RANGASWAMI AND ANR. v. REGISTRAR OF TRADE UNIONS AND ANR.[1]

Srajan Rajpoot[2]

Petitioner: Rangaswami and Anr.

Respondent: Registrar of Trade Unions

Date of Judgment: 4 November 1960

Bench: R Iyer

STATUTES

The legal principles or the law involved in this case are:

- The Trade Unions Act, 1926
- The Industrial Disputes Act, 1947
- The Constitution of India

FACTS

- Raj Bhavan of Ootacamund and Guindy employed many workers who were specialized in household work, tailoring, gardening, etc to look after the Governor and his family members, staff, and state guest.
- These were the domestic workers divided into two categories
    1) Staff performing services related to domestic nature and their services were pensionable and were governed under the rules framed by the Governor of Madras.
    2) The second category workers included mainly maistruies and gardeners and they didn't get a pension but we're entitled to gratuity. Their duty was to maintain the garden.
- These workers were working under the control of the controller and were as per the conditions endorsed in Article 309 of the Indian Constitution.

[1] AIR 1962 Mad 231, (1961) ILLJ 599 Mad, (1961) 2 MLJ 554
[2] BA LLB, THIRD YEAR, IMS UNISON UNIVERSITY,DEHRADUN.

- Madras Raj Bhavan Workers' Union was formed by the workers to facilitate an affable and consensual agreement between the employer and workers.
- On 9-2-1959, seven employees wanted to get themselves registered as Trade union under the Trade Unions Act of 1926 but were failed to do so because they could not claim that they were purely engaged in domestic services or trade activities.
- The Registrar stated that Union can only be registered if they are associated with an exchange or business of a business but as the employees didn't come under the definition of workmen as prescribed in the trade union act, so their application was rejected.

ISSUES

- Can the association formed by the workers of Raj Bhawan be registered Under the Trade Union Act?
- Can the Industrial Dispute Act be read with the Trade Union Act?
- Were these workers considered as workmen or their workplace be considered as Industry?

CONTENTIONS BY PETITIONER

- Mr. Ramsubramaniam, the representative of petitioners, challenged the correctness of the decision taken by the Registrar.
- He argued that Under Trade Union Act a workman is employed in an industry but what is the industry is not defined under that, so it would be better to adopt the definition of the industry from Industrial Dispute Act as the guiding principle and the main purpose both the act aims at the betterment of the conditions of labour in the country.
- *"Section 2(j) of Industrial Dispute Act defines industry as any business, trade, undertaking, manufacture, or calling of employers and includes any calling, service, employment, handicraft or industrial occupation or avocation of workmen."*
- If the meaning of Industry is taken from the Industrial debate Act, it would be complete enough to cover those representatives who are occupied with administrations at the Raj Bhavan.

- He argued that these employees must be considered as workers because they not only provide services to the individuals from the Governor's family yet in addition to guests and visitors.
- Also, these workmen contributed to adding surplus production of the garden, and the sales increased due to the service staff clearly show that the business by the employer must be considered as a trade or business
- The petitioners referred to the case of *Bengal Club Ltd v. Shanti Ranjan*[3], where it was held that a consolidated organization occupied with the providing food business and furthermore a business in authorized liquor was considered as an industry inside the importance of the Industrial Disputes Act.
- So the aforementioned services must also be considered as trade and Madras Raj Bhavan Workers' Union must be registered as Trade Union under Trade Union Act, 1926.

CONTENTIONS BY RESPONDENT

- He argued that how the definition of workmen in the Industrial Dispute Act can be taken into consideration while registering under the trade union Act. It was said that though no independent definition of Workmen is defined in the Trade Union Act the definition of Trade Dispute is inclusive of the definition of “Workmen”. It defines "*Workman means all persons employed in trade or industry whether or not in the employment of the employer with whom the trade dispute arises."*
- The fact that trade union is only connected with trade or business can’t be ignored, even after considering the arguments of the petitioner, it can't be said that business in the current case is involved in a business activity or trade. Thus they should not be allowed to form a union under the act.
- The respondent argued that even if he considered that the definition of Industry would be applicable on Trade Union Act but even then there is no undertaking where it can be proved that the authorities of the Raj Bhavan are employers engaged with the workmen which are an essential ingredient of the term "industry" mentioned in the Industrial Disputes Act.

