

SHRI I.M. NANAVATI MEMORIAL MOOT COURT COMPETITION, 2026-27

MOOT PROPOSITION

BEFORE THE HON'BLE SUPREME COURT OF ARYAVARTA

(Under Article 136 of the Constitution of Aryavarta)

Special Leave Petition (Civil) No. 224 of 2026

IN THE MATTER OF:

ZIPTO TECHNOLOGIES PRIVATE LIMITED & ANR.

... Petitioners

VERSUS

UNITED GIG-WORKERS UNION (UGU) & ORS.

... Respondents

Note to Participants

This proposition is a work of fiction crafted exclusively for the purposes of academic debate at Shri I.M. Nanavati Memorial Moot Court Competition, 2026-27. Aryavarta is a fictional republic whose laws are *pari materia* to the laws of the Republic of India. Any resemblance to real persons, corporate entities, or pending litigation is entirely coincidental. References to foreign judgments, statutes, and directives are to be treated as they exist in the real world as of the date of this proposition and may be relied upon as persuasive/comparative material. Participants are expected to research further developments in this rapidly evolving field of law.

I. The Republic of Aryavarta and the Rise of the Platform Economy

1. The Republic of Aryavarta has, over the last decade, witnessed an unprecedented expansion of its digital and platform-based economy. Aggregator applications connecting consumers with drivers, delivery personnel, home-service technicians, and small retailers have altered the traditional employer-workman paradigm recognised under Aryavarta's labour jurisprudence.
2. This expansion has coincided with, and been substantially shaped by, comparable regulatory and judicial developments across the world. Courts and legislatures in the United Kingdom, the United States, and the European Union have each grappled with the classification of persons who perform work through digital platforms but who are contractually styled as "independent contractors," "partners," or "users" rather than "employees" or "workmen." These developments, discussed in Section IV below, were extensively relied upon by both sides in the proceedings giving rise to this Special Leave Petition.
3. It is against this backdrop that the present dispute concerning Zipto Technologies Private Limited ("Zipto") and its Service Partners has travelled to the Supreme Court of Aryavarta.

II. Zipto Technologies: Corporate Structure and Business Model

4. Zipto Technologies Private Limited was incorporated in Aryavarta in 2018 as a wholly-owned subsidiary of Zipto Global Inc., a company incorporated in Delaware, USA. Zipto describes itself as a "hyper-local fulfilment platform" that, through its smartphone application, connects "Service Partners" (delivery personnel), "Merchant Partners" (local vendors), and "End Users" (consumers).
5. The algorithmic engine that allocates tasks, fixes pricing, sets service standards, and disciplines Service Partners is designed, owned, and centrally updated by Zipto Global Inc. and merely

licensed for use to its Aryavartan subsidiary under an Intra-Group Technology Licensing Agreement. Zipto Technologies' own Board of Directors has, on affidavit before the High Court, admitted that it possesses no independent capability to alter the core algorithm, rating thresholds, or payout formulae without the written approval of Zipto Global Inc.'s Product Council.

6. Zipto's business model is publicly marketed under the tagline "Freedom to Earn." Service Partners are not required to commit to fixed hours and may log into the "Zipto-Partner App" at will. Tasks are assigned by the algorithm on the basis of proximity, historical acceptance rate, and "Partner Score." Zipto retains a 20% "Platform Fee" on every transaction, crediting the balance to the Service Partner's digital wallet, which is settled on a weekly cycle.
7. Clause 14 of the standard-form "Service Partner Agreement" — a non-negotiable click-wrap agreement — records: "The Partner is an independent contractor and not an employee or agent of Zipto. Nothing in this Agreement shall create a relationship of master-servant or employer-employee. The Partner acknowledges that Zipto exercises no direction or control over the manner in which the Partner performs deliveries." Clause 22 additionally binds Partners to mandatory arbitration in Delaware and a waiver of class or collective proceedings.

