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W.A.No.83 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 19.08.2026
DELIVERED ON : 08.09.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE

AND

THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

W.A.No.83 of 2026
and C.M.P.Nos.742 and 15716 of 2026

Chettinad Academy of Research and Education
Established and Running Chettinad Institute of
Medical Services, Rep. by its Authorized Signatory,
Sivaramakrishnan Hariharan, Nallur Manamai,
East Coast Road, Thirukalunkundram Taluk,
Chengalpattu, Tamil Nadu - 603 102.

Appellant(s)

Vs

1. The State of Tamil Nadu
Rep. by the Principal Secretary Health
and Family Department, Secretariat
Chennai – 600 009.
2. The Director
Directorate of Medical Education,
No.162, EVR Periyar Salai, Kilpauk,
Chennai – 600 010.
3. National Medical Commission
Pocket-14, Sector-8, Dwaraka, Phase-I,
New Delhi - 110 077.

Respondent(s)



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PRAYER: Appeal filed under Clause 15 of the Letters Patent to set aside the order dated 3.12.2025 passed by the learned Single Judge in W.P.No.39123 of 2025.

For Appellant(s): Mr.Nithyeash Natraj
for Mr.Vaibhav Rangarajan Venkatesh

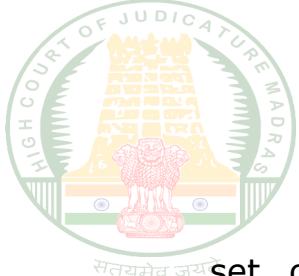
For Respondent(s): Mr.A.Abdul Hameed
Additional Advocate General-IV
Assisted by Mr.L.Gokulraj
Addl Govt Pleader for R1 and R2

Ms.Subharanjani Ananth
Standing Counsel for R3

JUDGMENT

THE CHIEF JUSTICE

This appeal is directed against the order dated 03.12.2025 passed by the learned Single Judge in W.P.No.39123 of 2025. By that order, the writ petition filed by the appellant was disposed of with a direction to obtain an Environmental Clearance Certificate and a certificate from the Tamil Nadu Pollution Control Board before the first respondent would consider granting an Essentiality Certificate.

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2. Before we go into the rival submissions, it will be useful to set out the facts leading up to the writ petition, since the controversy has a fairly long history.

3.1. The appellant, Chettinad Academy of Research and Education, purchased a property measuring 37.875 acres at Nallur-Manamai, East Coast Road, Thirukalukundram Taluk, Chengalpattu District, through an e-auction conducted by Indian Bank on 31.07.2024. The property had earlier belonged to Ponnaiyah Ramajayam Institute of Science and Technology, [PRIST Trust], and the sale was conducted under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 on an "*as is where is*" basis.

3.2. PRIST Trust had been granted an Essentiality Certificate on 28.08.2014 for setting up a medical college with an annual intake of 150 students on this very land. The college ran for a few years, but recognition was declined for the academic years 2017-18 and 2018-19 because the institution had not met the norms prescribed by the Medical Council of India. The college then stopped

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functioning and PRIST Trust did not apply for renewal in the years that followed.

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3.3. After acquiring the property, the appellant applied to the National Medical Commission on 07.01.2025 seeking approval to admit 150 students for the academic year 2025-26, under the name Chettinad Institute of Medical Sciences. A show cause notice followed on 28.05.2025, in which the Commission pointed out, among other things, that the Essentiality Certificate on record still stood in the name of PRIST Trust, and that since the appellant had applied as a new entity, a fresh certificate in its own name was required. The appellant replied on 02.06.2025, but the application was rejected by the Commission on 08.07.2025.

3.4. The appellant then applied afresh for an Essentiality Certificate on 22.08.2025. The first respondent, by its letter dated 09.10.2025, called upon the appellant to produce an Environmental Clearance Certificate and a certificate from the Tamil Nadu Pollution Control Board before the application could be taken further. It is this letter, referred to as the impugned letter, that was under challenge



before the learned Single Judge.

