recovery of moneys had and received on their account by the defendants subsequently to November 7th, 1904.

This being my view, I must dismiss the plaintiffs' suit with all costs upon them, including costs reserved, if any.

Suit dismissed.

Attorneys for the plaintiffs: Messrs *Tayabji, Dayabhai & Co.*

Attorneys for the defendants: Messrs. *Thakordas & Co.*

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AHMED SULEMAN v. BHAGWANDAS VISRAM AND CO.

ORIGINAL CIVIL.

Before Sir Basil Scott, Kt., Chief Justice, and Mr. Justice Batchelor.

JOSHI NARBADASHANKAR HURJIVAN, APPELLANT AND DEFENDANT, v. MATHURADAS GOKULDAS AND ANOTHER, RESPONDENTS AND PLAINTIFFS.*

1910. *January* 31.

Contract—Wagering—Intention of the parties—Payment of differences—Contract Act (IX of 1872), s. 57.

There is no authority for the proposition that, because under the terms of a contract an obligation to pay or receive differences may arise on the happening of a particular event, the contract is void as a wager if that event does not happen. Such a result would be inconsistent with the principle underlying section 57 of the Contract Act.

THIS was a suit for damages for breach of contract. The plaintiffs alleged that by certain contracts entered into on 26th and 27th October 1908, the defendant agreed to purchase from the plaintiffs 800 tons of Rangoon rice, delivery to be taken of 400 tons between 22nd February and 7th March 1909, and of the remaining 400 tons between 23rd March and 5th April 1909. On the due dates delivery orders were forwarded to the defendant, but the latter refused to take delivery. As a result the plaintiffs sold the rice by auction and an aggregate loss of Rs. 12,605-6-9 was sustained. The plaintiffs now claimed this sum as damages.

* Original Suit No. 356 of 1909.
Appeal No. 23 of 1909.

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The defendant in his written statement admitted the contracts, but alleged that they were by way of wagering on the fluctuation of the market prices, and that payment of differences only was contemplated by the parties, there being no intention to give or take delivery. He further contended that even if the contracts were genuine, the plaintiffs had committed a breach by not sending the delivery orders in time according to the practice and usage of the market.

The chief issue raised was whether the contracts were by way of wagering or not.

The following was the judgment of Mr. Justice Beaman in the Court below :—

This is a suit to recover on certain forward contracts for the purchase of rice, the due dates of which were the Fagun and Chaitar Vaidas of 1965 corresponding with February-March, and March-April 1909. The plaintiff's contention is that the defendant refused to take delivery as the market had gone against him; consequently the plaintiff sold the goods at his risk and on his account; and now claims the difference between the contract and the market rate. A preliminary difficulty was settled by plaintiff consenting to accept certain rates as the measure of damages. What was realised at the sales and whether or not the sales were *bonâ fide* and properly conducted becomes of no further consequence.

The defence is two fold: (1) General, that the contracts were wagering contracts. (2) That in respect of the contracts for the Fagun Vaida the plaintiff was in fault for not giving the defendant the delivery orders in time. Under the rules of the Rice Merchants Association the plaintiff was bound to do this before 4 P.M. on a certain day, whereas in fact he did not do so till about fifteen minutes later. The latter defence is inconsistent with the former. For it implies that the contracts were genuine. That defence could not be available to the defendant, if his principal defence is true that under other rules of the said Association the contracts were plainly wagering contracts, and were known and intended to be so, on both sides. However, I do not say that the defendant is not entitled to make an

alternative case of this kind. I merely point out that doing so, weakens his position in his main defence. For amongst other criteria of what is and what is not a wagering contract the conduct of the parties is not the least important. I intimated to the defendant that I did not think there was anything in his second line of defence. This was after hearing the evidence upon it. Considering his general defence and all the circumstances of the case, I think, no Court would favour a contention of this kind which is purely technical. And being as it is in doubt, to put it most favourably to the defendant, the Court would not be too anxious to scrutinize the lapse of a minute or two, while it would be ready to doubt the accuracy of the defendant's clock (even assuming his evidence to be more trustworthy on this point than it is) and lean in favour of the evidence for the plaintiff which is at least as good and proves that the tender of delivery orders was well within the prescribed time. If the defendant had been an honest dealer, if the contracts were genuine (it does not follow that they were not because the defendant was a dishonest dealer) I do not think that he, the defendant, would have raised a technical defence of this kind at all, hinging as it does on a variation in time of a few minutes only, the lapse of which could not really have injured him in any way. Some such considerations I intimated, as I have said, to defendant's learned counsel who, in deference to the Court's view, did not further press this point. I may add that on the evidence as it stands I should have had no hesitation in finding that the delivery orders were tendered in time, and, therefore, as a matter of fact, this defence failed.

