

[2025] 9 S.C.R. 362 : 2025 INSC 1058

The State of Telangana & Ors. Etc.

v.

Kalluri Naga Narasimha Abhiram & Ors. Etc.

(Civil Appeal No(s). 11217-11269 of 2025)

01 September 2025

[B.R. Gavai, CJI and K. Vinod Chandran,* J.]

Issue for Consideration

Whether the wisdom of the legislature in defining a ‘local candidate’ entitled to apply under the ‘Competent Authority Seats/Quota’, by a subordinate legislation, in consonance with a Presidential Order issued u/Art.371D of the Constitution of India, can be interfered with and expanded by the High Court u/Art.226.

Headnotes[†]

Constitution of India – Arts.371D, 245, 246 – Andhra Pradesh Educational Institutions (Regulations of Admissions) Order, 1974 – Andhra Pradesh Educational Institutions (Regulation of Admissions) Second Amendment Order, 1976 – Telangana Educational Institutions (Regulation of Admission and Prohibition of Capitation Fee), Act, 1983 – s.3 – Telangana Medical & Dental Colleges Admission (Admission into MBBS & BDS Courses) Rules, 2017 – r.3, amendments in the definition of ‘local candidates’ – Challenge to – Division Bench of the High Court expanded the definition to include any student who produced his residence certificate issued by a competent authority of the Government of Telangana; the amended rule was read down to mean those petitioners having permanent residence or domicile in the State of Telangana, to be considered as a local candidate; State Government was directed to frame guidelines to determine the domicile/permanent residence within the State of Telangana – Interference with:

Held: The amendment provided for the ‘Competent Authority Quota’ in the State of Telangana, which on incorporation in the 2017 Rules traces its power to legislate, to the Regulation Act of 1983, which has been brought out u/Entry 25 of List III, Seventh Schedule r/w Art.371D and the Presidential Order of 1974 as also Arts.245 & 246 – The power enabled under the Presidential Order to make

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special provisions for equitable opportunities and facilities in the matter of education as conferred u/Art.371D; being education, is covered u/Entry 25, and has also to be traced to Arts.245 and 246 – The Act of 1983 confer the power on the State to bring out the rules in furtherance and in implementation of the Presidential Order – Hence, the 2017 Rules is sourced to the power conferred under the Presidential Order, at least, in so far as it determines the local areas and bring out a definition of local candidates who are enabled the privilege of admission to medical colleges by virtue of their status as a local candidate as per the definition – The new rule provided for reservation to an extent of 85% to those candidates who have either studied in the educational institutions in the local area for a period of not less than four consecutive academic years ending with the academic year in which he qualified for admission or where during the whole or any part of the four consecutive years ending with the academic year in which he qualified for admission, resided in the local area but without studying in any educational institutions, which candidate also should have appeared for the qualifying examination in the State of Telangana – The pre-amended rule defining a local candidate was perfectly in order, which reasoning applies squarely to the amended rule also – There was no warrant for a reading down when the definition is clear, in consonance with the Presidential Order and similar rules having been upheld by this Court – No reason to take a different view w.r.t the amended rule also; 15% having been conceded to the All-India quota – A further amendment proposed, incorporating a proviso to r.3 should allay and mitigate the grievances of those who claim that they were taken out of the State by compulsion of the movement of their parents outside the State by reason of employment in Government/All-India Services/Corporations or Public Sector Undertakings constituted as an instrumentality of the State of Telangana as also defence and paramilitary forces who trace their nativity to the State, subject to the conditions thereunder – With only the said reservation, the 2017 Rules are upheld as it stood amended in 2024 – Impugned judgments in the Writ Petitions filed by the students are set aside – Andhra Pradesh Reorganisation Act, 2014. [Paras 19, 32, 33, 35, 36]

Constitution of India – Arts.371D, 245 r/w 246 – Andhra Pradesh Educational Institutions (Regulations of Admissions) Order, 1974 – Andhra Pradesh Educational Institutions (Regulation of Admissions) Second Amendment Order, 1976 – Telangana Educational Institutions (Regulation of Admission and

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Prohibition of Capitation Fee), Act, 1983 – s.3 – Telangana Medical & Dental Colleges Admission (Admission into MBBS & BDS Courses) Rules, 2017:

Held: The source of power to legislate has to be traced to Arts.245 r/w 246, while the entries in the three lists under the Seventh Schedule of the Constitution are fields of legislation, demarcated as exclusively available to the Union, the State and concurrently; with the Parliament having overriding powers in matters enumerated as concurrent – When enacting a legislation, it is also permissible that the Parliament or the State Legislature may choose to occupy the various fields under the three lists but restricting to such demarcation of powers delineated u/Art.246 – The States' power to legislate in the field of education as covered u/Entry 25 of List III has all the same to be traced to Arts.245 & 246, especially when there is no Union legislation on the subject/field – The power enabled under the Presidential Order to make special provisions for equitable opportunities and facilities in the matter of education as conferred u/Art.371D; being education, is covered u/Entry 25, and has also to be traced to Arts.245 & 246 – Thus, the Act of 1983 confer the power on the State to bring out the rules in furtherance and in implementation of the Presidential Order – Hence, the 2017 Rules is sourced to the power conferred under the Presidential Order, at least, in so far as it determines the local areas and bring out a definition of local candidates who are enabled the privilege of admission to medical colleges by virtue of their status as a local candidate as per the definition – Conduct of examination, admission of students, prescription of fee and reservation would be a power conferred on the State u/Entry 25 of List III – The 2017 Rules is one authorised by the statute, which in turn traces the source of its power to the Constitution and adopts the definition as available in the Presidential Order. [Paras 18-20]

