3404

*18th May, 1961

My dear Raja Saheb,

Following on my return from Madras and a talk I have just had with Sir Homi Mody, I am writing to inform you, with the approval of Rajaji, Professor Ranga and Sir Homi Mody, that the Bihar Party may, if it so desires, raise loans to the extent of Rs.5 lakhs for the purchase of jeeps and the maintenance of workers in connection with the election campaign of the Swatantra Party in anticipation of contributions to be made by the Centre between now and the end of the year.

It is understood that the funds that may be so raised will be earmarked for being expended in connection with the election work in those parliamentary constituencies the candidates for which are endorsed by the Parliamentary sub-Committee.

Yours sincerely,

(M. R. MASANI)

Shri Kamakhya Narain Singh of
Ramgarh,
Bihar Swatantra Party,
Chaju Bag,
Patna 1.

Dr. Balance on 30-9-63 = Rs. 1,52,909.47
Intres for month of oct. = Rs 973.97

Dr. Balance will be
on 31-10-63 = Rs 1,53883.44
Principal ⟶ Rs. 120000.00

Intrest ~~total~~ Rs. 33883.44

Approximately
Rs 20130.91 on Rs 120000.00
from july 61 to oct. 63.
Rs 13752.53

Rs 33,883.44 Intres.

Exact figures are not worked out
these all figures are calculated near about.
Cost about Rs 500.00

Ramgarh - 1,40,700.
13,752.53.
1,54,452.53.

K.P.-50,000/4-63. F. No. G. 29.

GUARANTEE/LCH/196

28th August, 1963.

CONFIDENTIAL.

WITHOUT PREJUDICE.

Dear Mr. Singh,

Re: Loan Account of Shri Kamakshya Narain Singh, Raja Bahadur of Ramgarh, with the Central Bank of India Ltd., Bombay, for Rs.4,00,000/-.

I refer to the talks our Mr. B.K. Taunk (Assistant Regional Manager, Jamshedpr) and I had with you when we were in Patna in the second week of this month, regarding the outstanding balance in the loan Account of Raja Bahadur of Ramgarh of Rs.1,50,000/-. In his letter to the Central Bank of India Ltd., dated the 9th August 1963, Mr. B.P. Singh who has signed on behalf of Raja Bahadur has stated that the amount of Rs.1,20,000/- together with interest on it would be remittedto the Bank in about a month's time.

We trust arrangements are being made for remittance of this amount to the Bank.

At that time Raja Bahadur had also agreed that he would hand over the 23 Jeeps to the Bank if a letter were brought to him from Mr. M.R. Masani on behalf of the Swatantra Party, authorising Raja Bahadur to hand over the Jeeps to the Bank.

We have been expecting to hear also about the visit of Raja Bahadur to Bombay as stated by him to us.

If you could kindly give us a prior intimation of arrival of Raja Bahadur and his address in Bombay, we could contact him and finalise the matter by discussion with him.

I shall be obliged if you will kindly favour me with your reply in the matter as the Central Bank are anxious that the Loan Account should be adjusted as early as possible.

With kind regards,

Yours sincerely,

Sd/ L.C. HANSOTIA

K.N. Singh, Esq.,
P.A. to Raja of Ramgarh,
C/o Office of the Swatantra Party,
Patna.

c.c. 1. Mr. K.R.B. Pillai, Patna Branch.
2. Mr. B.K. Taunk, Asst. Regional Manager, Jamshedpur.

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

CAMP: CALCUTTA.

5th August, 1963.

Confidential.

Dear Mr. Vaidya,

Re: Raja Bahadur of Ramgarh.

In continuation of my letter dated the 31st July 1963, I am glad to inform you that Mr. B.K. Taunk and I contacted Sri Kaakshya Narain Singh, Raja Bahadur of Ramgarh, on Friday morning and explained to him the purpose of our visit to Calcutta.

Raja Bahadur told us that out of 33 Jeeps, 10 belonged to him for which Rs.1.20 lacs were earmarked from the loan amount of Rs.4 lacs; the remaining 23 Jeeps belonged to Swatantra Party and Rs.2.80 lacs were on their account.

He explained that in regard to accrued interest, he held Swatantra Party responsible because inspite of the fact that they had adequate funds they did not repay the borrowing in time and caused unnecessary accumulation of interest by delaying repayment of Rs.2.80 lacs.

Raja Bahadur told us he was anxious to carry out his obligation to repay Rs.1.20 lacs and he was conducting negotiations with M/s. Chhotabhai Jethabhai Patel & Co, 3A, Rupchand Roy Street, Calcutta-7, for selling his 10 Jeeps. He read out the correspondence to convince us of genuineness of his intention.

He said, in all about 100 Jeeps are owned by him, of which he recently sold 10 Jeeps which fetched him Rs.12,000 pr Jeep.

He gave us 2 alterations to decide upon:

(i) To ecept the 10 Jeeps and give him a discharge for Rs.1.20 lacs.

(ii) To give him time of 3/4 weeks to sell off the Jeeps and pay out Rs.1.20 lacs.

I suggested he might place the the 10 Jeeps under our charge, we would garage them and release them to the buyer on his instructions. He declined and said in case I needed time to consult my Head Office, he was prepared to wait till evening as he was leaving for Hazaribagh that night.

I contacted Head Office on Trunk-call and in your absence aprised Mr. P.S. Venkatadri of the talk. I than advised Raja Bahadur on telephone that we would await repayment of Rs.1.20 lacs by the end of this month as per his assurance to M/s. Mulla & Mulla and to the Bank and the question of interest would be dealt with by our Head Office. He told me he had posted letters to the Bank and to us in regard to his talk with me. (not done) Seen.

On Saturday, 3rd August 1963, I called on Mr. B.C. Sarbadhikari of Central Bank for second time to aprise him of my talks with Raja Bahadur. Mr. C.H. Bhabha was also there. I explained to Mr.Bhabha that Raja Bahadur expected Swatantra Party to sell the Jeeps and to pay the Bank's accrued interest as he claimed that he had obliged the party by lending his name to raise the funds and it was the party's fault that so much interest had been allowed to accumulate. Mr.Bhabhasaid he would speak about it to his Chairman. Mr. Bhabha said I did the right thing in waiting for 3/4 weeks to collect cash from Raja Bhadur and deferring the question of interest for my Head Office to deal with instead of taking over the Jeeps and giving him a discharge for Rs.1.20 lacs. He was anxious to collect the Bank's accrued interest from Raja Bahadur as they recognised him alone for the loan advance.

I have work here for 2/3 accounts and I am leaving to night for Patna to finalise one Hire Purchase proposalof Patna office and to see Mr. Sureshwar Narain Singh for Rs.88,000/- in Telco account in accordance with my appointment with him. I also propose to see the 10 Jeeps.

