



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12-06-2026

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THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

**WP No. 21027 of 2026
and WMP.Nos.22725 to 22727 of 2026**

Sathish Narayanan
11, Kolathur S.O., Kolathur, Thiruvallur - 600 099.

..Petitioner

Vs

1. Principal Commissioner of Income Tax
Chennai -3, Income Tax Department, No.21,
M.G.Road, Nungambakkam, Chennai –
600034.
2. Income Tax Officer
Non-Corporate Ward 10(3), Income Tax
Department, No. 21, M.G. Road,
Nungambakkam, Chennai - 600 034.
3. Chennai Metro Rail Limited
Represented by its Chairman, No. 327,
Anna Salai, Nandanam, Chennai - 600 035.

..Respondents

WMP.No.22727 of 2026 is filed to grant an order of interim stay of the order passed by the 1st Respondent under Section 263 of the Income Tax Act, 1961 bearing DIN Letter No. ITBA/REV/F/REV5/2025-26/10880787841, dated 29.03.2026, for AY 2022-23, PAN AROPS6343K, pending disposal of the writ petition.

For Petitioner: Mr. Suhrith Parthasarathy

For R1 & R2: Dr. C.P. Priya, SPC



ORDER

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The petitioner's land was acquired under the Tamil Nadu Acquisition of Land for Industrial Purposes Act, 1997 and the petitioner received compensation. The contention of the petitioner that such compensation is exempted from income tax under Section 96 of Act 30 of 2013 was accepted by the assessing officer. By order dated 29.03.2026 under Section 263 of the Income Tax Act, 1961, the assessment order was effectively reversed on this aspect. Said order is challenged herein.

2. Learned counsel for the petitioner relies on an earlier order of this Court dated 24.06.2025 in W.P.No.12165 of 2025 and also contends that the impugned order relied on the Fourth schedule to Act 30 of 2013 and that such schedule does not list the Tamil Nadu Acquisition of Land for Industrial Purposes Act.

3. Considering the aforesaid, a strong *prima facie* case is made out. Therefore, there shall be an interim stay of the impugned order and proceedings pursuant thereto until the next date of hearing.



4. Dr. C.P. Priya, learned Senior Panel Counsel, accepts notice on behalf of respondents 1 and 2. Issue notice to the third respondent returnable on 08.07.2026. Private notice is also permitted.

5. List the matter on 08.07.2026.

12-06-2026

KJ

To

1.Principal Commissioner of Income Tax
Chennai -3, Income Tax Department, No.21, M.G.Road, Nungambakkam,
Chennai – 600034.

2.Income Tax Officer
Non-Corporate Ward 10(3), Income Tax Department, No. 21, M.G. Road,
Nungambakkam, Chennai - 600 034.



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SENTHILKUMAR RAMAMOORTHY, J.

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