Case Law Cited

Union of India v. H.S. Dhillon [1972] 2 SCR 33 : (1971) 2 SCC 779; *Harakchand Ratanchand Banthia v. Union of India* [1970] 1 SCR 479 : (1969) 2 SCC 166; *State of West Bengal v. Kesoram Industries Ltd.* [2004] 1 SCR 564 : (2004) 10 SCC 201; *Tamil Nadu Medical Officers Association and Others v. Union of India and Others* [2020] 8 SCR 583 : (2021) 6 SCC 568; *Ahmedabad Municipal Corp'n. v. Nilaybhai R. Thakore* [1999] Supp. 3 SCR

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647 : (1999) 8 SCC 139; Meenakshi Malik v. University of Delhi & Ors. [1989] 2 SCR 858 : (1989) 3 SCC 112; C. Surekha v. Union of India (1988) 4 SCC 526 : AIR 1989 SC 44; State of Andhra Pradesh v. National Thermal Power Corporation Limited [2002] 3 SCR 278 : (2002) 5 SCC 203; Indian Aluminium Co. v. State of Kerala [1996] 2 SCR 23 : (1996) 7 SCC 637; P. Sambamurthy v. State of Andhra Pradesh [1987] 1 SCR 879 : (1987) 1 SCC 362 – referred to.

D.P. Joshi v. State of Madhya Bharat and Ors. [1955] 1 SCR 1215 : (1955) 1 SCC 58; Kumari N. Vasundara v. State of Mysore & Anr. [1971] Supp. 1 SCR 381 : (1971) 2 SCC 22; Pradeep Jain v. Union of India [1984] 3 SCR 942 : 1984 AIR 1420; Dinesh Kumar (Dr.) v. Motilal Nehru College [1986] 3 SCR 345 : (1986) 3 SCC 727; Anant Madan v. State of Haryana (1995) 2 SCC 135; Rajdeep Ghosh v. State of Assam and Others, 2018 INSC 718 : [2018] 11 SCR 329 – relied on.

List of Acts

Constitution of India; Telangana Medical & Dental Colleges Admission (Admission into MBBS and BDS Courses) Rules, 2017; Andhra Pradesh Educational Institutions (Regulations of Admissions) Order, 1974; Andhra Pradesh Educational Institutions (Regulation of Admissions) Second Amendment Order, 1976; Andhra Pradesh Reorganisation Act, 2014; Telangana Educational Institutions (Regulation of Admission and Prohibition of Capitation Fee), Act, 1983; Constitution of India.

List of Keywords

Local candidate; Competent Authority Seats/Quota; Presidential Order issued under Article 371D of Constitution of India; Subordinate legislation; Medical and Dental Colleges Admission; Admission to medical colleges by virtue of status as a local candidate; Local candidate in relation to a local area; Local area; Benefit to local candidates in the State of Telangana; Preferential admission to the medical courses; Admission to the course of MBBS and BDS; Power to legislate; Entry 25 of List III; Instrumentality of the State; Students from the marginalized sections; Expansion of definition by the High Court; Undivided State of Andhra Pradesh; Equitable opportunities; Matters of public employment and education; Articles 245 and 246 of the Constitution of India.

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Case Arising From

CIVIL APPELLATE JURISDICTION: Civil Appeal No(s).
11217-11269 of 2025

From the Judgment and Order dated 05.09.2024 of the High Court for The State of Telangana at Hyderabad in WP Nos. 21910, 22025, 22097, 22101, 22104, 22144, 22149, 22156, 22162, 22260, 22285, 22330, 22374, 22376, 22377, 22389, 22390, 22399, 22401, 22405, 22435, 22437, 22440, 22443, 22447, 22465, 22537, 22658, 22717, 22738, 22862, 22892, 23061, 23079, 23182, 23271, 23346, 23430, 23471, 23490, 23509, 23517, 23533, 23720, 23722, 23723, 23929, 23961, 24005, 24011, 24283, 24307 and 24353 of 2024

With

Civil Appeal Nos. 11270, 11271 and 24826 of 2025 and WP (C)
Nos. 637, 672, and 661 of 2024

Appearances for Parties

Advs. for the Appellants:

A. Sudarshan Reddy, Advocate General, Dr. Abhishek Singhvi, Gopal Sankarnarayanan, DVSS Somayajulu, P.B. Suresh, Sr. Advs. Ms. Priyansha Sharma, Siddivardhan, P. Venkatraju, Kumar Abhishek, Ms. M. Harshini, Kumar Nikhil, V. Sridhar Reddy, Abhijit Sengupta, Swayam Prakash Kashyap, Sravan Kumar Karanam, Irshad Ahmad, S Manoj Selvaraj, Ms. Zohra Bano, Jude Rohit, Maria Mugesh Kannan, Vishal Sinha, Satish Pandey, Akbar Ali, Ms. Jay Jaimini Pandey, Sadiya Shakeel, Dr. Nafis A Siddiqui, Braj Kishore Mishra, Vipin Nair, Ms. M.b.ramya, Aditya Narendranath, Ms. Deeksha Gupta.