I will again come to Calcutta on Wednesday morning as I am wanted by Calcutta Office and Mr. Banerjee, and I will fly to Bombay by Wednesday's evening plane.

With kind regards,

Yours sincerely,

Sd/ L.C. HANSOTIA

V.C. Vaidya, Esq.,
Secretary,
Bombay.

K.P.-1,00,000/2-63. F. No. G. 7.

Copy

20-6-1963.

From: Maharaja Bahadur Shriman Kamakshya Narain Singh, M.L.A.
5, Stephen court,
18A, Park Street, Calcutta.

To : The Deputy Manager,
Central Bank of India Ltd.,
Mahatma Gandhi Road, Bombay.

Dear Sir:

Re: Overdraft Arrangement

I refer to my registered letter to you dated 17-4-1963 in reply to your letter dated 23-2-1963.

Meanwhile I was constrained to receive on 16-5-63 a registered letter dated 30-3-68 from M/s. Mulla & Mulla & Craigie Blunt & Caroe, Solicitors and Notaries, of 51, Mahatma Gandhi Road, Bombay-1, purportedly written under your instructions demand payment of Rs.1,44,536.45 nP with interest @ 7½% from 1-1-63 within 8 days from the receipt of the said letter and threatening legal action in case of my default. This registered letter was followed on 16-6-1963 by another registered letter dated 6-6-1963 from the Solicitors dealing with my aforesaid letter dated 17-4-1963 to you in this connection. In this letter also the Solicitors have made a similar claim threatened legal action in case of default.

In your letter dated 23-2-1963 you never mentioned that you were contemplating to refer the matter to any Solicitor and/or instructing them to proceed further in the matter. I had no inkling of any such contemplated action on your part. In view of the assurance given in my letter dated 17-4-1963 there was no necessity for making any such reference which would only go to embitter our mutual relations.

I have already written to you that I was arranging to clear my aforesaid dues of Rs.1,20,000/- with interest accrued thereon to the Bank at the earliest. But this will take some more time to materialise. I would require time for at least two months from date by the end of which period, if not earlier, I shall arrange to clear off my aforesaid dues to the Bank in full.

I trust you will consider my request and instruct your Solicitors accordingly to stay their hands in the matter of taking any legal action against myself in view of my assurance to you as stated hereinabove.

Thanking you,

Yours faithfully,

Sd/-

Vrd/-

K.P.-50,000/4-63. F. No. G. 29.

21

THE CENTRAL BANK OF INDIA LTD.

18th March 1963.

M/s. Mulla & Mulla Craigie Blunt & Caroe,
Bombay.

Dear Sirs:

Re: Shri Kamakshya Narainsingh Raja Bahadur of Ramagarh.

On the full guarantee of the New India Assce. Co. Ltd. the party were sanctioned by the Bank a Cash Credit (Open Loan) limit of Rs.4,00,000/- (Four Lacs) in July 1961 to enable him to purchase 33 new Jeeps from M/s. Mahindra & Mahindra. The said jeeps have been hypothecated to the Bank. The party have executed in favour of the Bank the ususl documents viz. (a) Demand Pro.Note for Rs.4 lacs dt. 4-8-61 (b) Letter of Continuity dt. 4-8-61 and (c) Letter of Hypothecation for Rs.4 lacs dt. 4-8-61. In addition to these documents we also hold as cover the guarantee Policy of the New India Assce. Co. Ltd. No. MB/108 dt. 4-8-1961.

Advance was required to be repaid on demand but until called up earlier the party was required to repay the same by a monthly instalment of Rs.20,000/-. Accordingly 14 instalments aggregating Rs.2,80,000/- have been paid but five monthly instalments from November 1962 onwards and interest as and when debited have not been paid inspite of repeated requests from the Bank and the Insurance Co. The party has also not cared to reply to any of our letters.

The debit balance in the a/c stands at Rs.1.44,536.45 plus interest at 7½% from 1-1-1963.

We have to request you to send a registered notice to the party at his address at Ramagarh House, near Dinapore Road, Patna calling upon him to repay the above balance with interest within a fortnight. You may mention in the notice that if advance is not adjusted within this period the Bank will proceed to file a suit and take other legal measures as may be deemed necessary.

Yours faithfully,

Sd/- Deputy Manager.

Vrd/-

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

K.P.-1,00,000/2-63. F. No. G 11.

GUARANTEE/LCH/196

28th August, 1963.

CONFIDENTIAL.

WITHOUT PREJUDICE.

Dear Mr. Singh,

Re: Loan Account of Shri Kamakshya Narain Singh, Raja Bahadur of Ramgarh, with the Central Bank of India Ltd., Bombay, for Rs.4,00,000/-.

I refer to the talks our Mr. B.K. Taunk (Assistant Regional Manager, Jamshedpr) and I had with you when we were in Patna in the second week of this month, regarding the outstanding balance in the loan Account of Raja Bahadur of Ramgarh of Rs.1,50,000/-. In his letter to the Central Bank of India Ltd., dated the 9th August 1963, Mr. B.P. Singh who has signed on behalf of Raja Bahadur has stated that the amount of Rs.1,20,000/- together with interest on it would be remittedto the Bank in about a month's time.

We teust arrangements are being made for remittance of this amount to the Bank.

At that time Raja Bahadur had also agreed that he would hand over the 23 Jeeps to the Bank if a letter were brought to him from Mr. M.R. Masani on behalf of the Swatantra Party, authorising Raja Bahadur to hand over the Jeeps to the Bank.

We have been expecting to hear also about the visit of Raja Bahadur to Bombay as stated by him to us.

If you could kindly give us a prior intimation of arrival of Raja Bahadur and his address in Bombay, we could contact him and finalise the matter by discussion with him.

I shall be obliged if you will kindly favour me with your reply in the matter as the Central Bank are anxious that the Loan Account should be adjusted as early as possible.

With kind regards,

Yours sincerely,

Sd/ L.C. HANSOTIA

K.N. Singh, Esq.,
P.A. to Raja of Ramgarh,
C/o Office of the Swatantra Party,
Patna.

c.c. 1. Mr. K.R.B. Pillai, Patna Branch.
2. Mr. B.K. Taunk, Asst. Regional Manager, Jamshedpur.

K.P.-1,00,000/2-63. F. No. G. 11.

CAMP: CALCUTTA.

5th August, 1963.

Confidential.

Dear Mr. Vaidya,

Re: Raja Bahadur of Ramgarh.

In continuation of my letter dated the 31st July 1963, I am glad to inform you that Mr. B.K. Taunk and I contacted Sri Kamakshya Narain Singh, Raja Bahadur of Ramgarh, on Friday morning and explained to him the purpose of our visit to Calcutta.