[3] Bengal Club Ltd v. Shanti Ranjan, AIR 1956 Cal 548

JUDGEMENT

- Court enunciated that however Section 2(j) of Industrial Dispute Act clarifies that all types of services and undertaking are considered as an industry", but even then there is need to draw a line in a reasonable and just way to reject a few purposes for living, administrations or endeavors.
- Service delivered by a worker simply in an individual or homegrown matter or even in an easygoing manner is included in this definition, but it cannot be propounded that the word "service" includes any kind of service rendered in any capacity and for whatsoever reason".
- Therefore, simple individual assistance whatever amount of it may have been coordinated, would not in any way, shape, or form be an endeavor inside the significance of the Act; the fundamental condition is just close to home help given to the business.
- The court clarifies the objective behind the Industrial Dispute Act and the Trade Union Act. It was clarified that the legislature needed to widen the scope of Industry under the Industrial Dispute Act but the same aim could not be set by Trade Union. There the ambit of Industry and Workmen is quite broader as they aim to ensure Industrial peace whereas the aim of the Trade Union Act is quite different and is to dissolve the disputes with mutual consent rather than coercion and to safeguard the interest of both the employer and employee
- It couldn't be possible to read and interpret the Industrial Dispute Act and The Trade Union Act together it can't be said that the business in the current case is having such exchange or business.
- The services rendered by the workers to the State guests were direct services to them and indirect services to the employer. The definition clearly states that the direct services must be there and it must directly benefit the employer thus these services would not amount to trade or business are close to home administrations to them and by implication to the business. They would not add up to exchange or business.
- The simple certainty that workers serve the guests and State visitors of Raj Bhavan would show that there was co-activity between the business and the representatives with the end goal of an exchange or business.
- *"The decision emphasized that the activity contemplated by the term industry in section 2(j) of the Industrial Disputes Act involved the co-operation of the employer*

and the employees. In Employees of Osmania University, Hyderabad v. Industrial Tribunal, Hyderabad[¨], it was held that the trial of co-activity between the business and representative to encourage a material need should be fulfilled. Most important thing is that the services rendered by employees be done for the direct benefit of the employer with cooperation to achieve desired goals which in this present case is not seen anywhere.

- Court enunciated that the present case is not the form of Trade or Business because the occasional sale of unserviceable articles was circumstances of the ordinary administration of public property.
- It was concluded that most of the employees at Raj Bhavan were Government servants also, the administrations delivered by them were simply of an individual sort, so they cannot form a trade union, and thus could not register as Trade Union under trade union

RATIO DECIDENDI

- The main fact determined by the court was that no two acts can be read together unless and until their purpose is the same. Like, in this case, Trade Union Act and the Industrial Dispute Act had different aims that why the definition of Workmen mentioned in both acts cannot be used interchangeably.
- The services included in Industrial Dispute Act had wider scope as compared to Trade Union Act, so the services included in Industrial Dispute Act cannot be included in Trade Union Act.

CRITICAL ANALYSIS

The trade union is an organization formed to promote, protect and improve the conditions of workers through collective action.

- Every association has the right to safeguard their interest by forming associations; even Article 19(1) (c) provides the right to every citizen of India to form associations or unions. But the multiplicity of Trade Unions encourages undesirable activity, political influence, etc.
- The agitation approach of Trade unions by the way of strikes and boycotts not only hamper production but also creates unrest in society. The growth of small unions

lessened the strength of trade unions which reduces the effectiveness of workers securing their legitimate rights.

- This association had no rights either under the Trade Union Act or the Industrial Dispute Act and thus will not get any recognition by employers and is not immune from any contractual, criminal, and civil proceedings.