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 ***French word*** "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 -
  - 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 ***Hindu Succession Act, 1956 and Article 296 of the Indian Constitution***.

  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 ***upheld the validity of the Will of Late Raja Bahadur Sardar Singh of Khetri***.
  - The Supreme Court held that the ***State Government has no locus standi to intervene*** in probate proceedings or succession matters when testamentary succession exists through a Will.
  - The Court clarified that ***Section 29 of the Hindu Succession Act*** (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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