Advs. for the Respondents:

P.B. Suresh, DVSS Somayajulu, Ragenth Basant, Prakash Deu Naik, Mayur Reddy, S. Sriram, Sr. Advs., Vipin Nair, Aditya Narendranath, Ms. M.B.Ramya, Ms. Deeksha Gupta, Ms. Bhabna Das, Vishnu Kanth Mundada, Ms. Hima Bharadwaj, Dnyaneshwar N. Telange, Dr. Sunil Baliram Gaikwad, Shubham Kumar Pandey, Vairawan A.S, Krishna Dev Jagarlamudi, Arpit Kumar Mishra, Alluri Divakar Reddy, Ms. Oshi Verma, Mukesh Kumar Mishra, Sangram Patnaik, Jha Amlendu Kumar Akhilesh Kumar, Suryavir, Pavan Kumar Chaturvedi, Ms. Swayamsidha Patnaik, Guntur Pramod Kumar, Sravan Kumar Karanam, Ms. Pankhuri Shrivastava, Ms. Neelam Sharma, Alekshendra Sharma, Aditya Kumar, V. Sridhar Reddy, Abhijit Sengupta, Rohit Jaiswal, Deepak

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Bahl, Abid Ali Beeran, Sriram P., Nalukettil Anandhu S. Nair, Ms. Maneesha Sunilkumar, Irshad Ahmad, Shaik Mohamad Haneef, Ms. A Deepthi, Ms. Ratna Prabha, Mukesh Kumar Mishra, Sangram Patnaik, Jha Amlendu Kumar Akhilesh Kumar, Suryavir, Pavan Kumar Chaturvedi, Ms. Swayamsidha Patnaik, Rahul Shukla, Mrs. Bachita Baruah Shukla, Ramandeep Singh, Ms. Vagisha Tripathi, Kumar Dushyant Singh, Miss Akansha, Akash Kumar Baglekar, Anurag, Kunwar Vishal Singh, Ms. Uma Prasuna Bachu, Mahendra Kumawat, Ms. Ritu Reniwal, Mahfooz Ahsan Nazki, Vivek Rajan D.B, Hemant Gupta, Saaketh Kasibhatla, Kartik Brundavan, M. Dharun Lakshman, Guntur Pramod Kumar, Ishaan George, Ms. Dr. Rukma George, Archit Jain, Ashhab Khan, Aman Ahluwalia, B. Shravanth Shanker, Ms. Prerna Robin, Ms. Grahita Agarwal, B. Yeshwanth Raj, K Sita Rama Rao, Arvind Gupta, Anil Kumar Sahu, Kanav Bhardwaj, Ms. Uma Prasuna Bachu, Ms. Ritu Reniwal.

Judgment / Order of the Supreme Court

Judgment

K. Vinod Chandran, J.

Leave granted.

2. Whether the wisdom of the legislature in defining a '*local candidate*' entitled to apply under the '*Competent Authority Seats/Quota*', by a subordinate legislation, in consonance with a Presidential Order issued under Article 371D of the Constitution of India, can be interfered with and expanded by the High Court under Article 226, is the question arising in these batch of appeals.
3. The State of Telangana in their appeals allege that the expansion of the definition, on the subjective satisfaction of the High Court, would lead to frustrating the special provision under Article 371D, intended to confer a benefit to those local candidates in the State of Telangana who can be given preferential admission to the medical courses. The true test being not the claim of nativity by descent, but by their residence and their continued education within the State, culminating with the appearance in the qualifying examination within the State, establishing the real bonding and true integration into the local environment. This raises a valid presumption that they would continue working, after qualifying, in the locality, serving the people of

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the State. The respondents-students, however, urge that the definition of local candidate itself is gross and does not reckon the vagaries of life and employment of the parents, which takes the children away from the State, whose roots remain all the same within the State.

