

Doctrine of Escheat

Prelims: Current events of national and international importance

Why in news?

Recently, the Supreme Court of India has delivered a landmark judgment clarifying that states cannot invoke Doctrine of Escheat against a valid will with probate.

- **Escheat** It is the right of the government to own unclaimed property and assets.
- **Doctrine of Escheat** Ensures no property is left without ownership, reverting it to the state if the original owner dies without legal heirs or fails to make a will.
- Origin Escheat originates from the Old <u>French word</u> "eschete," meaning "to fall to," referring to property that reverts to the feudal lord in the absence of legal heirs.
- The doctrine addresses two primary situations -
 - $_{\circ}$ When a person dies intestate (without a will) and without heirs, and
 - When property remains unclaimed or abandoned for a specific period.
- Governing laws In India, escheat is governed by both personal laws and statutory provisions, including the <u>Hindu Succession Act</u>, <u>1956 and</u> <u>Article 296 of the Indian Constitution</u>.

Article 296 deals with property accruing to the state through escheat, lapse, or bona vacantia (ownerless goods or property).

• Types of Property Subject to Escheat -

- Real Estate (Land, buildings, and other forms of immovable property);
- Dormant bank accounts
- Securities and Investments (Shares, bonds, and other financial assets that remain unclaimed)
- Insurance Policies (Unclaimed life insurance benefits).
- Case laws governing the Doctrine of Escheat -

- Collector of Masulipatam v. Cavaly Vancata Narrainappah (1860)
- State of Punjab v. Balwant Singh (1991)
- Kutchi Lal Rameshwar Ashram Trust v. Collector, Haridwar (2017)
- State of Rajasthan v. Lord Northbrook and Others (2019)
- Raja Sardar Singh vs State of Rajasthan case -
 - In an appeal filed by the State of Rajasthan against the judgment passed by the Delhi High Court, wherein the Court <u>upheld the</u> <u>validity of the Will of Late Raja Bahadur Sardar Singh of</u> <u>Khetri</u>.
 - The Supreme Court held that the <u>State Government has no locus</u> <u>standi to intervene</u> in probate proceedings or succession matters when testamentary succession exists through a Will.
 - The Court clarified that <u>Section 29 of the Hindu Succession Act</u> (which allows for escheat of property to the Government) would apply only in the event of a failure of heirs upon intestate succession.

Reference

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