Raja Bahadur told us that out of 33 Jeeps, 10 belonged to him for which Rs.1.20 lacs were earmarked from the loan amount of Rs.4 lacs; the remaining 23 Jeeps belonged to Swatantra Party and Rs.2.80 lacs were on their account.

He explained that in regard to accrued interest, he held Swatantra Party responsible because inspite of the fact that they had adequate funds they did not repay the borrowing in time and caused unnecessary accumulation of interest by delaying repayment of Rs.2.80 lacs.

Raja Bahadur told us he was anxious to carry out his obligation to repay Rs.1.20 lacs and he was conducting negotiations with M/s. Chhotabhai Jethabhai Patel & Co, 3A, Rupchand Roy Street, Calcutta-7, for selling his 10 Jeeps. He read out the correspondence to convince us of genuineness of his intention.

He said, in all about 100 Jeeps are owned by him, of which he recently sold 10 Jeeps which fetched him Rs.12,000 pr Jeep.

He gave us 2 alterations to decide upon:

(i) To ecept the 10 Jeeps and give him a discharge for Rs.1.20 lacs.

(ii) To give him time of 3/4 weeks to sell off the Jeeps and pay out Rs.1.20 lacs.

I suggested he might place the the 10 Jeeps under our charge, we would garage them and release them to the buyer on his instructions. He declined and said in case I needed time to consult my Head Office, he was prepared to wait till evening as he was leaving for Hazaribagh that night.

I contacted Head Office on Trunk-call and in your absence aprised Mr. P.S. Venkatadri of the talk. I than advised Raja Bahadur on telephone that we would await repayment of Rs.1.20 lacs by the end

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

K.P.-1,00,000/2-63. F. No. G 11.

of this month as per his assurance to M/s. Mulla & Mulla and to the Bank and the question of interest would be dealt with by our Head Office. He told me he had posted letters to the Bank and to us in regard to his talk with me. (not done) [illegible]

On Saturday, 3rd August 1963, I called on Mr. B.C. Sarbadhikari of Central Bank for second time to aprise him of my talks with Raja Bahadur. Mr. C.H. Bhabha was also there. I explained to Mr. Bhabha that Raja Bahadur expected Swatantra Party to sell the Jeeps and to pay the Bank's accrued interest as he claimed that he had obliged the party by lending his name to raise the funds and it was the party's fault that so much interest had been allowed to accumulate. Mr. Bhabhasaid he would speak about it to his Chairman. Mr. Bhabha said I did the right thing in waiting for 3/4 weeks to collect cash from Raja Bahadur and deferring the question of interest for my Head Office to deal with instead of taking over the Jeeps and giving him a discharge for Rs.1.20 lacs. He was anxious to collect the Bank's accrued interest from Raja Bahadur as they recognised him alone for the loan advance.

I have work here for 2/3 accounts and I am leaving to night for Patna to finalise one Hire Purchase proposalof Patna office and to see Mr. Sureshwar Narain Singh for Rs.88,000/- in Telco account in accordance with my appointment with him. I also propose to see the 10 Jeeps.

I will again come to Calcutta on Wednesday morning as I am wanted by Calcutta Office and Mr. Banerjee, and I will fly to Bombay by Wednesday's evening plane.

With kind regards,

Yours sincerely,

Sd/ L.C. HANSOTIA

V.C. Vaidya, Esq.,
Secretary,
Bombay.

Copy

20-6-1963.

From: Maharaja Bahadur Shriman Kamakshya Narain Singh, M.L.A.
5, Stephen court,
18A, Park Street, Calcutta.

To : The Deputy Manager,
Central Bank of India Ltd.,
Mahatma Gandhi Road, Bombay.

Dear Sir:

Re: Overdraft Arrangement

I refer to my registered letter to you dated 17-4-1963 in reply to your letter dated 23-2-1963.

Meanwhile I was constrained to receive on 16-5-63 a registered letter dated 30-3-63 from M/s. Mulla & Mulla & Craigie Blunt & Caroe, Solicitors and Notaries, of 51, Mahatma Gandhi Road, Bombay-1, purportedly written under your instructions demand payment of Rs.1,44,536.45 nP with interest @ 7½% from 1-1-63 within 8 days from the receipt of the said letter and threatening legal actiod in case of my default. This registered letter was followed on 16-6-1963 by another registered letter dated 6-6-1963 from the Solicitors dealing with my aforesaid letter dated 17-4-1963 to you in this connection. In this letter also the Solicitors have made a similar claim threatened legal action in case of default.

In your letter dated 23-2-1963 you never mentioned that you were contemplating to refer the matter to any Solicitor and/or instructing them to proceed further in the matter. I had no inkling of any such contemplated action on your part. In view of the assurance given in my letter dated 17-4-1963 there was no necessity for making any such reference which would only go to embitter our mutual relations.

I have already written to you that I was arranging to clear my aforesaid dues of Rs.1,20,000/- with interest accrued thereon to the Bank at the earliest. But this will take some more time/to materialise. I would require time for at least two months from date by the end of which period, if not earlier, I shall arrange to clear off my aforesaid dues to the Bank in full.

I trust you will consider my request and instruct your Solicitors accordingly to stay their hands in the matter of taking any legal action against myself in view of my assurance to you as stated hereinabove.

Thanking you,

Yours faithfully,

Sd/-

Vrd/-

THE CENTRAL BANK OF INDIA LTD.

18th March 1963.

M/s. Mulla & Mulla Craigie Blunt & Caroe,
Bombay.

Dear Sirs:

Re: Shri Kamakshya Narainsingh Raja Bahadur of Ramagarh.

On the full guarantee of the New India Assce. Co. Ltd. the party were sanctioned by the Bank a Cash Credit (Open Loan) limit of Rs.4,00,000/- (Four Lacs) in July 1961 to enable him to purchase 33 new Jeeps from M/s. Mahindra & Mahindra. The said jeeps have been hypothecated to the Bank. The party have executed in favour of the Bank the ususl documents viz. (a) Demand Pro.Note for Rs.4 lacs dt. 4-8-61 (b) Letter of Continuity dt. 4-8-61 and (c) Letter of Hypothecation for Rs.4 lacs dt. 4-8-61. In addition to these documents we also hold as cover the guarantee Policy of the New India Assce. Co. Ltd. No. MB/108 dt. 4-8-1961.

Advance was required to be repaid on demand but until called up earlier the party was required to repay the same by a monthly instalment of Rs.20,000/-. Accordingly 14 instalments aggregating Rs.2,80,000/- have been paid but five monthly instalments from November 1962 onwards and interest as and when debited have not been paid inspite of repeated requests from the Bank and the Insurance Co. The party has also not cared to reply to any of our letters.