4. The State counters that the definition has been molded in such a manner as to not only benefit those people who studied and resided for a considerable period within the State; but also ensure that those students who come from the marginalized sections are included. Such persons are those who are born into families who do not have the capacity to send their children outside the State and the Country for availing better educational facilities or expert and focused training to appear for the competitive entrance examinations. Most likely these are the persons who would remain within the State and offer their services to those residing in the State, which has a dearth of qualified medical practitioners.
5. We heard Dr. Abhishek Manu Singhvi and Mr. Gopal Sankarnarayanan, learned senior counsel and Mr. A. Sudarshan Reddy, learned Advocate General appearing for the appellants/State/University and Mr. P.B. Suresh, Mr. Raghenth Basant, Mr. Prakash Deu Naik, learned senior counsel and Mr. Krishna Dev Jagarlamudi, learned counsel appearing for the respective respondents/student-aspirants and Mr. S. Sriram, learned senior counsel appearing for the impleader.
6. Two separate Rules containing almost similar definitions were under challenge before the High Court. The first batch of Writ Petitions challenged the Telangana Medical & Dental Colleges Admission (Admission into MBBS & BDS Courses) Rules, 2017¹, the judgment in which was passed on 29.08.2023. Closely following suit, the second batch of Writ Petitions challenging the amendments brought into the definition of '*local candidates*' vide GOMS No.33 dated 19.07.2024 was also allowed on 05.09.2024. Both these judgments are in appeal before us. In the meanwhile, by way of an interim order, there were admissions made on the consent of the State as per the expanded definition ordered by the High Court, subject to the final result of the appeals before this Court.
7. We will first briefly notice the genesis and the history of the preferential admissions to the professional courses in the undivided State of

1 hereinafter referred to as, 'the Rules of 2017'

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Andhra Pradesh and then after division, in the newly formed State of Telangana. Article 371D as it stood before the division referred to special provisions with respect to the State of Andhra Pradesh for providing equitable opportunities and facilities to the people belonging to the State, both in the matters of public employment and education, as enabled by a Presidential Order. After division, the nominal heading was substituted to include State of Telangana, which enabled the President by order to provide, having regard to the requirements of each State, for equitable opportunities and facilities for the people belonging to different parts of such States, in the matter of public employment and in the matter of education, in exercise of the powers conferred thereby. The Andhra Pradesh Educational Institutions (Regulations of Admissions) Order, 1974² was published in the Gazette of India, Extraordinary Part II dated 01.07.1974; which came into force on the same day. It divided the State into three local areas of Telangana, Andhra Pradesh and Rayalaseema as applicable to the Osmania University, Andhra Pradesh University and Sri Venkateswara University respectively.

8. The Presidential Order, originally provided that a local candidate in relation to a local area would be such person who has studied in an educational institution/institutions in such local area for a period of not less than four consecutive academic years ending with the academic year in which he appeared or first appeared in the relevant qualifying examination. It was also provided that when a student has resided within the local area in the four consecutive academic years ending with the academic year in which he qualified and has not studied in any educational institution, he would be entitled to seek admission as a local candidate; which benefit is for students who qualify through private study or the open school system. The Andhra Pradesh Educational Institutions (Regulation of Admissions) Second Amendment Order, 1976 amplified the said definition to take in students who had during the preceding years of qualification, studied in different local areas. The students who studied in different local areas, by the amendment, would have the benefit of being considered in the local area where he has studied the maximum time within a seven-year period. This benefit was also conferred on any resident in different local areas in the preceding seven years who had qualified

2 hereinafter referred to as, 'the Presidential Order'

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in the examinations held in one of the local areas but not studied in any educational institution. The relevant qualifying examination is specified in the Presidential Order as the examination, passing of which is the minimum educational qualification for admission to the course of study for which admission is sought; herein specifically MBBS and BDS.

9. The Andhra Pradesh Reorganisation Act, 2014 provided for continuance of the benefit under Article 371D for ten years in the newly formed States of Andhra Pradesh and Telangana. The first challenge was to the Rules of 2017 dated 05.07.2017. The local areas in the said orders were also divided into three; being Andhra, Rayalseema & Telangana, respectively associated with the three Universities and the definition of local candidates was in consonance with what was available in the Presidential Order. The Division Bench of the High Court formulated eight questions which are noticed hereunder, in seriatim: -

(i) Whether the Rules of 2017 are framed under Article 371D and the Presidential Order?

(ii) Whether the Rules of 2017 are framed under the Telangana Educational Institutions (Regulation of Admission and Prohibition of Capitation Fee), Act, 1983³?

(iii) Whether the Regulation Act of 1983 is framed under Article 371D of the Constitution or under the Presidential Order?

(iv) Whether the validity of the Order of 1974 was examined by the Supreme Court in **C.Surekha v. Union of India**⁴ ?

(v) Whether the High Court could examine the validity of the Rules of 2017?

(vi) & (vii) whether the petitioners fall under either of the definitions of the Rules of 2017; Rule 3(III)(B) or 3(III)(C)?

(viii) whether Rule 3(III)B of the Rules of 2017 is to be struck down or read down?

3 Hereinafter referred to as, 'the Admission Act of 1983'

4 (1988) 4 SCC 526

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10. Insofar as the first question is concerned, looking at the notification dated 05.07.2017 and the reference to the Admission Act of 1983, it was found that the Rules of 2017 was not one framed invoking the powers conferred under the Presidential Order issued under Article 371D.
11. On the basis of the recitals in the notification, the second question was answered in the affirmative, finding the Rules of 2017 to be made under the Admission Act of 1983. The Admission Act of 1983, answering the third question, was also found to be not enacted either under Article 371D or the Presidential Order.
12. It was found that the source of power to enact the Admission Act of 1983 and bring out the Rules of 2017 were perceived to be under Entry 25 of List III of the Seventh Schedule. The Admission Act of 1983 did not trace the source to either Article 371D or the Presidential Order, in which event, neither was that Act enacted, nor the Rules of 2017 said to have been brought out, under the Presidential Order. We are unable to accede to the above reasoning for more than one reason.
13. It is not in dispute that the Presidential Order brought out under Article 371D of the Constitution enabled the State to provide for equitable opportunities and facilities for the people belonging to the different parts of the State *inter alia* in the matter of education. A reading of the Admission Act of 1983, specifically Section 3 is relevant in this context, which is as under: -

