

**IN THE SUPREME COURT OF HASTINAPUR  
(CIVIL APPELLATE JURISDICTION)  
[SCR. ORDER XXII RULE 2(1)]  
(Under Article 136 of the Constitution of Hastinapur)**

**Wraps Pvt. Ltd.**

**v.**

**A) Legal Respondent of Aparshakti (Respondent 1)  
&  
B) Cutting Edge Technology Pvt. Ltd (Respondent 2)**

1. The state of Angapradesh is a federal unit of the State of Hastinapur. The state of Hastinapur has been encouraging its federal units to get as industrialized as possible. The purpose is to increase production within the country and become self-reliant. Angapradesh has started many policies which has incentivized entrepreneurs who are setting up manufacturing units.
2. Buoyed by the government's policies and facilities to industrialists, Mr. Ramesh and his family have decided to set up a manufacturing unit for cardboard covers for products. For example, Close-Up toothpaste comes in a wrap of cardboard.
3. They acquired all the necessary clearances, and the manufacturing unit was set up and the business vehicle was incorporated as Wraps Private Ltd. After three years of establishing the manufacturing unit, the company started to flourish in 2008 and gained many orders. Therefore, they added a business Unit for the delivery of wraps to the purchasers.
4. In 2010, the company bought 10 lorries for the deliveries to packaging units across the state. The company also employed ten drivers to drive these vehicles. The drivers had an annual salary of Rs. 50,000/- each. The cost of the lorries was 5 crore in total with an annual maintenance cost of Rs. 10,00,000/- in total.

5. Everything was going very smooth till the fateful day of August 3, 2014 when one of the drivers, Shri Aparbhakti, 22, was driving the lorry to deliver wraps to the packaging unit of Bhartiya Dantmanjan Company. While he was on his way on National Highway 12, his lorry had a head-on collision with a truck coming from the opposite direction. The accident resulted in the instant death of Shri Aparbhakti.
6. This tragic accident led to Wraps Private Ltd forming a committee with international and independent experts under the chairmanship of Mr. Ramesh. The expert committee produced a Report which recommended that Wraps Private Ltd adopt state-of-the-art technology for its deliveries.
7. As a result, Wraps Pvt. Ltd. entered into a technological understanding to commence trials for Beyond Visual Line of Sight (BVLOS) operations with Cutting Edge Delivery Pvt. Ltd. The requisite approval from the Ministry of Defence and other concerned ministries was obtained. Soon, a trial run was successfully undertaken.
8. Wraps Pvt. Ltd. entered into contract with Cutting Edge for ten delivery systems. , These were drones and could lift a weight up to 150kg. These were in operation at Wraps for last two years and successfully delivered goods to packaging units. The drones were self-operating and needed no human intervention during the delivery process. Any human intervention that was required was performed by Cutting Edge Technology.
9. The Civil Aviation Ministry began to regulate the commercial drone operations in Hastinapur. A regulation was accordingly framed in the “Rules for Commercial Drones, 2016” under its powers under The Aircraft Act, 1934 and Aircraft Rules, 1937. Cutting Edge Technology applied for certification of the drones in the category of Medium Drone at the Quality Control Council of Hastinapur. The Council accordingly granted it the permission to operate these drones.
10. On 16 January 2018, while goods were being loaded to the drone system, it developed a malfunction and could not hold the weight being attached to it. It fell on the heads of two of Wrap’s employees Sushri. Karishma Devi and Shri Chatur Kumar leading to their death on the spot.

11. Meanwhile, the legal dependents of Shri. Aparbhakti brought an action for compensation at the office of Deputy Commissioner of Employee's Compensation under the Employee's Compensation Act, 1923 (EC Act, 1923). The claim was filed on 10 April, 2018. The Deputy Commissioner allowed the claim. On 15 May, 2018 he allowed the total claim of Rs. 11,06,850/-.
12. The claim was challenged in the High Court as it was found to be inadequate. The High Court remanded the matter back to Deputy Commissioner to reconsider his decision and determine the claim afresh. The Dy. Commissioner maintained the same award as awarded on 15 May, 2018 as per S.4(1B), of the EC Act, 1923 and Schedule IV of the Act. As per this law the Commissioner has jurisdiction for claims below the ceiling of monthly wages of Rs. 5000/-. Under Schedule IV of the EC Act, 1923 a scheme was laid for the multiplicand according to the age of the deceased at the time of filing of claim. Therefore, the Dy. Commissioner applied the multiplicand of 221.37 in accordance with the law of EC Act, 1923.
13. The Union Government came out with a Notification dated 1-1-2016 whereby, acting in pursuance to the power endowed upon it under S.4, the EC Act, 1923 changed the ceiling of Rs. 5000 monthly wages to Rs.10,000/- Therefore, the amount of award should have been double the amount as to what was awarded by the Dy. Commissioner
14. After the unchanged award by the remanded Dy. Commissioner, the matter was filed again in the High Court of Angapradesh. Keeping in mind the Notification of the government, the High Court doubled the amount of the award that had been granted by Dy. Commissioner on 15 May, 2018.
15. Legal representatives of Sushri Karishma Devi and Shri Chatur Kumar also filed for compensation under the Employee Compensation Act, 1923 which was approved by the Dy. Commissioner. Wraps Pvt. Ltd. in return asked Cutting Edge Technologies to indemnify them for the compensation awarded to the families of the deceased employees. Cutting Edge refuted the claim arguing that there was no Clause in the purchase agreement for drones on accidents caused by drones. The Drone Rules are also completely silent about the indemnification of loss.

16. Wraps Pvt. Ltd. brought an Action for indemnification in the High Court of Angapradesh against Cutting Edge Technology. The High Court dismissed the Action observing that nothing is mentioned in the Drone Rules for indemnification by the Remote Pilot who was under the employment of Cutting Edge.

17. The Wraps Pvt. Ltd decided to appeal this case before the Supreme Court of Hastinapur under Art.136 of the Constitution of India, going against the High Court Order and also against the Order of the Dy. Employment Commissioner. Supreme Court clubbed the SLPs and decided to hear them together. The questions before the Supreme Court of Hastinapur are as follows:

- i. Whether government Notification, dated 1-1-2016, under the Employee Compensation Act, 1923, is applicable to accidents that took place prior to the Gazette Notification.
- ii. Whether claims under the Employee's Compensation Act, 1923 and The Rules for Commercial Drone, 2016 are mutually exclusive or not.
- iii. Whether "The Rules for Commercial Drone, 2016" is constitutional as it encroaches upon the Freedom of Trade under Article 19, Constitution of Hastinapur.

NOTE: All the laws are *pari materia* with laws in India and "The Rules for Commercial Drone, 2016" has identical provision as in the Draft Drones Rules, 2021 of Ministry of Civil Aviation, Government of India.