The general defence splits into two parts.

First, it is contended that as these contracts were made under the rules of the Rice Merchants Association, and as some of those rules at any rate have all the appearance of having been framed to permit and encourage wagering contracts, any contract admittedly made under them must be deemed to be affected with this taint, as possibly referable in certain circumstances to the rules which appear to recognize mere wagers.

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Second, it is contended that whether or no any and all contracts made under these rules are wagering contracts, these contracts certainly were and that to the knowledge and within the intention of both parties.

The case of *Chapsey* v. *Gill and Co.*[1], which was decided by a Bench of this High Court, certainly appears to lend some colour to the first contention. With all humility I confess that I am unable to follow the reasoning of the learned Judges in that case. It was decided under the rules of the Cotton Association. One of those rules provided that on the happening of certain events contracts were to be settled in a particular way. In the case before it those events had happened and consequently the questions in issue between the parties fell to be decided under that particular rule. The learned Judges thought that the rule contemplated wagering, and so refused to give effect to it. Doubtless that decision is capable of some such extension as the defendant now wishes to give it. But I do not feel that this is necessarily so, or that in dealing with other contracts made under a different set of rules I am bound to accept as binding what is after all only an inferential extension of a more or less conjectured principle. If the defendant's contention on this point is sound, then every contract made under the rules of the Rice Merchants Association would be a wagering contract, because, in certain circumstances, any one of them might be settled under one or other of those rules which have, to say no more, a suspicious appearance of having been framed to permit of wagering. But it cannot be doubted that an immense volume of genuine trade is carried on under those rules, and such a decision, as I am now asked to give, would prove disastrous to the whole rice business of this city.

What is a wagering contract is a question which is constantly coming before the Courts. It may therefore be worth while to resume the leading authorities very briefly, and extract from them, if possible, a principle capable of universal practical application.

(1) (1905) 7 Bom. L. R. 805.

The foundation of our decisions was laid in the two English cases: *In re Gieve*[1] and *Universal Stock Exchange Ltd.* v. *Strachan*[2]. In this Court we have *Tod* v. *Lakhmidas*[3], in which Farran, J., laid down a rule, since much commented on, that a contract is a wagering contract only where it was the intention of both parties under no circumstances either to take or give delivery to or from each other.

Then followed *Motilal* v. *Govindram*[4], in which Batchelor, J., doubted whether the rule laid down by Farran, J., was not perhaps too broadly expressed, and added observations upon the manner in which Courts were to deal with questions of this kind. This was followed again by Davar, J., in substantially the same terms, in *Hurmukhrai* v. *Narotamdass*[5]. *Universal Stock Exchange* v. *Stevens*[6] appears to be an exception to the rule which now finds general favour, for there possibilities implied in the form of the contract appear to have been allowed to override a strict determination of the real intention of the parties, and therefore of the real nature of the transaction. The reason of decision in *Forget* v. *Ostigny*[7] is simple. The appellant there was held to be the respondent's agent; although the respondent might have gained or lost, as the shares he was dealing in rose or fell, the appellant would not. He was to be remunerated by a fixed commission, and, therefore, in the opinion of their Lordships of the Appeal Court, there was no wager between the parties to that suit. It might be doubted whether assuming that the respondent had been gambling with third parties, and the appellant knew it, the appellant could have succeeded under the terms of Bombay Act III of 1865.

Speaking broadly, however, the authorities appear to me to create no difficulty. I think that the dictum of Farran, J., subjected to rigorous analysis, will be found to be perfectly correct. I believe that before a Court can hold a contract, on the face of it genuine, as at any rate not clearly wagering as the contract in *In re Gieve*[1] was, to be a wagering contract, the Court must

(1) [1899] 1 Q. B. 794.
(2) [1896] A. C. 166.
(3) (1892) 16 Bom. 441 at p. 445.
(4) (1905) 30 Bom. 83.
(5) (1907) 9 Bom. L. R. 125.
(6) (1892) 66 L. T. 612.
(7) [1895] A. C. 318.