3. (1) Subject to such rules as may be made in this behalf, admission into educational institutions shall be made either on the basis of the marks obtained in the qualifying examination or on the basis of the ranking assigned in the entrance test conducted by such authority and in such manner as may be prescribed;

(1A) [XXX]

[Provided that admission into Agriculture, Dental, Engineering, Medical, Pharmacy and Veterinary Colleges shall be made on the basis of ranking assigned by giving weightage to the marks secured in the relevant group subjects namely, Biology, Physics, Chemistry or Mathematics, Physics, Chemistry, as the case may be,

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in the Intermediate Public Examination or equivalent examination and weightage to the marks secured in the common entrance test as may be prescribed.]

(2) The admission into educational institutions under sub-section (1) shall be subject to such rules as may be made by the Government in regard to reservation of seats to the members belonging to Scheduled Castes, Scheduled Tribes and Backward Classes and other categories of students as may be notified by the Government in this behalf and the Andhra Pradesh Educational Institutions (Regulation of Admission) Order, 1974.

(3) Notwithstanding anything in sub-sections (1) and (2), it shall be lawful for the Government, to admit students belonging to other States on reciprocal basis and the nominees of the Government of India, into Medical and Engineering Colleges in accordance with such rules as may be prescribed:

Provided that admission of students into the Regional Engineering College, Warangal to the extent of one-half of the total number of seats shall be in accordance with the guidelines issued by the Government of India, from time to time.

(underlining by us for emphasis)

14. The provision emphasised above specifically enable rules to be brought out not only with respect to reservation of seats to the members belonging to Scheduled Castes, Scheduled Tribes and Backward Classes, but also other categories of students, as may be notified by the Government in this behalf and the Presidential Order has been specifically referred to in the above Act, which went unnoticed by the Division Bench.
15. A Constitution Bench decision of Seven Learned Judges of this Court in ***Union of India v. H.S. Dhillon***⁵ held, following yet another Constitution Bench of Five Learned Judges in ***Harakchand***

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Ratanchand Banthia v. Union of India⁶, that the power to legislate is given to the appropriate legislatures by Article 246 of the Constitution. It was declared that ‘*The entries in the three lists are only legislative heads or fields of legislation; they demarcate the area over which the appropriate legislatures can operate*’ (sic).

16. Usefull reference can be made to yet another decision of a Constitution Bench of this Court in ***State of West Bengal v. Kesoram Industries Ltd.***⁷, from which we make the following extract to the extent it is relevant for this case, since the issue regarding the residuary powers vested in the Parliament, which was the subject matter of the cited decision, does not arise in the present case. The relevant part of paragraph No.31 reads as under: -

31. Article 245 of the Constitution is the fountain source of legislative power. It provides — subject to the provisions of this Constitution, Parliament may make laws for the whole or any part of the territory of India, and the legislature of a State may make laws for the whole or any part of the State. **The legislative field between Parliament and the legislature of any State is divided by Article 246 of the Constitution.** Parliament has exclusive power to make laws with respect to any of the matters enumerated in List I in the Seventh Schedule, called the “Union List”. Subject to the said power of Parliament, the legislature of any State has power to make laws with respect to any of the matters enumerated in List III, called the “Concurrent List”. Subject to the abovesaid two, the legislature of any State has exclusive power to make laws with respect to any of the matters enumerated in List II, called the “State List”.

(bold font for emphasis)

17. In ***State of Andhra Pradesh v. National Thermal Power Corporation Limited***⁸, the perceived conflict between Entries 53 and 54 of List II of the Seventh Schedule to the Constitution was considered. Entry 53

6 (1969) 2 SCC 166

7 (2004) 10 SCC 201

8 (2002) 5 SCC 203

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provided for tax on consumption of electricity while Entry 54 provided for tax on sale of goods. The conflict was argued, especially on the basis of the findings of this Court in **Indian Aluminium Co. v. State of Kerala**⁹ that electricity is goods since supply and consumption take place without any hiatus bringing it within the definition of a sale. Holding that even when there is perceived conflict between two entries, an effort should be made to harmonise it, it was found that several entries in the three lists of the Seventh Schedule are legislative heads or fields of legislation and not the source of legislative empowerment. *“Competence to legislate has to be traced to the Constitution. The division of powers between Parliament and the State Legislatures to legislate by reference to territorial limits is defined by Article 245”(sic)*. Harmonising Entries 53 and 54, it was held that tax could be levied on sale of electricity under Entry 54 and even if there is no sale by the manufacturer, its consumption by the manufacturer itself could be taxed under Entry 53; both by a single piece of legislation. It was held that a legislation could fall within the scope of more than one Entry.

