

Tea Act, 1953

Section 16LL - Debts Incurred and Investments Made by the Authorised Person to Have Priority

¹[16LL. Debts Incurred And Investments Made By The Authorised Person To Have Priority

Every debt arising out of any loan or any other financial accommodation obtained by the authorised person for carrying on the management of, or exercising functions of control in relation to, the whole or any part of a tea undertaking or tea unit, the management of which has been taken over or [is purported to have been taken over] under section 16D or section 16E or section 16-I,—

(a) shall have priority over all other debts, whether secured or unsecured, incurred before the management of such tea undertaking or tea unit was taken over;

(b) shall be preferential debt within the meaning of section 530 of the Companies Act, 1956, and all such debts shall rank equally among themselves and be paid in full out of the assets of the tea undertaking or tea unit, unless such assets are insufficient to meet them, in which case they shall be recoverable from the owner of the tea undertaking or tea unit as arrears of land revenue notwithstanding that the period of management or control has ended due to expiry of the period for which it was taken over or due to cancellation of the order under section 16H or in pursuance of the order of any court.]

1. Inserted by Tea (Amendment) Act (68 of 1980), Section 4 (w.e.f. 11-10-76).
