

BONDED LABOUR SYSTEM (ABOLITION) ACT, 1976

19 of 1976

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STATEMENT OF OBJECTS AND REASONS There still exists in different parts of the country a system of usury under which the debtor or his decendants or dependants have to work for the creditor without reasonable wages or with no wages in order to extinguish the debt. At times, several generations work under bondage for the repayment of a paltry sum which had been taken by some remote ancestor. The interest rates are exorbitant and such bondage cannot be interpreted as the result of any legitimate contract or agreement. The system implies the infringement of the basic human rights and destruction of the dignity of human labour.

2. Article 23(1) of the Constitution prohibits "begar" and other similar forms of forced labour and further provides that any contravention of the said prohibition shall be an offence punishable in accordance with law. Article 35(a)(ii) of the Constitution not only confers the power on Parliament to provide for punishment for the contravention of the laid provisions of Article 23(1) but expressly takes away the power of the State Legislature to make any legislation with regard to the said matter. Accordingly, the Bonded Labour System (Abolition) Ordinance, 1975, was promulgated by the President on the 24th October, 1975. By the said Ordinance, the bonded labour system was abolished and the bonded labourers were freed and discharged from any obligation to render any bonded labour and their bonded debts were also extinguished. The Ordinance further affords protection to the freed bonded labourers from eviction from their homestead. Contraventions of the provisions of the Ordinance have been made offences punishable in accordance with law. Provisions for the follow-up measures and

economic rehabilitation of the freed bonded labourers have also been made in the Ordinance. 3. The Bill seeks to replace the said Ordinance.- Gaz. of Ind., 6-1-76, Pt. II, S. 2, Ext., p. 118. Act 73 of 1985.- The Bonded Labour System (Abolition) Act, 1976, provides for the abolition of bonded labour system and for matters connected therewith or incidental thereto. Section 2 of the Act defines "bonded labour", "bonded labourer" and "bonded labour system" Though these definitions are very clear, doubts have been raised from time to time as to whether a contract labour or inter-State migrant workman could also come within these' definitions. The expressions "contract labour" and "inter-State migrant workman" have been defined in clause (b) of sub-section (1) of S.2 of the Contract Labour (Regulation and Abolition) Act, 1970 and clause (e) of sub-section (1) of S.2 of the Inter-State Migrant Workman (Regulation of Employment and Conditions of Service) Act, 1979, respectively. It is found many a time that the wages paid to such labourers are less than the minimum wages prescribed by law and there is also an element of coercion till the advances are fully re-paid. -Yet because of the peculiar conditions of their employment, these labourers do not get identified as bonded labourers though they virtually work under the conditions of bondage as envisaged under the Bonded Labour System (Abolition) Act, 1976, with the result that they continue to remain in bondage, With a view to overcome these difficulties. It is proposed to amend clause (g) of section 2 of the Bonded Labour System (Abolition) Act, 1976, so as to clarify that the contract or migrant labourers who are required to render labour or service in circumstances of the nature mentioned in sub-clause (1) of the said clause or are subjected to all or any of the disabilities referred to in sub-clauses (2) to,(4) thereof, shall be deemed to be working under "bonded labour system"within the meaning of the said clause. The Bill seeks to achieve the aforesaid objects. -Gaz. of Ind., 29-8-1984, Pt. II, S. 2, Ext" p. 11 (No. 55).

CHAPTER 1

PRELIMINARY

1. Short title, extent and commencement :-

(1) This Act may be called the Bonded Labour System (Abolition) Act, 1976.

(2) It extends to the whole of India.

(3) It shall be deemed to have come into force on the 25th day of October, 1975.

2. Definitions :-

In this Act, unless the context otherwise requires,-

(a) "advance" means an advance, whether in cash or in kind. or partly in cash or partly in kind, made by one person (hereinafter referred to as the creditor) to another person thereinafter referred to to the debtor);

(b) "agreement" means an agreement (whether written or oral, or partly written and partly oral) between a debtor and creditor, and includes an agreement providing for forced labour, the existence of which is presumed under any social custom prevailing in the concerned locality.