The debit balance in the a/c stands at Rs.1.44,536.45 plus interest at 7½% from 1-1-1963.

We have to request you to send a registered notice to the party at his address at Ramagarh House, near Dinapore Road, Patna calling upon him to repay the above balance with interest within a fortnight. You may mention in the notice that if advance is not adjusted within this period the Bank will proceed to file a suit and take other legal measures as may be deemed necessary.

Yours faithfully,

Sd/- Deputy Manager.

Vrd/-

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

MR. V.C. VAIDYA, SECRETARY:

Re:- Shri Kamakshya Narain Singh
Raja Bahadur of Ramgarh,
Calcutta.

As per your instructions, I left Bombay for Patna, alongwith Mr. S.S. Bhalla on 29th July 1963 and reached Patna in the morning of 31st July 1963.

Mr. B.K. Taunk had also reached there the same day.

Mr. Bhalla and I explained our purpose to Mr. Taunk and to Mr. K.R.S. Pillai (Branch Secretary, Patna) and advised them to help us contact a good lawyer for obtaining the required advice.

2. Mr. Taunk suggested I should see 2 of his lawyer-friends informally and then we could fix upa more senior lawyer for final advice. When I showed them the letter of authority issued to me by the Central Bank together with copies of 'Letter of Hypothecation'and of 'Pledge' executed by Raja Bahadur in Bank's favour, they advised that the letter only identified me as representative of the Central Bank for taking possession of the jeeps, if peaceful surrender was made, and did not carry any legal sanction behind it to use force or to invoke the aid of local police or local Government.

3. Thereupon Mr. Taunk suggested he would take me to his friend Mr. N. Sinha, Secretary - Political Department (Bihar) to see if he could be of any use in seizing the jeeps if their peaceful surrender was not made. Mr. Sinha advised that the Bank's letter vested in me no authority to take any action beyond accepting the vehicles if surrendered and that we could not apply to Government for help on its basis.

4. When we returned to office, Mr. Bhalla told us he had located 6 jeeps in the office of Swatantra Party and had taken down their Registered Numbers and he had information that a few jeeps were also in the compound of the Patna residence of Raja Bahadur.

5. We went to the Swatantra Party's office, saw the 6 jeeps and met Mr. Kirpa Narain Singh, Personal Assistant of Raja Bahadur who is in charge.

He said Raja Bahadur was anxious to settle the Bank's account and was arranging to sell the jeeps with that view. When enquired if any jeeps were sold, he said 10 were sold at Rs. 12,000 each. We told him pending settlement of the account, if the jeeps could be placed in the Bank's custody, we could garage them and release them as and when they were sold. He said, for that we would have to see Raja Bahadur at Calcutta. We inquired if he could give us locations of all the 33 jeeps he said they were lying scattered all over Bihar, with the Party-men and he would have to inquire about their whereabouts.

...2/-

Thereafter, we went to Raja Bahadur's Patna residence and saw about 5-6 jeeps in his compound. As Raja Bahadur was not there, the armed guards refused us entrace to see them.

6. In the Patna Office I requested Mr. Pillai to show me the Policy copies for the 33 jeeps but he told me the entire file had been taken away by Mr. Arora (the previous incumbent) to Calcutta on his transfer. I could not therefore verify the Policy copies at Patna.

7. Mr. Taunk and I decided, in absence of any legal powers with us to seize the jeeps either with the aid of the police or the local Court, to proceed to Calcutta and talk over the matter personally with Raja Bahadur.

8. At Calcutta, we apprised Mr. Khaitan of our purpose (Mr. A.C.Mukherji was at Bombay) and he too agreed in the circumstances to the course adopted by us. He warned us to be extra careful in our talks with Raja Bahadur as he was highly litigant. Mr. A.C. Mukherjee had given me similar advice at Bombay on the day I left for Patna.

I also took in writing the legal advice of Mr. Bhatacharya (legal assistant of Calcutta Office in the matter.- copy enclosed 'A')

9. Raja Bahadur gave us two following terms:

i) To accept 10 jeeps and give him discharge for Rs. 1,20,000. (He said he had recently sold his 10 personal jeeps and they had fetched him each Rs. 12,000), or

ii) To give him 3-4 weeks to sell off the jeeps and pay the Bank Rs. 1,20,000 with interest accrued on this amount.

If the Bank did not agree to any of the above, he invited the Bank to file a suit against him in which case he would bring in Swatantra Party and its Principal Office bearers as Co-respondents on the basis of evidence he had with him.

I advised these terms to Head Office on telephone to Mr.Venkatadri in your absence.

(as per this D.O. letter of introduction)

10. On Saturday (3-8-1963) I saw Mr. B.C. Sarbadhikari of Central Bank when Mr. C.H. Bhaha was also with him, and told them of my difficulties and what the Raja Bahdur had said.

Mr. Bhaba emphasised that if Raja Bahadur did not pay interest on Rs. 2,80,000 he would recover it from 'New India'.

11. On Tuesday I reached Patna as I had given appointments to Mr. Sureshwar Narain Singh (owing Rs. 88,000 on Telco Account) and two other Telco Dealers for the Hirers' dues and seizure of vehicles and to Everest Finance Private Limited for a H.P. Limit of Rs. 6 lacs.

While at the Office, Mr. Bhalla told us that Mr. Kirpa Narain Singh (P.A. to Raja Bahadur) wanted to meet us at our office. We gave him appointment and he called on us. Raja Bahadur was also then at Patna. He pleaded with us not to do anything legal or rash as that would receive

(bihar)
unhappy publicity and harm the Party's cause in Patna. Finally, he inquired of me the latest balance payable; and if possible to prevail upon the Central Bank to reduce the Interest amount.

12. As he appeared so much anxious, I put through 2 trunk calls, i) for Mr. F.C. Cooper and (ii) another for you. I got Mr. Cooper's connection and did not get the other for you. Mr. Cooper told me reduction of interest would require his Board sanction and for latest outstanding balance he promised to wire me at Calcutta where I was going that night as requested by Mr. Mukherji.

13. At Calcutta, I received your trunk call on 7-8-1963 when you advised me I should decline to accept receipt of any part amount and demand for full amount or for the 33 jeeps. I also received Mr. Cooper's telegram with same instructions.

When I told Mr. Mukherji about all this, he contacted Mr. Surena of Laxmi Finance over the telephone and asked (without disclosing particulars) what I (Hansotia) should do, placed as I was. He said the only course was to obtain a Decree from the High Court at Bombay and seek for the appointment of the Court Receiver to seize the jeeps. Any how, he advised the name of Mr. Sambhu Saran Varma (Advocate) Patna who was well versed in such law. He also sent me a letter of introduction to Mr. Varma.

