

Britannia Engineering Company Limited (Mokameh Unit) and the Arthur Butler and Company (Muzaffarpore) Limited (Acquisition and Transfer of Undertaking) Act 1978

Section 19 - Priority of Claims

The claims arising out of the matters specified in the Second Schedule shall have priorities in accordance with the following principles. Namely-

- (a) category I shall have precedence over all categories and category 11 shall have precedence over category 111 and so on;
 - (b) the claim's specified in each of the categories except category 1v shall rank equally and be paid in full but if the amount insufficient to meet such claims in full they shall abate in equal proportion and be paid accordingly;
 - (c) the liabilities specified in category 1v shall be discharged subject to the priorities specified in this section in accordance with the terms of the secured loan and the priority inter se of such loans; and
 - (d) the question of discharging any liability with regard to a matter specified in a lower category shall arise only if a surplus is left after meeting all the liabilities specified in the immediately higher category.
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