



**PAKISTAN TELECOMMUNICATION AUTHORITY**  
**HEADQUARTERS, F-5/1 ISLAMABAD**  
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**Hearing: 6<sup>th</sup> July 2006**

**File No.14- 288/L&A/ PTA**

**DECISION IN M/S. SAHA ENTERPRISES (PVT.) LTD CASE**

**Appeal under section 7(2) of The Pakistan Telecommunication (Re-organization) Act, 1996**

**1. INTRODUCTION**

1.1. That Pakistan Telecommunication Authority (the “Authority”) is a body corporate established pursuant to section 3 of the Pakistan Telecommunication (Re-organization) Act, 1996 as amended (the “Act”), which, among others, performs the following functions:

- (i) regulate the establishment, operation and maintenance of telecommunication systems and the provision of telecommunication services in Pakistan; and
- (ii) investigate and adjudicate on complaints and other claims made against licensees arising out of alleged contraventions of the provisions of the Act, the rules made and licences issued thereunder and take action accordingly.

1.2 That section 7(2) of the Act provides that if any person is aggrieved by any decision or order of any officer of the Authority acting under the delegated powers of the Authority may, within thirty days of the receipt of the decision or order, appeal to the Authority in prescribed manner and the Authority shall decide such appeal within thirty days

1.3. M/s. Saha Enterprises (Pvt.) Ltd. (the “Appellant”) was awarded license No. DIR (C) /L/PTA/294/2000 dated 26<sup>th</sup> July, 2000 with brand name “Tele-One” to establish, maintain and operate Card Payphone services in Pakistan.

**2. BRIEF FACTS OF THE CASE**

2.1. Briefly, stated that the Appellant closed down the licensed services in MTR, FTR, LTR (N), LTR (S), CTR and GTR regions without approval of the Authority as well as failed to deposit PTA dues, therefore the Appellant was issued Show Cause Notice dated 29<sup>th</sup> July, 2005. The Appellant submitted its reply dated 5<sup>th</sup> August, 2005. As the reply was not satisfactory, therefore, the Appellant was given chance for personal hearing vide letter dated 12<sup>th</sup> August, 2005 but the Appellant failed to

attend the hearing. Thereafter, the Authority, prior issuing any order, granted twice opportunities to the Appellant for personal hearing vide letter dated 1<sup>st</sup> September, 2005 and 27<sup>th</sup> December, 2005 but the Appellant did not bother to attend the hearing, therefore, Director General (L&R) vide its decision dated 27<sup>th</sup> January, 2006 suspended the license of the company.

2.2. Being aggrieved of the impugned decision, the Appellant filed appeal dated 25<sup>th</sup> April, 2006 wherein took the stance that owing to death of Mr. Muhammad Shafiq (elder brother and one Director of the company who was dealing with the affairs of the company), corruption was grown in the company and operations were closed down. The Appellant further requested the Authority to restore the license and promised to deposit Rs. 100,000/- at the time of restoration of license and the remaining amount in monthly installments of Rs. 50,000/-. The application for appeal was neither within the statutory period nor filed in the format as prescribed in the Rules. However, the Authority after seeking reasons for delay in filing the appeal vide letter dated 19<sup>th</sup> June, 2006 condoned the period of delay and admitted the appeal for hearing. The Authority fixed the date of hearing as 6<sup>th</sup> July, 2006 and communicated to the Appellant vide its letter dated 30<sup>th</sup> June, 2006. The Appellant, through the aforementioned letter, was directed to appear in person or through representative fully conversant with the case on the fixed date along with a copy of written arguments for the Authority as well as provide following information in advance:

- (a) name of your authorised representative who will attend the hearing on your behalf, if any, and
- (b) time required for the presentation of the case. In case of non-attendance the Authority reserves the right to proceed *ex parte* against you.

But the Appellant neither attended the hearing at the time fixed for hearing nor submitted any request for adjournment nor provided the requisite information. However, on the same day at about 1545 hrs Mr. Hafiz Attiq (Director of the company) appeared before Member (Finance) and submitted the reasons of his late coming.

2.3. As the Appellant has already defaulted in payment of PTA dues for the year 2001 to 2005 amounting to Rs. 10,55,000/-(Rupees ten lacs and fifty five thousand only) and non-submission of Annual Audit Accounts (AAAs) pursuant to license conditions 2(2.4) and 3(3.16) for the years 2000 to 2005. In this regard the Authority has made repeated requests to the Appellant for payment of PTA outstanding dues as well as for submission of AAAs but the licensee neither deposited the payable dues nor submitted the AAAs. The Appellant during his meeting dated 6<sup>th</sup> July, 2006 and 11<sup>th</sup> July, 2006 briefed about its circumstances, which became cause for noncompliance, i.e., the death of the elder brother who was handling all business, irregularities of the employees. The Appellant during these meetings also submitted its assurance that he will pay all dues regularly. However, keeping in view the circumstances and difficulties shown by the Appellant, the Authority was pleased to

allow the Appellant to deposit 50% of outstanding dues at the time of restoration of license and the rest amount in three equal installments. The Appellant also had discussions with the Finance Department on 6<sup>th</sup> July, 2006 and 11<sup>th</sup> July, 2006 regarding the issue of payments as well. Later on the Appellant vide letter dated 12<sup>th</sup> July, 2006 submitted counter schedule of payments alongwith cheques, whereby the Appellant requested for restoration of license and payment of balance amount in installments. The Appellant submitted nine (09) cheques from No.880807 to 880815 in this regard. The Appellant again had a meeting on 27<sup>th</sup> July, 2006 with Member (Finance) who verbally advised the Appellant to deposit another Rs. 200,000/- (in addition of the amount already paid vide cheque No. 880807 dated 17<sup>th</sup> July, 2006) for processing of restoration of license. In the meantime it was learnt that the first cheque of the licensee No.880807 dated 17<sup>th</sup> July, 2006 valuing Rs. 200, 000/- was dishonoured by the bank, which shows non-seriousness of the company to liquefy its liability and disregard to its commitments.

### **3. ORDER**

3.1. Keeping in view the aforementioned facts and circumstances of the case, this appeal is disposed of in the following terms:

- (a). The Appellant is directed to deposit an amount of Rs. 400,000/- and submit AAAs for the years 2001 to 2005, at which its license will be restored temporarily, and to deposit the balance amount in six (06) installments through post dated cheques;
- (b). In case of failure of the Appellant to abide by the aforementioned order of the Authority within a period of sixty (60) days of the issuance of this order license of the Appellant shall stand terminated and recovery proceedings under section 30 of the Act shall be initiated by the Authority against the Appellant for recovery of the dues mentioned above.

**Member (Technical)**

**Member (Finance)**

This determination is passed on 9<sup>th</sup> day of August, 2006 and comprises 03 pages.