

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI.
C.P No. D-4211 of 2026

Dated	Order with signature of Judge.
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Fresh case

1. For order on office objection
2. For order on CMA No.1664/2026
3. For order on CMA No.1665/2026
4. For hearing of main case

08.10.2026.

Petitioner is present in person.

The Petitioner has invoked the jurisdiction of this Court under Article 199 of the Constitution, seeking to impugn the proceedings initiated against her under the Benami Transactions (Prohibition) Act, 2017 (the “**Act**”) in relation to a motor vehicle registered in her name as well as as certain inflows in her bank account, on the ground that such ownership/inflows are not in consonance with her income, as disclosed in her tax return.

It is pertinent to note that the scheme of the Act inter alia envisages as follows.

(i) Per section 2(7) of the Act, ‘benami property’ means any property that is the subject matter of a benami transaction and also includes the proceeds from such property. A ‘benami transaction’ is prohibited by section 3(1) of the Act. The entering into a benami transaction or holding a benami property is also an offence (sections 3(2) and 51). Any property subject matter of a benami transaction is liable to confiscation by the Federal Government (section 4).

(ii). The Authorities for the purposes of the Act are: (a) the Initiating Officer; (b) the Approving Authority; (c) the Administrator; and (d) the Adjudicating Authority (section 15). Under section 2(3) of the Act, the ‘Approving Authority’ is the Commissioner Inland Revenue as defined in the Income Tax Ordinance, 2001. Under section 2(19), the ‘Initiating Officer’ is the Deputy Commissioner Inland Revenue appointed under the Income Tax Ordinance, 2001. The ‘Adjudicating Authority’ comprises of a Chairman and at least two other members appointed by the Federal Government (section 6). The Authorities under the Act are vested with certain powers of a civil court (section 16).

(iii). The Initiating Officer, after approval of the Approving Authority, is empowered to conduct an inquiry or investigation in respect of matters under the Act (section 21). Under section 22(1) of the Act, and subject to the conditions therein, the Initiating Officer may issue notice to a suspected benamidar to show cause as to why the property should not be treated as benami property; and under sub-section (3) of section 22, the Initiating Officer may with the prior approval of the Approving Authority, provisionally attach the property for a period not exceeding 90 days from the date of the show-cause notice.

(iv). Sub-section (4) of section 22 of the Act then requires that within 90 days of the show-cause notice, the Initiating Officer shall make enquiries, call for such evidence as he deems fit, and pass an order either to continue the provisional attachment till decision by the Adjudicating Authority, or to revoke the same. Where the Initiating Officer has not made a provisional attachment earlier, then within 90 days of the show-cause notice he shall decide whether to attach the property or not. On the continuation or passing of any attachment order under sub-section (4) of section 22, the Initiating Officer shall within 60 days make a reference to the Adjudicating Authority under sub-section (5) of section 22 of the Act.

(v). On receiving a reference from the Initiating Officer, the Adjudicating Authority issues notice to the persons concerned, and after considering replies, making enquiries, calling for evidence and providing a hearing, the Adjudicating Authority decides whether the property is benami property (section 24). If the reference is decided in the affirmative, then a further proceeding is conducted for confiscation of the benami property (section 25).

(vi) The order of the Adjudicating Authority is appealable to the Federal Appellate Tribunal (sections 28 and 44). The order of the Appellate Tribunal is executable by it as a decree of a civil court (section 38). The order of the Appellate Tribunal is appealable to the High Court on a question of law (section 47). For the trial of an offence under the Act, the Sessions Court is designated as a Special Court (section 48).

The documents placed on record by the Petitioner under cover of a Statement include a Reference u/s 22 (5) of the Act as well as a Notice issued under Section 16 (1) and a Show-cause notice under Section 22 (1) of the Act, as well as copies of her replies as well as her request seeking adjournment in the hearing of the matter on a particular date for purpose of submission of records/documents.

Whilst the Petitioner has pleaded that the proceedings are in violation of natural justice and amount to an abuse of process, she was unable to point out any step taken in contravention of the Act,

and the only averment made in support of her contention, that too in general terms, is that the proceedings are actuated by malice on the part of a functionary of the FBR due to a personal dispute. However, it falls to be considered that the Act sets out a multi-stage adjudication process, whereby the Initiating Officer must frame a case statement and refer it to a separate Adjudicating Authority, which has the exclusive power to conclusively determine the property's status. Even otherwise, whether a property or bank account is "Benami" is a question of fact, which cannot ordinarily be determined in exercise of jurisdiction under Article 199. Needless to say, this Court does not act a trial court to evaluate evidence before the statutory authority has even had the chance to review it. Furthermore, show-cause notices merely advance an inquiry asking for an explanation and do not constitute a final punitive action, hence there is no immediate legal injury that justifies bypassing the statutory mechanism.

In our view, where the proceedings appear to be underway in consonance with the scheme of the Act, the Petitioner ought to present her defence and contest the matter so as to await outcome thereof and avail her remedy in accordance with law, if any adverse determination is made. Even otherwise, it transpires that, prior to filing this Petition, a Complaint dated 10.07.2026 has been made by the Petitioner on the subject of the proceedings to the Federal Tax Ombudsman, which has apparently been forwarded by the FTO to the Member (Inland Revenue-Operations), FBR for appropriate action as per rules under cover of a letter dated 17.07.2026.

Under the given circumstances, no interference appears to be warranted in exercise of the extraordinary constitutional jurisdiction of this Court. The Petition stands dismissed accordingly.

JUDGE

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