



**PAKISTAN TELECOMMUNICATION AUTHORITY**  
**HEADQUARTERS, F-5/1 ISLAMABAD**  
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**Enforcement order under sub-section 3 of section 23 of the Pakistan  
Telecommunication (Re-organization) Act, 1996 against M/s. Naba Engineering &  
Trading (PVT.) Ltd**

**File No. 15-26/CPPS-66/Fin/PTA**

Date of Issuance of Show Cause Notice: 17<sup>th</sup> July, 2006  
Venue of Hearing: PTA HQs, Islamabad  
Date of Hearing: 20<sup>th</sup> February, 2007

The Authority present :

S. Nasrul Karim Ghaznavi: Member (Finance)  
Dr. Muhammad Yaseen: Member (Technical)

The Issue:

“Non payment of the Authority’s dues on account of annual license fee”

**EX-PARTE DECISION OF THE AUTHORITY**

**BRIEF FACTS:**

M/s. Naba Engineering & Trading (Pvt.) Limited (the “licensee”) is a private limited Company incorporated under the Companies Ordinance, 1984 and is engaged in the business of Card Payphone services pursuant to the non-exclusive license No. DIR(C)/L/PTA/265/2000 dated 12<sup>th</sup> June, 2000 (the “license”) issued by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Payphone services in Pakistan on the terms & conditions contained in the license.

2. The licensee has defaulted in payment of the Authority’s dues on account of annual license fee for the years ended 30<sup>th</sup> June, 2003 to 2005 as well as not provided its annual audited accounts for the year 2005. In this regard the Authority made various requests to the licensee but in vain. Hence, the Authority issued Show Cause Notice

dated 17<sup>th</sup> July, 2006(the “Notice”) under section 23 of the Act whereby required the licensee to comply the same within seven days and also submit written reply to the Notice within thirty (30) days of the issuance of the Notice and explain as to why the license should not be suspended, terminated or any other enforcement order should not be passed under section 23 of the Act against the licensee. In response to the Notice the licensee submitted annual audited accounts for the year 2005 vide its letter dated 30<sup>th</sup> July, 2006 but did not deposit the Authority’s, hence committed sheer violation of the provisions of the license and the Act. However, the Authority reconciled the payable dues of this company in the light of annual audited accounts which arrived at Rs.587,257/- for the years ended on 30<sup>th</sup> June, 2005 and communicated to the licensee to deposit this amount within ten (10) days vide its letter dated 6<sup>th</sup> September, 2006 but again the licensee failed to deposit the payable dues in compliance with the Authority’s directions. Therefore, before passing an enforcement order a Hearing Notice dated 13<sup>th</sup> February, 2007 was issued and served on the licensee whereby informed the licensee to attend the hearing dated 20<sup>th</sup> February, 2007. The hearing notices were served on the addresses of the company and all of its Directors. As these notices were not received back undelivered, hence, it is presumed that these notices have been served on the licensee. Again, even after information of the scheduled hearing the licensee deliberately avoided attending the today’s hearing, which shows its irresponsible attitude towards the writ of the Authority.

3. Therefore, the Authority has no option but to decide the matter ex-parte, on the basis of available record.

(a). The licensee was obliged under modified license conditions, duly communicated to the licensee in September, 2002, and sub-regulation (2), (3), (4) and (5) of Regulation 7 of Card payphone Regulations, 2004 to pay annual license fee to the Authority within 120 days from the close of financial year which licensee failed to comply.

(b) The Authority has been making repeated requests to the licensee vide various letters including dated 6<sup>th</sup> August, 2003, 25<sup>th</sup> September, 2003, 5<sup>th</sup> December, 2003, 6<sup>th</sup> February, 2004, 1<sup>st</sup> April, 2004, 30<sup>th</sup> August, 2004, 29<sup>th</sup> November, 2004, 5<sup>th</sup> October, 2004, 4<sup>th</sup> November, 2004, 2<sup>nd</sup> December, 2004, 3<sup>rd</sup> January, 2005, 2<sup>nd</sup> February, 2005, 3<sup>rd</sup> march, 2005, 11<sup>th</sup> April, 2005, 31<sup>st</sup> October, 2005, and finally 6<sup>th</sup> September, 2006 requiring the licensee to make the payments and submit annual audited accounts, but the licensee did not pay the Authority’s dues which constitute sheer disregard to the writ of the Authority. However, thereafter, the licensee requested the Authority vide its letter dated 6<sup>th</sup> July, 2005 for making payments in installments of Rs.50,000/- and started making payments in installments without approval vide cheques No. CD4448673 dated 7<sup>th</sup> July, 2005, CD4448674 dated 28<sup>th</sup> July, 2005, CD5080566 dated 30<sup>th</sup> August, 2005, CD6661512 dated 31<sup>st</sup> October, 2005, CD6232691 dated 31<sup>st</sup> December, 2005, and CD6232725 dated 28<sup>th</sup> February, 2006 each of Rs.50,000/-. The licensee also requested vide its letter dated 14<sup>th</sup> November, 2005 to allow it to continue making payments in installments of Rs.50,000/- till clearance of pending balances. The licensee

in response to the Authority's letter dated October, 2005 requested that it should be allowed to make payments in installments of Rs. 50,000/ and be exempted from 10% late payment penalty. PTA has made its reasonable efforts to contact the licensee, but failed to contact.

(c). Foregoing, clearly shows that the licensee is not complying with the directions of the Authority. The Show Cause and hearing notices have been served on the addresses of the licensee and to all of its Directors but neither the licensee nor any of its Directors attended the hearing establishing an irresponsible attitude of the licensee towards the writ of the Authority.

#### **4. ORDER**

4.1. Keeping in view the above mentioned facts coupled with the available record, the Authority hereby decides to proceed *ex-parte* against the licensee by passing the following enforcement order:

- (a) License of M/s. Naba Engineering & Trading (Pvt) Ltd is hereby SUSPENDED for a period of three months or till paying of balance payable dues for the years ended 30<sup>th</sup> June, 2002 and 2005 amounting to Rs. 587,257, which ever is earlier.
- (b). In case of failure of the licensee to deposit the Authority's dues as provided in Para 4.1 (a) above, license No. DIR(C)/L/PTA/265/2000 dated 12<sup>th</sup> June, 2000 of the company shall stand TERMINATED w.e.f. 23<sup>rd</sup> May, 2007 and recovery proceedings under section 30 of the Act shall be initiated by the Authority against the company for recovery of all payable dues as land revenue. While in case of payment as per 4.1(a), the license shall be restored.
- (c). PTCL is directed to forthwith terminate all telecommunication facilities extended to the licensee pursuant to the license till further orders of the Authority.

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(S. Nasrul Karim Ghaznavi)  
Member (Finance)

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(Dr. Muhammad Yaseen)  
Member (Technical)

5. This determination is passed on 2<sup>nd</sup> March, 2007 and comprises 03 pages.