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be satisfied that the intention of the parties was in no circumstances either to give or take delivery.

But this intention is not to be confounded with capacity. A party may be able to fulfil a contract and yet have no intention whatever of doing so. I am not to be understood as in any way dissenting from the judgments of Batchelor, J., and Davar, J. Rather I may say that in my opinion both these judgments contain an admirable exposition of the processes by which a Court has to arrive at the true intention of the parties, while both of those learned Judges appear to me to say, in no uncertain tones, that it is the intention of the parties and that alone that is to be ascertained and made the decisive factor. But I think that although these judgments are unexceptionable as far as they go, they leave a point, or possibly more than one point, in some uncertainty.

Where both parties are wagering and that can be clearly ascertained, no difficulty is likely to be met. About the best way of ascertaining whether both parties were wagering, notwithstanding the form in which they have embodied their contracts, there can again be little or no difficulty. But there is a class of cases and a common class of cases, which does not seem to have attracted the attention of the learned Judges who have so far dealt in this Court with the general question.

I mean cases in which one party A may be doing a large *bonâ fide* business, while the other party B may be a pure gambler, and doing no legitimate business at all. The form of the contract may be perfectly proper. A may be ready and able to fulfil his part of the contract. Yet I conceive that if B is really gambling and if A knows that he is gambling, whatever is to be said of the character of the rest of A's business, in his contracts with B he would be gambling as much as B. Surely he would fall within the provisions of Bombay Act III of 1865.

And these are precisely the cases which give rise to the most serious difficulty. It is no answer to B's contention that the contract was a wager, for A to say I had the goods and could have fulfilled my contract, or, I had the money and could have taken delivery of the goods from you. That is not really the question at all. For coming back to Farran, J's rule, we shall

have to decide whether, in all the circumstances of the particular case, A intended to give or take delivery of the goods covered by that particular contract. And the broad universal principle will then require re-statement in a slightly enlarged form. If A usually an honest dealer knew that B was a pure gambler, then any contract which he made with B with that knowledge would be a contract in furtherance of wagering and would fall within the scope of Bombay Act III of 1865, while it would likewise follow, that waiving that consideration, A could not strictly be said to have "intended" to give or take delivery to or from B. Brought into the region of every day practice, this principle would, I expect, cover a great many transactions which are entered into not only in rice but other great staples in this city. I suspect that there are many large dealers doing genuine business, who are not averse from giving clients an occasional gamble. And thus in each case it becomes a pure question of fact.

What was the nature of the particular contract impugned? No more than this can be extracted from the cases. Reduced to their simplest terms they all emphasize one thing and one thing only. The Court must look beneath the surface and find out, if it can, what was in reality the true nature of the contract.

If, for example, we find A, a dealer in rice on a large scale, entering into forward contracts with B, a bootmaker who has no trade in rice at all, nor any means of dealing with rice in large quantities; if we find that such contracts have been made over and over again, embracing goods worth lacs of rupees; but invariably settled by the payment of differences on due date, then I apprehend that notwithstanding the surface propriety of the formal contracts, notwithstanding A's appeals to his great legitimate business, and his assertions that for his part he was always in a position to fulfil his contracts, the Court would hold that as between him and B, the whole series were pure wagers.

And that is in effect the case on which the defendant relies here. Does he substantiate it? It seems almost superfluous to observe that A would start with every presumption in his favour. A *bonâ fide* dealer on a large scale could only be affected with the

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particular knowledge which would except certain contracts with a certain individual from the ordinary category of the bulk of his contracts, by showing that he had had a series of dealings with that person of such a character that he must have known all about the man himself, and the kind of contract he was in the habit of making. In this case the defendant cannot hope to establish his case in that way because there was no long course of previous dealings, nor were the parties known to each other. Possibly the plaintiff might have known, as one man in the bazaar knows of another, that the defendant was partner in an iron business. But it would not necessarily follow from that that he might not have resolved to launch out into rice dealing with honest trade intentions. Therefore the defendant has fallen back rather on the line of attacking the plaintiff's business and endeavouring to show that it was chiefly a gambling business. Now the plaintiff was doing a very substantial business in various commodities. He had a strong financial backing. True he dealt largely in rice too and seems to have had but poor godown accommodation for the quantities of rice he bought and sold. The duration of his business was short, the firm is now dissolved, and appears to have existed for only three or four years. The maximum of rice shown to have come during any one year into the plaintiff's actual possession is out of all proportion to the extent of his dealings in rice. And from all this the inference is drawn that the plaintiff was himself not a *bonâ fide* dealer but merely a gambler in differences. Over and above this the defendant strongly relies upon a statement made by the broker who negotiated these contracts. He swears that he told the plaintiff that the defendant only meant to pay or receive differences. If that were true there would be an end of the case. The plaintiff swears that he was not told anything of the kind and the broker himself goes on to say that he regarded these as perfectly genuine contracts. He stoutly repudiates the imputation that he negotiates any wagering contracts. Naturally he would.