III. Algorithmic Governance: "Zipto-Shield" and Predictive Routing

8. In early 2025, Zipto introduced an AI-driven governance module, "Zipto-Shield," to ensure "customer delight." Under this module, "Soft-Blocks" are automatically triggered where a Partner's rating falls below 4.2 stars, or where a Partner rejects more than three consecutive orders during peak hours. A triggered Soft-Block logs the Partner out of the application for 48 hours — a process the Partners themselves describe as "Digital Termination." No human reviewer examines an individual Soft-Block before it takes effect; an internal appeal, decided by a different algorithmic layer, is available only after the block has run its full course.
9. Zipto additionally introduced "Predictive Routing," under which Partners are not informed of a delivery's destination until after they have collected the package from the Merchant Partner. A Partner who declines a long-distance delivery after pickup suffers a penalty deduction from accumulated earnings for that shift.
10. The Respondents contend that these features are functionally indistinguishable from the mechanisms of fare-setting, work allocation, performance-rating, and passenger-feedback-driven deactivation that were examined by the United Kingdom Supreme Court in *Uber BV*

v. Aslam, discussed below, and that they demonstrate a degree of "Substantive Control" inconsistent with the independent-contractor label in Clause 14 of the Service Partner Agreement.

IV. Comparative Developments Relied Upon by the Parties

Both parties, before the High Court and in this Special Leave Petition, have extensively relied upon the following comparative developments, which the Supreme Court of Aryavarta has permitted to be placed on the record as persuasive material.

(a) United Kingdom — Uber BV v. Aslam [2021] UKSC 5

11. The Respondents rely heavily on the unanimous decision of the UK Supreme Court, which held that Uber drivers were "workers" (an intermediate category between employee and independent contractor under UK law) for the entire period they were logged into the app and available for work. The Court emphasised five factors: (i) Uber alone fixed the fare and, therefore, the drivers' remuneration; (ii) the contract terms were dictated by Uber with no scope for negotiation; (iii) once logged in, a driver's choice to accept or decline trips was constrained by Uber's rating and penalty systems; (iv) Uber exercised significant control over the manner of service, including vehicle standards and routes; and (v) Uber restricted communication between drivers and passengers to prevent the formation of independent business relationships. The Respondents argue that Zipto-Shield and Predictive Routing replicate each of these factors.

(b) United States — California and the ABC Test

12. The Respondents also draw upon the evolution of Californian law. In *Dynamex Operations West, Inc. v. Superior Court*, 4 Cal. 5th 903 (2018), the Supreme Court of California adopted the "ABC Test" for determining employee status under California's wage orders, presuming a worker to be an employee unless the hiring entity establishes that the worker (A) is free from the hiring entity's control and direction, (B) performs work outside the usual course of the hiring entity's business, and (C) is customarily engaged in an independently established trade of the same nature. This test was subsequently codified by the California Legislature through Assembly Bill 5 (2019).

13. The Petitioners, in turn, rely on the electorate's response: Proposition 22, a 2020 ballot initiative that carved app-based transportation and delivery drivers out of the ABC Test, classifying them as independent contractors while mandating certain minimum guarantees (a

net-earnings floor, healthcare subsidies, and occupational-accident insurance). The Petitioners further rely on the Supreme Court of California's decision in *Castellanos v. State of California* (2024), which upheld the constitutional validity of Proposition 22, as demonstrating that even jurisdictions with an ABC-style presumption have accepted a negotiated, legislatively (or electorally) sanctioned "third way" rather than a judicially imposed one.

(c) European Union — Directive (EU) 2024/2831

14. The Respondents place significant reliance on the EU Directive on Improving Working Conditions in Platform Work, which requires Member States to introduce a legal, rebuttable presumption of an employment relationship where indicia of "direction and control" are satisfied — including algorithmic setting of pay, restriction of working hours, and rating-based deactivation. The Directive further obliges platforms to ensure human oversight and review of significant automated decisions affecting a platform worker's account status, and prohibits deactivation based solely on automated decision-making. The Petitioners counter that the Directive is a legislative instrument requiring transposition by elected parliaments of Member States, and cannot be replicated by judicial fiat in Aryavarta absent a similar parliamentary enactment.

