



THE RAILWAYS ORDER, 1962



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SCHEDULE

THE RAILWAYS ORDER, 1962

PRESIDENT'S ORDER No. 33 OF 1962

[9th June, 1962]

WHEREAS clause (1) of Article 233 of the Constitution provides that the President shall transfer by Order railways in each Province to the Government of the Province or to an authority constituted in the Province for that purpose on such terms and conditions as he may determine;

AND WHEREAS the terms and conditions on which Railways are to be transferred have been determined;

NOW, THEREFORE, in pursuance of the provision aforesaid, the President is pleased to make the following Order:—

1. Short title and commencement.— (1) This Order may be called the ¹[* *] Railways Order, 1962.

(2) It shall come into force at once.

2. Definitions.— In this Order, unless there is anything repugnant in the subject or context,—

- (a) “Board” means ²[the Railway Board] constituted under article 3; ¹[and]
- (b) “prescribed” means prescribed by rules made under article 11 ¹[.]
- (c) ¹[* * * * *]

¹[**3. Constitution of Railway Board.**— (1) For the guidance, supervision and management of the Railways in Pakistan there shall be a Railway Board consisting of a Chairperson and members as enlisted in clause (2).

(2) The Board shall consist of the following members, namely:—

- (a) the following shall be *ex officio* members, namely:—
 - (i) Secretary, Railways Division who shall be the Chairperson of the Board;
 - (ii) Secretary, Finance Division or his nominee not below the scale of BPS-20;
 - (iii) Secretary, Planning and Development Division or his nominee not below the scale of BPS-20;

¹Omitted, added and subs. by Act No. VIII of 2026, ss. 2-4.

²Subs. by Ordinance No. VII of 1978, s. 2.

- (iv) Senior General Manager, Pakistan Railways; and
 - (v) Chief Secretary of each Province or his nominee not below the scale of BPS-20; and
- (b) three independent members, including at least one female, to be appointed by the Prime Minister.

(3) A member, not being an *ex officio* member, shall hold office for a period of three years and shall be eligible for re-appointment for two further years on the recommendation of the Ministry of Railways.

(4) The terms and conditions of the independent members shall be such as the Prime Minister may from time to time determine.

(5) The Board may form its committees and may delegate such of its powers and functions to a committee as it may deem fit. The recommendations of a committee shall be placed before the Board for approval.

(6) There shall be a Secretary to the Board (BPS-21) who shall assist the Board in the discharge of its powers and functions.

(7) The Board may engage any expert from within railways or outside, for all or any of its meetings or meetings of its committees, against same fee and allowances as is fixed for members of the Board unless the engagement of an expert is for a consultancy demanding higher fee to be determined by the Board.]

4. Powers and functions of ¹[Board], etc.— (1) Upon the constitution of a Board in a Province, the Railway Board Ordinance, 1959 (XLVIII of 1959), hereinafter referred to as the said Ordinance, shall stand repealed in its application to that Province.

(2) Upon the repeal of the said Ordinance in a Province, all powers and functions of the ²[Federal Government] under the Railway Act, 1890 (IX of 1890), exercisable by the Railway Board constituted under the said Ordinance, other than those under Chapters II and IV of the said Act, and the power to make general rules under section 47 thereof, shall, in relation to that Province, subject to the other provisions of this Order, vest in the Board.

¹[(3) All actions taken by the Board in the discharge of its functions shall be expressed in writing and signed by the Secretary of the Board.]

¹[(4) The Board shall take decision on the construction of new railway lines or the modification, closing or dismantling of any railway line and shall coordinate on rail movements into and from ports:

Provided that the Board shall not alter the terms and conditions of any contract relating to the conveyance of defence traffic, alter the priority of movement in respect of defence traffic and close or dismantle any railway line or make any modifications in the defence lines except with the approval of Ministry of Defence.]

¹Subs. and added by Act No. VIII of 2026, s. 5.

²Subs. by Federal Adaptation of Laws Order, 1975 (P. O. No. 4 of 1975), s. 2 and Table.

¹[**4A. Track access and rail development.**—(1) For the purposes of this Article, a ‘track access agreement’ means a track access agreement pursuant to which a party is granted, in consideration for track access charges, a right to access the Pakistan Railways network and infrastructure and to operate rolling-stock on the Pakistan Railways network, in accordance with the terms of such track access agreement as amended from time to time and a ‘rail development agreement’ means an agreement for the purposes of developing the railway infrastructure and network associated with it.

