



PARLIAMENT OF INDIA
RAJYA SABHA

49

**DEPARTMENT RELATED PARLIAMENTARY STANDING COMMITTEE
ON PERSONNEL, PUBLIC GRIEVANCES, LAW AND JUSTICE**

FORTY NINTH REPORT

ON

THE ADMINISTRATORS-GENERAL (AMENDMENT) BILL, 2011

**(PRESENTED TO HON'BLE CHAIRMAN, RAJYA SABHA ON
2ND FEBRUARY, 2012)**

**RAJYA SABHA SECRETARIAT
NEW DELHI
FEBRUARY, 2012 / MAGHA, 1933 (SAKA)**

CS (P & L) -

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** To be appended at printing stage.*

COMPOSITION OF THE COMMITTEE
(Constituted on 31st August, 2011)

1. Dr. Abhishek Manu Singhvi — *Chairman*

RAJYA SABHA

2. Shri Shantaram Laxman Naik
3. Dr. Bhalchandra Mungekar
4. Shri Balavant *alias* Bal Apte
5. Shri Ram Jethmalani
6. Shri Sukhendu Sekhar Roy
7. Shri Ram Vilas Paswan
8. Shri O.T. Lepcha
9. Shri Parimal Nathwani
10. Shri Amar Singh

LOK SABHA

11. Shri Kirti Azad
12. Shri N.S.V. Chitthan
13. Smt. Deepa Dasmunsi
14. Shri D.B. Chandre Gowda
15. Shri Shailendra Kumar
16. Smt. Chandresh Kumari
17. Shri Prasanta Kumar Majumdar
18. Shri Arjun Ram Meghwal
19. Shri Pinaki Misra
20. Kumari Meenakshi Natarajan
21. Shri Harin Pathak
22. Shri Lalu Prasad
23. Adv. A. Sampath
24. Shri S. Semmalai
25. Shri Vijay Bahadur Singh
26. Dr. Prabha Kishor Taviad
27. Shri Manish Tewari
28. Adv. P.T. Thomas (Idukki)
29. Shri Arun Subhash Chandra Yadav
30. Shri Madhusudan Yadav
31. Vacant*

SECRETARIAT

Shri Deepak Goyal, Joint Secretary
Shri K.P. Singh, Director
Shri K.N. Earendra Kumar, Joint Director
Smt. Niangkhanem Guite, Assistant Director
Smt. Catherine John L., Committee Officer

* Existing since the constitution of the Committee on 31st August, 2011.

INTRODUCTION

I, the Chairman of the Department Related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice, having been authorised by the Committee, do present its Forty Ninth Report on The Administrators-General (Amendment) Bill, 2011.

2. The Bill seeks to amend Sections 9, 10, 29 and 36 of the Administrator-General Act, 1963 which relates to the office and duties of the Administrator-General in administration of estates of any deceased person.

3. In pursuance of the rules relating to the Department-related Parliamentary Standing Committee, the Hon'ble Chairman, Rajya Sabha referred* the Bill, as introduced* in the Rajya Sabha on the 18th August, 2011 and pending therein, to this Committee on the 19th August, 2011 for examination and report.

4. The Committee considered the Bill at its meeting held on 10th January, 2012 and adopted the Report in its meeting held on the 24th January, 2012.

5. While considering the Bill, the Committee took note of the following documents/information placed before it:-

- (i) Background note on the Bill furnished by the Legislative Department.
- (ii) The Administrators-General Act, 1963;
- (iii) Comments of the State Governments/UTs on the proposed amendment; and
- (iv) Presentation of Secretary, Legislative Department of the Bill.

6. For the facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

New Delhi;
24th January, 2012

DR. ABHISHEK MANU SINGHVI
Chairman,
Committee on Personnel,
Public Grievances, Law and Justice

* Rajya Sabha Parliamentary Bulletin Part-II (No.48728) dated the 19th August, 2011.

* Published in the Gazette of India, Extraordinary Part-II, Section 2, dated the 18th August, 2011

REPORT

The Administrators-General (Amendment) Bill, 2011 (Annexure-A) introduced in the Rajya Sabha on the 18th August, 2011 seeks to increase the jurisdiction of the Administrators-General in relation to the administration of assets left by the deceased person (except the assets of certain specified nature) from the monetary limit of the present rupees two lakhs to rupees ten lakhs.

2. To attain this objective, the Bill seeks to amend the Administrators-General Act, 1963 by substituting the words "two lakhs" with the word "ten lakhs" in Sections 9, 10, 29 and 36 of the said Act. The Bill was referred by the Hon'ble Chairman to the Department Related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice on the 19th August, 2011, for examination and report.