(d) Aryavarta's Domestic Regulatory Response

15. In June 2025, the Code on Social Security, 2020 was fully notified in Aryavarta. Section 2(35) defines a "gig worker" as a person who performs work outside a traditional employer-employee relationship and earns from such activities; Section 2(60) separately defines a "platform worker." Section 113 provides for a National Social Security Board for gig and platform workers, and Section 114 empowers the Central Government to frame welfare schemes funded, inter alia, by a contribution from aggregators not exceeding 2% (and not less than 1%) of their annual turnover, subject to notification. As of the date of the impugned judgment, the Central Government had constituted the Board but had not notified the specific contribution percentage or operationalised the Gig Worker Welfare Fund.
16. Separately, in exercise of powers under Section 93 of the Motor Vehicles Act, 1988 (as amended in 2019), the Ministry had issued the Motor Vehicle Aggregator Guidelines, 2020, which condition an aggregator's licence on obligations relating to driver background verification, mandatory insurance cover, grievance redressal mechanisms, and caps on driver working hours (12 hours in a 24-hour period). The Guidelines are, however, wholly silent on

the question of the employment status of drivers or delivery partners, and neither deem nor exclude them from the status of "employee" or "workman."

V. The Triggering Incident: Mr. Akash's Accident

17. Mr. Akash, a top-rated Zipto Partner with a Partner Score in the top 2 percentile, met with a severe road accident in July 2025 while executing a "Lightning Order"—a delivery category with a guaranteed ten-minute delivery window enforced by the Predictive Routing algorithm. As a result of the injuries sustained in the accident, Akash died on the spot. His family sought compensation both under the compensation provisions of the Code on Social Security, 2020 (which replaced the erstwhile Employee's Compensation Act) and under the mandatory personal-accident insurance obligation contained in the Motor Vehicle Aggregator Guidelines, 2020.
18. Zipto rejected both claims. It contended that Mr. Akash was a "User of the Platform" and not a "workman" or "employee" under the Code on Social Security, and that the insurance obligation under the Aggregator Guidelines was a regulatory condition of Zipto's operating licence enforceable only by the licensing authority, and did not itself create a private right of compensation enforceable by an individual Partner or his family.
19. Following the accident, Mr. Akash's family did not go to the competent authority under Chapter VII of the Code on Social Security, 2020. The authority is empowered by Sections 90 and 93 to decide compensation claims, including interest and damages under Section 77(3). The decisions of the Competent Authority are appealable to the High Court under Section 99 of the Code. The United Gig Workers Union chose instead to invoke Article 226 and explained its reasons as follows: (i) the competent authority is a statutory functionary whose civil-court powers under Section 95 are of limited reach, and it cannot lift the corporate veil to reach Zipto Global Inc. or decide constitutional questions; (ii) the insurance claim under the Aggregator Guidelines falls outside Chapter VII altogether; (iii) the relief sought is systemic in nature, touching Article 21, the un-operationalised Welfare Fund and algorithmic accountability, and so lies beyond a compensation forum; and (iv) Zipto had denied every such claim as a matter of uniform policy, which made case-by-case adjudication futile.

VI. Institution of Proceedings: The Writ Petition

20. The United Gig-Workers Union ("UGU") thereupon filed a Writ Petition before the High Court of Indraprastha under Article 226 of the Constitution of Aryavarta. UGU's principal contentions were: (i) that Zipto exercises "Substantive Control" over its Partners in a manner materially identical to the control examined in *Uber BV v. Aslam*; (ii) that, applying an ABC-Test-style analysis, Zipto could not discharge the burden of showing that its Partners are free from control, perform work outside Zipto's usual course of business, or are independently established in a trade of the same nature; (iii) that the corporate structure interposing Zipto Technologies between the controlling algorithm (owned by Zipto Global Inc.) and the Partners is a device to fragment liability, and that the "corporate veil" between parent and subsidiary ought to be lifted for the limited purpose of fastening labour-welfare liability, the two constituting a "single economic entity"; and (iv) that the failure of the Central Government to notify the Gig Worker Welfare Fund under the Code on Social Security cannot extinguish the fundamental right to social security and livelihood under Article 21.

