquisition and Transfer of Undertaking) (Repeal) Act, 2001.

(2) It shall come into force at once.

2. Repeal of Karnataka Act 1 of 1999.- The Tunga Bhadra Sugar (Deve Sugars) Limited (Acquisition and Transfer of Undertaking) Act, 1998 (Karnataka Act 1 of 1999) is hereby repealed.