HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
WEDNESDAY, THE EIGHTH DAY OF JULY
TWO THOUSAND AND TWENTY SIX
:PRESENT:
THE HONOURABLE SMT JUSTICE JUVVADI SRIDEVI
I.A.No. 1 OF 2026
IN
WP NO: 21601 OF 2026

Between

1. Cherabuddi Educational Society, Registration No. 167/1999, Vastunagar, Mangalpalli(V), Ibrahimpatnam (M), R.R. District- 501510. Represented by its Authorised Representative, Prof. K. Ramamohan Reddy, S/o. Kasa Rami Reddy.
2. CVR College of Engineering, Vastunagar, Mangalpalli(V), Ibrahimpatnam (M), R.R. District- 501510, Rep. by its Principal Prof. K. Ramamohan Reddy S/o. Kasa Rami Reddy.

...Petitioners
(Petitioner in WP NO: 21601 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, Pt 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 VINAY KRISHNA KODALI
Counsel for the Respondent: GP FOR HIGHER EDUCATION

Petition under Section 151 of C.P.C praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to permit the Petitioner No.2 Institution to collect the fee of Rs. 1,98,000/- per student per annum for the undergraduate engineering course (B.E/B.Tech), as determined during the personal hearing dt. 27.02.2025, subject to such other conditions as maybe imposed by this Court, as otherwise the Petitioners would suffer grave and irreparable loss, pending disposal of WP No 21601 of 2026, on the file of the High Court.

The petition coming on for hearing, upon perusing the Petition and the affidavit filed in support thereof and upon hearing the arguments of the above mentioned counsel,

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 order.(The receipt of this order will be deemed to be the receipt of notice in the case);

ORDER:

Heard Ms. Laya Venkatraman, learned counsel for the petitioners and Mr. G.Chandra Shekar Reddy, learned Standing Counsel for Telangana Admission and Fee Regulatory Committee (TAFRC), appearing for respondent No.2.

Learned counsel appearing for the petitioners submits that the petitioner institution is an AICTE-approved educational institution. Petitioner No.2 institution was established by petitioner No.1 society and is affiliated with JNTU in the State of Telangana for imparting Engineering courses. For the block period 2025-28, the petitioner-institution proposed a fee of Rs.2,25,000/-. After considering the proposals submitted and conducting personal hearings on 27.02.2025 and 02.09.2025, initially the TAFRC determined/approved a higher fee structure of Rs.1,63,000/- and Rs.1,98,000/- respectively for the B.E./B.Tech course. However, without issuing any further notice or affording an opportunity of personal hearings, the Government issued G.O.Ms.No.6, dated 04.03.2026, substantially reducing the fee from Rs.1,98,000/- which was tentatively arrived at the time of personal hearing conducted on 02.09.2025 to Rs.1,63,000/- .

Learned counsel further submits that contrary to the recommendations, fees was reduced by TAFRC to Rs.1,63,000/- 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 petitioner-institution has 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 September, 2025, the TAFRC itself on 02.09.2025 determined the fee as Rs.1,98,000/- 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 September, 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 fixed by the TAFRC under G.O.Ms.No.06, dated 04.03.2026 i.e., Rs.1,63,000/- for B.E./B.Tech course, 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.

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 matter is 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.1,63,000/- for B.E./B.Tech course, which was notified under 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 petitioner-institution, clearly indicating that the fees of Rs.1,63,000/-, may be increased to the fees proposed by petitioner-institution for the block period 2025-28 i.e., Rs.2,25,000/-, 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, contending that the above-mentioned fee was not tentatively determined by TAFRC, but was tentatively agreed upon by the petitioner-institution during the personal hearings. He further submitted that the petitioner-institution has directly 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 both the learned counsel and in view of the law laid down by the erstwhile High Court of Andhra Pradesh in the aforesaid judgment, this Court is of the *prima* facie view that, having regard to the paucity of time, as the counselling process has already commenced, and as it appears that even if the matters are remanded to the TAFRC for fresh consideration, no effective relief would ensue since the fee structure is likely to remain unchanged, it would be appropriate, as an interim measure, to issue the following directions:

(i) The petitioner-institution is permitted to collect the fee of Rs.1,63,000/- 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.1,63,000/- and the

said fees may be increased to Rs.2,25,000/- 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 petitioner-institution.

Sd/- K.BHAVANI SWAMY
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, Pt 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. Convenor-Admissions, TGEAPCET, Sankethika Vidya Bhavan, Masab Tank, Hyderabad -500028

   [Addresses 1 to 5 by SPAD]
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: 08-07-2026

ORDER
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DIRECTION