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Q20

With reference to the 'Prohibition of Benami Property Transaction Act, 1988 (PBPT Act)', consider the following statements: 1. A property transaction is not treated as a benami transaction if the owner of the property is not aware of the transaction. 2. Properties held benami are liable for confiscation by the Government. 3. The Act provides for three authorities for investigations but does not provide for any appellate mechanism. Which of the statements given above is/are correct? (a) 1 only (b) 2 only (c) 1 and 3 only (d) 2 and 3 only Official key: B.

UPSC Civil Services Prelims 2017 · General Studies · 2 marks · Current Affairs and GK

Current events, government schemes, miscellaneous GK - Prelims GS Paper I.

Explanation

(a)

(a) 1 only. Ignorance of the real owner does not automatically wash a benami deal; statement 1 is false. Not the key.

(b) Official key

(b) 2 only. Benami properties are liable to confiscation by the Government under the amended PBPT law. Statements 1 and 3 are wrong (there is an **Appellate Tribunal**). This is the official key.

(c)

(c) 1 and 3 only. Both of those statements fail. Not the key.

(d)

(d) 2 and 3 only. Confiscation is right, but the Act does provide an appellate mechanism, so 3 is false.

Summary

Official key is (b) 2 only. The **Prohibition of Benami Property Transactions Act** (the 1988 law as recast in 2016) treats property held in another's name as attachable and confiscable. Lack of awareness does not by itself exempt a transaction. Authorities include an Initiating Officer, Approving Authority, Administrator and Adjudicating Authority, with an **Appellate Tribunal** - so statement 3 is false. Only confiscation stands.

Related possible facts

These can be asked in a future Prelims paper.

Original Act

Benami Transactions (Prohibition) Act, 1988

2016 recast

PBPT Act with confiscation machinery

Appellate Tribunal

Provided under the amended Act

Exception examples

Hindu undivided family / fiduciary holdings (specified)

Nodal administration

Income-tax authorities as benami officers

Punishment

Rigorous imprisonment and fine for benami

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