



Sanchar Nigam Pensioners' Welfare Association

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SNPWA/CHQ/Chairman CBDT/1/2026. Dated 26th Oct, 26

To

**Sh Ravi Aggarwal,
Chairman/ CBDT,
Kartavya Bhawan, ND.**

Subject: Overstepping of Jurisdiction and Unlawful Encroachment upon the Judicial Domain of IATAs – Demand for Unconditional Withdrawal of CBDT Circular No 173/32/ 2026-ITA- 1 dated 22nd Oct, 26.

Sir,

The respective functions, powers and jurisdictions of the Central Board of Direct Taxes (CBDT), an administrative body under the Ministry of Finance, and the Income Tax Appellate Authorities (IATAs) are clearly demarcated and governed by the applicable statutory framework. The CBDT, in the discharge of its administrative functions, is bound to respect and give effect to the binding judicial decisions and orders of the competent appellate authorities.

While the CBDT performs executive and administrative functions, the IATAs exercise adjudicatory powers vested in them by law. Their judicial determinations, subject to the applicable statutory provisions and judicial hierarchy, cannot be overridden, circumvented or rendered ineffective by executive instructions or administrative circulars.

In this context, any attempt by the CBDT to transgress its statutory jurisdiction and encroach upon the adjudicatory domain of the IATAs

raises serious questions of legality, propriety and constitutional validity. Such an exercise of power, if unsupported by law, would constitute an arbitrary and impermissible interference with the independent exercise of judicial functions.

The constitutional principle of separation of powers, envisaged in the Constitution of the Nation, together with the rule of law, demands that every authority act strictly within the limits of its legally conferred jurisdiction. The executive cannot assume judicial powers that the law has vested in an independent adjudicatory authority, nor can an administrative circular lawfully nullify or defeat a binding judicial determination. *Any such action would undermine the authority of the appellate institutions and strike at the very foundation of the rule of law.

It is, therefore, both astonishing and deeply disturbing that the CBDT should have issued the aforementioned circular. The circumstances surrounding its issuance call for an unequivocal explanation. Under what specific statutory provision has the CBDT purported to exercise such power? What is the legal basis for issuing a circular that encroaches upon the defined Judicial jurisdiction of the IATAs? and how can such an administrative directive be sustained if it conflicts with binding judicial orders or exceeds the authority conferred upon the CBDT by law.

It is a settled principle of administrative law that executive instructions cannot override statutory provisions or binding judicial decisions. The executive is obligated to implement applicable judicial orders and cannot, through administrative directives, assume the power to sit in appeal over, dilute or circumvent the decisions of competent judicial or quasi-judicial authorities.

In view of the foregoing, the CBDT is called upon to:

- 1. Withdraw unconditionally and forthwith the impugned Circular No. 173/32/2026 -ITA- 1 dated 22nd Oct, 26 insofar as it exceeds the CBDT's statutory jurisdiction or conflicts with binding judicial decisions.**
- 2. Ensure strict compliance with the binding decisions and orders of the IATAs, without interference through executive instructions that are blatantly unwarranted and unlawful with such decisions.**

3. Refrain from issuing or enforcing any directive that unlawfully encroaches upon the adjudicatory jurisdiction of the IATAs or undermines the authority of their binding orders.

4. Hon Supreme Court has clearly adjudicated in Keshvanand Bharti VS State of Kerala, in 1972, while defining the Basic Structure of the Constitution, that no Parliamentary Intervention is allowed to blur the line defining separation of powers between the Executive and the Judiciary, not to speak of an Administrative Order to Supersede a Judicial Order which CBDT has unlawfully issued.

The issue is not merely one of administrative propriety; it concerns the fundamental principle that no public authority, however high its position, is above the law or entitled to exercise powers beyond those conferred upon it by the statute.

The continued operation of any circular that unlawfully interferes with judicial or quasi-judicial determinations would seriously undermine and jeopardise institutional independence, legal certainty and public confidence in the administration of justice.

An administrative authority cannot arrogate to itself the powers of a judicial forum. The supremacy of law demands that executive action remain within its lawful boundaries and that binding judicial determinations receive due approval and implementation they deserve from administrative segments of the Government.

In the circumstances, the unconditional withdrawal of the impugned circular is imperative in the interests of legality, constitutional propriety and the preservation of the rule of law.

Yours Sincerely



(G. L. Jogi)