VII. The High Court's Judgment

The High Court of Indraprastha, in a landmark ruling, held:

- (a).** That the "Economic Reality Test," as reinforced by the reasoning in *Uber BV v. Aslam* and the ABC Test line of Californian authorities, demonstrates that Zipto dictates the price, the terms, and the discipline of work, and that Clause 14 of the Service Partner Agreement is a contractual label that cannot override this economic reality.
- (b).** That, for the purposes of the Industrial Relations Code, 2020 and the Code on Wages, 2019, Zipto's Service Partners are "deemed employees," notwithstanding their separate classification as "gig workers" under the Code on Social Security, 2020.
- (c).** That the corporate veil between Zipto Technologies Private Limited and Zipto Global Inc. stands pierced for the limited purpose of this dispute, the two entities being a single economic enterprise in respect of algorithmic control over Partners.
- (d).** That the "Right to Social Security" is a facet of the Right to Life under Article 21, and that this right cannot be held hostage to the Executive's delay in notifying a scheme under Section 114 of the Code on Social Security, 2020.

- (e). That Zipto must, with immediate effect, contribute 5% of its annual Aryavartan turnover toward a Court-monitored, localised welfare fund, notwithstanding the absence of a notified Central scheme, and that its automated "Soft-Block" mechanism must incorporate a mandatory human-review stage prior to any deactivation exceeding 24 hours, modelled on the human-oversight requirement in Directive (EU) 2024/2831.

VIII. Grounds of Appeal Before the Supreme Court

21. Aggrieved, Zipto Technologies (joined by Zipto Global Inc. as the second Appellant) has filed the present Special Leave Petition. Zipto's principal grounds are that: the High Court's judgment amounts to impermissible judicial legislation in a field "occupied" by the Code on Social Security, 2020 and the Motor Vehicle Aggregator Guidelines, 2020, both of which deliberately preserve a distinct, non-employment category for gig and platform workers; that piercing the corporate veil absent fraud, sham, or improper conduct is unwarranted on settled principles of company law; that the judicially-imposed 5% turnover levy, in the absence of a notified statutory scheme or legislative sanction, violates Zipto's freedom to carry on trade and business under Article 19(1)(g) and is manifestly arbitrary under Article 14; that Article 21 does not impose a positive, horizontally-applicable obligation upon a private corporation to fund social security absent a statutory mandate; and that reliance on foreign judgments and a directive of a supra-national body with no force in Aryavartan law is misplaced, particularly where Aryavarta's own Parliament has chosen — as California's electorate did through Proposition 22 — a distinct, calibrated "third way" through the Code on Social Security rather than full employment status.

IX. Issues for Determination

Issue 1 — The Corporate and Contractual Issue

Whether the "contract of service" versus "contract for service" test still works for the platform economy or can "Substantive Control" test and the ABC Test override an express "independent contractor" clause, and whether piercing the corporate veil was justified without establishing fraud or other improper conduct?

Issue 2 — The Labour Law Interface

Whether the recognition of gig and platform workers as a sui generis category under the Code on Social Security, 2020 excludes them from being treated as "employees" or "workmen" under other labour codes, and whether the Motor Vehicle Aggregator Guidelines bar courts from imposing additional welfare obligations on aggregators?

Issue 3 — The Constitutional Challenge

Whether the imposition of 5% turnover levy by the High Court under writ jurisdiction on Private Companies/Corporations amounts to interference in financial autonomy and decision making process of private companies leading to excess of jurisdiction?

Issue 4 — Technological Due Process and Algorithmic Accountability

Whether automated "Soft-Blocks" and "Predictive Routing," implemented without prior human review, violate the principles of natural justice and Article 14, and whether courts can introduce procedural safeguards despite the absence of a statutory framework.

Issue 5 — The Persuasive Value of Comparative Jurisprudence

Whether foreign law (*Uber v. Aslam*, California's ABC Test/Prop 22, EU Directive 2024/2831) can guide interpretation of "employee" and "control" under Aryavartan law, or whether divergent regulatory paths abroad support the Petitioners' view that this is a matter for the Legislature, not the judiciary.

Note on Written Submissions

Participants are required to argue on behalf of both the Petitioners and the Respondents, addressing all five issues framed above. Participants are encouraged to research further developments — statutory, regulatory, and judicial — in the law relating to gig and platform work in India and other comparable jurisdictions up to the date of the competition, and to apply such developments, where relevant and analogous, to the facts of this proposition.