
INDUSTRIAL RELATIONS AND SOCIAL SECURITY OF TNSTC EMPLOYEES UNDER THE LABOUR CODES

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ABSTRACT

The Tamil Nadu State Transport Corporation (TNSTC) is one of the largest public sector undertakings in India, employing thousands of workers across the state and playing a vital role in public mobility. However, TNSTC employees face persistent challenges in both industrial relations and social security. Issues such as wage disputes, long working hours, lack of adequate rest, frequent strikes, and strained employer–employee relationships highlight the fragility of industrial harmony in the sector. On the other hand, social security concerns including limited pension coverage, delayed gratuity payments, inadequate health care, and the vulnerability of contractual workers reflect systemic gaps in protecting the welfare of employees. These issues in light of the four Labour Codes the Code on Wages, 2019; the Industrial Relations Code, 2020; the Code on Social Security, 2020; and the Code on Occupational Safety, Health and Working Conditions, 2020. It analyses how far these reforms address the socio-economic and legal challenges faced by TNSTC employees. Judicial pronouncements and case studies relating to transport workers are discussed to highlight the practical realities of enforcement. The paper also draws attention to the divergence between policy intent and ground-level implementation, stressing the need for reforms that balance operational efficiency with workers' dignity and rights. The study suggests strengthening collective bargaining, improving enforcement mechanisms, and expanding social security coverage to ensure justice for TNSTC employees under the evolving labour law framework.

Keywords: Industrial Relations, Social Security, TNSTC, Labour Codes, Transport Workers

INTRODUCTION

The Tamil Nadu State Transport Corporation (TNSTC) is a lifeline of public mobility in the state, catering to millions of passengers daily while employing thousands of workers across different categories. As a major public sector undertaking, it not only ensures affordable transportation but also provides large-scale employment, making it a critical component of Tamil Nadu's socio-economic framework. However, the sector has been continuously confronted with challenges concerning industrial relations and social security. The employer and employee relationship within TNSTC has often been marked by wage disputes, demands for better working conditions, frequent strikes, and issues of collective bargaining, all of which highlight the fragility of industrial harmony. On the other hand, the social security needs of employees, including access to pensions, gratuity, health care, and insurance, remain only partially fulfilled, leaving many workers particularly those in contractual and temporary positions—vulnerable to economic insecurity. Although the recent Labour Codes, namely the Code on Wages, 2019; Industrial Relations Code, 2020; Code on Social Security, 2020; and the Code on Occupational Safety, Health and Working Conditions, 2020, aim to consolidate and simplify the legal framework, their effectiveness in addressing the practical realities of TNSTC employees is still debatable. Judicial pronouncements have extended certain protections, but enforcement gaps persist due to financial constraints, weak monitoring, and administrative limitations. Against this backdrop, a socio-legal analysis of industrial relations and social security challenges in TNSTC becomes essential to explore both the strengths and shortcomings of the current labour law framework.

INDUSTRIAL RELATIONS IN THE TRANSPORT SECTOR

The industrial relations framework in the Tamil Nadu State Transport Corporation (TNSTC) is marked by a complex interplay of employer–employee dynamics. As a state-owned undertaking, TNSTC has historically struggled with balancing financial viability and employee welfare. The relationship is often strained due to wage disputes, long working hours, and demands for better service conditions, leading to recurring industrial unrest. The Industrial Disputes Act, 1947 (now subsumed into the Industrial Relations Code, 2020) has governed these relations, defining “*industrial disputes*” and laying down mechanisms for conciliation, adjudication, and settlement.

Trade unions play a pivotal role in TNSTC, representing employees in negotiations over wages,

working conditions, and benefits. Collective bargaining, while legally recognised, has been inconsistent in practice due to political influences and the multiplicity of unions. In *All India Bank Employees' Association v. National Industrial Tribunal*¹, the Supreme Court emphasised that collective bargaining is central to industrial democracy, though subject to reasonable restrictions. The situation in TNSC reflects this tension while unions are vital in voicing workers' concerns, frequent disagreements with management have led to disputes escalating into strikes.

Strikes and lockouts are recurring issues in the transport sector. The Supreme Court in *B.R. Singh v. Union of India*², held that while the right to strike is not fundamental, it is an important means of collective expression for workers. However, in essential services such as transport, prolonged strikes disrupt public life and invite strict state intervention. Dispute settlement mechanisms, including conciliation officers and labour courts, have often been invoked, but delays and weak enforcement undermine industrial peace. Thus, TNSC's industrial relations highlight the need for effective collective bargaining, fair dispute resolution, and balance between public interest and workers' rights.