At Calcutta, I asked for Policy copies. In the absence of Mr. Arora, the Policy copies could not be shown to me but instead policy-cards were shown to me.

In 1961, when the advance was given, the policies were taken out and I found them to be in the names of:

"Messrs Mahendra & Mahendra Private Ltd., Account - Messrs Narbheram & Co. Pvt. Ltd., Jamshedpur and Raja Bahadur K.N. Singh, Partner, Ramgarh Industries (Coal) Co. Patna".

The Jeeps are registered in the name Ramgarh Industries (Coal) Patna.

14. I may mention that Jeeps have not been insured for 1962-63 and no vehicle tax has been paid on them for 1962-63 .

15. At Patna (on 8-8-1963), we consulted Mr. Sambhu Saran Varma and asked him if on the strength of the Central Bank's Letter of Authority in my favour I could invoke the ~~adi~~ aid of the Local Court to empower me to seize the vehicles. He said nothing could be done and I obtained his legal opinion (enclosed 'B')

16. From there, Mr. Taunk took me to his friend, the Senior Superintendent of Police but he too declined to interfere in the absence of proper directions from the local Court.

17. On the following day, we advised the latest balance to Mr. Kirpa Narain Singh and Mr. B.P. Singh (Raja Bahadur's Legal Adviser) and told them

-4-

either to settle the account in full or to surrender the 33 jeeps. They said Raja Bahadur was anxious to talk with me on telephone. I conveyed Mr. Vaidya's message to Raja Bahadur on the telephone but he requested I should see him on the following day at his residence (10-8-1963) as some visitors were with him.

18. On 10-8-1963 when we saw Raja Bahadur, he said he would pay Rs. 1,20,000 plus interest thereon. Since, we were so much anxious to have the jeeps, he asked us to obtain for him a letter of authority from Mr. Minoo Masani as Swatan tra Party had paid Rs. 2,80,000 for their 23 jeeps and not he and he had no power to release these. Besides, he reminded us that they stood registered in the name of Ramgarh Industries (Coal) Company, Patna and not in his personal name. (failing above, he invited the Bank to file a suit on him.)

19. To avoid complications, I stated that "it all sounded as if Raja Bahadur" had differences of opinion with the Principal Office-Bearers of Swatantra Party which could be resolved by personal discussions at his level, instead of delaying settlement of the Bank's account".

He, said he had also been thinking along that line and promised to meet Sir Homi Mody and Mr. A.D.Shroff when he would be in Bombay in this month (probably 22nd August).

20. When I requested if he could give a brief note to that effect for me to show to the Bank he agreed and directed Mr. B.P. Singh to give me a suitable note and sign it for him (enclosed 'C')

As the plane for Calcutta was already at the air-port, he left us in a hurry at this stage.

21. OBSERVATIONS:

In terms of condition (b) of our Policy No.MB/108 in favour of the Central Bank, "the Insured (Bank) shall arrange with the Borrower to forward to the Company (New India) a further statement indicating the registration number for the relevant vehicles, motor vehicle insurance policy number, expiry date and premium amount".

(i). a) The Insurance policies have not been renewed for 1962-63.
b)nor were the vehicle tax paid on them.

It is generally the practice of banks to obtain from the Borrower half yearly confimations of (i) Dr./Cr. balance, (ii) of the securities and (iii) of Insurance premium payable, taxes payable etc., on them. If so, how were ~~why are~~ the above omissions observed?

(ii) The Policies did not stand in Raja Bahadur'sname but in the joint names of other prties. I trust the legal position was examined by the Bank.

LCH:kg
August 14, 1963

Sd/-

'A'

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

(Copy)

Re: Raja of Ramgarh

In the letter dated 4.8.61 addressed to the Central Bank, the Raja has declared that the vehicles are being held by him as exclusive properties of the Bank. Clause 2, of the letter of Hypothecation is also to that effect, and Clause 9 thereof empowers the Bank in the event of the default of the dues, inter alia, to "take possession of the goods" (hypothecated). On the strength of that the Raja being a defaulter the Central Bank has issued a letter in favour of Mr. Hansotia authorising him to seize the vehicles at Patna.

The question is whether the vehicles can be seized accordingly?

Assuming that the Raja is not going to surrender the vehicles voluntarily, I am afraid the vehicles cannot be taken possession of on the strength of such letter of authority without having recourse to legal process.

It appears that the modus operandi in law would be:-

1. to take the matter up to the appropriate court of law against the Raja by Central Bank and ourselves as co-plaintiff, for suitable relief for default in payment of the dues and breach of agreement;

a n d

2. to move the court simultaneously for taking possession of the vehicles and delivering them to Central Bank/us. In the alternate, the court may be moved for appointing a Receiver for taking custody of the vehicles during the pendency of the suit.

Having regard to the nature of the transaction, the appropriate venue of action may be either at Bombay or at Calcutta where the Raja resides. After filing of the suit and on being moved, the court by a letter of request to be sent to Patna Court (or such other court within whose jurisdiction the vehicles may be available) to arrange for seizing ~~fax~~ the goods.

Sd/- S. Bhattacharya. 7.8.63.
Calcutta Regional Office.

[illegible]

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

'B'

COPY.

Shambhu Saran Verma
M.A. B.L.
Advocate.

PHONE 3906
Chiraiatar

Patna Dated 9-8-1963

M/s Central Bank of India

Sub:- Claim against Rajabahadur Kamakhya Narain Singh.

Sir,

I have gone through the relevant papers of the record regarding claims against Rajabahadur and have to advise that you may take recourse to the following legal actions for your necessary rulings and realisation of the outstanding dues.

(a) All the documents, Hypothecation as well as the admissions made by Rajaji in his letter fully establish civil liability on him for repayment of the outstanding dues and interest. You have a very good and clear case for seeking rulings in appropriate civil court either at the place where Hypothecation deeds were executed or at place where Rajaji resides. You should obtain ~~adinterim~~ adinterium experte appointment of receiver at the earliest from the court where suit is filed and by virtue of the said order the receiver can take possession of the jeeps at once. I may mention for clarification that the Hypothecation or the Authorisation letter to Mr. Hansotia are simply agreement or contract between two individuals and they do not empower any person to take law in his own hands to enforce his rights. Hence seizing the jeeps on the strength of those documents without any order from appropriate court would be against provisions of law and such steps are not advisable because it might lead to further complications and litigations.

(b) You may also take recourse to criminal action by taking a case under section 406 or 420 I.P.C. against Rajaji because he is simply a trustee or bailee of the jeeps on your behalf and has no right to sell mortgage transfer or deal with the said jeeps without your written permission. In this case I am told by your ~~pr~~ representatives that Rajaji has sold away a few of the said jeeps and hence he committed breach of trust and has voilated the terms of the legal contract. The case can be filed at Patna and you request the Sub-divisional Officer for directing the local Police to seize the jeeps.

