[3257]

HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

WEDNESDAY, THE FIFTEENTH DAY OF JULY
TWO THOUSAND AND TWENTY SIX

:PRESENT:

THE HONOURABLE SMT JUSTICE JUVVADI SRIDEVI

I.A. No. 1 OF 2026
IN
WP NO: 22618 OF 2026

Between:

1. Yadala Satyanarayana Memorial Educational Society, Registration No. 1115/2006, 204, 2nd Floor, Rahman Plaza, Near Taj Mahal Hotel, Abids, Hyderabad - 500 001, Represented by its General Secretary, Y.V. Gopala Krishna Murthy, S/o. Y. Subba Rao, Aged. 62 Years.

2. ACE Engineering College, Sy.no. 175and 181, Ankushapur(V), Ghatkesar(m), Ranga Reddy Dist.Telangana, 501301 Represented by its General Secretary, Y.V. Gopala Krishna Murthy,S/o. Y. Subba Rao, Aged. 62 Years., H.No. 3-6-69/B/20/2, Avanthi Nagar Colony, Near Cafe Bahar Hotel, Basheerbagh, Himayatnagar, Hyderabad

...PETITIONERS
(Petitioners in WP NO: 22618 OF 2026
on the file of High Court)

AND

1. The State of Telangana, Rep. by its Secretary, Higher Education Department, Secretariat Buildings, Hyderabad.

2. The Telangana Admission and Fee Regulatory Committee, Rep. by its Member Secretary, 2nd Floor, J.N.A and F.A.U. Campus, Opp. Mahaveer Hospital, Mahaveer Marg, Masab Tank, Hyderabad 500028.

3. Telangana State Council of Higher Education, Rep. by its Secretary. 1st Floor. J.N.A and F.A.U. Campus, Opp. Mahaveer Hospital, Mahaveer Marg, Masab Tank, Hyderabad - 500028.

4. Jawaharlal Nehru Technological University, Hyderabad, Rep. by its Regsitrar, Kukatpally, Hyderabad.

5. Convenor-Admissions, TGEAPCET, Sankethika Vidya Bhavan, Masab Tank, Hyderabad - 500028

...RESPONDENTS
(Respondents in-do-)

Counsel for the Petitioner	**: SRI M. SRI KRISHNA REDDY, REPRESENTING SRI VINAY KRISHNA KODALI**
Counsel for the Respondent No.1	**: GP FOR HIGHER EDUCATION**
Counsel for the Respondent No.2	**: SRI G. CHANDRA SHEKAR, Standing Counsel.**
Counsel for the Respondent No.3 &5	**: SRI A.P. SURESH RAM**
Counsel for the Respondent No.4	**: SRI PERI PRABHAKAR, Standing Counsel.**

Petition under Section 151 of C.P.C praying that in the circumstances stated in the affidavit filed in support of the writ petition, the High Court may be pleased to permit the Petitioner No.2 Institution to collect the fee of Rs. 1,30,000/- per student per annum for the undergraduate engineering course (B.E/B.Tech), as determined during both the personal hearings, subject to such other conditions as maybe imposed by this Hon'ble Court, pending disposal of WP No 22618 of 2026, on the file of the High Court.

The court while directing issue of notice to the Respondents herein to show cause as to why this application should not be complied with, made the following.(The receipt of this order will be deemed to be the receipt of notice in the case).

ORDER:

Heard M. Sri Krishna Reddy, learned counsel for the petitioners and Mr. G. Chandra Shekar Reddy, learned Standing Counsel for TAFRC.

Learned counsel appearing for the petitioners submits that petitioner No.2 is an AICTE-approved educational institution, established by petitioner No.1-Society, affiliated with JNTU, and conferred autonomous status by the University Grants Commission *vide* proceedings dated 09.12.2019 for a period of ten years w.e.f. 2020-21 to 2029-2030 for imparting engineering and technical courses. For the block period 2025-28, the petitioner-institution proposed a fee of Rs.1,61,000/- for B.E./B.Tech course. After considering the proposals and conducting personal hearings on 25.02.2025 and 29.08.2025 initially the TAFRC determined/approved higher fee structures of Rs.1,30,000/- for B.E./B.Tech course. However, without issuing any further notice or affording an opportunity of personal hearing, the Government issued G.O.Ms.No.6, dated 04.03.2026 notifying substantially retained fees of Rs.1,10,000/- for B.E./B.Tech course, as that of the previous block period.