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3.5. The case of the appellant, in short, was twofold. First, that the Essentiality Certificate granted to PRIST Trust in 2014 had never been withdrawn or cancelled, and since Section 13(6) of the SARFAESI Act carries all statutory approvals attached to an asset over to the auction purchaser, that certificate continued to hold good in the appellant's favour, a position said to be reinforced by Section 60(4) of the National Medical Commission Act, 2019, which saves approvals granted under the earlier Medical Council of India regime. Second, that an Environmental Clearance Certificate and a Pollution Control Board certificate have nothing to do with the grant of an Essentiality Certificate, since neither finds a place among the requirements listed in Form 2 of the Establishment of Medical College Regulations, 1999.

3.6. When the writ petition was first heard on 20.11.2025, the learned Single Judge recorded that the appellant herein was agreeable to a conditional Essentiality Certificate, one granted subject to the two certificates being furnished later, and noted that

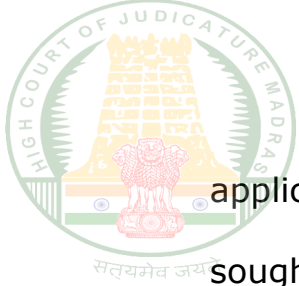


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such a practice had been followed by the State in the past. Rather than go into the competing submissions at that stage, the learned Judge thought it appropriate to first ascertain from the National Medical Commission whether it would act upon a conditional certificate of this kind, and the Commission was accordingly impleaded as the third respondent.

3.7. On 24.11.2025, the Commission's stand was that it would not accept a conditional Essentiality Certificate under any circumstances. The appellant, in response, placed before the Court three earlier instances in which the State had granted conditional certificates, namely to PRIST Trust itself in 2014, to Azvargal Aaivu Maiyam Trust in December 2022, and to Takshashila Medical College in June 2025. To get instructions pertaining to the grant of Essentiality Certificate to the last college, the Commission sought time to verify its own records.

3.8. When the matter was finally heard, the Commission clarified that the certificate issued to Takshashila Medical College had, in fact, not been accepted in its conditional form, that the



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applicant college was allowed only 50 seats instead of the 150 sought, and that its case was different, because it concerned a delay in furnishing a blood bank licence rather than the absence of environmental clearance. The appellant, for its part, pointed to a fourth instance, concerning Vels Institute of Science, Technology and Advanced Studies, where a conditional certificate had been granted without either of the two certificates in question.

3.9. The learned Single Judge, in the order under appeal, held that the first respondent had followed no consistent yardstick while granting conditional certificates in the past, and that this inconsistency, left unchecked, would breed arbitrariness. Yet, having said so, the learned Judge went on to hold that there can be no equality in illegality, and that two wrongs do not make a right, relying for this purpose on the judgment of the Supreme Court in *Medical Council of India v. V.N. Public Health and Educational Trust*¹. On this reasoning, the writ petition was disposed of with a direction that the appellant obtain the Environmental Clearance Certificate and the Pollution Control Board certificate before the first

¹ (2016) 11 SCC 216



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respondent would issue the Essentiality Certificate, and it was further directed that the State would not grant conditional certificates in future, and that the Commission would act only upon unconditional Essentiality Certificates.

4.1. Mr.Nithyaesh Natraj, learned counsel for the appellant, submitted that though the appellant had raised in the writ petition two grounds, the impugned judgment does not deal with either of them. The first such ground was that the 2014 Essentiality Certificate granted to PRIST Trust had never been revoked, and that by operation of Section 13(6) of the SARFAESI Act, it passed to the appellant along with the other statutory approvals attached to the property, a position said to survive the coming into force of the National Medical Commission Act by virtue of the saving clause in Section 60(4). This ground finds no mention at all in the discussion portion of the impugned judgment, though it was pleaded and the contrary stand of the first respondent was noted in paragraph 10 of that judgment.

4.2. He submitted that, secondly, the insistence on an



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Environmental Clearance Certificate and a Pollution Control Board certificate as a precondition for the Essentiality Certificate has no basis in law, since Form 2 of the 1999 Regulations, which sets out what an Essentiality Certificate must certify, does not mention either document. He further submitted that, an Essentiality Certificate, is nothing more than the State Government's opinion on whether a medical college is needed in a given area; it does not travel into questions of environmental compliance, which are the subject of entirely separate statutory regimes. This ground, too, finds no answer in the impugned judgment.

