



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 in the matter of M/s. Gulzar
Construction Co. (Pvt.) Limited**

File No. 15-26/CPPS-28/Fin/PTA

Date of Issuance of Show Cause Notice: 21st June, 2007
Date of Hearing: 8th August, 2007
Venue of Hearing: PTA HQs, Islamabad

The Authority present:

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

The Issue:

“Non payment of Authority’s dues on account of annual license fee
and non-submission of annual audited accounts”

EX-PARTE DECISION OF THE AUTHORITY

BRIEF FACTS:

M/s. Gulzar Construction Co. (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/360/2001 dated 28th April, 2001 (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 defaulted in payment of the Authority’s dues on account of annual license fee for the years ended 30th June, 2002 to 2005 amounting to Rs.505,000/-and also failed in providing its annual audited accounts for the years

2002 to 2006. In this regard the Authority made various requests to the licensee but in vain. Hence, the Authority issued Show Cause Notice dated 21st June, 2007 (the "Notice") under section 23 of the Act requiring the licensee to remedy the contravention 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 any enforcement order should not be passed under section 23 of the Act against it. The licensee neither made the payment nor submitted reply to the Notice. Therefore, before passing an enforcement order a Hearing Notice dated 31st July, 2007 was issued and served on the licensee requiring the licensee to attend the hearing dated 8th August, 2007 before the Authority. The show cause notice and hearing notice were served on the addresses of the company and all of its Directors. A show cause notice and a hearing notice out of nine (9) addresses have been received back undelivered whereas rest of the notices has been served on the licensee. However, even after information of the scheduled hearing the licensee deliberately avoided attending the 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 conditions 3.1 and 3.2 of the license 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 and under condition 2.4 of the modified license the licensee was obliged to submit annual audited accounts to the Authority within three months of closing of financial year, which the licensee failed to comply.

(b) The Authority has been making repeated requests to the licensee vide various letters including letters dated 30th April, 2004, 5th October, 2004, 29th November, 2004, 4th February, 2005, 11th April, 2005, 15th June, 2005, 23rd August, 2005, 2nd January, 2006, 26th January, 2006, 20th June, 2006, 1st August, 2006 and finally vide letter dated 19th April, 2007 requiring the licensee to make the payments and submit annual audited accounts, but the licensee neither deposited the Authority's dues nor submitted annual audited accounts which constitute sheer disregard to the writ of the Authority. In this regard a meeting was convened with the licensee on 30th March, 2007 which were duly communicated to the licensee vide letters dated 15th March, 2007, but the licensee did not turn up to attend the meeting. However, previously the licensee vide its letters dated 29th September, 2003 and 6th November, 2003 had requested for payment in ten (10) monthly installment which was granted vide letter dated 10th November, 2003 with modification of payment in eight (08) monthly installments. The licensee made two installment each of Rs.37,500/- and stopped making further payments of balance payable dues. The licensee was again contacted vide meetings dated 24th January, 2006 and 26th of January, 2006 and it agreed to make payment in

installments. It deposited Rs.100,000/ as first installment vide cheque No.2352779 but thereafter stopped making the payment and failed to avail this opportunity and did not clear its liabilities.

4. ORDER

4.1. Keeping in view the above mentioned facts in light of 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. Gulzar Construction Co. (Pvt) Ltd is hereby SUSPENDED for a period of one month or till paying of payable dues for the years ended 30th June, 2002 to 2005 amounting to Rs.505,000/- and submission of annual audited accounts for the years 2002 to 2006, which ever is earlier;
- (b). In case of failure of the licensee to deposit PTA dues as provided in Para 4.1 (a) above, license No. DIR(C)/L/PTA/360/2001 dated 28th April, 2001 of the licensee shall stand TERMINATED and recovery proceedings under section 30 of the Act shall be initiated by the Authority against the company for recovery of dues as land revenue. While in case of payment and submission of annual audited accounts as per 4.1(a), the license shall be restored; and
- (c). PTCL is directed to forthwith terminate all telecommunication facilities extended to the licensee pursuant to the license, till further orders of the Authority.

(S. Nasrul Karim Ghaznavi)
Member (Finance)

(Dr. Muhammad Yaseen)
Member (Technical)

Signed on 23rd August, 2007 and comprises 03 pages.