



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1 ISLAMABAD
<http://www.pta.gov.pk>

**Enforcement Order under Section 23 of the Pakistan Telecommunication
(Reorganization) Act, 1996 against Unified Technologies (Pvt.) Limited**

No.PTA/Finance/LL/Unified Technologies/563/2006

Date of Issuance of Show-Cause	6 th April, 2010
Date of Hearing:	16 th June, 2010
Venue of Hearing:	PTA,HQs, Islamabad

The Authority Present:

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

The Issue:

"Failure to submit Annual Audit Accounts and payment of Annual Regulatory dues for the years ended on 30th June, 2005 to 2009"

Ex-varte Decision of the Authority

1. Brief Facts

1.1 **Unified Technologies (Pvt.) Limited** (the "licensee") was awarded non-exclusive license No. LL-07-2004 dated 16th July, 2004 (the "license") by Pakistan Telecommunication Authority (the "Authority"), to provided the licensed services (i.e. Local Loop services) in the licensed region of KTR and to establish, maintain and operate Telecommunication System subject to the terms and conditions contained in the license.

1.2 As a licensee of the Authority, Unified Technologies (Pvt.) limited was required to comply with the provisions of the prevailing regulatory laws comprising of the Pakistan Telecommunication Authority (Re-organization) Act 1996 (the "Act"), the Pakistan Telecommunication Rules, 2000 (the "Rules"), the Pakistan Telecommunication Authority (Function & Powers) Regulations, 2006, and the terms & conditions of the license. Whereas in this case the licensee has violated condition 4.1.2 (a), 4.1.3, 4.2.1, 4.2.2, 4.2.4, 6.4.3 and 4 2.3 read with clauses 3.4 and 3.6 of its license, sub-regulation (6) and (7) of regulation 23 of the Pakistan Telecommunication Authority (Function & Powers) Regulations, 2006, by failure in submitting annual audited accounts and paying annual license fee and contributions (i.e. ALF, R&D and USF) within 120 days of the end of financial year to which such fees and contributions relates.

1 3 License has failed to submit annual audited accounts alongwith annual regulatory fees and contributions (ALF, R&D and USF) for the years ended on 30th June, 2005 to 2009 including late payment charges till date, despite repeated demands of the Authority, but all in vain Hence, the Authority issued Show Cause Notice (the "Notice") dated 6 April, 2010 under section 23 of the Act whereby required the licensee to remedy the contravention by submitting annual audited accounts alongwith payment of annual

regulatory fees and contribution (ALF, R&D and USF) including late payment charges (@2% per month or part thereof) for the years ended on 30th June, 2005, 2006, 2007, 2008 and 2009 within seven days and also to submit written reply to the Notice within thirty (30) days of the issuance of the Notice and explain as to why the license should not be suspended, terminated or any other enforcement order should not be passed under section 23 of the Act against the licensee.

1.4 But the licensee neither submitted its reply to the Notice within the statutory period of thirty days nor deposited the aforesaid annual regulatory fees and contributions as well as failed to submit annual audited accounts for the aforesaid period, hence, committed sheer violation of the provisions of the license and the Act.

1.5 Therefore, before passing an enforcement order a Hearing Notice dated 9th June, 2010 was issued and served on the licensee whereby informed the licensee to attend the hearing dated 16th June, 2010. The show cause and hearing notice were served on the address of the company provided and maintained by the licensee with PTA. Hence, the licensee failed to respond to the show cause notice within statutory period of thirty days and also did not attend the hearing on the said date,

1.6 Clause 12.3 of the license and Regulation 46 of the Pakistan Telecommunication Authority (Functions & Powers) Regulations, 2006, provided as under:

"12.3. Communication with the licensee (1) The licensee shall maintain on file with the Authority a current address for the Licensee, including telephone number, fax number and email address, and the name and title of a contact person, for the purposes of receiving communications from the Authority. Any notice or other communication to the Licensee permitted under this License may be given by hand delivering the same, or by mail, facsimile or electronic mail addressed to the licensee at its most recent address on file with the Authority.

46. Communication with the licensee (1) The licensee shall maintain on file with the Authority its current address, including telephone number, fax number and email address, and the name and designation of a contact person, for the purposes of receiving communications from the Authority. Any notice or other communication to the licensee permitted under its license or the Regulations may be delivered to it by hand, mail, facsimile or electronic mail addressed to the licensee at its current address(s) available on file with the Authority and any such delivery or communication, as the case may be, if sent on the address referred to above shall be deemed to have been delivered or communicated, as the case may be, to the licensee.

(2) Any change in address, telephone numbers, fax numbers or contact person as referred in sub-regulation (1) shall be communicated to the Authority within seven (7) days of such change. "

1.7 As the show cause and hearing notices have been served at the address given and maintained by the licensee with the Authority, hence, are deemed to be delivered and communicated to the licensee.

1.8 Therefore, the Authority has no option but to proceed ex-parte, in the matter on the basis of available record.

(a). The licensee was obliged to comply with/fulfill the requirements mentioned in Para 1.2, above, which the licensee has failed to comply with.

(b) The Authority has been making repeated requests to the licensee vide various letters including dated 31st August, 2005, 12th September, 2005, 5th October, 2005, 18th October, 2006, 15th October, 2009 and 16th November, 2009 requiring the licensee to make the payments of aforesaid annual regulatory fees and contributions (ALF, R&D and USF) and submit annual audited accounts for the period ended on 30th June, 2005 to 2009, but the licensee neither deposited the aforesaid dues nor submitted annual audited accounts which constitute sheer disregard to the writ of the Authority. The Authority has made its reasonable efforts to contact the licensee, but failed to contact,

(c). Foregoing clearly shows that the licensee is not complying with the directions of the Authority and has closed/changed its offices without informing the Authority. The hearing notice has been served on the address of the licensee that is available in the record but neither the licensee nor any of its representatives attended the hearing establishing an irresponsible and non-serious attitude of the licensee towards the writ of the Authority.

2. Order

2.1. Keeping in view the above facts coupled with the available record, the Authority has proceeded *ex-parte* in the matter and dispose of the show cause notice in the following terms:

- (a) The license of Unified Technologies (Pvt) Ltd is hereby SUSPENDED for a period of One Month or till submitting of annual audited accounts alongwith annual regulatory fees and contributions (ALF, R&D and USF) including late payment charges (@2% per month or part thereof) for the years ended on 30th June, 2005, 2006, 2007, 2008 and 2009, which ever is earlier.
- (b). In case of failure of the licensee to deposit the Authority's dues and annual audited accounts as provided in Para 2.1 (a) above, Local Loop license No. LL-07-2004 dated 16th July, 2004 issued to Unified Technologies (Pvt) Ltd for licensed region of KTR shall stand TERMINATED w.e.f. 8th August 2010 without further notice 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 arrear of land revenue. While in case of payment as per 2.1 (a), the license shall be restored.
- (c). ALL LDI, LL/WLL, Mobile Licensees are directed to forthwith terminate all telecommunication facilities extended to the licensee pursuant to the aforesaid license till further orders of the Authority.

(Sayed Nasrul Karim A. Ghaznavi)
Member (Finance)

(Dr. Khawar Siddique Khikhar)
Member (Technical)

Signed on 8th July and comprises 3 pages