

CHAPTER 179

PARTNERSHIP

Ordinance No. 21 of 1866. AN ORDINANCE TO AMEND AND DECLARE THE LAW RELATING TO PARTNERSHIP.

[24th December, 1866.]

Short title. 1. This Ordinance may be cited as the Partnership Ordinance.

Interpretation. 2. In the construction of this Ordinance the word " person" shall include a partnership firm, a joint stock company and a corporation.

Lender not a partner by advancing money for share of profits. 3. The advance of money B^-way of loan to a person engaged or about to engage in any trade or undertaking upon a contract in writing with such person that the lender shall receive a rate of interest varying with the profits, or shall receive a share of the profits arising from carrying on such trade or undertaking, shall not, of itself, constitute the lender a partner with the person carrying on such trade or undertaking, or render him responsible as such.

Remuneration of agents, &c., by profits not to make them partners. 4. No contract for the remuneration of a servant or agent or any person engaged in any trade or undertaking by a share of the profits of such trade or undertaking, shall, of itself, render such servant or agent responsible as a partner therein, nor give him the rights of a partner.

Certain annuitants not to be deemed partners. 5. No person being the widow or child of the deceased partner of a trader, and receiving by way of annuity a portion of the

profits made by such trader in his business, shall, by reason only of such receipt, be deemed to be a partner of, or to be subject to, any liabilities incurred by such trader.

6. No person receiving by way of annuity or otherwise a portion of the profits of any business, in consideration of the sale by him of the goodwill of such business, shall, by reason only of such receipt, be deemed to be a partner of, or to be subject to, the liabilities of the person carrying on such business.

7. In the event of any such trader as aforesaid being a bankrupt or insolvent, or taking the benefit of any enactment for the relief of insolvent debtors, or entering into an arrangement to pay his creditors less than ten rupees for every ten rupees, or dying in insolvent circumstances, the lender of any such loan as aforesaid shall not be entitled to recover any portion of the profits or interest payable in respect of such loan, nor shall any such vendor of a goodwill as aforesaid be entitled to recover any such profits as aforesaid, until the claims of the other creditors of the said trader for valuable consideration in money or money's worth have been satisfied.

Receipt of profits, &c., not to make the seller a partner.

In case of bankruptcy, &c., lender not to rank, as respects profit or interest, with other creditors.