18. What can be clearly perceived from the afore cited decisions is that the source of power to legislate has to be traced to Article 245 read with 246, while the entries in the three lists under the Seventh Schedule of the Constitution are fields of legislation, demarcated as exclusively available to the Union, the State and concurrently; with the Parliament having overriding powers in matters enumerated as concurrent. When enacting a legislation, it is also permissible that the Parliament or the State Legislature may choose to occupy the various fields under the three lists but restricting to such demarcation of powers delineated under Article 246.
19. Importing the above dictum to the subject issue, the States' power to legislate in the field of education as covered under Entry 25 of LIST III has all the same to be traced to Articles 245 & 246, especially when there is no Union legislation on the subject/field. The power enabled under the Presidential Order to make special provisions for equitable opportunities and facilities in the matter of education as conferred under Article 371D; being education, is covered under Entry 25, and has also to be traced to Articles 245 & 246. The Act of 1983, brought

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out thus, consequentially confer the power on the State to bring out the rules in furtherance and in implementation of the Presidential Order. The Rules of 2017, hence, is sourced to the power conferred under the Presidential Order, at least, in so far as it determines the local areas and bring out a definition of local candidates who are enabled the privilege of admission to medical colleges by virtue of their status as a local candidate as per the definition.

20. A Constitution Bench of this Court in **Tamil Nadu Medical Officers Association and Others v. Union of India and Others**¹⁰, overruled an earlier decision of a Three Judge Bench which found the reservation given to in-service candidates for admission to post-graduate courses in medicine, unconstitutional. It was held that Entry 66 in List I has a very limited scope insofar as the power conferred being coordination and determination of standards which alone is in the exclusive domain of the Union. However, conduct of examination, admission of students, prescription of fee and reservation would be a power conferred on the State under Entry 25 of List III. The Rules of 2017 is one authorised by the statute, which in turn traces the source of its power to the Constitution and adopts the definition as available in the Presidential Order.
21. Insofar as the judgment in **C. Surekha** (supra) the decision in **P.Sambamurthy v. State of A.P.**¹¹ was noticed, wherein it was held that Article 371D does not militate against the basic structure of the Constitution, except sub-article (5) of Article 371D; which led to denial of the benefit of judicial review. The other question with respect to reservation of 15% seats to the All-India Entrance Examination was kept open. We find ourselves to be in full agreement with only this finding of the High Court in the impugned judgment.
22. Now, we come to the question of the purported reading down carried out by the Division Bench of the High Court. Having found that **C. Surekha** (supra) did not interpret the Presidential Order of 1974, the impugned judgment looked first at whether the petitioners fall under the definition clauses at Clause 3 III (B) or (C). After extracting the definitions as available in the Presidential Order and the Rules of 2017; which are identical, it was found that none of the petitioners

¹⁰ (2021) 6 SCC 568

¹¹ (1987) 1 SCC 362

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fall under the said definitions. The facts varied from case to case, but there were even students who studied from the first to tenth standard within the local area of the State of Telangana, under the Rules of 2017, but moved away for the secondary and higher secondary studies. The reasons were multifarious and included varied situations of life, including transfer of parents, better educational opportunities and so on and so forth. The categoric finding was that none of the petitioners fall under the two definitions of 'study' or 'residence'; which is also just prior to the higher secondary qualifying examination, the appearance in which had to be undertaken in the State of Telangana.

23. Having found so, the Court went to the further question as to whether the rule defining a local candidate is arbitrary and violative of Article 14 of the Constitution of India. Relying upon the decisions in **Ahmedabad Municipal Corpn. v. Nilaybhai R. Thakore**¹² and **Meenakshi Malik v. University of Delhi & Ors.**¹³ as also decisions of various High Courts, it was found to be violative of the mandate contained in Article 14 of the Constitution. Relying on the trite principle that when a harmonious construction is possible, no provision of a statute or legislation should be struck down, the Division Bench thus expanded the definition to include any student who produced his residence certificate issued by a competent authority of the Government of Telangana. At the outset, we have to state that without a definition of what constitutes residence or at least without reference to a statute or rule prescribing the issuance of a residence certificate, the directions issued by the High Court would only result in an anomalous situation, making the reservation unworkable and open to a series of litigation.
24. Yet again, as has been argued by the State and the University, similar provisions have been upheld by this Court in a number of decisions over very many years. **D.P.Joshi v. State of Madhya Bharat and Ors.**¹⁴ upheld the levy of capitation fee on those students residing outside Madhya Bharat. The object of the classification, found to be justified, was the State's desire to help at least to some extent the students who are its residents, encouraging education of the

12 (1999) 8 SCC 139

13 (1989) 3 SCC 112

14 (1955) 1 SCC 58

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indigenous people, especially when the State spends money for the upkeep and running of the educational institutions; therein a medical college. The aforesaid decision was followed in **Kumari N. Vasundara v. State of Mysore & Anr.**¹⁵ which prescribed conditions of residence for ten years in the State of Mysore, at any time prior to the date of application for the purpose of admission. Therein also an argument was raised that, candidates whose parents, out of necessity or by compelling reasons of transfers, while remaining out of the Mysore State, cannot afford to arrange for the residence of their children inside the State. The argument was repelled by this Court on two grounds. It was held that mere likelihood of hardship cannot result in the striking down of a rule and in any event, hardship is likely to arise in the working of almost any rule, especially when applied to a selection of a limited number of candidates, which alone cannot render the rule unconstitutional. It was clearly held that, for relief against such hardship and reducing the wide gap between the number of available seats and the number of aspirants, the grievance would have to be addressed elsewhere; clearly indicating the policy formulation by the government/legislature. The exclusive domain for policy formulation was not liable to be interfered with, unless validly challenged on gross discrimination, clear arbitrariness, patent illegality, perversity or unconstitutionality.