(c) "ascendant" or "descendant", in relation to a person belonging to a matriarchal society, means the person who corresponds to such expression in accordance with the law of succession in force in such society;

(d) "bonded debt" means an advance obtained, or presumed to have been obtained, by a bonded labourer under, or in pursuance of the bonded labour system;

(e) "bonded labour" means any labour or service rendered under the bonded labour system;

(f) "bonded labourer" means a labourer who incurs, or has, or is presumed to have, incurred, a bonded debt;

(g) "bonded labour system" means the system of forced, or partly forced, labour under which a debtor enters, or has, or is presumed to have, entered, into an agreement with the creditor to the effect that,-

(i) in consideration of an advance obtained by him or by any of his lineal ascendants or descendants (whether or not such advance is evidenced by any document) and in consideration of the interest, if any, due on such advance, or

(ii) in pursuance of any customary or social obligation, or

(iii) in pursuance of an obligation devolving on him by succession, or

(iv) for any economic consideration received by him or by any of his

lineal ascendants or descendants, or

(v) by reason of his birth in any particular caste or community, he would-

(1) render, by himself or through any member of his family, or any person dependant on him, labour or service to the creditor, or for the benefit of the creditor, for a specified period or for an unspecified period, either without wages or for nominal wages, or

(2) forfeit the freedom of employment or other means of livelihood for a specified period or. for an unspecified period, or

(3) forfeit the right to move freely throughout the territory of India, or

(4) forfeit the right to appropriate or sell at market value any of his property or product of his labour or the labour of a member of his family or any person dependent on him, and includes the system of forced, or partly forced, labour under which a surety for a debtor enters, or has, or is presumed to have, entered, into an agreement with the creditor to the effect that in the event of the failure of the debtor to repay the debt, he would render the bonded labour on behalf of the debtor;

(h) "family", in relation to a person, includes the ascendant and decendant of such person;

(i) "nominal wages", in relation to any labour, means a wage which.is less than,-

(a) the minimum wages fixed by the Government, in relation to the same or similar labour, under any law for the time being in force, and

(b) where no such minimum wage has been fixed in relation to any form of labour, the wages, that are normally paid, for the same or similar labour, to the labourers working in the same locality;

(j) "prescribed" means prescribed by rules made under this Act.

3. Act to have overriding effect :-

The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any enactment, other than this Act, or in any instrument having effect by virtue of any enactment other than this Act.

CHAPTER 2

ABOLITION OF BONDED LABOUR SYSTEM

4. Abolition of bonded labour system :-

(1) On the commencement of this Act, the bonded labour system shall stand abolished and every bonded labourer shall, on such commencement, stand freed and discharged from any obligation to render any bonded labour.

(2) After the commencement of this Act, no person shall-

(a) make any advance under, or in pursuance of, the bonded labour system, or

(b) compel any person to render any bonded labour or other form of forced labour.

5. Agreement, custom, etc., to be void :-

On the commencement of this Act, any custom or tradition or any contract, agreement or other instrument (whether entered into or executed before or after the commencement of this Act), by virtue of which any person, or any member of the family or dependent of such person, is required to do any work or render any service as a bonded labourer, shall be void and inoperative.

CHAPTER 3

EXTINGUISHMENT OF LIABILITY TO REPAY BONDED DEBT

6. Liability to repay bonded debt to stand extinguished :-

(1) On the commencement of this Act, every obligation of a bonded labourer to repay any bonded debt, or such part of any bonded debt as remains unsatisfied immediately before such commencement, shall be deemed to have been extinguished.

(2) After the commencement of this Act, no suit or other proceeding shall lie in any Civil Court or before any other authority for the recovery of any bonded debt or any part thereof.

(3) Every decree or order for the recovery of bonded debt, passed before the commencement of this Act and not fully satisfied before such commencement, shall be deemed, on such commencement, to have been fully satisfied.

(4) Every attachment made before the commencement of this Act, for the recovery of any bonded debt, shall, on such

commencement, stand vacated; and, where, in pursuance of such attachment, any movable property of the bonded labourer was seized and removed from his custody and kept in the custody of any Court or other authority pending sale thereof, such movable property shall be restored, as soon as may be practicable after such commencement, to the possession of the bonded labourer.

(5) Where before the commencement of this Act, possession of any property belonging to a bonded labourer or a member of his family or other dependent was forcibly taken over by any creditor for the recovery of any bonded debt, such property shall be restored, as soon as may be practicable after such commencement, to the possession of the person from whom it was seized.

