

**THE PUNJAB FAIR PRICE SHOPS (FACTORIES)  
ORDINANCE, 1971  
(XIII of 1971)**

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**'THE PUNJAB FAIR PRICE SHOPS (FACTORIES) ORDINANCE, 1971  
(XIII of 1971)**

[3<sup>d</sup> July, 1971]

**An  
Ordinance**

*to provide for the establishment of fair price shops in certain factories in the Punjab.*

**Preamble.— WHEREAS** it is expedient to provide for the establishment and maintenance of fair price shops for the sale of certain articles of daily use at cheaper rates to the workers employed in certain factories in the Punjab;

**NOW, THEREFORE**, in pursuance of the Martial Law Proclamation of 25th March, 1969, read with the Provisional Constitution Order, and in exercise of all powers enabling him in that behalf, the Governor of the Punjab is pleased to make and promulgate the following Ordinance:—

**1. Short title, extent and commencement.—** (1) This Ordinance may be called the Punjab Fair Price Shops (Factories) Ordinance, 1971.

(2) It shall extend to whole of the Punjab.

(3) It shall come into force on such date, in such areas and shall apply to such factories or class of factories as Government may, by notification in the official Gazette, specify in that behalf.

**2. Definitions.—** In this Ordinance, unless the context otherwise requires, the following expressions shall have the meanings hereby respectively assigned to them, that is to say—

(a) “Chief Inspector” means a Chief Inspector appointed under section 12 of this Ordinance and includes a person appointed by Government to perform all or any of the functions of a Chief Inspector in any area;

(b) “collective bargaining agent” means a registered trade union of workers in a factory to act as agent or representative of workers in matters of collective bargaining with the employer and where there are more than one registered trade union in a factory, the trade union which as a result of a referendum held under section 22 of the Industrial Relations Ordinance, 1969, has been determined as a collective bargaining agent;

(c) “employer” means a person or body of persons whether incorporated or not, who or which employ workers in a factory and includes an owner, occupier, manager, agent, representative, or any other person who is ultimately in supervision, control and management thereof;

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<sup>1</sup>This Ordinance was promulgated by the Governor of Punjab on 30th July, 1971; published in the Punjab Gazette (Extraordinary), dated 3rd July, 1971, pages 783 to 790; saved by Article 281 of the Interim Constitution of the Islamic Republic of Pakistan (1972); and, validated by the Validation of Laws Act, 1975 (XLIII of 1975); and published in the Gazette of Pakistan (Extraordinary), Part I, dated 29.7.1975, pages 177-178.

- (d) “essential articles” mean articles mentioned in the Schedule to this Ordinance and include any other article which the Government may, by notification, declare to be an essential article for the purposes of this Ordinance;
- (e) “factory” means any premises including a part thereof on which any manufacturing process is carried on with the aid of power but does not include a mine;
- (f) “fair price” means the price at which an essential article is purchased or procured by the employer under section 7 of the Ordinance, or controlled price, if any, fixed by the Government for the same essential article, whichever is less, and where an essential article manufactured or produced in a factory is to be supplied by that factory for the fair price shop thereof, the ex-factory wholesale price of such article;
- (g) “fair price shop” means a shop established and maintained by an employer in or near a factory for selling essential articles at fair price to the workers of his factory and includes any room or premises where stock of essential articles is kept or stored;
- (h) “family” means–
  - (i) wife or husband, as the case may be, and children of a worker; and
  - (ii) parents, brothers and sisters of a worker residing with and wholly dependant upon him;
- (i) “Government” means Government of the Punjab;
- (j) “Inspector” means an Inspector appointed under section 12 of the Ordinance;
- (k) “Managing Committee” means a Managing Committee constituted under section 10 of the Ordinance;
- (l) “prescribed” means prescribed by rules framed under this Ordinance; and
- (m) “worker” means a person, other than an employer, employed in a factory for doing any skilled, unskilled, manual or clerical work for hire or reward, and employed whether directly or through a contractor, on the terms of employment either expressed or implied and includes an apprentice and a laid off worker.

**3. Establishment of fair price shops.**– Every employer of a factory to which this Ordinance is applied shall, within one month from the date of its application, establish and maintain a fair price shop for the workers of his factory:

Provided that Government may, for sufficient reasons, by an order in writing extend the said period in respect of any factory or class of factories.