4.3. Learned counsel further submitted that the observation in paragraph 30 of the impugned judgment, that there is no escape for the appellant from obtaining the two certificates, went beyond what the appellant had ever argued. The appellant's case was never that it should be exempted from these certificates altogether; its case was only that their absence should not hold up the Essentiality Certificate, and that the said certificates could instead be furnished before the Commission at the stage of its own approval. The said plea was not considered by the learned Single Judge in the way it



was put forth.

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5.1. Mr.Abdul Hameed, learned Additional Advocate General appearing for the first and second respondents, supported the order under appeal. He submitted that the Essentiality Certificate is not a mechanical formality, but calls for the State Government's genuine satisfaction that a medical college is needed and can function properly at the proposed site, and that this satisfaction cannot be divorced from statutory compliance such as environmental clearance. He pointed out that the appellant's own building has a built-up area far in excess of the threshold that attracts this requirement and submitted that the first respondent was justified in insisting on the two certificates.

5.2. On the question of the 2014 certificate, learned Additional Advocate General submitted that it was tied to the institution that then existed, and that once recognition was withdrawn and the college stopped functioning, the certificate lost its purpose and could not be treated as a live approval capable of passing to a subsequent purchaser of the land. He submitted that the appellant,

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having entered the picture only after the SARFAESI sale, stands as a new applicant and cannot claim the benefit of an approval granted to a different institution.

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6. Ms.Shubharanjani Ananth, learned Standing Counsel for the National Medical Commission, reiterated the Commission's stand that it will not act upon a conditional Essentiality Certificate, and that whatever may have happened in the case of Takshashila Medical College or Vels Institute, those were not treated by the Commission as precedents it was bound to follow, and an error committed in the past, if indeed it was one, could not be a ground for repeating it in the appellant's case. She added that it is for the State to stipulate minimum standard requirements.

7. We have heard learned counsel on both sides at length and gone through the impugned judgment, the pleadings and the material placed before the learned Single Judge.

8. We find that in the affidavit filed in the writ petition, the appellant pleaded, in more than one paragraph, that the Essentiality



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Certificate granted to PRIST Trust in 2014 continued in force because it had never been withdrawn, and that this position was fortified by Section 13(6) of the SARFAESI Act and by the saving clause under Section 60(4) of the National Medical Commission Act, 2019. The counter affidavit filed by the first respondent took a contrary position, as recorded in paragraph 10 of the impugned judgment, to the effect that the certificate lapsed once the college stopped functioning. This was, therefore, very much a live and contested issue. Yet the discussion in the impugned judgment does not return to it. Paragraph 10 merely records the respondent's stand; nowhere thereafter does the judgment weigh that stand against the appellant's submission or arrive at a finding one way or the other.

9. The same is true qua the second ground raised by the appellant that an Environmental Clearance Certificate and a Pollution Control Board certificate are not among the requirements set out in Form 2 of the 1999 Regulations, and are accordingly irrelevant to the grant of an Essentiality Certificate and those certificates are relevant at some later stage of the approval process.



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This too was pleaded and argued, yet the impugned judgment moves directly to the question of whether a conditional certificate can be issued, without first settling whether the two certificates have any bearing on the Essentiality Certificate at all. The two questions are related, but they are not the same question, and one cannot substitute for the other.

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10. We think there is substance in the appellant's grievance that these two issues were left unanswered. This by itself is sufficient to require that the impugned judgment be set aside, since a judgment that omits a live issue cannot be treated as a complete or final disposal of the *lis*. However, since the question of the conditional Essentiality Certificate was fully argued before us as well, and since our view on it has some bearing on how the matter should now proceed, we consider it appropriate to record our opinion on that aspect too.

11. The reasoning in the impugned judgment on the grant of conditional certificate proceeds in two diverse directions. In paragraph 23, the learned Single Judge held that the first

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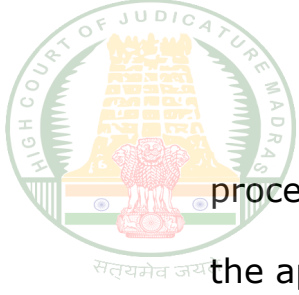
respondent had granted conditional certificates in some cases and refused them in others, without any discernible yardstick, and that such inconsistency would itself amount to discrimination. However, in paragraph 27, the judgment turns the finding around and holds that there can be no equality in illegality, treating the very grant of a conditional certificate as an illegality in the first place. In arriving at such finding, the learned Single Judge referred to the decision in *V.N.Public Health and Educational Trust (supra)*.