(6) If restoration of the possession of any property referred to in sub-section (4) or sub-section (5) is not made within thirty days from the commencement of this Act, the aggrieved person may, within such time as may be prescribed, apply to the prescribed authority for the restoration of the possession of such property and the prescribed authority may, after giving the creditor a reasonable opportunity of being heard, direct the creditor to restore to the applicant the possession of the concerned property within such time as may be specified in the order.

(7) An order made by any prescribed authority, under sub-section (6), shall be deemed to be an order made by a civil Court and may be executed by the Court of the lowest pecuniary jurisdiction within the local limits of whose jurisdiction the creditor voluntarily resides or carries on business or personally works for gain.

(8) For the avoidance of doubts, it is hereby declared that, where any attached property was sold before the commencement of this Act, in execution of a decree or order for the recovery of a bonded debt, such sale shall not be affected by any provision of this Act: Provided that the bonded labourer, or an agent authorised by him in this behalf, may, at any time within five years from such commencement, apply to have the sale set aside on his depositing in Court, for payment to the decree-holder, the amount specified in the proclamation of sale, for the recovery of which the sale was ordered, less any amount, as well as mesne profits, which may, since the date of such proclamation of sale, have been received by the decree-holder.

(9) Where any suit or proceeding, for the enforcement of any

obligation under the bonded labour system, including a suit or proceeding for the recovery of any advance made to a bonded labourer, is pending at the commencement of this Act, such suit or other proceeding shall, on such commencement, stand dismissed.

(10) On the commencement of this Act, every bonded labourer who has been detained in civil prison, whether before or after judgment, shall be released from detention forthwith.

7. Property of bonded labourer to be freed from mortgage, etc :-

(1) All property vested in a bonded labourer which was, immediately before the commencement of this Act under any mortgage, charge, lien or other incumbrances in connection with any bonded debt shall, in so far as it is relatable to the bonded debt, stand freed and discharged from such mortgage, charge, lien or other incumbrances, and where any such property was, immediately before the commencement of this Act, in the possession of the mortgagee or the holder of the charge, lien or incumbrance, such property shall (except where it was subject to any other charge), on such commencement, be restored to the possession of the bonded labourer.

(2) If any delay is made in restoring any property, referred to in sub-section (1), to the possession of the bonded labourer, such labourer shall be entitled, on and from the date of such commencement, to recover from the mortgagee or holder of the lien, charge or incumbrance, such mesne profits as may be determined by the civil Court of the lowest pecuniary jurisdiction within the local limits of whose jurisdiction such property is situated.

8. Freed bonded labourer not to be evicted from homestead, etc :-

(1) No person who has been freed and discharged under this Act from any obligation to render any bonded labour, shall be evicted from any homestead or other residential premises which he was occupying immediately before the commencement of this Act as part of the consideration for the bonded labour.

(2) If, after the commencement of this Act, any such person is evicted by the creditor from any homestead or other residential premises, referred to in sub-section (1), the Executive Magistrate in

charge of the Sub-Division within which such homestead or residential premises is situated shall, as early as practicable, restore the bonded labourer to the possession of such homestead or other residential premises.

9. Creditor not to accept payment against extinguished debt
:-

(1) No creditor shall accept any payment against any bonded debt which has been extinguished or deemed to have been extinguished or fully satisfied by virtue of the provisions of this Act.

(2) Whoever contravenes the provisions of sub-section (1), shall be punishable with imprisonment for a term which may extend to three years and also with fine.

(3) The Court, convicting any person under sub-section (2) may, in addition to the penalties which may be imposed under that sub-section, direct the person to deposit, in Court, the amount accepted in contravention of the provisions of sub-section (1), within such period as may be specified in the order for being refunded to the bonded labourer.

CHAPTER 4

IMPLEMENTING AUTHORITIES

10. Authorities who may be specified for implementing the provisions of this Act :-

The State Government may confer such powers and impose such duties on a District Magistrate as may be necessary to ensure that the provisions of this Act are properly carried out and the District Magistrate may specify the officer, subordinate to him, who shall exercise all or any of the powers and perform all or any of the duties, so conferred or imposed and the local limits within which such powers or duties shall be carried out by the officer so specified.