Learned counsel further submits that contrary to the recommendations fees was retained by TAFRC to Rs.1,10,000/- for B.E./B.Tech course, which is arbitrary, illegal and contrary to the statutory scheme. He further submits that the recommendations

were made without assigning reasons, without any finding of profiteering or capitation fee and without granting the petitioners any notice or opportunity of hearing, thereby violating the principles of natural justice. He further submits that once the proposals of the petitioners-institutions have been scrutinized in accordance with Rule 4 of the Telangana Admission and Fee Regulatory Committee Rules, 2006 (hereinafter referred to as the 'Rules') and after TAFRC satisfied itself that the fees so determined did not involve any element of profiteering or capitation, TAFRC ought to have recommended the said fees to respondent No.1 for the purpose of notification, in terms of Rule 4(v) of the Rules.

Learned counsel further submits that the petitioner-institution submitted its fee proposals based on actual and legitimate expenditure incurred towards salaries, infrastructure, maintenance, compliance and future obligations. During the personal hearings held in February and August, 2025, the TAFRC itself determined the fee as Rs.1,30,000/- for B.E./B.Tech course, but did not disclose the working sheets, disallowances or the material basis before finalization. However, thereafter, without assigning any reasons whatsoever, reduced the furtherance factor that had consistently been applied to the petitioners-institutions during the earlier block periods. Several expenditure heads, which are mandatory for maintaining the educational standards prescribed by AICTE, have been disallowed. He further submits that TAFRC is empowered only to identify and eliminate components of a proposed fee structure that reflect profiteering or collection of a capitation fee. It is not authorized to disregard or disallow genuine expenditure that is reasonably incurred and necessary for the administration, maintenance, growth and advancement of the institutions.

Learned counsel further submits that the statement of disallowances contains new heads of expenditure which had never previously been treated as disallowable by TAFRC during earlier block periods. TAFRC also enhanced the disallowances in comparison with the proceedings conducted in February and August, 2025, without issuing any proper notice or assigning valid reasons. He further submits that the student strength considered in the evaluation worksheets includes lateral entry admissions for the block period in a manner contrary to the actual sanctioned intake and actual lateral entry admissions of the institutions, which has a direct and substantial bearing on the fee fixation exercise, as it artificially reduces the per student expenditure by spreading the legitimate expenditure of the institutions over a larger number of students than those actually admitted.

Learned counsel further submits that the errors are apparent on the face of the record. He further submits that every private unaided educational institution must have the freedom to fix its own fee structure after taking into account the need to generate funds for running the institution and providing facilities necessary for the benefit of the students. In fact, the institutions are also empowered to collect surplus which can be used for the betterment and growth of the institutions.

In support of his contentions, learned counsel relied on the judgment of the erstwhile High Court of Andhra Pradesh in *Consortium of Engineering Colleges Managements Association (CECMA), Hyderabad and others v. Government of Andhra Pradesh and others [2011 SCC OnLine AP 924]* and drawn attention of this Court to paragraph No.147, wherein, it was held as follows:

> ***"147. In the light of the principles evolving from TMA Pai Foundation's case (supra), to PA Inamdar's case (supra) and to sustain the provisions of Section 7 and Rule 4, we consider it appropriate to read down these provisions; (i) as enabling the AFRC to consider institution-specific fee proposals, course-wise on the bases of the parameters indicated in clauses (a) to (e) and (g) of sub-rule (iv) of Rule 4; (ii) to analyze fee proposals to verify whether they incorporate or camouflage any profiteering or capitation fee; and (iii) to approve, modify or alter the fee structure proposed by each institution, only for the purpose of excising pro tanto any element of profiteering or capitation fee. If fee proposals of an institution, duly substantiated by relevant date, audited accounts and balance-sheets, do not incorporate elements of profiteering or capitation fee (on analyses of the proposals within the contours of the guidelines in Rule 4), the AFRC must accept the same. The AFRC cannot transgress the law declared in TMA Pai Foundation's case (supra), Islamic Academy of Education's case (supra) and PA Inamdar's case (supra), (that every institution enjoys the operational autonomy to devise its own fee structure) by resorting to a misconceived mission, of formulating a common fee structure for private unaided educational institutions."***

Learned counsel further submits that the action of the TAFRC is contrary and violative to the principles laid down by the Hon'ble Supreme Court in the aforesaid judgments. He further submits that if the fee structure of Rs.1,10,000/- for B.E./B.Tech course fixed by the TAFRC under G.O.Ms.No.6, dated 04.03.2026 is continued throughout the block period from A.Y. 2025-26 to A.Y. 2027-28, the petitioners would

incur a deficit and by the end of the said block period, the petitioners would be in a negative financial position. He further submits that the counselling process has already commenced on 19.06.2026.