**4. Keeping of sufficient stocks.**– An employer shall at all times keep and maintain or cause to be kept or maintained in the fair price shop sufficient stock and quantity of all essential articles to cater for the needs of the workers.

**5. Display of list of fair prices.**— Every employer shall cause to be prepared in Urdu and displayed prominently inside and outside the fair price shop lists showing the fair price of each and every essential article and no such article shall be sold or allowed to be sold at a price higher than the price entered therein.

**6. Monthly quota for a worker.**— A worker may in a month buy from the fair price shop of the factory in which he is employed, such length, number or quantity of all or any of the essential articles as may be determined by the Managing Committee.

**7. Purchase and Procurement of essential articles.**— (1) For the purpose of maintaining adequate supply at a fair price shop, the employer shall purchase or procure manufactured essential articles from the manufacturing factories at whole sale ex-factory price and agricultural and other essential articles from the nearest whole sale market at the minimum rates prevalent in such market at the time of purchase or procurement.

(2) In the purchase or procurement of essential articles under sub-section (1), the employer shall make interest-free investment.

**8. Sale of essential articles.**— The essential articles at the fair price shop shall be sold to the workers at the fair price and the employer shall not charge or allow to be charged any profit whatsoever thereon, nor he shall include or add to the price of such articles any rent of the fair price shop, salary of the staff employed therein, water and electricity charges in respect thereof, fees or commission for auditing and maintenance of accounts, price of stationery, furniture or fixtures used therein, or any packing, handling, transportation or other incidental charges in respect of such articles.

**9. Purchase of articles on credit basis.**— Notwithstanding anything contained in the Payment of Wages Act, 1936, a worker shall, during every month, be entitled to purchase on credit basis from the fair price shop, essential articles of the value not exceeding twenty-five per cent of his monthly wages:

Provided that unless a worker has paid the price of essential articles purchased on credit in a month, he shall not be entitled to purchase such articles on credit in the following month or months and the employer in that case shall be competent to deduct the outstanding amount of credit from his monthly wages.

**10. Constitution <sup>2</sup>[of] Managing Committee.**— (1) As soon as may be, for every factory there shall be constituted a Managing Committee consisting of four members and a Chairman:

Provided that Government may, for sufficient reasons, by notification, increase or decrease the number of members of such Committee<sup>3</sup>[:]

<sup>4</sup>[Provided further that if women are employed in a factory as workers, their representation at the Managing Committee shall not be less than the proportion of their numerical strength in the work force of the factory.]

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<sup>2</sup>Not printed in the Original Gazette.

<sup>3</sup>Substituted the full stop with semi-colon, by the Punjab Fair Representation of Women Act 2014 (IV of 2014); and published in the Punjab Gazette (Extraordinary), dated 12.3.2014, pages 2733-2744, s.2 and Schedule, at serial No.8.

(2) Out of the total number of the members of the Managing Committee, half of the members shall be nominated by the collective bargaining agent and the remaining half by the employer:

Provided that where the collective bargaining agent or the employer, as the case may be, fails to nominate all or any of their members to the Managing Committee within the time specified by the Chief Inspector such members shall be nominated by the Chief Inspector himself:

Provided further that where there is no collective bargaining agent in a factory, the representatives of workers in the Managing Committee shall be elected in the prescribed manner.

(3) Members of the Managing Committee may, in the prescribed manner, unanimously nominate in writing, a person other than a person from among themselves, to be the Chairman of such Committee and shall convey their nomination to the Chief Inspector within the prescribed period.

(4) In case the members are unable to nominate the Chairman under sub-section (3), the Chief Inspector shall nominate a person, other than a member of the Managing Committee, as the Chairman.

(5) The normal term of the Managing Committee shall be two years from the date of its constitution:

Provided that the Government may, for sufficient reasons, reduce or enhance its normal term or dissolve it before the expiry of the term and reconstitute it according to the provisions of this Ordinance.

(6) The Chairman and the members of the Managing Committee shall not be paid any remuneration or compensation for the functions performed by them under this Ordinance and the rules made thereunder.

