



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1 ISLAMABAD
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Enforcement order under section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 against, Worldcall Telecom Limited

File No.PTA/Finance/LDI/Worldcall Telecom LDI/134/2006/71

Show Cause Notices:	10 th July, 2012
Venue of Hearing:	PTA HQs, Islamabad
Date of Hearings:	1 st November, 2012, 28 th Jan, 2014 and 16 th July, 2014

The officers of the Authority present:

Dr. Mohammed Saleem:	Director General (Finance)
Ali Asghar:	Director General (Law & Regulations)
Amjad Mustafa Malik:	Director (Wireless & Licensing)

The Issue:

Non-payment of Annual Regulatory dues and Contributions of Rs.9,862,942 for the year ended 31st December, 2011

1. Worldcall Telecom Limited (the "licensee"), being a Long Distance and International (LDI) licensee, pursuant to license conditions No(s). 4.1.2(a), 4.1.3, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 6.4.3 read with clause 3.4 and 3.6 and sub-regulation 6 and 7 of regulation 23 of the Pakistan Telecommunication Authority (Functions & powers) Regulations, 2006 (the "Regulations") as contained in license bearing No.LDI-05 (10)-2004 dated 3rd August, 2004 (the "license"), was required to submit the Annual Audited Accounts (AAAs) and pay Annual Regulatory Dues (ARD) and Contributions (i.e., ALF, R&D and USF) within 120 days of the end of each financial year to which such fees and contributions relates.
2. On the basis of Annual Audited Accounts for the years ended 31st December, 2011, the licensee was required to pay annual regulatory dues and contributions for the year

ended 31st December, 2011 amounting to Rs.9,669,551/- but the licensee has failed to pay the same.

3. Due to non-compliance of the aforementioned license terms and conditions, a Show Cause Notice (SCN) dated 10th July, 2012 under section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 (the " Act") was issued, wherein the licensee was required to remedy the contravention by paying Rs.9,862,942/- on account of ARDs along with late payment additional fee @ 2% per month or part thereof (on the outstanding dues for each month or part thereof) calculated upto 31st May, 2012 within seven (07) days of the issuance of this Show Cause Notice and also to explain in writing within thirty days of the issuance of notice as to why the license should not be suspended, terminated or any other enforcement order should not be passed against the licensee under section 23 of the Act. However, since the Honorable Islamabad High Court vide order dated 12th September, 2011 in W.P No. 2553 of 2011 directed the licensee to pay all outstanding dues except LPAF and restrained the Authority to demand LPAF from the licensee therefore, the matter relating to LPAF as levied on outstanding dues under the said regulations will be dealt with in accordance with the decision of the court once arrived in the said petition.

4. The licensee vide letter dated 9th August, 2012 replied the SCN. Main points of the SCN reply submitted by the licensee are as under:

- i. The licensee acknowledges the subject annual regulatory dues for the year 2011 amount to Rs.,9,669,874/-
- ii. The licensee is in process of arranging FDI of USD 35 million by HBL Bahrain and Omantel. Complete details of transaction along with other relevant information has already been submitted to the Authority vide letter dated 8th June, 2012. As soon as the licensee receives this FDI, the Annual Regulatory Dues for the year 2011 will be paid.
- iii. The licensee requested for consideration of its submission and grant of time for payment of ARD for the year 2011 till finalization of investment in the company.

5. In order to proceed further the matter was fixed for hearing on 1st November, 2012, 24th Jan., 2014 and 16th July, 2014. Mr. M. Kamil Khan, Director (GR)-World Call (the "representative"), attended the hearing on 16th July, 2014. The representative reiterated the same as stated in the reply dated 9th August, 2012. However, he further stated that FDI as referred in the reply has been arranged and the company is in process to release outstanding dues payable to PTA. The representative further asserted that principle amount has already been paid and only late payment additional fee is payable which is pending adjudication in Islamabad High Court in W.P No.2553 of 2012. It is pertinent to

mention here that the Honorable Islamabad High Court in the said petition has recalled the injunctive order passed on 12th September, 2012 vide its order dated 30th June, 2014.

6. Upon query for provision of exact time and date for payment of outstanding dues the representative stated that he was not in a position to give exact date for payment, however, he stated that tentatively outstanding dues will be paid by 30th September, 2014. The representative also stated the he is unable to give any post dated cheques of outstanding late payment additional fee on ARDs for the year ended 31st December, 2011.

7. After hearing the submissions made by the licensee and perusal of record, the officers of the Authority reached at the conclusion that no confirm date/ time and any instrument substantiating its commitment and intention to pay outstanding dues has been given by the licensee. The matter is pending since long and the licensee without paying its outstanding dues enjoying the rights granted under the license. In such circumstances, the officers of the Authority pass the following orders:

a. The licensee is hereby directed to pay outstanding late payment additional fee of Rs.3,132,934/- on Annual Regulatory Dues for the year ended 31st December, 2011 within (10) ten days from the date of issuance of this order;

b. In case of non-compliance of the above order i.e., 7(a), the license shall stand suspended without any further notice and further legal action including but limited to recovery proceedings under section 30 of the Act shall be initiated against the company i.e., Worldcall Telecom Limited for recovery of all payable dues as arrears of land revenue.

Dr. Muhammad Saleem
Director General (Finance)

Ali Asghar
Director General (Law & Regulations)

Amjad Mustafa Malik
Director (Wireless Licensing)

This enforcement order signed on 28-07-2014 and comprises of 03 pages only.