

Amritsar Oil Works (Acquisition and Transfer of Undertakings) Act, 1982

Section 16 - Priority in Relation to Claims

(1) Every secured debt due from the Amritsar Sugar Mills Company shall have priority over all other debts and shall be paid in accordance with the rights and interests of the secured creditors :

Provided that where the secured debts are due to different creditors by reason of the hypothecation of different assets to them, such debts shall be repaid in full in accordance with the rights and interests of such creditors.

(2) Notwithstanding anything contained in any other law for the time being in force, there shall be paid in priority to all other unsecured debts --

(a) all revenues, taxes, cesses, rates and any other dues payable immediately before the appointed day, to the Central Government, State Governments, local authorities and State Electricity Boards in relation to the Amritsar Oil Works, as the case may be;

(b) all amounts due in respect of any compensation or liability for compensation under the Workmen's Compensation Act, 1923, in respect of the death or disablement of any employee of the Amritsar Sugar Mills Company in relation to the Amritsar Oil Works, unless the said Company has, under such a contract with insurers as is mentioned in section 14 of the said Act, rights capable of being transferred to and vested in the workmen;

(c) all sums deducted by the Amritsar Sugar Mills Company from the salary or wages of any employee of the Amritsar Sugar Mills Company in relation to the Amritsar Oil Works for credit to any provident fund or any other fund established for the welfare of the employees but not deposited to the credit of such funds.

(3) The debts specified in sub-section (2) shall rank equally among themselves and be paid in full, unless the balance of the amount left after meeting the liabilities referred to in subsection (1) is insufficient to meet them, in which case they shall abate in equal proportions and be paid accordingly.