12. We have examined the decision, referred supra. It arose from a case where the Essentiality Certificate had been made conditional upon the availability of clinical material, a requirement that Form 2 of the 1999 Regulations expressly required to exist at the time of the application itself, and not as something to be arranged later. The Supreme Court held, in that specific context, that a certificate made conditional upon a mandatory requirement was no certificate at all in the eyes of the Regulations. That is a fair and narrow proposition, tied closely to the wording of Form 2. It does not, in our reading, lay down a general rule that any condition attached to an Essentiality Certificate renders it void, regardless of

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whether that condition concerns a Form 2 requirement or something entirely outside its scope, such as environmental clearance. The impugned judgment, in extending the principle laid down in *V.N.Public Health and Educational Trust* (supra) to the facts of this case without examining whether the condition here falls within Form 2, has, in our opinion, gone further than what is stipulated in the decision of the Supreme Court, referred supra.

13. In observing as above, we are not holding that the appellant is entitled to a total exemption from environmental clearance or the Pollution Control Board certificate. The same is also not the plea of the appellant either before the learned Single Judge or before us. The consistent stand of the appellant is that it does not seek to avoid these requirements, but, at the present stage, the absence of the said two certificates, should not stand in the way of issuance of the Essentiality Certificate, since compliance can be demonstrated later, before the Commission while seeking final approval. The finding in paragraph 30 of the impugned judgment, that there is no escape for the appellant from these certificates, addresses a case the appellant was not making, and to that extent

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proceeds on a misunderstanding of the submissions advanced by the appellant.

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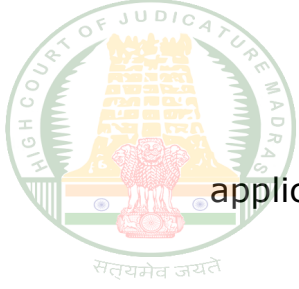
14. For the purpose of deciding the appeal, it would be appropriate to refer to Regulation 2(f) of the Establishment of New Medical Institutions, Starting of New Medical Courses, Increase of Seats for Existing Courses and Assessment and Rating Regulations, 2023, which defines “*Essentiality Certificate*” as under:

"2. In these Regulations, unless the context otherwise requires the terms defined herein shall bear the meaning assigned to them below and their cognate expressions and variations shall be construed accordingly -

...

(f) 'Essentiality Certificate' (in its abbreviated form EC) shall mean written permission from the central or concerned state government or the Union Territory administration as the case may be for the establishment of a new medical institution."

15. Regulation 9(a) of the Regulations, 2023, which prescribes that Essentiality Certificate should be submitted at the time of



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applicable, reads thus:

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"9. No application submitted by the eligible entity shall be entertained unless it is accompanied with -
(a) Essentiality Certificate (EC) issued by the concerned State Government or Union Territory administration or the appropriate authority as the case may be unless otherwise specified. The EC shall be valid at the time of application."

16. Form-2, which deals with the subjects 'Essentiality Certificate, read thus:

"FORM-2

Subject: Essentiality Certificate

No. ...

Government of ...

The Department of Health

dated, the ...

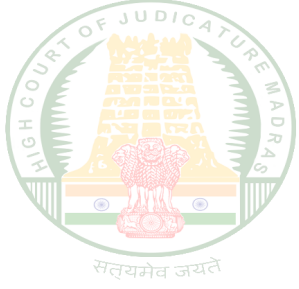
To

(Applicant),

Sir,

The desired certificate is as follows:

(1) No. of institutions already existing in the State.

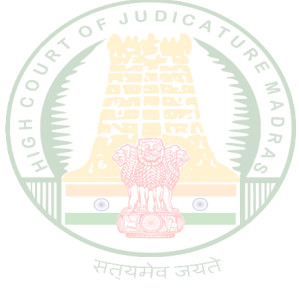


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- (2) No. of seats available or number of doctors being produced annually.
- (3) No. of doctors registered with the State Medical Council.
- (4) No. of doctors in government service.
- (5) No. of government posts vacant and those in rural/difficult areas.
- (6) No. of doctors registered with employment exchange.
- (7) Doctor-population ratio in the State.
- (8) How the establishment of the college would resolve the problem of deficiencies of qualified medical personnel in the State and improve the availability of such medical manpower in the State.
- (9) The restrictions imposed by the State Government, if any, on students who are not domiciled in the State from obtaining admissions in the State be specified.
- (10) Full justification for opening of the proposed college.
- (11) Doctor-patient ratio proposed to be achieved.

