



# Deciphering the Boundaries of Enforcement

An analysis of recent landmark rulings on the **Right to Education** and the **Prevention of Money Laundering Act**.

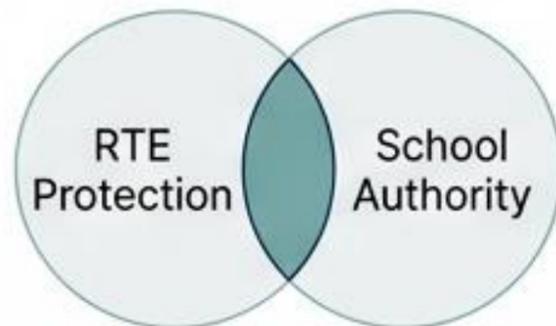
# Two Cases, One Core Legal Question

Recent Indian court rulings highlight a growing judicial focus on strict procedural boundaries. This briefing examines two distinct scenarios where institutional power clashed with statutory limits.

## Case Study 1: Education vs. Recovery



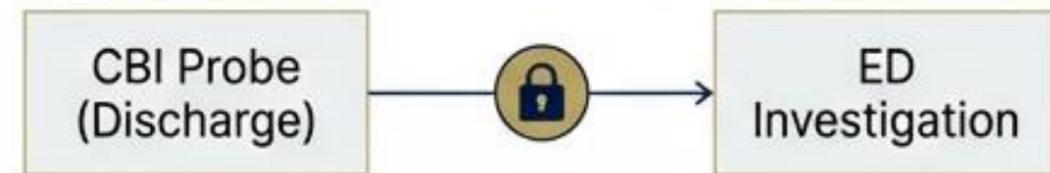
A Bombay High Court ruling protecting a 13-year-old student from expulsion over Rs 23,900 in unpaid school fees, testing the limits of the Right to Education (RTE) Act.



## Case Study 2: Predicate Offence vs. Money Laundering



The discharge of Arvind Kejriwal and Manish Sisodia in a CBI probe, and what it legally dictates for the Enforcement Directorate's (ED) ongoing financial investigation.



**Discharge in Predicate Offence May Limit ED Action**

# The Catalyst: A Dispute Over Unpaid School Fees

A conflict between a parent and Father Agnes School escalated from a fee dispute to an expulsion order, prompting judicial intervention by the Nagpur Bench of the Bombay High Court.

## Background



13-year-old student admitted to Father Agnes School in Class 6 (2023-2024), promoted to Class 7 (2024-2025).

## The Conflict



Father files complaints alleging arbitrary fee fixing and non-use of NCERT books. School denies allegations, citing unpaid fees for Classes 6 & 7 totaling Rs 23,900.

## The Escalation



March 2025: School issues a 3-day notice for dues. A Transfer Certificate (TC) is subsequently issued. Father claims he was forcibly denied entry to pay.

## The Intervention



Bombay HC Justices Anil Kilor and Raj Wakode quash the TC and order prompt readmission.

# The Statutory Clash: Competing Legal Mandates

The legal framework of the dispute rests on the intersection of a constitutional guarantee and state-level fee regulation laws.

	The Guarantee (Article 21-A & RTE Act 2009)	The Mechanism (Maharashtra Educational Institutions Fee Act 2011)
Core Mandate	Guarantees free and compulsory education in a neighbourhood school.	Governs how private unaided schools may legally recover fees.
Age/Scope	Applies strictly to children between the ages of 6 and 14.	Applies to the administrative operations of the educational institution.
Permitted Actions	Section 16 expressly dictates: <b>No child admitted in a school shall be held back in any class or expelled from school till the completion of elementary education.</b>	Section 3A permits schools to charge for delayed payment of fees or impose penal interest for non-payment.

# Closing the Unaided Minority Loophole

Father Agnes School argued that as an unaided minority institution, it retained administrative autonomy and fell outside the RTE framework. The High Court tested this claim against the school's own paper trail.

## The Claim

School claims exemption from RTE obligations based on Supreme Court precedents regarding minority unaided institutions.

“A striking example of unfairness and arbitrary action... the management cannot blow both hot and cold.” – Bombay High Court.