SOCIAL SECURITY CHALLENGES OF TNSC EMPLOYEES

Social security remains a pressing concern for Tamil Nadu State Transport Corporation (TNSC) employees, many of whom face uncertain financial futures despite being part of a large public sector enterprise. Wage structures in TNSC have often been a source of disputes, with demands for revision and parity across divisions. Retirement benefits, though legally protected, are frequently delayed due to financial constraints, leaving retired employees dependent on litigation for timely disbursement. The Supreme Court in *D.S. Nakara v. Union of India*³, recognised pension as not a bounty but a right linked to the dignity of life, underscoring the importance of timely benefits.

Health care facilities and insurance schemes, though promised, are inadequate and unevenly implemented. Gratuity, governed under the Payment of Gratuity Act, 1972 (now integrated into the Code on Social Security, 2020), often suffers delays in payment, causing severe hardship. Moreover, contractual and temporary workers, who form a significant share of the workforce,

¹ All India Bank Employees' Association v. National Industrial Tribunal, AIR 1962 SC 171

² B.R. Singh v. Union of India, (1990) 4 SCC 598

³ D.S. Nakara v. Union of India, (1983) 1 SCC 305

remain excluded from pension, insurance, and maternity protections, reflecting systemic inequities. In *Regional Director, ESI Corporation v. Francis De Costa*⁴, the Court stressed the beneficial nature of social security laws, urging liberal interpretation in favour of employees. However, in practice, TNSC's financial instability and administrative lapses weaken these protections. This reveals a glaring gap between statutory entitlements and actual implementation, leaving employees vulnerable at critical stages of their lives.

LEGAL FRAMEWORK UNDER LABOUR CODES

The consolidation of 29 labour laws into four Labour Codes marks a major reform in India's employment regulation, directly affecting TNSC employees. The **Code on Wages, 2019** ensures uniform wage structures, minimum wages, and timely payment across all sectors, including transport. For TNSC workers, it seeks to address wage disparities and prevent arbitrary deductions. In *Olga Tellis v. Bombay Municipal Corporation*⁵, the Supreme Court recognised the right to livelihood as part of Article 21⁶, strengthening the argument that fair wages are central to human dignity.

The **Industrial Relations Code, 2020** focuses on dispute settlement, collective bargaining, and conditions for strikes or lockouts. For transport workers, who are part of essential services, this Code provides a legal framework balancing workers' rights with public interest. In *Workmen of Andhra Pradesh State Road Transport Corporation v. Management*⁷, the Court upheld workers' rights to fair treatment in disputes, emphasising industrial peace in state transport undertakings.

The **Code on Social Security, 2020** merges laws relating to provident fund, pension, insurance, and gratuity, extending social protection to a wider workforce. However, contractual TNSC employees still face exclusion, a concern echoed in *Secretary, State of Karnataka v. Umadevi*⁸, where the Court addressed the plight of temporary workers, stressing the balance between regularisation and state policy.

⁴ *Regional Director, ESI Corporation v. Francis De Costa*, (1996) 6 SCC 1

⁵ *Olga Tellis v. Bombay Municipal Corporation*, (1985) 3 SCC 545

⁶ Article 21 <https://share.google/GITfthklejSGJU7va>

⁷ *Workmen of Andhra Pradesh State Road Transport Corporation v. Management*, AIR 1963 SC 1856

⁸ *Secretary, State of Karnataka v. Umadevi*, (2006) 4 SCC 1

The **Occupational Safety, Health and Working Conditions Code, 2020**⁹ consolidates safety laws, mandating welfare measures, rest intervals, and healthcare facilities for employees. For bus drivers and conductors exposed to long hours and hazardous conditions, these provisions are vital. Together, the Labour Codes aim to streamline protections, but their success for TNSC depends on robust enforcement, financial support, and genuine commitment to workers' welfare.

JUDICIAL PRONOUNCEMENTS AND CASE STUDIES

The judiciary has significantly shaped labour protections for transport workers, including those in TNSC. In *Tamil Nadu State Transport Corporation v. Neethivilangan Kumbakonam*¹⁰, the Supreme Court held that the principle of natural justice must guide disciplinary proceedings against transport employees, ensuring fairness in employer–employee relations. Similarly, in *Rajasthan State Road Transport Corporation v. Krishna Kant*¹¹, the Court clarified the jurisdiction of civil courts in service disputes, reinforcing the role of labour forums in resolving industrial conflicts. These rulings highlight the judiciary's efforts to safeguard workers' rights in essential public services.