Explanation.—A party may enter into only track access agreement, or only a rail development agreement, or both of these through a single agreement of track access and rail development or separate agreements each for track access and rail development.

(2) Notwithstanding anything contained in the Railway Regulatory Authority Ordinance, 2002 (XCII of 2002), hereinafter referred to as ‘Ordinance XCII of 2002’,

- (a) subject to sub-clauses (b) and (c), until the Railway Regulatory Authority is constituted under Ordinance XCII of 2002, the Board shall exercise overall regulatory oversight and ensure compliance of track access and rail development by parties, both local and foreign, for freight and passenger services;
- (b) Ordinance XCII of 2002 shall not apply to any track access and rail development agreement, including amendments thereto, executed under this Order, prior to or subsequent to the establishment of the Railway Regulatory Authority; and
- (c) the Railway Regulatory Authority, whenever constituted, shall have no jurisdiction to cancel, amend, or otherwise modify any such agreement or amendments thereto, approved and entered into before or after its establishment.

(3) Subject to clauses (4) and (5), the Board is authorized to approve track access and rail development agreements for the access to and use of Pakistan Railways network and infrastructure and Railways Division is authorized to enter into such track access and rail development agreements as approved by the Board.

(4) The Railways Division may enter into track access and rail development agreements with a party,—

- (a) pursuant to and in accordance with the Inter-Governmental Commercial Transactions law or under the International and Inter-Governmental commitments of the Federal Government; or
- (b) who is an investor that has invested in a qualified investment duly notified in the First Schedule to the Foreign Investment (Promotion and Protection) Act, 2022 (XXXV of 2022); or

¹Ins. by Act No. VIII of 2026, s. 6 (The newly inserted section 4A shall apply to any agreement signed immediately before the commencement of this Act. For further assistance, see section 2 of Act No. VIII of 2026).

- (c) who may be a Federal Government Division, Department or subordinate office or any company, corporation or statutory body fully owned, controlled or managed by Federal Government, or a Provincial Government or a Local Government through its respective Department, or any company, corporation or statutory body fully owned, controlled or managed by a Provincial Government; or
- (d) who may be approved by the Federal Government or notified under any other law for the time being in force; or
- (e) selected through a competitive bidding.

Explanation.—For removal of doubt, it is stated that public procurement laws shall apply only in respect of sub-clause (e) of this clause.

(5) The party executing the track access and rail development agreement shall be required to meet the qualification criterion approved and notified by the Board from time to time, and communicated to the party, prior to the entry into such track access and rail development agreement:

Provided that any party that meets the criteria of sub-clause (b) of clause (4) shall be deemed to meet the qualification criteria necessary for track access and rail development agreements.

(6) The track access and rail development agreements entered in pursuance to this Order shall be governed solely by the provisions of this Order and applicable rules and regulations made under to this Order.

(7) Track access shall be materialized by offering Pakistan Railways network and infrastructure to the parties for its efficient use, facilitating competition, revenue generation, improving safety, strategic planning and investments, through operations of freight and passenger train services with their own locomotives and rolling stock.

(8) Any amendment, or purported amendment, of a track access and rail development agreement shall be made with the consent of parties and shall not be effective unless that amendment has been approved by the Board.

(9) The charges, fee, revenue sharing, etc., from parties shall be approved by the Board and included in the relevant track access agreement.

(10) Pakistan Railways may provide train crew or other requisite personnel on mutually agreed terms and, if required, also offer maintenance facilities for locomotives and rolling stock.

(11) The Board shall approve the railway network and infrastructure usage plan (time-tabling) to be submitted by Pakistan Railways keeping due margins for maintenance and rehabilitation works.

(12) The Federal Government Inspector of Railways (FGIR) shall carry out periodic inspections of the railway network for ensuring safety of train operations.

(13) The Board shall sanction the use of any rolling stock on the railway network after ascertaining its suitability and conformance to the prescribed standards.

(14) The Board shall require the parties and Pakistan Railways to furnish periodically, but not later than one year, the operating and financial results and any other information that may be necessary.