11. Duty of District Magistrate and other officers to ensure credit :-

The District Magistrate authorised by the State Government under section 10 and the officer specified by the District Magistrate under that section shall, as far as practicable, try to promote the welfare of the freed bonded labourer by securing and protecting the economic interests of such bonded labourer so that he may not have any occasion or reason to contract any further bonded debt.

12. Duty of District Magistrate and officers authorised by him :-

It shall be the duty of every District Magistrate and every officer specified by him under section 10 to inquire whether, after the commencement of this Act, any bonded labour system or any other form of forced labour is being enforced by, or on behalf of, any person resident within the local limits of his jurisdiction and if, as a result of such inquiry, any person is found to be enforcing the bonded labour system or any other system of forced labour, he shall forthwith take such action as may be necessary to eradicate the enforcement of such forced labour.

CHAPTER 5

VIGILANCE COMMITTEES

13. Vigilance Committees. :-

(1) Every State Government shall, by notification in the Official Gazette, constitute such number of Vigilance Committees in each district and each Sub-Division as it may think fit.

(2) Each Vigilance Committee constituted for a district, shall consist of the following members, namely:-

(a) the District Magistrate, or a person nominated by him, who shall be the Chairman;

(b) three persons belonging to the Scheduled Castes or Scheduled Tribes and residing in the district to be nominated by the District Magistrate;

(c) two social workers, resident in the district, to be nominated by the District Magistrate;

(d) not more than three persons to represent the official or non-official agencies in the district connected with rural development, to be nominated by the State Government;

(e) one person to represent the financial and credit institutions in the district, to be nominated by the District Magistrate.

(3) Each Vigilance Committee, constituted for a Sub-Division, shall consist of the following members, namely :-

(a) the Sub-Divisional Magistrate, or a person nominated by him, who shall be the Chairman;

(b) three persons belonging to the Scheduled Castes or Scheduled Tribes and residing in the Sub-Division, to be nominated by the Sub-Divisional Magistrate;

(c) two social workers, resident in the Sub-Division, to be nominated by the Sub-Divisional Magistrate;

(d) not more than three persons to represent the official or non-official agencies in the Sub-Division connected with rural development to be nominated by the District Magistrate;

(e) one person to represent the financial and credit institutions in the Sub-Division, to be nominated by the Sub-Divisional Magistrate;

(f) one officer specified under section 10 and functioning in the Sub-Division.

(4) Each Vigilance Committee shall regulate its own procedure and secretarial assistance, as may be necessary, shall be provided by-

(a) the District Magistrate, in the case of a Vigilance Committee constituted for the district;

(b) the Sub-Divisional Magistrate, in the case of a Vigilance Committee constituted for the Sub-Division.

(5) No proceeding of a Vigilance Committee shall be invalid merely by reason of any defect in the constitution, or in the proceedings of, the Vigilance Committee.

14. Functions of Vigilance Committees :-

(1) The functions of each Vigilance Committee shall be,-

(a) to advise the District Magistrate or any officer authorised by him as to the efforts made, and action taken, to ensure that the provisions of this Act or of any rule made thereunder are properly implemented;

(b) to provide for the economic and social rehabilitation of the freed bonded labourers;

(c) to co-ordinate the functions of rural banks and co-operative societies with a view to canalising adequate credit to the freed bonded labourer;

(d) to keep an eye on the number of offences of which cognizance

has been taken under this Act;

(e) to make a survey as to whether there is any offence of which cognizance ought to be taken under this Act;

(f) to defend any suit instituted against a freed bonded labourer or a member of his family of any other person dependent on him for the recovery of the whole or part of any bonded debt or any other debt which is claimed by such person to be bonded debt.

(2) A Vigilance Committee may authorise one of its members to defend a suit against a freed bonded labourer and the member so authorized shall be deemed, for the purpose of such suit, to be the authorised agent of the freed bonded labourer.

15. Burden of proof :-

Whenever any debt is claimed by a bonded labourer, or a Vigilance Committee, to be a bonded debt, the burden of proof that such debt is not a bonded debt shall lie on the creditor.