Both civil and criminal actions are possible and you may take recourse to either of them or both as suits your convenience.

Yours faithfully,

Sd/- Shambhu Saran Verma.

Seen

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

K.P.-50,000/4-63. F. No. G. 29.

C

COPY.

RAMGARH INDUSTRIES (COAL) COMPANY

United India Life Bldgs.,

Calcutta 13.
~~BENTLEY'S SECOND~~

Date 9.8.63.

The Central Bank of India Ltd.,
Mahatma Gandhi Road,
Bombay.

Dear Sirs,

Your representative Shri L.C. Hansotia had discussion with Maharaja Bahadur of Ramgarh about the outstanding dues in respect of 33 Jeeps amounting to Rs.1,20,000/- only with interest accrued thereupon. As he was in a hurry to leave for Calcutta, I have been instructed to state that I shall make every attempt to pay off Rs.1,20,000/- in a month's time. As regards the interest he will have discussion at Bombay with Mr. A.D. Shroff and Sir Homi Modi and decide the matter.

Yours faithfully,

Sd/-
Constituted Attorney:
For: Maharaja Bahadur-Ramgarh.

The party having undertaken to pay @ Rs.20,000 per month towards liquidation of its admitted dues of Rs.2,80,000/- by the Resolution of the Parliamentary Sub-Committed dated 14-3-1962. It should not disown its agreed liability as such by making default in payment of instalments and I regret my inability to comply with your demand accordingly.

...2.

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

THE CENTRAL BANK OF INDIA LTD.

18th March 1963.

M/s. Mulla & Mulla Craigie Blunt & Caroe,
51, Mahatma Gandhi Road,
Bombay.

Dear Sirs:

Re: Shri Kamakshya Narainsingh Raja Bahadur of Ramgarh.

On the full guarantee of the New India Assce.Co. Ltd. the party were sanctioned by the Bank a Cash Credit (Open Loan) limit of Rs.4,00,000/- (Four Lacs) in July 1961 to enable him to purchase 33 new Jeeps from M/s. Mahindra & Mahindra. The said jeeps have been hypothecated to the Bank. The party have executed in favour of the Bank the usual documents viz. (a) Demand Pro. Note for Rs.4 lacs dt. 4-8-61 (b) Letter of Continuity dt. 4-8-61 and (c) Letter of Hypothecation for Rs.4 lacs dt. 4-8-61. In addition to these documents we also hold as cover the guarantee Policy of the New India Assce. Co. Ltd. No. MB/108 dt. 4-8-1961.

Advance was required to be repaid on demand but until called up earlier the party was required to repay the same by a monthly instalment of Rs.20,000/-. Accordingly 14 instalments aggregating Rs.2,80,000/- have been paid but five monthly instalments from November 1962 onwards and interest as and when debited have not been paid inspite of repeated requests from the Bank and the Insurance Co. The party has also not cared to reply to any of our letters.

The debit balance in the a/c stands at Rs.1,44,536.45 plus interest at 7½% from 1-1-63.

We have to request you to send a registered notice to the party at his address at Ramgarh House, near Dinapore Road, Patna calling upon him to repay the above balance with interest within a fortnight. You may mention in the notice that if advance is not adjusted within this period the Bank will proceed to file a suit and take other legal measures as may be deemed necessary.

Yours faithfully,

Sd/- Deputy Manager.

Vrd/-
29-7-63.

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

5, Stephen Court,
18, Park Street,
Calcutta -16.

17th April 1963.

The Deputy Manager,
The Central Bank of India Ltd.,
Mahatma Gandhi Road,
Bombay -1.

Re: <u>Overdraft Arrangement</u>

Dear Sir:

I have for acknowledgement the receipt of your letter No.O/D 1171 dated 23-2-1963.

I regret the delay in replying to your letter. I was all the time on tour with a continual itinerary of business and political engagements and your letter could reach my hand only recently.

I am unhappy to learn that you have written to me several letters on the above subject without any response during the past few months. Before I went on a tour of Europe and the U.S.A. in August 1962, I had instructed Thakur B.P. Singh, M.P., who is my Constituted Attorney, to deal with my personal matters during my absence. I understand he has given replies to several letters received from you. He has also forwarded to you copies of the relevent correspondence with the General Secretary of the Swantantra Party from which the entire position regarding the overdraft arrangement may have been explicitly clear.

In fact this overdraft account for Rs.5,00,000/- was opened in your Bank ostentibly in my name but actually for the purpose of accommodating the Swantantra Party with requisite finance for the purchase of several Jeeps during the General Election in 1962. As the Bank was not prepared to extend such overdraft facilities to a Political party I agreed to ~~a~~ lend my name in the transaction for the Party. The account was opened accordingly and thirty-three Jeeps were purchased for use by the Swantantra Party during the General Elections. The sum of Rs.1 lac was duly paid back by me in cash and for the balance of Rs.4 lacs the party agreed to pay Rs.2,80,000/- and I agreed to pay Rs.1,20,000/-. The Party should therefore pay to the Bank the interest charges in respect of the sum of Rs.2,80,000/- payable by itself. The Party however, as resolved on 14-3-1962 by the Parliamentary Sub-Committee, had been paying a @ Rs.20,000/- per month against this amount. It may be noted that if the Party had <u>duly paid</u> in cash its own share of liability to the tune of Rs,2,80,000/- ~~at~~ a lump sum the interest accruing on this amount would have been saved. It will not therefore, be proper on the part of the Bank to demand interest charges on the entire amount from me, I should not be required to pay the entire interest bill.

The party having undertaken to pay @ Rs.20,000 per month towards liquidation of its admitted dues of Rs.2,80,000/- by the Resolution of the Parliamentary Sub-Committed dated 14-3-1962. It should not disown its agreed liability as such by making default in payment of instalments and I regret my inability to comply with your demand accordingly.

...2.

I repeat that I am [illegible] liable for payment of Rs.1,20,000/- and the interest which may have accrued on this amount alone. The Party is liable to pay Rs.2,80,000/- and also the interest charges accruing on its account. If the party makes default in payment of its own dues I cannot be asked to pay the same only on the ground that the account was opened in my name as a name-lender while to all intents and purposes the account was opened for the use, and benefit of the Party itself. The account was utilised not by myself personally but by the party for its own purposes. It is not fair and equitable to make the ostensible name-lender liable for the dues recoverable from a third Party.

I assure you that so far as my dues of Rs.1,20,000/- is concerned the same will be paid to the Bank with interest in due course I am arranging to clear the same at the earliest.

Yours faithfully,

Sd/- Raja Bahadur, Ramgarh.

(copy)

Vrd/-
29-7-1963.