(15) Pakistan Railways shall maintain detailed records of all track access requests, the allocations and capacity usage. An annual report shall be submitted to the Board detailing volume of track access requests and approvals, utilization of network capacity, track access charge revenues, performance matrix, and any incident of non-compliance.

(16) The Board shall oversee the implementation of track access and rail development agreements and investigate complaints and disputes regarding unfair treatment, capacity denial or discriminatory practices.

(17) Any dispute between the parties to a track access and rail development agreement shall be settled in accordance with the terms of the agreement.

(18) The Board, keeping in view the best International practices, may perform any other function or exercise any power that may be incidental or consequential to the performance of any of its functions or the exercise of any of its powers.

(19) The agreements which were signed under the Track Access (2005) and are still valid shall continue to be in force subject to fulfillment of conditions precedent and revision of clauses, rates, charges, fee, etc., as may be mutually agreed between the parties.

(20) The Federal Government may, in the national interest and by notification in the official Gazette, exempt any party or a project from all or any of the provisions of this Order or any other law governing the track access and rail development, for the time being in force.]

5. Principles to be observed by Board, etc.— In discharging its functions, the Board shall—

- (a) act on business principles, due regard being had to the interests of agriculture, industry, commerce and the general public, and shall, in particular, make proper provision for meeting out of its receipts on revenue accounts all such expenditure as is prescribed by the existing rules;
- (b) be guided by such directions as the Provincial Government may, from time to time, give on main questions of policy and major financial issues;
- (c) obtain the prior approval of the Provincial Government in respect of—
 - (i) the Capital and Revenue Budget of the Railway;
 - (ii) the construction of new railway lines or the modification, closing or dismantling of any railway line;
 - (iii) changes in the general conditions of service and methods of recruitment of Class I officers of the Railway Services;
 - (iv) changes in the pay structure and allowances of persons in the service of the railway; and
 - (v) the appointment of officers in the Senior Administrative Grade; and

- (d) not, except with the prior approval of the ¹[Federal Government] in the Ministry of Defence, alter the terms and conditions of any contract relating to the conveyance of Defence traffic.

6. Powers and functions of ¹[Federal Government].— (1) Notwithstanding anything in this Order, the following functions, shall be exclusive responsibility of the ¹[Federal Government], namely—

- (a) dealing with international organisations and foreign countries and implementation of agreements entered into with any such organisation or country; ²[and]
- (b) ²[* * * * *]
- (c) consolidation of the Development Programme of the Railways as a part of the National Development Programme;

(2) The Provincial Government shall not, except with the prior approval of the ¹[Federal Government],—

- (a) alter the priority of movement in respect of defence traffic; or
- (b) close or dismantle any railway line or make any modifications in the Ministry of Defence lines.

(3) ²[* * * * *]

(4) The ¹[Federal Government] may from time to time issue such directions to the Provincial Governments with regard to questions of policy and the running, operation and maintenance of the Railways and in particular directions to meet the requirements of the defence of the country as may be deemed necessary, and it shall be the duty of Provincial Governments to comply with any directions so issued.

(5) If at any time it is found that Railways are regulated, maintained or operated in a manner prejudicial to the defence of Pakistan or any part thereof or in contravention of the terms and conditions under which the transfer of Railways was made, it shall be lawful for the ¹[Federal Government] to take over control of the Railways from the Provincial Governments and exercise executive authority in respect thereof for such period as the President may determine.

7. Assets and liabilities, etc.— Upon the repeal of the said Ordinance,—

- (a) all rights and privileges, all assets and liabilities, debts and obligations of the Railway Board constituted under the said Ordinance, subsisting immediately before the date of such repeal, shall, as from such date,—

¹Subs. by Federal Adaptation of Laws Order, 1975 (P. O. No. 4 of 1975), s. 2 and Table.

²Added and omitted by Act No. VIII of 2026, s. 7.

