

Align Components Private Limited and another v. Union of India

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The case of Align Components Private Limited and another v. Union of India and others(2020) deals with several labour law issues related to the rights of contractual workers in India. The case highlights the significance of guarding rights of contractual workers who are frequently subject to exploitation by employers.

BACKGROUND

The case arose from a disagreement between Align Components Private Limited and its contractual workers who had been engaged in the product of machine corridor. The workers had been engaged through a third-party contractor and were not directly employed by Align Components Private Limited. The workers claimed that they had been subordinated to colorful violations of their rights, including remittance of stipend denial of statutory benefits, and illegal termination of employment. The workers also claimed that the contractor through which they were engaged was a bare sham and that they were, in reality, working directly for Align Components Private Limited. The workers argued that they were entitled to be treated as workers of Align Components Private Limited and that their rights under colorful labour laws, including the Industrial Disputes Act and the Payment of stipend Act, should be defended. The case was originally filed before the Labour Court, but the matter was latterly appertained to the High Court of Delhi, which delivered a corner judgment in favour of the workers.

FACTS OF THE CASE

- Align Components Private Limited is a company that manufactures and supplies automobile components. The company engaged contractual workers through a third-party contractor for its product unit. These workers contended that they were entitled to colorful labour law protections and benefits as workers of the company, and filed solicitation before the High Court of Delhi.
- The workers claimed that they were working as regular workers and not as contractors, and were thus entitled to the protections of colorful labour laws, including the Payment of Gratuity Act, 1972, the Worker's Provident finances and eclectic vittles Act, 1952, and the minimal stipend Act, 1948.
- The company, on the other hand, argued that the workers were engaged through a third-party contractor and weren't its workers. It also argued that the workers were engaged under fixed-term contracts and weren't entitled to the benefits of colorful labour laws applicable to regular workers.
- The case was heard by the High Court of Delhi, which addressed several labour law issues related to the employment relationship, contractual arrangements, and the entitlements of contractual workers to colorful labour law protections and benefits. The court eventually held that the workers were considered workers and were entitled to the protections and benefits under colorful labour laws.

ISSUES

1. Whether the contractual workers engaged by Align Components Private Limited were workers or not.
2. Whether the workers were entitled to the minimal stipend as specified under the minimal stipend Act, 1948.
3. Whether the workers were entitled to social security benefits similar as provident fund, gratuity, and perk under colorful labour laws.
4. Whether the Contract Labour (Regulation and invalidation) Act, 1970 applied to the employer indeed though the workers were engaged through a third-party contractor.

JUDGMENT

- The High Court of Delhi held that the workers were entitled to be treated as employees of Align Components Private Limited and that their rights under colorful labour laws should be defended. The court observed that the contractor through which the workers were engaged was a bare sham and that Align Components Private Limited had complete control over the work done by the workers.
- The court also noted that the workers had been engaged in the product of goods that were vended by Align Components Private Limited and that the workers were, thus an integral part of the product process. The court held that the workers were entitled to be treated as workers of Align Components Private Limited under the principle of "control test".
- The court also held that the contractor wasn't a genuine contractor and that Align Components Private Limited had engaged the contractor to circumvent its legal obligations towards its workers. The court observed that the contractor had no independent business of its own and that it was solely dependent on Align Components Private Limited for its survival.
- The court further held that the workers were entitled to colorful statutory benefits, including minimal stipend, overtime stipend, and leave with stipend under colorful labour laws. The court noted that the workers hadn't been paid minimal stipend and that they had been denied overtime stipend and leave with stipend.
- The court also held that the workers were entitled to reinstatement and back stipend since their termination was illegal. The court observed that the workers had been terminated without any notice or inquiry, which was a clear violation of the Industrial Disputes Act.
- The court also directed Align Components Private Limited to misbehave with colorful labour laws and to insure that the workers were paid all their statutory benefits. The court observed that the failure of Align Components Private Limited to misbehave with labour laws would affect in the exploitation of contractual workers and would be mischievous to their welfare.

SIGNIFICANCE

The case of Align Components Private Limited and another v. Union of India and others (2020) has significant counter accusation for the protection of the rights of contractual workers in India. The judgment is a significant step towards icing that contractual workers aren't exploited by employers and that their rights are defended under colorful labour laws. The judgment highlights the significance of the principle of the "control test" in determining the employment relationship between employers and workers. The control test provides that the employment relationship exists where the employer has control over the work done by the worker. The judgment also highlights the need for genuine contractors who have an independent business of their own. The judgment also emphasizes the need for employers to misbehave with colorful labour laws and to insure that their workers are paid all their statutory benefits. The failure of employers to misbehave.

CONCLUSION

In conclusion, the case of *Align Components Private Limited and another v. Union of India and others* (2020) is a significant development in labour law in India. The judgment provides clarity on the legal status of contractual workers and highlights the importance of protecting their rights under various labour laws. The case serves as a reminder to employers that they cannot exploit contractual workers and must comply with labour laws to ensure the welfare of their workers. The judgment also underscores the role of the judiciary in protecting the rights of contractual workers and sets a precedent for future cases involving similar issues.

