



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1 ISLAMABAD
Ph: 051-9225328 Fax: 051-9225338

Enforcement order under sub-section 3 of section 23 of the Pakistan
Telecommunication (Re-organization) Act, 1996 in the matter of M/s. S.Z. (Pvt.)
Ltd

File No. 15-26/CPPS-173/Fin/PTA

Date of Issuance of Show Cause Notice: 22nd September, 2006
Date of Hearing: 21st March, 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 PTA dues on account of annual license fee”

EX-PARTE DECISION OF THE AUTHORITY

BRIEF FACTS:

M/s. S.Z. (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/507/2003 dated 14th May, 2003 (the “license”) issued by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Payphone services in the Province of Punjab 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, 2004 and 2005 amounting to

Rs.180,000/-and also failed in providing its annual audited accounts for the same years. In this regard the Authority made various requests to the licensee but in vain. Hence, Show Cause Notice dated 22nd September, 2006 (the "Notice") was issued to the licensee under section 23 of the Act and required the licensee to remedy the contravention within seven days and also submit written reply to the Notice within thirty (30) days 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, hearing in the matter was convened and before passing an enforcement order a Hearing Notice was served on the licensee requiring the licensee to attend the hearing dated 21st March, 2007. The hearing notice was served on the addresses of the company and all of its Directors as available on the record. However, all the hearing notices received back undelivered. Therefore, it is presumed that the licensee has either closed its offices or services without approval of the Authority or avoided the service.

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 which the licensee failed to comply.

(b) The Authority has been making repeated requests to the licensee vide various letters including dated 26th July, 2004, 22nd December, 2004, 21st January, 2005, 1st March, 2005, 11th April, 2005, 13th May, 2005, 30th June, 2005, 23rd August, 2005, and 12th September, 2005 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 meetings were held on 9th March, 2006 and 24th March, 2006 which were duly communicated to the licensee vide letters dated 27th February, 2006 and 10th March, 2006, respectively, but the licensee did not turn up to attend the meetings. However, previously the licensee vide its letter dated 13th July, 2005 had informed that it has already changed its address and requested two months time for payment of payable dues. But till to-date the licensee failed to clear its liabilities on account of annual license fee. The Authority has made its reasonable efforts to contact the licensee, but all in vain.

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. S.Z. (Pvt) Ltd is hereby SUSPENDED for a period of one month from the date of issuance of the instant order or till paying of payable dues for the years ended 30th June, 2003 to 2005 amounting to Rs.180,000, 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/507/2003 dated 14th May, 2003 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 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 29th March, 2007 and comprises 03 pages.