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

K.P.-50,000/4-63. F. No. G. 29.

Copy.

THE CENTRAL BANK OF INDIA LIMITED.

Bombay,
13th April, 1963.

Dept. O/D. No. 2389

Confidential.

The New India Assurance Co. Ltd.,
Bombay.

Dear Sirs,

Re: Shri Kamkshya Narainsingh Raja Bahadur of Ramgarh.

As desired by you, we instructed our Solicitors M/s. Mulla & Mulla & Craigie Blunt & Caroe to give a registered notice to the party calling upon him to repay the advance within seven days of the date of the notice. The Solicitors' notice was issued to the party on 30-3-63 and till to-day we have not heard from him.

You will appreciate that inspite of sufficient time allowed to the party he has not responded to our requests. We are, therefore, now most reluctantly compelled to call upon you as guarantors to repay the outstanding balance of Rs.1,47,268.76 in the party's account with interest at 7½% from 1-4-63.

We trust you will therefore arrange to repay the advance at an early date.

Yours faithfully,
Sd/-
Deputy Manager.

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

Copy.

THE CENTRAL BANK OF INDIA LTD.

Bombay,
29th April, 1963.

Dept. O/D No. 2754

Confidential.

For attention: Mr. V.C. Vaidya.

The New India Assurance Co. Ltd.,
Bombay.

Dear Sirs,

Re: A/c. Shri Kamakshya Narainsingh Raja Bahadur of Ramgarh.

We beg to refer to our letter ref.No.O/D.2399 dated 13th April 1963. We have since received from the Raja Bahadur a reply dated 17th April 1963 a copy of which is enclosed herewith.

It would appear from this letter that the Raja Bahadur wishes to pay Rs.1,20,000/- plus interest on this amount and requires the Bank to look to a third party for any balance then remaining outstanding.

As you are aware the arrangement was made by us with the Raja Bahadur of Ramgarh at your request and on your guarantee and the advance was allowed to him on his executing the necessary documents and on his furnishing to us your Co's guarantee. We cannot therefore look to any third party for repayment of the advance made to the Raja Bahadur. As for as we are concerned we are looking to you for repayment of the dues in the above account with interest. We trust you will therefore arrange to adjust the debit balance of Rs.1,47,268.76 nP with interest as early as possible.

Yours faithfully,
Sd/
Deputy Manager

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

K. P. 60,000/12-62. F. No. G. 7.

Copy.

Registered Post/A.D.)

30th March 1963.

Ref: SSK/BHA/10953

Shri Kamakshya Narainsingh Raja Bahadur of Ramgarh,
Ramgarh House,
Near Dinapore,
Patna.

Dear Sir,

We are instructed by our clients the Central Bank of India Ltd., to address you as follows:

On your request our clients advanced to you on 4th August 1961 a sum of Rs.4,00,000/- (Rupees four lacs) by way of cash credit (open loan) at interest at 7½% per annum for purchasing 33 jeeps from M/s. Mahindra & Mahindra. The amount was repayable on demand. As security for the payment of the said amount with interest you executed on the same date (1) a demand promissory note in our clients favour for the sum of Rs.4,00,000/- (Rupees four lacs) with interest thereon at the rate of 7½% per annum (2) a letter of continuity and (3) a letter of hypothecation hypothecating all the jeeps with our clients. As further security for the repayment of the loan the New India Assurance Company Limited by its policy No. MB/108 of 4th August 1961 have guaranteed repayment of the loan by you.

At the time of taking the loan you proposed to repay the loan by monthly instalment of Rs.20,000/- and requested our coients not to demand ~~pa~~ repayment of the loan so long as you paid the instalments. Accordingly you paid a sum of Rs.2,80,000/- by 14 instalments ending October 1962. Inspite of repeated requests from our clients and the Insueance Company you have since then failed to pay any instalments. You have also not cared to acknowledge receipt of the several letters written by our clients to you.

There is now due and owing by you to our clients a sum of Rs.1,44,536.45 with interest thereon at the rate of 7½% from 1st January 1963.

Under the circumstances we are instrcted by our clients to call upon you, which we hereby do, to pay the aforesaid sum of Rs.1,44,536.45 with interest thereon at the rate of 7½% from 1st January 1963 within eight days from the receipt hereof by you, either to our clients or to us on their behalf, failing which, please note that our clients will file a suit against you for recovery of the ~~sat~~ aforesaid sum with interest and appointment of a Receiver to take charge of the jeeps and will otherwise take such other proceedings against you as they may be advised and will hold you responsible for all costs and consequences.

Yours faithfully,

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

K.P.-50,000/4-63. F. No. G. 29.

Copy.

THE ~~XXXX~~ CENTRAL BANK OF INDIA LIMITED

Bombay,
7th May, 1963.

O/D. No. 2933.

Confidential.

The New India Assurance Co. Ltd.,
Bombay-1.

Dear Sirs,

Re: A/c. Shri Kamakshya Narainsingh Raja Bahadur of Ramgarh.

We are in receipt of your letter Ref. Guarantee/PSV/196 dated 2-5-1963.

As you are aware, we called upon the Raja Bahadur of Ramgarh to repay the advance made to him by our Solicitors notice dated 30-3-1963. As the party has defaulted in repaying the advance, we are now looking to you as guarantors to repay the outstanding debit balance in his account with interest. We trust you will, therefore, arrange to adjust the debit balance of Rs.1,47,268.76 in the above account with interest as early as possible.

Yours faithfully,

Sd/

Deputy Manager.

Yours truly,

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

K. P. 60,000/12-62. F. No. G. 7.

Copy.

6th June, 1963.

Shri Kamakshya Narainsingh Raja Bahadur of Ramgarh,
Ramgarh House,
Near Dinapore,
Patna.

Dear Sir,

We refer to our registered letter to you of the 30th March 1963. After receiving our said letter you directly wrote to our clients by your letter dated 17th April 1963 in reply to their letter of 23-2-1963.

With reference to para 2 of your letter of the 17th April 1963, our clients are not aware and do not admit that you were "all the time on tour with a continual itinerary of business and political engagements." That is no excuse for failing to reply to our clients' letter and making payment of the amount due by you.

With reference to para 3, we have to state that our clients have not received any replies to several letter written to you, from your Constituted Attorney Thakur B.P. Singh.

With reference to para 4, our clients are not aware and are not concerned whether the overdraft account for Rs.5,00,000/- was opened by you with our clients for the purpose of accommodating the Swatantra Party with requisite finance for the purchase of several jeeps during the General Election in 1962. The Overdraft Account for Rs.5,00,000/- stands in your name and it was opened only because you signed the demand promissory note in our clients' favour for the sum of Rs.4 lacs and a letter of hypothecation hypothecating all the 33 jeeps with our clients which were registered in your name. Therefore, your contention that the overdraft account was opened ostensibly in your name and you were not responsible for repaying the amount standing at the foot of the overdraft account is untenable. With further reference to para 4 of your letter, we have to state that our clients have nothing to do with the Swatantra Party and the resolution said to have been passed by its Parliamentary Sub-Committee on 14th March 1962 for making payment against the overdraft account.