Learned counsel further submits that in a batch of similar matters challenging the reduction of fees pursuant to the recommendations of TAFRC and the consequential issuance of G.O.Ms.No.6, dated 04.03.2026, this Court had remanded the matters to TAFRC for fresh consideration, after affording an opportunity of hearing to the institutions concerned. However, TAFRC, issued letters, dated 16.06.2026, in a summary manner informing the concerned institutions that the fee structure notified under G.O.Ms.No.6, dated 04.03.2026 holds good within one day of hearing, without duly considering the objections raised by the petitioners. He further submits that even if the present matters are remanded to TAFRC for fresh consideration, no effective relief would ensue as the fee structure is likely to remain unchanged.

Hence, learned counsel prayed this Court to permit the petitioner-institution to collect the fee of Rs.1,30,000/- for B.E./B.Tech course which was tentatively agreed at the time of personal hearings conducted on 25.02.2025 and 29.08.2025, pending disposal of the present writ petition and further requested this Court to direct the Convener, TGEAPCET, to display in the official website and communicate the present interim order to the prospective students seeking admission for the A.Y. 2026-27 into the petitioners-institutions, clearly indicating that the fees which was tentatively agreed by the TAFRC at the time of personal hearings conducted on 25.02.2025 and 29.08.2025, wherein, the working sheets have been existing i.e., Rs.1,30,000/- for B.E./B.Tech course may be increased to the fees proposed by the petitioners-institutions for the block period A.Y. 2025-28 i.e., Rs.1,61,000/- for B.E./B.Tech course, subject to the result of the present writ petition.

On the other hand, the learned Standing Counsel for TAFRC opposed the grant of any interim relief to the petitioner institution, stating that the claim of the petitioner-institution for enhancement of the fee up to the proposed fee cannot be considered and the same cannot be displayed in the website. He further submitted that the petitioner institutions challenged the G.O. only after the commencement of the counselling process and, therefore, opposed the grant of any interim relief in their favour.

Having regard to the submissions made by the learned counsel appearing for the petitioners, in view of the law laid down by the erstwhile High Court of Andhra Pradesh in the aforesaid judgment, due to shortage of time as the counselling process has already

commenced and as it appears that even if the matters are remanded to TAFRC for fresh consideration, no effective relief would ensue as the fee structure is likely to remain unchanged, as an interim measure, this Court is inclined to issue following directions:

(i) The petitioner institutions are permitted to collect a fee of Rs.1,30,000/- per student for the B.E./B.Tech. course for the Academic Year 2026–27, pending disposal of the present writ petition.

(ii) The Convener, TGEAPCET, is directed to display in the official website that the fees to be collected per student is Rs.1,30,000/- and the said fees may be increased to Rs.1,61,000/- for the A.Y. 2026-27, subject to the result of the present writ petition.

(iii) The Convener, TGEAPCET, shall communicate the above order to the prospective students seeking admission for the A.Y. 2026-27 into the petitioners-institutions.

Sd/- L.VIJAYA LAKSHMI
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Secretary, Higher Education Department, Secretariat Buildings, State of Telangana, Hyderabad.
2. The Member Secretary, Telangana Admission and Fee Regulatory Committee, 2nd Floor, J.N.A and F.A.U. Campus, Opp. Mahaveer Hospital, Mahaveer Marg, Masab Tank, Hyderabad 500028.
3. The Secretary, Telangana State Council of Higher Education, 1st Floor. J.N.A and F.A.U. Campus, Opp. Mahaveer Hospital, Mahaveer Marg, Masab Tank, Hyderabad - 500028.
4. The Regsitrar, Jawaharlal Nehru Technological University, Hyderabad, Kukatpally, Hyderabad.
5. The Convenor-Admissions, TGEAPCET, Sankethika Vidya Bhavan, Masab Tank, Hyderabad – 500028.
   (Addressees 1 to 5 BY SPAD) H. Krishna Reddy
6. One CC to SRI ~~VINAY KRISHNA KODALI~~ Advocate [OPUC]
7. Two CCs to GP FOR HIGHER EDUCATION, High Court for the State of Telangana, at Hyderabad [OUT]
8. One spare copy

HIGH COURT

JS, J

DATED: 15-07-2026

ORDER

I.A. No. 1 OF 2026
IN
WP NO: 22618 OF 2026

DIRECTION