**11. Functions of the Managing Committee.**— (1) The functions of the Managing Committee shall be—

- (a) to determine the quality and quantities of essential articles to be purchased or procured by the employer at a time and the quantities of such articles which should normally be available for sale to the worker at a fair price shop;
- (b) to check the quality of essential articles sold at the fair price shop;
- (c) to determine the length, number and quantity of different essential articles which a worker shall be entitled to purchase from the fair price shop for himself and his family during a month;
- (d) to fix opening and closing hours of the fair price shops and to regularize transaction of business therein; and
- (e) to perform any function which the Government may, by a general or special order, deem fit to assign.

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<sup>4</sup>Inserted by the Punjab Fair Representation of Women Act 2014 (IV of 2014); and published in the Punjab Gazette (Extraordinary), dated 12.3.2014, pages 2733-2744, s.2 and Schedule, at serial No.8.

(2) The provisions of clause (d) of sub-section (1) shall take effect notwithstanding anything to the contrary contained in the West Pakistan Shops and Establishments Ordinance, 1969, or any other law for the time being in force.

**12. Appointment of Inspectors and Chief Inspector and their functions.**— (1) Government may appoint Inspectors for the purpose of this Ordinance and the Inspector so appointed shall have jurisdiction in such area or areas as the Government may direct.

(2) The Inspectors appointed under sub-section (1) shall have the authority—

- (a) to enter a fair price shop and to check the quantity and examine the quality of essential articles being sold or stocked for sale therein; and
- (b) to check and examine documents, record or registers kept and maintained in the fair price shop and, if necessary to take extracts therefrom.

(3) Government shall appoint a <sup>5</sup>Chief Inspector for the Province or in any part thereof, who, in addition to his exclusive powers conferred on him under this Ordinance, shall exercise all or any of the powers of an Inspector throughout the Province or in any part thereof.

(4) All the Inspectors and the Chief Inspector shall, while exercising powers under this Ordinance and the rules made thereunder, be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code.

**13. Penalty.**— (1) Whoever contravenes any of the provisions of this Ordinance or rules made thereunder, shall be punishable with imprisonment which may extend to one year or with fine which may extend to five thousand rupees or with both, and in case of a continuing offence, with a further fine which may extend to one hundred rupees for every day after the first day during which the offence continued.

(2) Whoever having been convicted of any offence under this Ordinance again commits such offence shall, on conviction, be liable to double the punishment provided for such offence under this Ordinance.

**14. Cognizance and trial of offences.**— (1) No court inferior to that of a Magistrate of the first class shall try any offence under this Ordinance or any rule made thereunder.

(2) No court shall take cognizance of any offence under this Ordinance or the rules made thereunder, except on the report in writing of the facts constituting such offence, made by the Inspector.

**15. Indemnity.**— No suit, prosecution, or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Ordinance.

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<sup>5</sup>Punjab Govt. appointed certain officer of the Directorate of Labour Welfare Department as Chief Inspector. Inspectors for specified areas in supersession of all previous notification in this behalf; Noti. 8-2 (L-II) 70 of 20 Nov. 1973, Punjab Govt. Gaz. Pt. I, Dec. 7, 1973, p. 1384.

**16. Exemption.**— Government may, by notification in the official Gazette, exempt any factory from all or any of the provisions of this Ordinance for such period and on such conditions as it may deem fit.

**17. Power to make rules.**— (1) Government may make rules for the purpose of carrying into effect the provisions of this Ordinance.

(2) Without prejudice to the generality of the power conferred by subsection (1), such rules may provide for all or any of the following matters:—

- (a) Procedure for holding ballots for the election of representatives of workers to the Managing Committee in case there is no collective bargaining agent in any factory.
- (b) Procedure for nominating the Chairman of a Managing Committee.
- (c) Procedure for convening and holding of meetings by the Managing Committee.
- (d) Manner in which questions raised before the Committee shall be decided, minutes of meetings shall be recorded and decisions of the Committee shall be implemented.
- (e) Manner and form in which the record and accounts shall be maintained and scrutinized.
- (f) Manner in which the Chief Inspector and the Inspectors shall exercise their powers under the Ordinance.
- (g) Any other matter consequential or incidental to the aforesaid matters.

**SCHEDULE**  
*[See Section 2 (D)]*

**Serial No.      Name of essential articles**

1.      Wheat.
2.      Pulses.
3.      Wheat flour.
4.      Vegetable ghee.
5.      Coarse cloth.
6.      Laundry soap.
7.      Sugar.