

ABOLITION OF THE PRIVY PURSE

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Abstract

The Privy Purse was a payment made to the ruling families of erstwhile princely states as part of their agreements to first integrate with India in 1947 after the independence of India and later to merge their states in 1949 whereby they lost all ruling rights. The Privy Purse was continued to royal families until the 26th Amendment in 1971 by which all their privileges and allowances from the central government ceased to exist was implemented after a two year legal battle. In some individual cases however privy purses were continued for individuals who had held ruling power before 1947.

When the British crown partitioned British India and granted independence to the new dominions of India and Pakistan more than a third of the subcontinent was still covered by princely states with rulers whose position and status with the Indian Empire had varied. In 1947 there were more than 560 such princely states in India over which the British crown has suzerainty but not sovereignty. In 1947 princely states numbering 555 covered 48% of area of pre independent India and constituted 28% of its population. Relations with them were determined by subsidiary alliances and other treaties establishing indirect rule. A protocollary system of gun salute also determined the ranking of about 120 major state most however were minor petty non salute states.

Introduction

In India, the **Privy Purse** was a payment made to the ruling (royal or lower) families of erstwhile princely states as part of their agreements to first integrate with India in 1947, and later to merge their states in 1949 whereby they lost all ruling rights. The Privy Purse was continued to the royal families until the 26th Amendment in 1971, by which all their privileges and allowances from the Central Government ceased to exist, was implemented after a two-year legal

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battle. In some individual cases however, privy purses were continued for life for individuals who had held ruling powers before 1947². When the British Crown partitioned British India and granted independence to the new Dominions of India and Pakistan, more than a third of the subcontinent was still covered by princely states, with rulers whose position and status within the Indian Empire had varied.

Historical Background

In 1947 there were more than 560 such princely states in India, over which the British Crown had suzerainty³ but not sovereignty. By the Indian Independence Act 1947 the Crown abandoned its suzerainty, leaving the rulers of the states free to choose to accede either to India or to Pakistan or to remain fully independent. Most had been so dependent on the Government of India that they had little choice about accession. By the eve of independence, most of the non-Muslim states had signed Instruments of Accession to India, but only one to Pakistan. Only a few states held out for complete independence after the British left India. Due to the diplomacy of Vallabhbhai Patel and VP Menon, Travancore, Bhopal and Jodhpur signed the Instruments of Accession before 15 August 1947. Even after independence three states vacillated, namely Jammu-Kashmir, Junagadh and Hyderabad which were integrated later. The Instruments of Accession needed the states to only cede defense, communications and foreign relations to India. Democratic institutions were introduced in these states and it was only in 1949 that they were fully merged with India to form new states. Thus Travancore, Ambliara, and Cochin merged into India and formed the new state of Thiru-Kochi. Although in 1947 the royal families had been allowed to retain large sums of money as their Privy Purse, in 1949 with the states and its revenues being entirely taken over by the Government of India, it was the Indian Government that provided the rulers and their families with Privy Purses that were determined by several factors such as the state's revenue, whether the state had been ranked as a salute state under the British Raj or not, antiquity of the dynasty, and so on.

² HH Maharani [Sethu Lakshmi Bayis](#) allowance was reinstated after a prolonged legal battle until her death in 1985. Sethu Lakshmi Bayi, the Last Queen of Travancore.

³ Suzerainty is any relationship in which one [region](#) or [nation](#) controls the [foreign policy](#) and [international relations](#) of a [tributary](#) state, while allowing the tributary nation to have internal [autonomy](#).

After independence

As defined from 1949 under Article 291 of the Indian Constitution, a privy purse would be a fixed, tax-free sum guaranteed to the former princely rulers and their successors. The sum was intended to cover all expenses of the former ruling families, including those incurred for religious and other ceremonies, and would be charged on the Consolidated Fund of India. With India remaining a member of the sterling area post-Independence and with the Indian rupee remaining pegged to the British pound sterling, the privy-purse payments constituted a significant outlay of government funds⁴ and Article 362 of the Indian constitution deals with rights and privileges of rulers of Indian states⁵. The quantum of the 'privy purses' ranged from Rs 5,000 per annum to Rs 26 lakh per annum. States such as Mysore (26 lakh), Hyderabad (20 lakh), Travancore (18 lakh), Jaipur (18 lakh) and Patiala (17 lakh) were amongst the highest recipients, while several small princely States got amounts as low as Rs 5,000 annually. Payments of 'privy purse' to the former rulers were often questioned as a relic of the past.