I do not, however, think I ought to rely on that unsupported statement by the broker. Setting that on one side the Court has to be guided by such facts as are made clear by the evidence.

First, I am unable to find in any part of it sufficient support for the defendant's allegation that the plaintiff's whole business was sham and wagering. On the contrary it appears to have been a good solid business with plenty of money to back it. If that were so, and part of it at least consisted in buying and selling rice forward, the onus would lie very heavily indeed on the defendant to show that these particular contracts with him were made to the plaintiff's knowledge for no other purpose than wagering on differences. What is his own conduct? He begins by meeting the plaintiff's claim with an assertion that he was only an intermediary to the plaintiff's knowledge. He has abandoned that contention. But the fact that he began by making it, loses none of its significance. If we read all his early correspondence, carried on through Mr. Bhat, we shall see at once that it is utterly inconsistent with his present case. The foundation of all of it is that the contracts were perfectly genuine. He tries to explain that away now by saying that this is part of the usual practice, designed to throw dust in the Court's eyes should either party subsequently wish to sue. First, I do not believe that for a moment. Next, if I did, I should be strongly disposed to allow the attempt to succeed. It is asking a good deal of a Court of equity to come before it with a plea of this kind, and then bolster it up by confessing that everything was done during the earlier stages of the dispute to put a fraud upon the Court. People who indulge in that sort of knavery are not entitled to much consideration, and have themselves to thank if the results turn out contrary to their expectations. Then as to the argument that whether the plaintiff was a *bonâ fide* dealer or not he must have known that the defendant was not, what evidence is there to support it? The defendant has told his story. He relies strongly on being an iron merchant, and virtually asks whether any man in his senses would believe that a partner in an iron business would launch out suddenly into rice business. He points to the fact that he had no godowns for rice, that he never took delivery or could have taken delivery, and insists that the plaintiff knew all this perfectly well, and therefore when he made these contracts also knew that they were wagering contracts; and that the intention of both parties to them was to settle by payment of differences.

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Now I have said that there was no long previous course of dealings between the plaintiff and the defendant in rice, which might have affected the plaintiff with knowledge of the defendant's real intentions in entering into such contracts. Had there been, the case might have been very different. Evidence has been laid before the Court of how these forward contracts are made in the bazaar. It is only when the contract is on the point of completion that the parties' names are disclosed to each other. Then if one of them distrusts the other, the contract is broken off. Here the plaintiff says he asked who the defendant was and was told that he was a sound man. There is really little risk in making forward contracts of the kind; no risk over and above the fluctuations of the market. It does not appear to me that plaintiff did anything unusual in accepting the broker's recommendations and making the contracts. Further, there is a good deal of evidence to show that the defendant has been speculating in rice for a year or two. In one instance at least he appears to have adopted precisely the same course against one of his vendees who refused to take delivery, as the plaintiff did in this case against him. That is to say, he sold the actual goods at the risk and on the responsibility of the man who had refused to take delivery. All this looks like real business. Of course the defendant explains it away now by saying that every one of those contracts was merely for differences, and that selling the goods really made no material change in the nature of the dealing between him and his vendee. He says that he did not get the price the goods realized, that this in fact, like his early letters to the plaintiff, was all part of the common practice designed to put a cloak of reality about these unsubstantial transactions. But at any rate, supposing the plaintiff had any knowledge at all of the defendant, this is the kind of knowledge he would have had. He would have known that the defendant, like hundreds of others, was a speculator in rice and had been so for some time. He would have known that the defendant had gone through the usual regular business proceedings when one of his vendees refused to take delivery. Why was he to infer from all this vague bazaar knowledge that the defendant was a pure gambler? It is to be observed that the witnesses called for the plaintiff