The (name of the person) ... has applied for establishment of a medical college at ... On careful consideration of the proposal, the Government of ... has decided to issue an essentiality certificate to the



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applicant for the establishment of a medical college with ... (no.) seats.

It is certified that:

(a) The applicant owns and manages a 300-bedded hospital which was established in ...

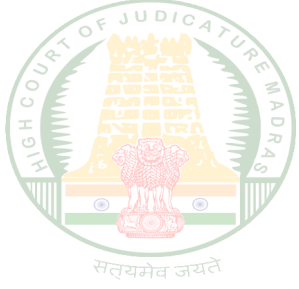
(b) It is desirable to establish a medical college in the public interest.

(c) Establishment of a medical college at ... by ... (name of the society/trust) is feasible.

(d) Adequate clinical material as per the Medical Council of India norms is available.

It is further certified that in case the applicant fails to create infrastructure for the medical college as per the MCI norms and fresh admissions are stopped by the Central Government, the State Government shall take over the responsibility of the students already admitted in the college with the permission of the Central Government.

(e) The [Name of applicant _____] own and possesses _____Acres of land in _____[Village/Tehsil/Taluka/District] on which non agricultural use of land is permitted and a Medical College/Hospital can be established on it.



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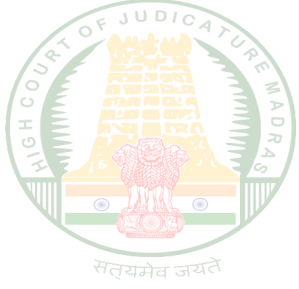
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(f) The building plan of the Hospital and Medical College has been approved by the competent authority, namely, ..., designated by the State Government for such purposes on _____.

(Copy of the approval is enclosed)

(g) The Hospital and Medical College have been granted Completion Certificate/Building Use Certificate by the competent authority, namely, ... , designated by the State Government for such purposes on (Copy of the Certificate is enclosed)"

17. Applying the statutory framework, we find that the role of the State Government in issuing an Essentiality Certificate is well-defined. The statutory delegation under Form-2 of the Regulations, 1999 limits the inquiry to be conducted by the State to assessing local medical manpower deficiencies, doctor-population ratios, public interest/desirability, site feasibility and the availability of adequate clinical material. The State Government should act within the delegated capacity to evaluate local needs and feasibility. It cannot act arbitrarily or insist upon parameters outside the scope of Form 2 or the governing Parliamentary legislation.



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18. While environmental compliances (such as the Environmental Clearance Certificate and Tamil Nadu Pollution Control Board approval) are mandatory before constructing or commissioning a medical institution under distinct environmental statutes, they are not qualifying criteria prescribed under Form 2 for evaluating the grant of an Essentiality Certificate. The lack of an environmental clearance at the threshold cannot serve as a ground for the State to withhold or defer the processing of an Essentiality Certificate.

19. For the reasons given in the preceding paragraphs, the other issues raised in this appeal pale into insignificance and are left open to be decided in an appropriate case.

20. Accordingly, the writ appeal is allowed. The impugned order of the learned Single Judge dated 03.12.2025 in W.P.No.39123 of 2025 is set aside. The first respondent is directed to process and consider the application of the appellant for grant of the Essentiality Certificate strictly within the parameters and criteria

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set forth in Form 2 of the 1999 Regulations and in accordance with law, without insisting on the prior production of an Environmental Clearance Certificate or TNPCB approval at this stage.

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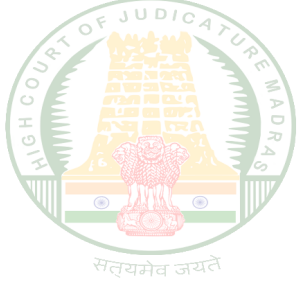
There shall be no order as to costs. Consequently, the connected miscellaneous petitions are closed.

(SUSHRUT ARVIND DHARMADHIKARI, CJ) (G.ARUL MURUGAN,J)
08.09.2026

Index : Yes
Neutral Citation : Yes
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To:

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THE HON'BLE CHIEF JUSTICE
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