Attempts were made to do away with this system of payment. The motion to abolish the 'privy purse' system in India and the official recognition of the titles was brought before Parliament in 1969 and passed in the Lok Sabha. But it did not get the required two-third majority in the Rajya Sabha, 149 voted for it and 75 against. The abolition of 'privy purse' had to wait till 1971 and was successfully passed as the 26th Amendment to the Constitution of India in 1971. The then Prime Minister, Indira Gandhi, argued the case for abolition based on equal rights for all citizens and the need to reduce the Government's revenue deficit. The Constitutional Amendment recorded the following as its objectives and reason:—"The concept of rulership, with privy purses and special privileges unrelated to any current functions and social purposes was incompatible with an egalitarian social order. The Government, therefore, decided to terminate the privy purses and privileges of the rulers of former Indian States. It was necessary for this purpose, apart from amending the relevant provisions of the Constitution, to insert a new article therein so as to terminate expressly the recognition already granted to such rulers and to abolish privy purses and extinguish all rights, liabilities and obligations in respect of privy purses.

⁴ Article- 291 Of the Indian constitution has been repealed by Twenty sixth amendment act, 1971

⁵ Article- 362 of the Indian constitution has been repealed by Twenty sixth amendment act, 1971

Article 363-A was inserted in the Constitution after Twenty-sixth Amendment Act, 1971. This amendment is best known for abolition of Privy Purse. Article 363-A of Indian constitution states that notwithstanding anything in this constitution or in any law for time being force-

- (a) The Prince, Chief or other person who, at any time before the commencement of the constitution Twenty second amendment act, 1971, was recognized by the president as the ruler of an Indian state or any person who at any time before such commencement was recognized by the president as the successor of such ruler shall on and from such commencement cease to be recognized as such ruler or the successor of such ruler.
- (b) On and from the commencement of the constitution twenty sixth amendment act 1971 privy purse is abolished and all extinguished and accordingly the ruler or as the case may be the successor of such ruler or as the case may be the successor of such ruler referred to in clause (a) or any other person shall not be paid any sum as privy purse.

On the merger of the Indian states with the union of India the rulers of those states were granted privy purses and were left with a few of their personal privileges and properties. Those were guaranteed to them in perpetuity. Later there was a feeling in the central Government to abolish the privy purses and special privileges of the rulers. A bill called the constitution 24th amendment bill, 1970 was moved in Lok Sabha with the object of terminating the privy purses and special privileges of the rulers of the former Indian states. The bill was defeated in the Rajya Sabha with 149 votes against it as it failed to get the required majority of not less than two-thirds of the members present and voting. Immediately thereafter the President acting under Article 366(22)⁶ promulgated an order withdrawing the recognition of the rulers. Separate orders to this effect were issued to all the rulers on 6 September 1970, and they were also notified in the gazette.

The order of the President withdrawing recognition of the rulers was challenged in the Supreme Court in the case:-

Madhav Rao Jivaji Rao Scindia v. Union of India⁷

⁶ Article- 366(22) states that "Ruler" means the Prince, chief or other person who at any time before the commencement of constitution 26th amendment act, 1971 was recognized by the President as the Ruler of an India state or any person who at any time before such commencement was recognized by the President as the successor of such ruler.