25. **Pradeep Jain v. Union of India**¹⁶, considered the question whether admission to institutions of higher learning situated in a State can be confined to those having their domicile within their State or who are residents within the State for a specific number of years, irrespective of merit and whether this would be consistent with the constitutional values. Referring to the earlier decisions of this Court, it was held that at least in the scheme of admission to medical colleges, there can be a departure from the principle of selection based on merit to bring about real equality of opportunity between those who are unequal. It was famously observed that '*equality must not remain mere idle incantation, but it must become a living reality for the large masses of people*' (sic). Such departure was held to be justified on two considerations; one the State interest and the other a region's claim of backwardness.

¹⁵ (1971) 2 SCC 22

¹⁶ 1984 AIR 1420

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26. Referring to **D.P.Joshi** (supra), it was found that therein the capitation fee for persons belonging to outside Madhya Bharat was justified on the assumption that those who are *bona fide* residents of Madhya Bharat would settle down and serve the needs of the people in the State, after they qualify; though, there was nothing observed in the judgment as to whether there was any such justification pleaded. It was held that despite intra-state discrimination between persons resident in different districts and regions of a State was frowned upon by this Court, institutional reservation effected through university-wise distribution was upheld. Referring also to **D.P.Joshi** (supra) and **Kumari N. Vasundara** (supra); while unreservedly condemning wholesale reservation on the basis of domicile or residential requirement, 70% reservation was prescribed as an outer limit with 30% being made available on an All-India basis. The percentage was subsequently increased to 85% in the case of **Dinesh Kumar (Dr.) v. Motilal Nehru College**¹⁷, with the prescription of an entrance examination on an all-India basis for the remaining 15% seats.
27. **Anand Madaan v. State of Haryana**¹⁸, provided for a reservation to those who are residents or domiciled in the State of Haryana with a further condition of having studied in the 10th, 10+1 and 10+2 classes as a regular candidate in recognised institutions in Haryana. An exception was carved out insofar as employees of the State Government/All India services borne in the Haryana cadre, employees of statutory bodies or Corporations established under an Act of the State of Haryana and the children/wards of the employees of Indian Defence Services and Paramilitary services belonging to the Haryana State. This Court specifically referred to **Meenakshi Malik**¹³ which was a lone case where a student's parents in Government service were posted outside the country in the last two years of education, which was otherwise commenced and continued in Delhi, which was held to be condonable. **Anand Madaan**¹⁸ found, that was a singular grievance which similar contention was not available to any of the petitioners and upheld the rule in the State of Haryana.
28. We have to immediately notice that the learned Advocate General for the State of Telangana who appeared in the case has assured

17 (1986) 3 SCC 727

18 (1995) 2 SCC 135

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us that there would be mitigation insofar as such candidates; which we will refer to a little later.

29. ***Rajdeep Ghosh v. State of Assam and Others***¹⁹ was another case in which reservation was made for local candidates who studied all the classes from Class 8 to 12 in the State of Assam, who have also passed the qualifying examination or its equivalent from the institutes situated in the State of Assam. Relying on the cited precedents, this Court held that the petitioners could not place any relevant data showing that there were no coaching facilities available in Assam and when some students can afford to obtain coaching in other States, they stand on a different footing, belonging to an affluent class who cannot be adjusted in the State quota, especially when they can seek admission in the All India quota, thus, making the Rule not totally exclusionary.
30. In the wake of the binding precedents, holding the field for three score and ten years; a lifetime, we are unable to accede to the claim of the students who did not fall under the definition that the rule is exclusionary, arbitrary and constitutionally invalid. We cannot but notice that in ***Ahmedabad Municipal Corpn.*** (supra), the rule providing reservation to those local students, qualifying from educational institutions situated within the municipal limits were merely expanded to include the Ahmedabad Urban Development Area (AUDA). The Rule was justified in the counter affidavit filed on behalf of the Ahmedabad Municipality, on the ground that the Medical College in question was established to cater to the needs of the students residing in Ahmedabad city and hence only those students who qualified from schools or colleges within the Ahmedabad Municipality were entitled to be treated as local students. The question posed by this Court was whether those who are residents of Ahmedabad city, who also contribute to the revenue of the Municipality, could be denied the status of local students, merely for reason that they study in schools outside the Municipality limits, but within the AUDA. The rule was held to include even the students of the institutions in the AUDA on the ground that otherwise it creates a differentia within the class of students of Ahmedabad on the basis of their acquiring qualifications from schools within the Municipal limit or within the

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limits of AUDA, which would be arbitrary and violative of Article 14. There is no such unintelligible differentia arising in this case.