swear that in many instances the defendant did in fact take and give delivery just as any other *bonâ fide* dealer in rice would have done. The defendant seeks to meet this by arguing that in no case did he really take or give more than delivery orders. Now, this may be a device in use among gamblers to evade the law. But, on the face of it, it is a regular business method and as effective as taking the goods away and putting them in your own godown. The truth is that if people want to gamble in this covert way and, in order to make the gamble appear a real transaction, wrap it up in all the formalities of a real transaction, it becomes virtually impossible for a Court to say that it is not what it appears to be. A Court may go on "probing into the surrounding circumstances" for ever, and be little or none the wiser. Certainly were there a long course of previous transactions between the parties, every one of which had been settled by paying differences, and had the parties been well known to each other (as in the case I began by supposing, where one of them is, say, a boot-maker) then there would be a good solid ground for inferring the real nature of their speculations, and the true intention of both of them. But where they are hardly known to each other at all, where both are in the open market, and both have been speculating for about the same time in rice, how is one, who has perfectly honest intentions, to know that the other has not? I confess that I do not see any test which could be applied in the sure confidence that it would disclose the truth.

For, unfortunately, whether transactions of the kind now in dispute are genuine or wagering, it appears to me that parties can with moderate care so conceal the real nature of the transaction that it would become impossible for the Court to say positively what that was. Assume that these were genuine transactions. The procedure would have been exactly what it admittedly was. Assume that they were wagering and for all I can see the procedure again would have been admittedly what it was, at any rate up to the point of tendering the delivery orders. And there is absolutely nothing by way of a history of previous relations, or deducible from the trade status of either party, which will yield any satisfactory test.

While I permit myself to say so much, as having a bearing on all cases of the kind, I do not feel any doubt in my mind upon

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the actual case. I have no doubt at all that the defendant was a gambler, and that he never meant to do more than pay and receive differences. Unfortunately that is also an incident (qualifying if necessary for theoretical purposes the "intention to do no more than pay or receive differences", by adding "ordinarily") of a good deal of legitimate trade. Hundreds of contracts for cover in the markets of Bombay and Manchester respectively are, I suspect, made without any very definite intention of taking actual delivery, and are settled by paying differences. Yet unless this were done business in such commodities as cotton could hardly go on. But there is of course a real distinction, though rather an elusive one, between real and unreal transactions of this kind. And I need not go further into that. It is enough to repeat that I have no doubt that in these rice speculations, the defendant meant to gamble and nothing else. But I am equally sure that in a large part at any rate of his rice business the plaintiff was doing honest trade. He has admitted that about half the total of his rice deals were settled by paying differences. But that is not necessarily inconsistent, as far as I can see, with genuine business. As to the rest there was actual buying and selling, real solid business. And I am clear that there is nothing whatever in the transactions now laid before the Court, or in the evidence given to colour them one way or the other, which would justify this Court in holding that they were wagering contracts within the intention of both parties or within the intention of one, and to the knowledge of the other. That I apprehend to be the right way of stating the principle upon which every decision of this kind must turn. Both parties may intend to wager; or one party may intend to wager, and the other party may know that that is his sole intention and knowing it enter into the contract. Where the facts found warrant the Court in adopting either of those statements of fact, then the contract is a wager under the law of this Presidency. But where only one party intends to wager, and the other neither intends himself to wager, nor knows that it is the sole intention of the former, then the contract is not a wagering contract from the point of view of the latter, and he has a right of action on it.

I do not think that any case in which the issue is raised could be clearer than this case is against the defendant. For that

reason I have not gone more minutely into the evidence. When the points to be determined on the evidence are obscure, I usually analyse it exhaustively. I have not thought it necessary to do so in this case because it speaks for itself, and, in view of the brief statement of principles I have attempted, can leave no doubt at all which way the decision of the Court must be.

I find for the plaintiff. The measure of damages has been agreed upon by the parties. When the sum has been ascertained by applying it, the decree will be for that amount with all costs upon the defendant.

The defendant appealed.