## The Reality - Regulatory Record



2007 Maharashtra Govt No Objection Certificate (NOC) binding the school to state rules.

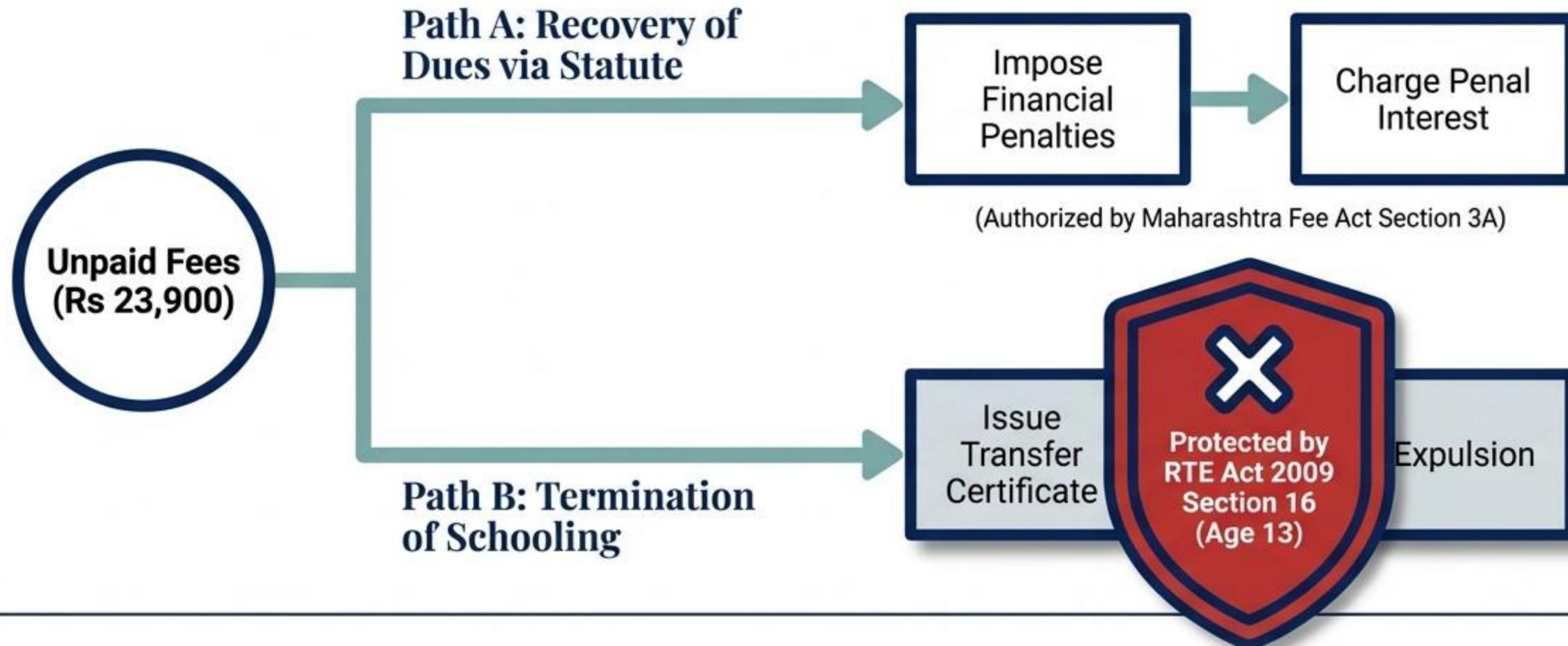


April 2022 CBSE approval letter explicitly stating the provisions of the Act of 2009 are made applicable.

# The Verdict: Dual Pathway Enforcement

The court explicitly separated the issue of debt recovery from the continuation of schooling, establishing a strict procedural boundary for educational institutions.

## The Dual Pathway Diagram



# The Catalyst: A Discharge and a Lingering Probe

A Delhi trial court issued a 598-page order discharging former Chief Minister Arvind Kejriwal and Manish Sisodia in the CBI's liquor policy case. This raises a critical procedural question regarding the parallel financial investigation.