31. For all the reasons noticed above, we are unable to uphold the impugned judgment dated 29.08.2023 of the High Court of Telangana.
32. Now, we come to the challenge against the amended Rules of 2023. As has been argued by the State and the University, the Reorganisation Act of Andhra Pradesh permitted continuance of the benefit under Article 371D in the newly formed States for a period of ten years and there was a requirement for a new legislation, after the expiry of that period. This prompted the State to amend the rule by G.O (MS) No.33 dated 19.07.2024, incorporating a fresh Rule 3 in the Rules of 2017. The said amendment provided for the '*Competent Authority Quota*' in the State of Telangana, which on incorporation in the Rules of 2017 traces its power to legislate, to the Regulation Act of 1983, which we already found has been brought out under Entry 25 of List III, Seventh Schedule read with Article 371D and the Presidential Order of 1974 as also Articles 245 & 246. The new rule provided for reservation to an extent of 85% to those candidates who have either (i) studied in the educational institutions in the local area for a period of not less than four consecutive academic years ending with the academic year in which he qualified for admission or (ii) where during the whole or any part of the four consecutive years ending with the academic year in which he qualified for admission, resided in the local area but without studying in any educational institutions, which candidate also should have appeared for the qualifying examination in the State of Telangana. The Division Bench, considering the amended rule, noticed the decision in **Pradeep Jain**¹⁶, **Anand Madaan**¹⁸ and **Rajdeep Ghosh**¹⁹ having laid down that the requirement of residence/domicile for admission to MBBS/ BDS course is permissible, but without anything more proceeded to consider whether the amended rule has to be struck down or read down. After looking at the principle of reading down, again **Meenakshi Malik**¹³ and the earlier judgment dated 29.08.2023 were noticed to find that the amended rule will have to be read down to mean those petitioners having permanent residence or domicile in the State of Telangana, who will have to be considered as a local candidate. At this point, it was pointed out from the Bar that there are no guidelines/rules framed by the State Government to ascertain

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the domicile/permanent residence within the State of Telangana. The State Government was directed to frame guidelines to determine such domicile/residence and directed to consider writ petitioners as per the newly framed guidelines/rules.

33. We have already held that the pre-amended rule defining a local candidate was perfectly in order, which reasoning applies squarely to the amended rule also. There was no warrant for a reading down when the definition is clear, in consonance with the Presidential Order and similar rules having been upheld by this Court as coming out from the binding precedents. We find no reason to take a different view with respect to the amended rule also; 15% having been conceded to the All-India quota.
34. We also observe that the learned Advocate General has handed over a further amendment proposed, incorporating a proviso to Rule 3 as follows: -

I. Provided that a candidate who studies outside Telangana for any period during the requisite four consecutive academic years ending with the academic year in which he appeared, or as the case may be, first appeared in the relevant qualifying examination will be eligible to be considered if they fall under any of the below categories:

1. Children of employees of the Telangana State Government who have served or are serving outside Telangana corresponding to the candidate's year/s of study outside Telangana

2. Children of serving or retired employees belonging to the Telangana cadre of All India Services (IAS/ IFS/IPS) who have served or are serving outside Telangana corresponding to the candidate's year/s of study outside Telangana

3. Children of defence personnel/ex-servicemen/ Central Armed Police Force service who at the time of joining service, have declared their hometown to be in the State of Telangana and who have served or are serving outside Telangana corresponding to the candidate's year/s of study outside Telangana

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4. Children of employees of a Corporation/Agency/ Instrumentality under Government of Telangana, liable to be transferred anywhere in India as per the terms and conditions of his/her employment, who have served or are serving outside Telangana corresponding to the candidate's year/s of study outside Telangana

II. Subject to the candidate submitting Certificate of employment from the competent authority for the candidate's father/mother's service outside the State for the period corresponding to the candidate's year/s of study outside Telangana.

35. The said proviso should allay and mitigate the grievances of those who claim that they were taken out of the State by compulsion of the movement of their parents outside the State by reason of employment in Government/All-India Services/ Corporations or Public Sector Undertakings constituted as an instrumentality of the State of Telangana as also defence and paramilitary forces who trace their nativity to the State, subject to the conditions thereunder. With only the said reservation, we uphold the Rules of 2017 as it stood amended in 2024. We were told that in the previous academic year on concession made by the Government before this Court, students who did not fall strictly under the definition were granted admission to mitigate the grievance of the hardship alleged and argued. We make it clear that the admissions so made shall not be disturbed.
36. The appeals of the State and the University are allowed, setting aside both the impugned judgments in the Writ Petitions filed by the students. The Writ Petitions and the SLP filed by the students before this Court, as a consequence stand dismissed; however, with the reservation insofar as candidates who are covered by the proviso to Rule 3 as specified in paragraph 34 above. No order as to costs.
37. Pending applications, if any, shall stand disposed of.

Result of the case: Matters disposed of.