3. The Administrators-General Act, 1963 (45 of 1963) is an Act to consolidate and amend the law relating to the office and duties of Administrator-General. Section 3 of the said Act provides for the State Government to appoint an Administrator-General for the State or for two or more states, vested with the right to apply for administration of estates of any deceased person exceeding Rs.2,00,000/- in value. The Administrator-General undertakes the proceeding for the letter of administration of estates only if he is satisfied that there is an apprehension of misappropriation, deterioration or waste of such assets and such proceedings are necessary for the protection of the assets.

3.1 Section 29 of the aforesaid Act empowers the Administrator-General to grant certificate to any person who is interested in the assets of a deceased person and who claims otherwise than as a creditor. Such

certificate can be granted only in cases where the assets left by the deceased person (excluding any sum of money deposited in a Government Savings Bank or any Provident Fund to which the Provident Fund Act 1925 applies) does not exceed in value in the whole, the monetary limit specified in that section.

3.2 The monetary limit specified in section 29 was originally only Rs.5,000 in 1963. On account of decrease in money value and escalation in the value of assets and also for protection of the interests of poor persons and legal heirs of the deceased persons, especially widows, minor children and other dependents from protracted and expensive litigation in Civil Courts, the monetary limit in the said section was enhanced to Rs.15,000 in 1972 to Rs.50,000 in 1983 and to Rs.2,00,000 in 1999.

4. The Statement of Objects and Reasons appended to the Bill elucidate the reasons and need for bringing forth the present amendment. It states as under:-

".....The Administrators-General Act, 1963 is an Act to consolidate and amend the law relating to the office and duties of Administrator-General. Section 29 of the said Act empowers the Administrator-General to grant certificate to any person, interested in the assets of a deceased person, claiming otherwise than as a creditor and such certificate can be granted only in cases where the assets left by the deceased person (except the assets of certain specified nature) do not exceed in value in the whole the monetary limit specified in that section. Originally, the monetary limit specified in the said section 29 was only Rs. 5,000. On account of considerable decrease in money value and to protect the interests of the poor persons and legal heirs especially widows, minor children and other dependents of the deceased persons from protracted and expensive litigation in civil courts, the monetary limit in the said section was enhanced to

Rs. 15,000 in 1972, to Rs. 50,000 in 1983 and to Rs. 2,00,000 in 1999."

4.1. It further states:-

"Certain representations have been received by the Central Government requesting for enhancement of the monetary limit specified in section 29 of the Administrators-General Act, 1963 from Rs. 2,00,000 due to the escalation in the value of assets and on account of considerable decrease in money value. The Maharashtra State Legislature has amended the aforesaid Act in its application to that State by enhancing the monetary limit from Rs. 2,00,000 to Rs. 10,00,000. Similarly, the Uttar Pradesh State Legislature has also taken steps to amend the Act in its application to that State for enhancing the monetary limit from Rs. 2,00,000 to Rs. 10,00,000.

5. The background note dated 26th August, 2011 submitted by the Legislative Department further states as under:-

"..... As the proposed legislation is relatable to a subject in the concurrent field namely, entry 11 of List III - Concurrent List of the Seventh Schedule to the Constitution, the State Government and the Union territory Administrations have been consulted on the proposal. The Legislative Department vide their letter dated 28th April, 2010 requested all the State Governments and the Union territory Administrations to furnish their views and comments on the proposed amendment. So far 24 out of 28 State Governments and all Union territory Administrations have furnished their views. 20 State Governments namely, Assam, Chattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Punjab, Rajasthan, Tripura, Uttarakhand and West Bengal and 5 Union territory Administrations namely Andaman and Nicobar, Chandigarh Administration, Daman and Diu and Delhi have supported the proposal. The Government of Arunachal Pradesh, Union territories of Lakshadweep and Puducherry have informed that they have no comments to offer. Government of Jammu and Kashmir and Sikkim have informed that they have no comments to offer. Governments of

Jammu and Kashmir and Sikkim have informed that the Administrators-General Act, 1963 is not in force in those States. State of Karnataka have informed that the escalation shall be between two lakhs and six lakhs so that estate of deceased person could be prevented from imminent danger of misappropriation, deterioration or waste. Nothing has been heard from the rest of State Governments. A statement showing views of the State Governments and Union territory Administrations is annexed to this note as Annexure - II.