## Central Bureau of Investigation (CBI)

- **Role:** Investigating the primary, underlying crime (The Excise Policy Scam).
- **Status:** Accused discharged by trial court.

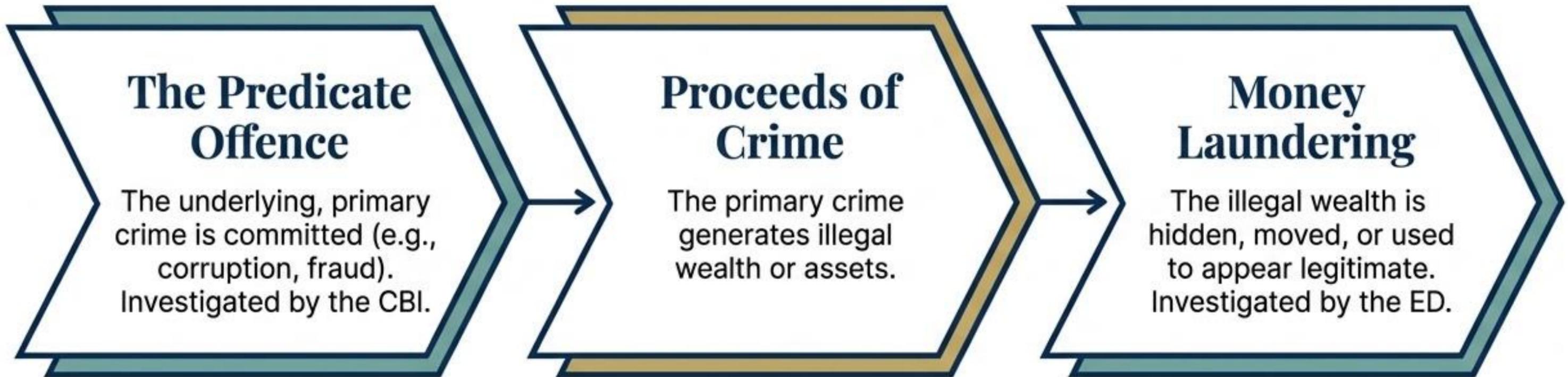


## Enforcement Directorate (ED)

- **Role:** Investigating the resulting financial crime (Money Laundering).
- **Status:** Case ongoing. The ED summoned Kejriwal before he was even named as an accused in the CBI case.

# Decoding the Predicate Offence

To understand the ED's jurisdiction under the Prevention of Money Laundering Act, 2002, one must understand the anatomy of how financial crimes are legally structured.



# Anatomy of Prosecution: Investigation vs. Laundering

While the ED's money laundering case is often termed a standalone offence, its legal survival is anchored entirely to the existence of the primary crime.

## CBI - Primary Offence

### Focus

Proving the underlying crime actually happened.

### Requirement

Must establish guilt beyond a reasonable doubt for the initial illegal act.

## ED - Standalone but Linked Offence

### Focus

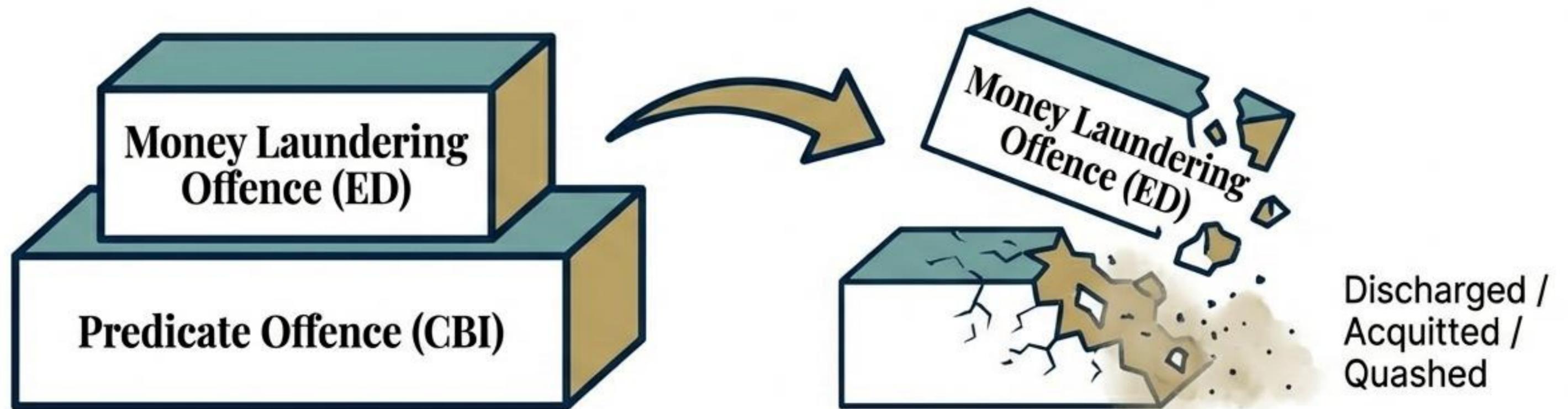
Tracking the generation and use of the proceeds of crime.

