

**A Case Analysis on**  
**“Ram Singh v. Union Territory of Chandigarh”**  
**- A Labour Law Perspective**

**Introduction**

The case analysis of *Ram Singh v. Union Territory of Chandigarh (2003)* pertains to the relationship between employer and employee. Following the case of *Dharangadhara Chemical Works v. State of Saurashtra (1956)*, wherein the court laid down two prominent tests to determine the relationship, the Hon’ble Supreme Court had utilised and refined the tests from the Dharangadhara Chemical Works case, and added factors to consider when determining employer-employee relationship. This case truly catered to the implementation of labour law, and stated that the Control and Supervision test is not an exhaustive test. Factors that need to be considered are –

- (i) Terms and Conditions of the Contract
- (ii) Features of the relationship between employer and employee
- (iii) Actual nature of employment.

The increase of the gig economy coupled with rapid technological advancements forced the law to protect the labour class’ interests, thereby passing the Social Security Code in 2020. Therefore, the importance of cases such as *Ram Singh v UT Chandigarh* and *Dharangadhara Chemical Works v. State of Saurashtra* has to be acknowledged in the development of modern-day labour law in the protection of the working classes of India.

**The Tests that determine Employer-Employee relationship**

The test that was laid down in the case of *Dharangadhara Chemical Works v State of Saurashtra* and reiterated in *Ram Singh v. Union Territory of Chandigarh* was the “Control and Supervision

test”, that laid down two different components but were considered on equal footing when determining employer-employee relationship to help with the application of labour law. They were:

(i) The Control Test

(ii) The Supervision Test.

### The Control Test

Under the Control Test, there is an element of supremacy that one party has over another, thereby empowering them to “control” the inferior party. This is a basic common law approach that has often been utilised to determine the presence of an employer-employee relationship. The employer has the right to tell them what to do, the manner and timing in which it is to be done, and so on and so forth. This test was also held to be the primary test to distinguish a contract of service (employer-employee relations) from a contract for service (independent contractor).

### The Supervision Test

In the Supervision Test, the employer has the right to dictate and observe the manner in which their directions are being carried out by the employee. This component is also essential to the larger “Control and Supervision” test, as it allows for the employer to supervise and change the employee’s actions and establish superiority over those under his command.

### **Facts**

The Department of Engineering, Chandigarh Administration, was in charge of maintaining the electricity supply to Government Medical College and Hospital, Chandigarh, and had established a substation for the same purpose. Trained electricians and skilled workmen were employed to this substation through different contractors for different jobs connected with the substation to set up to maintain its electricity supply. The employees working at the sub-station in the Medical College and Hospital premises petitioned the Central Administrative Tribunal, Chandigarh,

requesting that because their work for maintaining electricity supply in the College and Hospital premises is of a persistent nature, the Engineering Department of the Chandigarh Administration be directed to formalise their services in the Administration. The Tribunal dismissed the workers' petitions on the grounds that employees hired through a contractor cannot be considered holders of a "civil position" as defined in Section 3(q) of the Administrative Tribunals Act (1985), and thus the Tribunal lacks jurisdiction to give relief.

### **Issue**

The issue in this case pertains to the matter of whether the reliefs presented in the appeals pleaded by the petitioners against Central Administrative Tribunal can be granted to the employees, and whether the nature of the petitioners' work has an established employer-employee relationship or not.

### **Laws**

The Indian Contract Act (1872) and the Contract Labour (Regulation and Abolition) Act (1970) is relevant to this case law to determine the nature of the employment contract that was signed by the petitioners, and interpreting the nature of contractual labour, which is the central theme that the problem of this case revolved around. The Administrative Tribunals Act, 1985 is relevant to this case as it would help in determining whether the Central Administrative Tribunal in Chandigarh was empowered to grant the petitioners relief and granting them a civil position in the electricity substation that helped in the maintenance of electricity to Government Medical College and Hospital, Chandigarh.

## Analysis

In this case, the Hon'ble Supreme Court and its Constitution Bench had decided that “without ascertaining the industrial forum”, the interrelationship of the contractors and the Chandigarh administration cannot be established as an employer-employee relationship<sup>1</sup>. Therefore, even after considering the various factors of the relationship, in addition to conducting the control and supervision test, the Supreme Court had come to the conclusion that the Tribunal and the High Court did not have the power to grant the workers of the substation a civil post, which goes to show that there are still various loopholes pertaining to the labour laws in this country.

The case begins with the workers pleading the Administration to regularise and formalise their posts in order to recognise their efforts in a job of a “perennial nature”. It escalated to the High Court, wherein it was established that their work was given to them on the basis of a tender, to ensure efficiency and a higher quality of work, which was highly technical. The supervisory role was, thereby, kept with the staff of the Department of Engineering, Chandigarh, and they were to be sought out by the electricians of the substation in case of any emergency<sup>2</sup>. Therefore, the reason for the regularisation of their work that was submitted before the Administration was so that it would be formalised that the contract of the employees was directly under the control of the Department of Engineering, and therefore the Test of Control to ensure efficiency and quality of work was passed.

On the other hand, it was stated that contractual labour was employed for this specialised technical work, and to ensure quality and efficiency. It was the defendant's contention that the condition that the staff provided by the contractor would “not be changed without approval of the Department is for the sake of convenience since the staff already engaged by the Contractor would become familiar with the electrical system of the Hospital and frequent change in the staff might impair normal work”<sup>3</sup>. This arrangement of contractual labour, therefore, was temporary

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<sup>1</sup> <https://indiankanoon.org/doc/1929751/> (Citation cant be like this, follow bluebook 20th or 21st edition)

<sup>2</sup> *Supra.*

<sup>3</sup> *Supra.*

until the Administration created a requisite number of posts and decided to recruit employees under the Department on deputation or by direct recruitment<sup>4</sup>.

While the Control and Supervision tests were conducted, the Constitution Bench and the Supreme Court had also considered other factors, such as terms and conditions of the contract, features of the relationship between employer and employee, and the actual nature of employment. While considering these factors, the conclusion that was arrived at was in the negative - that they could not provide the relief that the employees had sought out. The employees only had business with the Contractors, who were the middle men, and not the Department of Engineering itself. While the lack of formalisation can be viewed as unjust, because the presence of “middle men” or basically third parties who are “supplying” the labourers are taking a portion of the wages that the labourers should be paid, it is the lack in the law that needs to be corrected. This can be rectified by forming a proper mechanism for such institutions and mandating direct recruitment and employment for perennial posts. (Were there any dissenting opinions? Look into those and mention )

### **Conclusion**

In light of the case of *Dharangadhara Chemical Works v. State of Saurashtra*, the case of *Ram Singh v. Union Territory of Chandigarh* (Mentioned citation for both cases everywhere that its mentioned) proved an advancement in the thinking of the Supreme Court and its Constitution Bench, by putting forward various other elements for consideration for the establishment of employer-employee relationship as well as the determining authorities that may grant higher posts. The Indian legal system regarding contractual labour still needs improvement in order to keep up with the advancements being made around the globe, to truly protect the labour workforce from exploitation, harmful work environments, and other detriments, but this case that laid down additional components for the eyes of the law proves that it is a step towards justice for the labour classes in India.

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<sup>4</sup> *Supra*.