- (i) if the rights, privileges, assets, liabilities, debts and obligations relate to the Pakistan Eastern Railway, be the rights, privileges, assets, liabilities, debts and obligations of the Government of East Pakistan; and
 - (ii) if the rights, privileges, assets, liabilities, debts and obligations relate to the Pakistan Western Railway, be the rights, privileges, assets, liabilities, debts and obligations of the Government of West Pakistan;
- (b) any contract made on behalf of the President before the date of the repeal of the said Ordinance shall, as from such date,—
- (i) if the contract is for purposes which as from such date are exclusively purposes of the Pakistan Eastern Railway, be deemed to have been made on behalf of the Governor of East Pakistan; and
 - (ii) if the contract is for purposes which as from such date are exclusively purposes of the Pakistan Western Railway, be deemed to have been made on behalf of the Governor of West Pakistan;
- and all rights and liabilities which have accrued or may accrue under any such contract shall, to the extent to which they would have been rights or liabilities of the President; be rights or liabilities of the Governor of the Province concerned;
- (c) all suits and other legal proceedings instituted by or against the Railway Board constituted under the said Ordinance before the date of the repeal of the said Ordinance shall, as from such date,—
- (i) if the suits and other legal proceedings relate to the Pakistan Eastern Railway, be deemed to be suits and proceedings by or against the Government of East Pakistan; and
 - (ii) if the suits and other legal proceedings relate to the Pakistan Western Railway, be deemed to be suits and proceedings by or against the Government of West Pakistan.

8. Financial agreements.— (1) The provisions of the Separation Convention shall, until modified by the Provincial Government, apply *mutatis mutandis* to regulate the separation of the Railway finances from the General finances of the Province, and the Provincial Government shall, before the commencement of a financial year, present to the Provincial Assembly a separate Railway Budget of the estimated receipts and expenditure of the Railway for that year.

(2) The Provincial Government shall pay to the ¹[Federal Government] every year in respect of the Railway transferred to it a return at the rate of four per cent per annum on the ¹[Federal] Government's investments made up to the 30th day of June, 1962.

¹Subs. by Federal Adaptation of Laws Order, 1975 (P. O. No. 4 of 1975), s. 2 and Table.

(3) Investment in clause (2) includes—

- (a) the book value of the Railway assets taken over from the Government of India as it stood on the 14th day of August, 1947, and
- (b) such expenditure of the ¹[Federal Government] as may have been actually incurred by it up to 30th June, 1962, but may not have been included as investment in the ¹[Federal] Government's accounts up to that date.

(4) The Provincial Government shall, as and when due, pay to the ¹[Federal Government] the actual interest charges on all foreign loans, including foreign loans which exist at the time of the promulgation of this Order obtained by the ¹[Federal Government] for the Railways.

(5) The ¹[Federal Government] shall be liable for repayment of the principal of such foreign loans or parts of foreign loans as have been raised by it on or before 30th day of June, 1962 or in respect of which negotiations have been finalized up to that day for Capital additions to and development of the Railway.

(6) As and when an instalment towards repayment of a loan is paid by the ¹[Federal Government], the Provincial Government shall cease to pay interest on the loan to that extent.

(7) The amount of the instalment paid under clause (6) by the ¹[Federal Government] shall, as from the date of such payment, form part of the ¹[Federal] Government's investment in the Railways and the Provincial Government shall pay to the ¹[Federal Government] a return at the rate of four per cent, per annum on the amount so forming part of the ¹[Federal] Government's investment,

(8) The Provincial Government shall be liable for repayment of the principal of such foreign loan or parts of foreign loans as may have been raised for financing other than Capital investment in the Railways.

(9) The subscriptions made by the employees to the Defence Savings, Provident Fund, the State Railway Provident Fund, and the General Provident Fund, including optional of voluntary subscriptions, and, in the case of the State Railway Provident Fund, the contributions made by the Railways to that Fund,—

- (a) prior to the date of the repeal of the said Ordinance, or
- (b) subsequent to such date,

shall remain with, or, as the case may be, be transferred to the credit of the ¹[Federal Government], and that Government shall be liable to make payment to the employees out of those Funds.

(10) The Provincial Government shall, as from the first day of July, 1962, constitute a Provincial Railway Provident Fund to be subscribed by such of its employees as enter the service of the Railways on or after that date, and as may be eligible for subscribing to it. Such subscriptions shall be credited to the Provincial Government, and that Government shall be liable to make payment to the employees out of the Fund.

¹Subs. by Federal Adaptation of Laws Order, 1975 (P. O. No. 4 of 1975), s. 2 and Table.