### Requirement

Can begin inquiry without a conviction in the predicate offence, BUT cannot sustain a case if the predicate offence is legally dismantled.

# The Precedent: The Domino Effect of Discharge

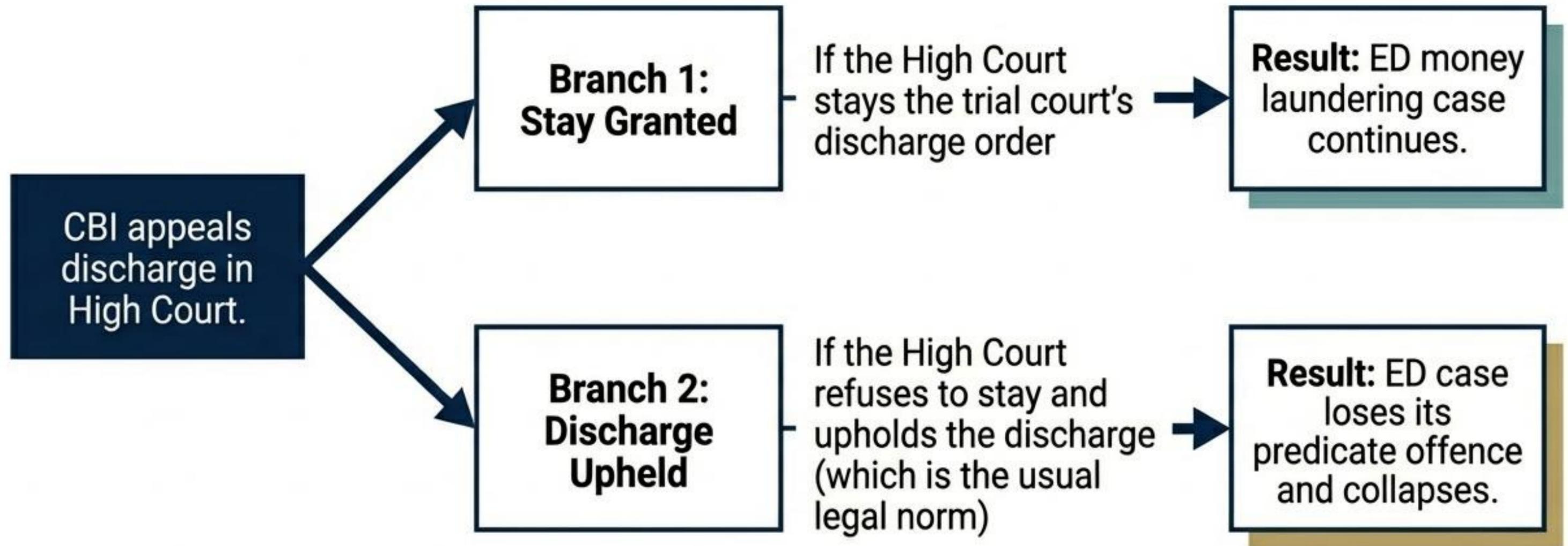
The 2022 landmark Supreme Court ruling in Vijay Madanlal Chaudhary v. Union of India definitively settled how ED cases relate to predicate offences. The ED cannot prosecute on a notional basis.



