



**PAKISTAN TELECOMMUNICATION AUTHORITY**  
**HEADQUARTERS, F-5/1, ISLAMABAD**

Ph: 051-9225328 Fax: 051-9925338

**Enforcement order under sub-section 3 of section 23 of the Pakistan**  
**Telecommunication (Re-organization) Act 1996**

**File No. PTA/Finance/WLL/Defence Housing Authority/819/2006**

Date of Show Cause Notice: 5<sup>th</sup> April, 2010  
Date of Hearing: Venue of 13<sup>th</sup> May, 2010  
Hearing: PTA HQs, Islamabad

**The Authority Present:**

S.Nasrul Karim A. Ghaznavi: Member (Finance)  
Dr. Khawar Siddique Khokhar: Member (Technical)

**The Issue:**

***"Non submission of annual audited accounts and non-payment of annual regulatory fees and contributions for the year ended 30<sup>th</sup> June, 2009"***

**Decision of the Authority**

**1. BRIEF FACTS:**

1.1 Through this enforcement order of ours, we intend to dispose of the Show Cause Notice dated 8<sup>th</sup> March, 2010 ("**the Show Cause Notice**") issued to Defence Housing Authority, Lahore ("the Licensee") under section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 ("**the Act**") on the issue of non-submission of annual audited accounts and non-payment of Annual Regulatory Fee ("the Annual Regulatory Fees") which comprise of Annual License Fee ("**ALF**"), Research & Development Fund ("**R&D**") contribution and Universal Service Fund ("**USF**") contribution for the year ended on 30<sup>th</sup> June 2009, as well as late payment charges calculated @ 2% per month and accruing till date of actual payment.

1.2 The Licensee not only failed to submit annual audited accounts but also did not pay Annual Regulatory Dues (ALF/R&D and USF) for the year ended on 30<sup>th</sup> June 2009, including late payment charges thereon calculated @ 2% per month within 120 days. Hence, the Show Cause Notice under section 23 of the Act was issued to the Licensee on 5<sup>th</sup> April, 2010.

1.3 Vide letter reference 408/308/PTA/WLL/show cause of 10<sup>th</sup> April, 2010 ("**the Licensee's Reply**"). Relevant portion on the alleged contravention as enshrined in the Show Cause Notice are reproduced as under:

i. DHA entered into Contractual arrangement with M/s Wateen Telecom (Pvt) Limited for provisioning of telecommunication services through the license extended to it by PTA In terms of the arrangement M/s Wateen Telecom (Pvt) Limited is obligated to pay annual regulatory fee and contributions and also to prepare/arrange for audited accounts periodically. Upon receiving your notice DHA have already addressed Wateen Telecom (Pvt) Limited through letter dated 08.04.2010 asking it to respond to the allegations in the notice (Photocopy of DHA letter number 408/308/Wateen/WLL dated 03.04.2010 is attached herewith). DHA have instructed M/s Wateen Telecom (Pvt) Limited to provide us with details regarding the status of payments and material in support thereof which will be provided immediately to PTA It is pertinent to mention that payment of regulatory fee and contribution shall always be made to PTA for and on behalf of C HA in lieu of a license bearing No.LL-2 5-2004 dated 09.09.2004. M/s Wateen Telecom (Pvt) Limited has expressed its willingness to comply with the regulations and the terms of the license on behalf of DHA. DHA will appreciate that in case there is any delay in the payments of the amounts referred to in the notice the same be condoned and DHA would be vigilant in the performance of its obligations. DHA -being a licensee has always ensured compliance of PTA regulations and provisions of Pakistan Telecommunication Reorganization Act, 1996.

ii. In view of the above. DHA request that the legal notice/show cause be accordingly withdrawn and no adverse action be taken or initiated against license bearing No.LL-25-2004 dated 09.09.2004.

## **2. THE HEARING:**

2.1. The Authority called the licensee for hearing on 13<sup>th</sup> May, 2010. On behalf of the License, Lt Col(R) Muhammad Khalid Bashir and Mr. Asim Hafeez attended the hearing on the date and time fixed for hearing. The representatives of the licensee reiterated the same grounds it has already taken in the reply to the show cause notice.

2.2 During hearing the licensee requested for extension of time for submission of annual audited accounts including payment of regulatory dues. The licensee assured that all outstanding payment will be made.

## **3. ORDER:**

3.1 The licensee is directed to submit AAA's by 20<sup>th</sup> June, 2010; in the light whereof demand note of the dues, if any, shall be sent to it which the licensee shall be obliged to pay immediately on its receipt and in case of failure, the license shall stand **SUSPENDED**.

3.2 Show Cause Notice is disposed of on the above terms.

S.Nasrul Karim A. Ghazanvi  
Member (Finance)

Dr. Mohammed Yaseen  
Member (Technical)

Signed on this 25 day of May, 2010 and comprises three pages only.