9. Transfer of Railway servants to Provinces.— (1) Notwithstanding anything to the contrary in any contract or agreement or in the conditions of service, the ¹[Federal Government] may, subject to the provisions of clause (2), transfer the services of persons serving the Railways immediately before the commencement of this Order,—

- (a) to the office of the Comptroller and Auditor General of Pakistan, if they belong to Accounts Service Class I; and
- (b) to the Provincial Governments in any other case.

(2) In transferring persons mentioned in sub-clause (b) of clause (1) the following rule shall be observed, namely:—

- (a) all Class I officers appointed before the fourteenth day of August 1947 and all Class I officers appointed after that date not against any Provincial quota on the basis of their domicile; and
- (b) such of the persons in Class II, Class III and Class IV as were immediately before the commencement of this Order, in receipt of the Expatriation Allowance.

shall be given the right to opt for service in either of the two Provinces;

Provided that, if, as a result of the options exercised by the officers mentioned in paragraph (a) of this clause it appears that the cadre for any one of the Railways is incomplete for shortage of officers, or because officers possessing requisite experience for manning the posts on that Railway have not opted for it, the services of any officer mentioned in this clause may be transferred to the Province other than the Province for which he had opted, for such period and on such terms and conditions as may be agreed upon by the two Boards or, pending the constitution of the Boards as may be determined by the Railway Board constituted under the said Ordinance.

(3) The transfer of Class I officers of the Railway Services, other than those mentioned in paragraph (a) of clause (1), shall be subject to the conditions,—

- (a) that they shall continue to remain as members of the Pakistan Railway Service Class I;
- (b) that they shall not be dismissed or removed from service or reduced in rank except under the orders of the President; and
- (c) that the terms and conditions of service applicable to them immediately before such transfer shall not be altered to their disadvantage without the prior approval of the President.

(4) The Provincial Governments and the Boards shall, in relation to persons belonging to Class II, Class III or Class IV of the Railway Services whose services are transferred under Clause (1) have the same disciplinary powers as were, immediately before such transfer, exercisable respectively by the ¹[Federal Government] and the Railway Board constituted under the said Ordinance.

¹Subs. by Federal Adaptation of Laws Order, 1975 (P. O. No. 4 of 1975), s. 2 and Table.

(5) Subject to the provisions of clauses (3) and (4), the ¹[Federal Government] may lay down the terms and conditions of service applicable to persons after their services are transferred under this article.

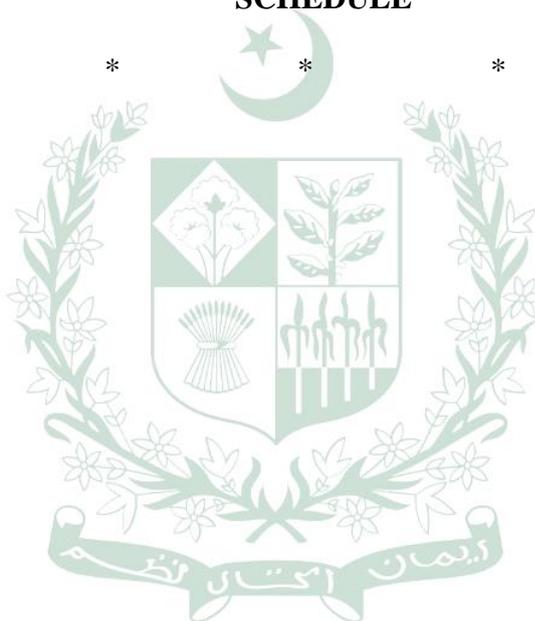
(6) No such person as aforesaid shall, notwithstanding anything contained in any law, be entitled to any compensation because of such transfer.

10. Removal of difficulties.— The ¹[Federal Government] may, for the purpose of removing any difficulty that may arise in bringing into operation, or giving effect to, any provision of this Order, make such orders as it considers necessary.

11. Power to make rules.— The ¹[Federal Government] may, by notification in the official Gazette, make rules to carry out the purposes of this Order.

SCHEDULE

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THE PAKISTAN CODE

RGN Dated: 13-02-2026

¹Subs. by Federal Adaptation of Laws Order, 1975 (P. O. No. 4 of 1975), s. 2 and Table.

²Omitted by Act No. VIII of 2026, s. 8.