HIGH COURT FOR THE STATE OF TELANGANA : HYDERABAD

MAIN CASE NO: W.P.No.19992 of 2026

PROCEEDING SHEET

SL. NO	DATE	ORDER	OFFICE NOTE
1.	25.06.2026	**JS,J** **I.A.No.1 of 2026** Heard Mr. Sirgapoor Sahil Reddy, learned counsel for the petitioners, and Mr. G.Chandra Shekar Reddy, learned Standing Counsel for Telangana Admission and Fee Regulatory Committee (TAFRC). . Learned counsel appearing for the petitioners submits that the petitioners-institutions are AICTE-approved and affiliated educational institutions in the State of Telangana imparting Engineering and Technical courses. For the block period 2025-28, the petitioners-institutions proposed a fee of Rs.1,70,000/- for B.E./B.Tech course After considering the proposals and conducting personal hearings on 01.03.2025 and 01.09.2025, initially the TAFRC determined/approved higher fee structures of Rs.1,45,000/- 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 reduced fees of Rs.1,04,900/- for B.E./B.Tech course.	

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		Learned counsel further submits that contrary to the recommendations, dated 01.09.2025, fees was reduced by TAFRC to Rs.1,04,900/- 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 petitioners-institutions 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 March and September, 2025, the TAFRC itself determined the fee as Rs.1,45,000/- for B.E./B.Tech course, but did not disclose the working	

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		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 March, 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	

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		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*	

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		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.1,04,900/- 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.	

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		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 petitioners-institutions to collect the fee of Rs.1,04,900/- for B.E./B.Tech course, which was notified in G.O.Ms.No.6, dated 04.03.2026, 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 of Rs.1,04,900/- which was	

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		notified in G.O.Ms.No.6, dated 04.03.2026 may be increased to Rs.1,45,000/-, which was tentatively agreed by the TAFRC at the time of personal hearings conducted on 01.03.2025 and 01.09.2025, wherein, the working sheets have been existing, subject to the result of the present writ petitions. On the other hand, learned Standing Counsel for TAFRC opposed for the grant of any interim relief to the petitioners-institutions, stating that the above mentioned fees was not tentatively agreed by the TAFRC, but it was tentatively agreed by the petitioners-institutions, at the time of personal hearings. He further submits that the petitioners-institutions directly challenged the G.O. and opposed for grant of any interim relief to the petitioners-institutions. Having regard to the submissions made by the learned Senior 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	

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		following directions: (i) The petitioners-institutions are permitted to collect the fee of Rs.1,04,900/- for B.E./B.Tech course, for A.Y. 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.1,04,900/- for B.E./B.Tech course, may be increased to Rs.1,45,000/-, for 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. **W.P.No.19992 of 2026** Learned Standing Counsel for TAFRC seeks time to file counter-affidavits. List on 30.07.2026, for filing counter-affidavits. ______ **JS,J** smk	