



**PAKISTAN TELECOMMUNICATION AUTHORITY**  
**HEADQUARTERS, F-5/1, ISLAMABAD**  
**Ph: 051-9225328 Fax: 051-9925338**  
[www.pta.gov.pk](http://www.pta.gov.pk)

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

File No. PTA/Finance/LL/Vision Telecom/593/2006/ 953

Date of Show Cause Notice:	19 <sup>th</sup> March, 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, 2005 to 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 19<sup>th</sup> March, 2010 ("**the Show Cause Notice**") issued to Vision Telecom (Pvt.) Limited ("**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 2005 to 2009.

1.2 The Licensee failed to submit annual audited accounts and to make the payment of Annual Regulatory Dues (ALF/R&D and USF) for the years ended on 30<sup>th</sup> June 2005 to 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 19<sup>th</sup> March, 2010.

1.3 The Licensee replied to the Show Cause Notice vide its letter reference **VT/P-1 (11)7011/2009-10** 24<sup>th</sup> March, 2010 ("**the Licensee's Reply**"). The licensee's contentions as provided in the written reply are reproduced as under:

*After award of license vide Local Loop License no. LL- 15-2004 dated 09-08-2004 by PTA, the company could not commence licensed services from the year ended on 30-06-2005 to the year ended on 30-06-2008. The commencement certificate was issued by PTA for LTR vide PTA/Wireline/Licensing/483/Vision Telecom/2006 dated 18-03-2009& for GTR vide PTA/Wireline/Licensing/483/Vision Telecom/2006/1144 dated 24-04-2009. Unluckily no business could be conducted by the company even from 18-03-2009 (the day the commencement certificate was issued) to 30-06-2009 with the result that no revenue from licensed services of local loop could be generated by the company.*

11. *Due to this reason since no revenue was generated by the Company upto the financial year ending 30-06-2009 as such no fees was required to be paid to PTA. Even no audited accounts were required to be submitted to justify the revenue in support of working the amount of revenue for licensed services.*
- III. *Now by the grace of God, the Company has started licensed services during the current financial year i.e 2009-10 and all the required fees and annual audited accounts will be submitted within due dates.*
- IV. *It is requested that notice issued vide your above referred no, may kindly be withdrawn/filed.*

## **2. The Hearing**

2.1 On the date of hearing fixed on 13<sup>th</sup> May, 2010, the licensee through Chief Executive Officer Mr. Aitzaz Khalid and Director Mr. Shaukat Ali Sheikh attended the hearing. The representatives of the licensee reiterated the same facts as mentioned in its reply to the show cause notice (referred in Para 1.3 above).

2.2 During hearing the Authority perused record wherein it is found that the licensee has commenced its licensed services in June, 2009 whereby show causes notice was issued for submission of annual audited accounts and annual regulatory fees for the years where no licensed services were commenced. Since, no licensed services were commenced by the licensee before June, 2009 hence, can not be held liable either for submission of annual audited accounts or annual regulatory fees as asserted and alleged in the show cause notice.

## **3. ORDER**

3.1 Keeping in view the above mentioned facts and the relevant record, the Authority reached at conclusion that due to non-commencement of licensed services the licensee has no liability for submission of annual audited accounts and payment of annual regulatory charges for the periods mentioned in the show cause notice. The

licensee is not guilty of contraventions as alleged in the notice; hence, the show cause notice is withdrawn.

3.2 However, since the licensee has commenced its license services therefore, it is directed to submit its annual audit account for the year ended 30 June, 2010 within time.

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

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(Dr. Khawar Siddique Khokhar)  
Member (Technical)

This order is signed on this 31<sup>st</sup> day of May, 2010 and comprises 03 pages