Inverarity, with *Lowndes* and *Jinnah*, for the appellant:—

Any contract made under the rules of the Rice Merchants Association must be deemed to be affected with the taint of wagering. Rules 17 and 27 are much wider than the rule discussed in *Chapsey* v. *Gill & Co.*[1], and yet contracts under that rule were held to be void. The statement by the learned Judge in the Court below that a decision that contracts under the Rice Merchants Association rules were void would have a disastrous effect on an immense volume of genuine trade carried on under these rules, is not supported by evidence. Nor is it in any event a legal consideration. The contracts in this case were certainly by way of wagering, inasmuch as it was known to the plaintiffs that the defendant was a gambler and would only pay differences. The evidence showed that he was an iron merchant and had no godowns for rice; and the plaintiffs' clerk knew this. The plaintiffs' moonim did not deny that previous contracts between the parties had been settled by payment of differences. Further there is evidence to show that the plaintiffs were themselves speculators. Certain transactions appeared in their books, in which delivery was optional,—a fact which brings them within *In re Gieve*[2].

It is the true character of the contract that must be looked at and not its outward appearance. See *Universal Stock Exchange, Ltd.* v. *Strachan*[3].

(1) (1905) 7 Bom. L. R. 805. (2) (1899) 1 Q. B. 794.
(3) [1896] A. C. 166.

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Counsel also cited *Kong Yee Lone & Co.* v. *Lowjee Nanje*(1), *Tod* v. *Lakhmidas*(2), *Motilal* v. *Govindram*(3), and *Harmukhrai* v. *Narotamdas*(4).

Strangman (Advocate General) with *Robertson* for the respondents:—

The defence is dishonest. The correspondence shows that the contracts were genuine. Rule 17 does not say all that the appellant contends.

With regard to *Chapsey* v. *Gill & Co.*(5) an extension of the decision in that case would be inconsistent with section 57 of the Contract Act.

Inverarity replied.

SCOTT, C. J.:—Two points have been urged by the appellant in this appeal: (1) that according to the rules of the Bombay Rice Merchants Association subject to which the contracts sued on were made both parties were to pay or receive differences and that therefore the contracts were void as wagers; (2) that having regard to all the circumstances of the case it should have been found as a fact that neither party intended that delivery should be taken.

In support of the 1st point reliance is placed upon Rule 17 of the Rice Association Rules. That rule obliges the buyer to accept a delivery order if tendered up to 4 P.M. on the 6th day before the Vaida and provides that on the seller's failure to make such delivery, the contract shall be settled by payment of the difference between the contract rate and the due date rate fixed by the Association.

Whether if the seller failed to give the delivery order in time the conditions imposed by the rules would make the contract a wager is one which we are not called upon to decide for it is found as a fact in the lower Court and not now disputed that all the delivery orders were tendered by the plaintiffs in time. The facts are therefore entirely dissimilar to those in *Chapsey* v. *Gill & Co*(5) upon which the argument of the appellant is based.

(1) (1901) 29 Cal. 461.
(2) (1892) 16 Bom. 445.
(3) (1905) 30 Bom. 83.
(4) (1907) 9 Bom. L. R. 125.
(5) (1905) 7 Bom. L. R. 805.

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There is no authority for the proposition that because under the terms of a contract an obligation to pay or receive differences may arise on the happening of a particular event the contract is void as a wager if that event does not happen. Such a result would be inconsistent with the principle underlying section 57 of the Contract Act.

As regards the 2nd point, it is a pure question of fact which has been adequately dealt with by the learned Judge. We see no reason to differ from the conclusion at which he has arrived. We therefore dismiss the appeal with costs.

Appeal dismissed.

Attorneys for the appellants: Messrs. *Hiralal & Co.*
Attorneys for the respondents: Messrs. *J. R. Patel & Co.*

K. McI. K.

ORIGINAL CIVIL.

Before Mr. Justice Macleod.

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September 25.

IN THE MATTER OF THE INDIAN COMPANIES ACT VI OF 1882
AND
IN THE MATTER OF THE BOMBAY COTTON MANUFACTURING COMPANY, LIMITED,
AND
IN THE MATTER OF RATILAL KARSONDAS.

Winding up petition—Petitioner a creditor for amount not immediately payable—General financial position of company—Indian Companies Act (VI of 1882), sections 128, 129, 130 and 131—Scheme of arrangement—Practice.

The definition of "debt" in section 130 of the Indian Companies Act (VI of 1882) is quite distinct from the meaning of the word "creditor". A creditor is a person to whom money is owed by the Company. Whether he can claim immediate payment of that debt or his right to demand payment is deferred by his agreement with the Company to a future time, he still remains a creditor.