

Privy Purse

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What is it?

- In India a 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 after the independence of India, and later to merge their states in 1949 whereby they lost all ruling rights.
- 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.

26th amendment and end of Privy Purse

- The privy purses **continued to be paid 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 battle.
- In some individual cases however, privy purses were continued for life for individuals who had held ruling powers before 1947
- **The amendment effectively derecognized the existing titles:** "the Prince, Chief or other person who, at any time before the commencement of the Constitution (Twenty-sixth Amendment) Act, 1971, was recognised by the President as the Ruler of an Indian State or any person who, at any time before such commencement, was recognised by the President as the successor of such Ruler shall, on and from such commencement, **cease to be**

recognised as such Ruler or the successor of such Ruler”.

Why was Privy Purse abolished?

Then Prime Minister Indira Gandhi argued the case for abolition of Privy Purse based on equal rights for all citizens and the need to reduce the government's revenue deficit.