**"There can be no offence of money-laundering against him... if the person is finally discharged/acquitted of the scheduled offence."**

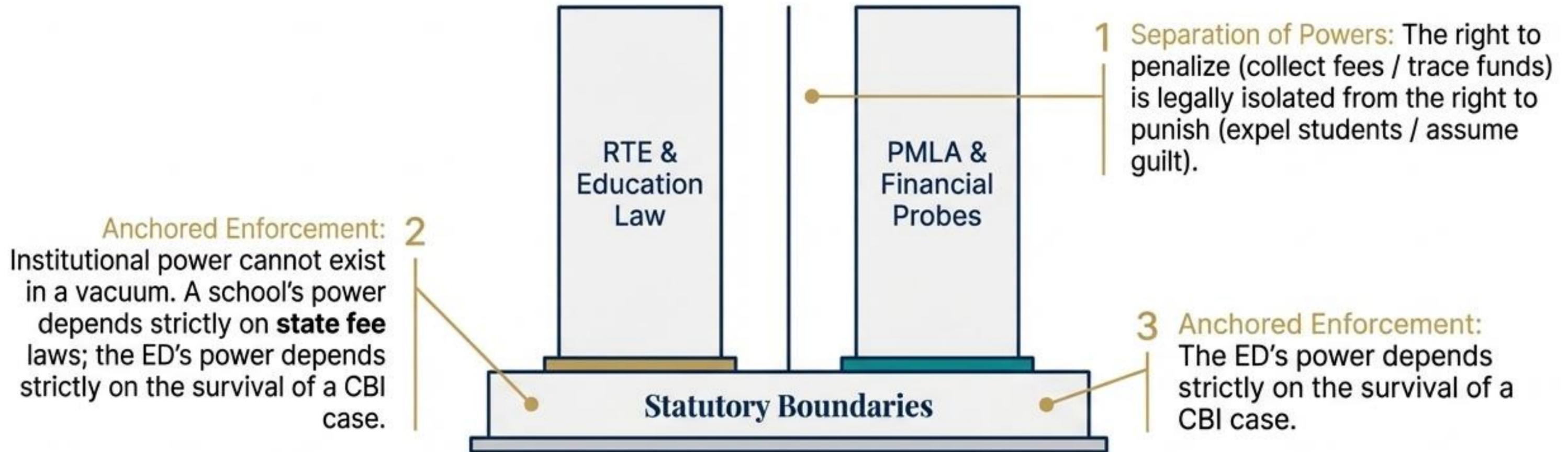
# The Next Legal Steps: A Binary Outcome

The CBI is appealing the trial court's discharge order in the High Court. The fate of the ED's money laundering probe hinges entirely on the outcome of this single appeal.



# Synthesis: The Architecture of Dependency

Though dealing with entirely different domains—a 13-year-old’s education and high-level political financial probes—both rulings reveal a unified judicial philosophy: **strict enforcement of procedural firewalls.**



Courts are aggressively untangling overlapping jurisdictions, ensuring that enforcement actions are limited precisely to what their foundational statutes permit.

# Summary of Key Legal Takeaways

A distillation of the core precedents established and reinforced by these rulings.



## **The Age Mandate is Absolute.**

Under Section 16 of the RTE Act, the protection against expulsion is strictly age-based (6 to 14 years). Institutional affiliations or unaided status cannot bypass this constitutional guarantee.



## **Penalties Cannot Override Rights.**

**State fee regulation laws** (like Maharashtra's Section 3A) permit financial penalties for late dues, but they **do not legally authorize the revocation of a child's right to elementary education.**



## **Laundering is a Dependent Charge.**

Under the 2022 Vijay Madanlal Chaudhary precedent, **the ED's jurisdiction is anchored to the primary crime.** If the predicate offence is legally discharged, the money laundering case **cannot survive** independently.

# Thank You



Telegram Channel: LegalEdge CLAT Preparation by Toprankers



Instagram Channel: legal\_edge



Youtube Channel: LegalEdge CLAT Coaching by Toprankers



TR Law Community: LearnTogetheR Community