CHAPTER 6

OFFENCES AND PROCEDURE FOR TRIAL

16. Punishment for enforcement of bonded labour :-

Whoever, after the commencement of this Act, compels any person to render any bonded labour shall be punishable with imprisonment for a term which may extend to three years and also with fine which may extend to two thousand rupees.

17. Punishment for advancement of bonded debt :-

Whoever advances, after the commencement of this Act, any bonded debt shall be punishable with imprisonment for a term which may extend to three years and also with fine which may extend to two thousand rupees.

18. Punishment for extracting bonded labour under the bonded labour system :-

Whoever enforces, after the commencement of this Act, any custom, tradition, contract, agreement or other instrument, by virtue of which any person or any member of the family of such person or any dependent of such person is required to render any service under the bonded labour system, shall be punishable with imprisonment for a term which may extend to three years and also with fine which may extend to two thousand rupees; and out of the fine, if recovered, payment shall be made to the bonded labourer at

the rate of rupees five for each day for which the bonded labour was extracted from him.

19. Punishment for omission or failure to restore possession of property to bonded labourers :-

Whoever, being required by this Act to restore any property to the possession of any bonded labourer, omits or fails to do so, within a period of thirty days from the commencement of this Act, shall be punishable with imprisonment for a term which may extend to one year, or, with fine which may extend to one thousand rupees or with both; and, out of the fine if recovered, payment shall be made to the bonded labourer at the rate of rupees five for each day during which possession of the property was not restored to him.

20. Abetment to bean offence :-

Whoever abets any offence punishable under this Act shall, whether or not the offence abetted is committed, be punishable with the same punishment as is provided for the offence which has been abetted.

Explanation.- For the purpose of this Act, "abetment" has the meaning assigned to it in Indian Penal Code, 1860 .

21. Offences to be tried by Executive Magistrate :-

(1) The State Government may confer, on an Executive Magistrate, the powers of a Judicial Magistrate of the first class or of the second class for the trial of the offences under this Act, and on such conferment of powers, the Executive Magistrate, on whom the powers are so conferred, shall be deemed, for the purposes of Code Of Criminal Procedure, 1973 , to be a Judicial Magistrate of the first class or of the second class, as the case maya be.

(2) An offence under this Act may be tried summarily by a Magistrate.

22. Cognizance of offences :-

Every offence under this Act shall be cognizable and bailable.

23. Offences by companies :-

(1) Where an offence under this Act has been committed by a company every person who, at the lime the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be

proceeded against and punished accordingly.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.- For the purposes of this section,-

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm means a partner in the firm.

CHAPTER 7

MISCELLANEOUS

24. Protection of action taken in good faith :-

No suit, prosecution or other legal proceeding shall lie against any State Government or any officer of the State Government or any member of the Vigilance Committee for anything which is in good faith done or intended to be done under this Act.

25. Jurisdiction of civil Courts barred :-

No civil court shall have jurisdiction in respect of any matter to which any provision of this Act applies and no injunction shall be granted by any civil Court in respect of anything which is done or intended to be done by or under this Act.

26. Power to make rules :-

(1) The Central Government may, by notification in the Official Gazette, make rules¹ for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the foregoing power, such rules may provide for' all or any of the following matters, namely:-

(a) the authority to which application for the restoration of possession of property referred to in sub-section (4), or sub-section (5), of section 6 is to be submitted in pursuance of sub-section (6) of that section;

(b) the time within which application for restoration of possession of property is to be made, under sub-section (6) of section 6 , to the prescribed authority;

(c) steps to be taken by Vigilance Committees under clause (a) of sub-section (1) of section 14 , to ensure the implementation of the provisions of this Act or of any rule made thereunder;

(d) any other matter which is required to be or any be prescribed.

(3) Every rule made by the Central Government under this Act shall be laid, as soon as may be, after it is made, before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, ' before the expiry of the session immediately following the session or successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

1. For Bonded Labour System (Abolition) Rules, 1976 - See GSR99 (E) of 1976, Gaz. of ind., 1976, Pt. II, S. 3(i), Ext.,p.491.

27. Repeal and saving :-

(1) The Bonded Labour System (Abolition) Ordinance, 1975 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Ordinance (including any notification published, direction or nomination made, power conferred, duty imposed or officer specified) shall be deemed to have been done or taken under the corresponding provisions of this Act.