



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. KomStream
(Pvt) Ltd**

File No. PTA/Finance/EIS/Komstream/440/2006

Date of Issuance of Show Cause Notice: 8th September, 2006
Date of Hearing: 5th June, 2007
Venue of Hearing: PTA HQs, Islamabad

The Authority present:

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

The Issue:

“Non-submission of annual audited accounts and non-payment of
PTA dues”

EX-PARTE DECISION OF THE AUTHORITY

BRIEF FACTS:

M/s. KomStream (Pvt.) Limited (the “licensee”) is a private limited Company incorporated under the Companies Ordinance, 1984 and is engaged in the business of Electronic Information Services pursuant to the non-exclusive license No. DIR(C)/L/PTA/521/2003 dated 17th July, 2003 (the “license”) issued by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Electronic Information Services in Pakistan on the terms & conditions contained in the license.

2. The licensee neither submitted its annual audited accounts nor deposited annual license fee for the years ended 2004 to 2005. In this regard the Authority made various requests to the licensee but in vain. Hence, the Authority issued Show Cause Notice dated 8th September, 2006 (the “Notice”) under section 23 of the Act. The licensee

neither submitted annual audited accounts nor submitted reply to the Notice. Therefore, before passing an enforcement order a Hearing Notice dated 28th May, 2007 was issued and served on the licensee requiring the licensee to attend the hearing dated 5th June, 2007. The hearing notices were served on the address of the company and also on the residential addresses of all of the Directors, but no one attended the hearing.

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

(a). The licensee was obliged under conditions 3.12 and 4.51 of the license and sub-regulation (2), and (5) of Regulation 4 of Non Voice Communication Network Services Regulations, 2004 to pay annual license fee to the Authority within 120 days from the close of financial year which the licensee failed to comply.

(b) The Authority has been making repeated requests to the licensee vide various letters including dated 7th October, 2004, 1st November, 2004, 2nd December, 2004, 5th January, 2005, 14th February, 2005, 4th March, 2005, and 24th March, 2006 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 is sheer disregard to the directions of the Authority.

4. In addition to the above, the licensee had disconnected its telecom service in Chakwal without prior approval of the Authority, for which Zonal Director (Enforcement), Rawalpindi issued show cause notice dated 7th March, 2007 which was served on the licensee, but the licensee did not reply to the notice within statutory period. However, prior issuing any enforcement order under the Act, the said Zonal Director also provided the licensee an opportunity of personal hearing on 8th May, 2007 which was communicated to it vide letter dated 26th April, 2007 but the licensee did not attend the hearing. Hence, the Zonal Director (Enforcement), Rawalpindi referred the said case to the Authority for further action.

5. ORDER

5.1. Keeping in view the above mentioned facts in light of the available record and report of Zonal Director (Enforcement) Rawalpindi, the Authority hereby decides to proceed *ex parte* against the licensee by passing the following enforcement order:

- (a) License of M/s. KomStream (Pvt) Ltd is hereby SUSPENDED for a period of fifteen days or till submission of annual audited accounts alongwith paying of payable dues for the years ended 30th June, 2004 and 2005, which ever is earlier.
- (b). In case of failure of the licensee to submit annual audited accounts for the years 2004 and 2005 and deposit the Authority's dues calculated on the basis of these accounts as aforesaid, license No. DIR(C)/L/PTA/521/20003 dated 17th July,

2003 of the company shall stand TERMINATED 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 submission of annual audited accounts for the years 2004 and 2005 and payment of the Authority's dues 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.

(S. Nasrul Karim Ghaznavi)
Member (Finance)

(Dr. Muhammad Yaseen)
Member (Technical)

Signed on 7th June, 2007 and comprises 03 pages.