Under the circumstances we are once again instructed by our clients to call upon you, which we hereby do, to pay the sum of Rs.1,44,536/- with interest thereon at the rate of 7½% from 1st Jany., 1963, within 8 days from the receipt hereof by you, either to our clients or to us on their behalf, failing which, please note that our clients will file a suit against you for the recovery of the aforesaid sum with interest and for appointment of a Receiver to take charge of the jeeps and will otherwise take such other proceedings against you as they may be advised and will hold you responsible for the costs thereof.

Yours truly,

Copy.

From: Maharaja Bahadur Shriman Kamakshya Narain Singh, M.L.A.,
5, Stephen Court,
18A, Park Street, CALCUTTA.

To The Deputy Manager,
Central Bank of India Ltd.,
Mahatma Gandhi Road, BOMBAY.

Dear Sir,

Re: Overdraft Arrangement.

I refer to my registered letter to you dated 17-4-63 in reply to your letter dated 23-2-63.

Meanwhile I was constrained to receive on 16-5-63 a registered letter dated 30-3-63 from M/s. Mulla & Mulla & Craigie Blunt & Caroe, Solicitors and Notaries, of 51, Mahatma Gandhi Road, Bombay-1, purportedly written under your instructions demanding payment of Rs.1,44,536.45 nP. with interest @ 7½@ from 1-1-63 within 8 days from the receipt of the said letter and threatening legal action in case of my default. This registered letter was fol-lowed on 16-6-63 by another registered letter dated 6-6-63 from the Solicitors dealing with my aforesaid letter dated 17-4-63 to you in this connection. In this letter also the Solicitors have made a similar claim threatened legal action in case of default.

In your letter dated 23-2-63 you never mentioned that you were contemplating to refer the matter to any Solicitor and/or instructing them to proceed further in the matter. I had no inkling of any such contemplated action on your part. In view of the assurance given in my letter dated 17-4-63 there was no necessity for making any such reference which would only go to embitter our mutual relations.

I have already written to you that I was arranging to clear my aforesaid dues of Rs.1,20,000/- with interest accrued thereon to the Bank at the earliest. But this will take some more time to materialise. I would require time for at least two months from date by the end of which period, if not earlier, I shall arrange to clear off my aforesaid dues to the Bank in full.

I trust you will consider my request and instruct your Solicitors accordingly to stay their hands in the matter of taking any legal action against myself in view of my assurance to you as stated hereinabove.

Thanking you,

Yours faithfully,

Sd/-

Copy.

THE CENTRAL BANK OF INDIA LTD.

Bombay,
22nd June, 1963.

CONFIDENTIAL.

No. O/D.4018

For attention: Mr. V.C. Vaidya.

The New India Assurance Co. Ltd.,
Bombay.

Dear Sirs,

Re: Your Guarantee Policy No. MB/108 -
A/c. Shri Kamakshya Narainsingh Raja Bahadur of Ramgarh.

Since writing to you on the 20th instant, we have received a letter of the same date from the Raja Bahadur of Ramgarh, A copy of this letter is enclosed herewith.

The Raja Bahadur again confirms in writing that he will pay only Rs.1,20,000/- plus interest on this amount of Rs.1,20,000/-. For such payment he requests time of at least two months.

Under the circumstances we have once again to request you to arrange to repay to us the balance of Rs.1,47,268.76 with further interest at 7½% from 1-4-63 as early as possible.

Yours faithfully,
Sd/-
DEPUTY MANAGER.

Encl.

THE NEW INDIA ASSURANCE CO., LTD.
BOMBAY.

K.P.-50,000/4-63. F. No. G. 29.

Copy.

THE CENTRAL BANK OF INDIA LTD.,

Bombay,
27th June, 1963.

Dept. O/D No. 4182

Confidential.

For attention of Mr. V.C. Vaidya.

The New India Assurance Co. Ltd.,
Bombay.

Dear Sirs,

Re: Shri Kamakshya Narain Singh Raja Bahadur of Ramgarh.

In continuation of our letter dated 22-6-63 we send herewith a copy of the letter dated 20th June 1963, addressed by the Raja Bahadur to our Solicitors, M/s. Mulla & Mulla & Craigie Blunt & Caroe.

The Raja Bahadur once again repeats that he is liable only for Rs.1,20,000/- and interest on this amount.

Under the circumstances, we have once again to request you to arrange to repay to us the balance of Rs.1,47,268.76 with further interest at 7½% from 1-4-63 as early as possible.

Yours faithfully,

Sd/

Deputy Manager.

K. P. 60,000/12-62. F. No. G.7.

COPY.

From: Maharaja Bahadur Shriman Kamakhya Narain Singh, M.L.A.,
5, Stephen Court,
18A, Park Street,
Calcutta.

Dated: 20th June, 1963.

To:

M/s. Mulla & Mulla & Craigie, Blunt & Caroe,
Solicitors & Notaries,
Jehangir Wadia Bldgs,
51, Mahatma Gandhi Road,
Bombay-1.

Re: Overdraft A/c.

Dear Sirs,

I have for acknowledgement the receipt on the 16th instant of your registered letter dated the 6th instant in reference to my letter dated 17-4-63 in reply to the letter dated 23-2-63 from the Central Bank of India Ltd., on the subject.

Your former registered letter dated 30-3-63 having been received by me on 16-5-63 it is futile to suggest that I directly wrote to the Bank after receiving your said letter. In fact, when I wrote to the Bank on 17-4-63, I was addressing them in reply to their letter dated 23-2-63 in which no mention was made that the Bank was instructing any Solicitor in the matter. As such I was a little surprised to receive your former registered letter dated 30-3-63 purportedly written on behalf of the Bank and demanding payment of their claim on the overdraft account and also threatening legal action in case of default.

I repeat that I have already stated in my letter dated ~~16~~ 17-4-63 to the Central Bank of India Ltd., and I have nothing further to add. I repeat that I am liable only for payment of Rs.1,20,000/- and the interest which has accrued on this amount alone. I assure you that I will clear the aforesaid dues of Rs.1,20,000/- with interest to the Bank as soon as possible. I have already requested theBank to allow me time for two months from date for repayment of their claim and I will try to clear all the aforesaid outstanding dues in course of the said period which please note.

Yours faithfully,
Sd/ Kamakhya Narain S.
20-6-63

Copies of Correspondence
between
New India & Ramgarh.