⁷ (1971)1 SCC85: AIR1971 SC530

In this case petitioners prayed for writ, direction or order declaring 1) the order of the president to be unconstitutional' 2) that the petitioners continued to be the rulers and thus were entitled to privy purses and special privileges and 3) directing the union of India to continue to pay the privy purse as before and to recognize the personal rights and privileges and to observe the provisions of the covenants and merger agreements. The Supreme Court by a majority accepted the writ petitions and held that the order of the President was ultra vires. Other arguments put forward to bar the jurisdiction of the court were: 1) that the rights of the rulers arising out of the covenants and merger agreements were act of state 2) that the union government inherited the paramount from the British crown and 3) that article 363 barred the jurisdiction of courts in any dispute arising out of such covenants or agreements. In 1967 several rulers of former Indian states had joined the swatantra party headed by C.Rajagopalachari and many of them defeated congress candidates in elections. Indira Gandhi was therefore determined to abolish privy purses. The motion to abolish privy purses and the official recognition of the titles was brought before the parliament in 1970. It passed in Lok Sabha but was defeated by one vote in the Rajya Sabha. A few hours later the then president of India V.V. Giri signed an instrument withdrawing recognition of all the rulers. This order was challenged by N.A. Palkhivala in the supreme court of India. The majority view held that orders made by the president were illegal. The petitioners were entitled to all their pre- existing rights and privileges including right to privy purses. Impact of this was that Indira Gandhi won a landslide victory in the 1971 election. The parliament successfully passed the motion to abolish privy purses and privileges of the rulers of former Indian states as the 26th amendment to the constitution of India in 1971. Then Prime Minister Indira Gandhi Argued the case for abolition based on equal rights for all citizens and the need to reduce the government's revenue deficit.

In accordance with the Constitution (Twenty-sixth Amendment) Act, 1971, The article 361B says that a prince, Chief or other person who, at any time before the commencement of the Constitution (Twenty-sixth Amendment) Act, 1971, was recognized by the President as the Ruler of an Indian State or any person who, at any time before such commencement, was recognized by the President as the successor of

such ruler shall, on and from such commencement, cease to be recognized as such Ruler or the successor of such Ruler. This article also mentions abolition of Privy Purse⁸.

Through this article on Privy Purse I want to conclude that it is worthwhile examining whether we have actually done away with this practice or not. In this context, it is also worth examining whether our new democratic rulers enjoy such privileges or not. What are the perquisites attached to a retiring Prime Ministers, Presidents etc. Consequent to the rout in the 2014 general election, former Prime Minister Manmohan Singh had to vacate the Race Course Road residence for the new Prime Minister. Singh shifted to a spacious type-VIII bungalow set in a sprawling three-acre plot in the heart of New Delhi. The new house of Singh, which is situated at 3, Motilal Nehru place, has well maintained lawns and office space to meet the requirement of a former Prime Minister. Singh and his wife are entitled to occupy the house for their lifetime. The bungalow is home to about 40 full-grown trees, including peepal, arjun, goolar, marorfalli, jamun, neem, mango and semal, which shelter about 60 species of birds and mammals. Similarly, on the retirement, former President Pranab Mukherjee, after a stay at the palatial Rashtrapati Bhavan, has moved to a new address — 10, Rajaji Marg, a sprawling 11,776 square feet house, which has a library and an attached reading space. Mukherjee will get a lifetime monthly pension of Rs 1, 50,000. The increase in pension came after the President's salary was increased from Rs 1.5 lakh to five lakh rupee per month, following the salary revision under the Seventh Pay Commission. Under the President's Emoluments and Pension (Amendment) Act, 2008, Mukherjee is entitled to free travel anywhere in India, accompanied by a person by the 'highest class, by air, rail, or steamer'. Mukherjee, who rode in a bullet-proof Mercedes as a President, will now be entitled to a car for lifetime and staff expenses of Rs 60,000 a year. His secretarial staff comprises of a private secretary, an additional private secretary, a personal assistant and two peons. Mukherjee will also get two telephones — one for Internet and broadband connectivity and a mobile phone with country-wide roaming facility, besides free medical attendance and treatment. Former Vice Presidents receive Rs 1,25,000 per month as pension, and they get free accommodation in type-VIII houses with free electricity and water, telephone facilities equivalent to an a Member of Parliament, free medical aid and

⁸ <https://www.gktoday.in/gk/article-363-a-abolition-of-privy-purse/>

free travel by highest class anywhere in India accompanied by one person. Spouses of former Presidents and Vice Presidents receive 50 per cent pension, they get free accommodation in Type-VII houses, a telephone, 250 liters of petrol and staff for free medical aid and free travel a dozen times anywhere in India. Our Member of Parliament and legislative assembly of different also get all these facilities and privileges.

So, are these privileges consistent with socialist principles are they consistent with the idea of an egalitarian social order or is this the new privy purse that we had abolished 45 years ago.