Case studies from Tamil Nadu further illustrate systemic challenges. For example, disputes over delayed gratuity payments and pension arrears have frequently reached the Madras High Court, where judges have directed TNSC to release retirement benefits within reasonable timeframes, reaffirming obligations under the Payment of Gratuity Act, 1972 and the Code on Social Security, 2020. In *TNSC (Villupuram) Ltd. v. R. Krishnamurthy*¹², the Court emphasised that pensionary benefits cannot be withheld on account of financial difficulties of the corporation, as such benefits are statutory rights. Reports from trade unions and employee associations in Tamil Nadu also document recurring strikes demanding timely wages, better safety provisions, and health insurance coverage, reflecting persistent gaps between policy and practice.

These judicial pronouncements and case studies underscore that while statutory entitlements exist, weak enforcement, financial instability, and administrative inefficiency continue to deny

⁹ Occupational Safety, Health and Working Conditions Code, 2020 <https://share.google/b8xCeZahdps4S3Af9>

¹⁰ *Tamil Nadu State Transport Corporation v. Neethivilangan Kumbakonam*, (2001) 9 SCC 99

¹¹ *Rajasthan State Road Transport Corporation v. Krishna Kant*, (1995) 5 SCC 75

¹² *TNSC (Villupuram) Ltd. v. R. Krishnamurthy*, 2014 SCC OnLine Mad 14237

TNSTC workers the full measure of their social security rights.

CHALLENGES AND GAPS IN IMPLEMENTATION

The implementation of labour protections in TNSCT is hindered by several practical and systemic challenges. First, enforcing the Labour Codes in large public sector undertakings faces practical difficulties, especially with wage and social security compliance. Weak monitoring mechanisms and limited inspections reduce accountability. In *Workmen of Hindustan Steel Ltd. v. Hindustan Steel Ltd.*¹³, the Supreme Court highlighted that noncompliance with statutory labour obligations undermines both workers' welfare and industrial peace, a reality that resonates in TNSCT where statutory benefits are often delayed.

Secondly, there is a clear gap between policy and ground reality. While the Labour Codes promise simplified compliance and wider social security coverage, financial instability in transport corporations often prevents effective implementation. The Supreme Court in *Management of Karnataka State Road Transport Corporation v. M. Boraiah*¹⁴, observed that financial constraints cannot be an excuse to deny lawful entitlements of employees, stressing that statutory benefits must be honoured irrespective of institutional difficulties.

Administrative and financial constraints further exacerbate these issues. Multiplicity of trade unions, political interference, and inadequate grievance redressal mechanisms hinder effective industrial relations. In *T.K. Rangarajan v. Government of Tamil Nadu*¹⁵, the Court underscored the state's power to regulate strikes in essential services like transport, illustrating the delicate balance between workers' rights and public interest. However, excessive restrictions without improving welfare measures only deepen discontent among employees.

Thus, the challenges in TNSCT highlight a systemic problem: the legal framework exists but enforcement is weak, financial resources are strained, and administrative inefficiencies perpetuate disputes. Bridging these gaps requires not only stricter compliance but also innovative welfare strategies to align labour rights with the realities of public service delivery.

¹³ *Workmen of Hindustan Steel Ltd. v. Hindustan Steel Ltd.*, (1984) 4 SCC 554

¹⁴ *Management of Karnataka State Road Transport Corporation v. M. Boraiah*, (1983) 3 SCC 244

¹⁵ *T.K. Rangarajan v. Government of Tamil Nadu*, (2003) 6 SCC 581

CONCLUSION

Tamil Nadu State Transport Corporation (TNSTC) reflects the broader challenges of balancing industrial efficiency with labour rights in India's public sector undertakings. While the four Labour Codes aim to streamline wage policies, strengthen industrial relations, and expand social security coverage, their implementation in TNSTC reveals persistent gaps. Wage disputes, delayed retirement benefits, inadequate healthcare, and the exclusion of contractual workers continue to undermine employee welfare. Judicial interventions have consistently reiterated that financial constraints cannot justify the denial of statutory entitlements, yet compliance remains inconsistent due to administrative lapses and fiscal instability.

For meaningful reform, the focus must shift from legal codification to effective enforcement. Strengthening collective bargaining, ensuring timely disbursement of social security benefits, and extending protections to temporary and contractual employees are essential steps. Equally important is fostering an industrial culture that values workers as integral stakeholders rather than liabilities. By bridging the gap between policy intent and workplace realities, TNSTC can become a model for socially just and economically viable public transport. Ultimately, protecting the dignity and security of employees is not only a legal obligation but also a foundation for sustainable industrial harmony and efficient service delivery.

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