In view of the position stated above and having regard to the decrease in money value and escalation of prices of properties, it is considered necessary to increase the monetary limit of jurisdiction of the Administrator-General from the existing limit of Rs.2,00,000 to Rs.10,00,000 by suitably amending the references to the monetary limit specified in sections 9, 10, 29 and 36 of the said Act."

6. The Committee in its meeting held on 10th January, 2012, considered the proposed amendment. All Members present in the meeting were in agreement with the Government's proposal. The Secretary, Legislative Department was also present in the meeting to assist the Committee and provide clarifications, if required. No dissents have been received.

7. While considering the Bill, the Committee took note of the following facts submitted by the Secretary, Legislative Department in his written presentation:

- (a) Section 3 of the Administrators-General Act provides that the State Government shall appoint an Administrator-General for the State but the same person can be appointed as Administrator-General for two or more States; Section 6 provides that, in so far as the Administrator General of any State, the High Court to be deemed a court of competent jurisdiction for the purpose of granting probate for letters of

Administration; Section 7 provides for the High Court to grant letters of Administration to the Administrator-General unless they are granted to the next-of-kin of the deceased; Section 8 provides that the Administrator-General is entitled to letters of Administration in preference to creditors, certain legatees and friends of the deceased; and Section 29 empowers the Administrator-General to grant certificate to any person, claiming assets of a deceased person otherwise than as a creditor and that such certificate can be granted only in cases where the assets left by the deceased person does not exceed in value in the whole the monetary limit specified in that Section.

- (b) Valuation of assets under Section 29 does not include any sum of money in a Government Savings Bank or any Provident Fund Account to which the Provident Fund Act, 1925 applies. It also covers all savings schemes of the Post Offices like NSS, KVP, NSC, etc. floated through subordinate legislations or through notifications.
- (c) Originally the Act enacted in 1963 specified only Rs.5,000/- monetary limit under Section 29. In 1972, as a result of representations made by the war widows association, Chandigarh on behalf of the widows in general and war widows in particular, the Act was amended to increase the monetary limit to Rs.15,000/-. The monetary limit to the said Section was further enhanced to Rs.50,000/-. In 1983, it was further enhanced to Rs.2,00,000 in 1999 on account of considerable decrease in money value and escalation in the value of assets and also for protection of the interests of poor

persons and legal heirs of the deceased persons especially widows, minor children and other dependents from protracted and expensive litigation in Civil Courts.

- (d) The Maharashtra and Uttar Pradesh State Legislatures have amended the Administrators-General Act in its application to those States by enhancing the monetary limit from Rs.2,00,000 to Rs.10,00,000. Since the subject matter of the proposal is relatable to a subject in the concurrent field namely, entry 11 of List III-Concurrent List of the Seventh Schedule to the Constitution, the State Governments and Union Territory Administrations have been consulted on the proposal. 20 State Governments and 5 Union Territory Administrations have conveyed their support to the proposal.
- (e) The representations received by the Central Government also requested for enhancement of the monetary limit specified in Section 29 of the Administrators-General Act, 1963 on account of escalation in the value of assets and considerable decrease in money value and to increase the monetary limit of jurisdiction of the Administrator-General from the existing limit of Rs.2,00,000 to Rs.10,00,000 by suitably amending the references of limit specified in Sections 9, 10, 29 and 36 of the said Act.
- (f) In view of the above, the proposal to amend Section 29 of the Administrators-General Act, 1963 with a view to raise the monetary limit from Rs.2,00,000 to Rs.10,00,000 with consequential amendments in Sections 9,10 and 36 of the said Act has been mooted.

8. Having considered the justifications given in the Statement of Objects and Reasons of the Bill, the written submission made by the Legislative Department, and the Secretary of that Department, the Committee agrees with the proposal of the Ministry to enhance the monetary limit from Rs. 2,00,000/- at present to Rs. 10,00,000/- by suitably amending the reference to monetary limit in Sections 9, 10, 29 and 36 of the Administrators-General Act, 1963. Principally, this conclusion has been reached on the basis that the value of money has decreased over the years. Rs two lacs was prescribed in the year 1999. Over the past twelve years, the figure of Rs two lacs specified in Sections 9, 10, 29 and 36 of the said Act would have declined considerably. Passage of time has thus rendered the figure of two lacs unrealistic, ineffective and virtually infructuous. Continuance of this unrealistic figure would render the remit or jurisdiction of the AG s office too burdensome and unrealistic. Hence the enhancement to Rs ten lacs.

The Committee unanimously so recommends.

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