



**PAKISTAN TELECOMMUNICATION AUTHORITY**  
**HEADQUARTERS, F-5/1 ISLAMABAD**  
Ph: 051-9214243 Fax: 051-2878113

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

**File No. PTA/Finance/DCNS/Defaulters/1088/2010**

Date of Issuance of Show Cause Notice: 14<sup>th</sup> July, 2010

Venue of Hearing: PTA HQs, Islamabad

Date of Hearing: 7<sup>th</sup> October, 2010

**The Authority present:**

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

**The Issue:**

“Non payment of PTA dues and failure in submitting annual audited accounts”

**DECISION OF THE AUTHORITY**

**BRIEF FACTS:**

**Skynet (Pvt.) limited** (the “licensee”) is awarded non-exclusive license No.DIR (C)/L/PTA/378/2001 dated 24<sup>th</sup> October, 2001 for Islamabad District which was converted into Data Class value added Service License bearing no.DIR (L)/CVAS-231/PTA/2007 dated 24<sup>th</sup> July, 2007 by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Data CVAS services in the province of Punjab on the terms and conditions contained in the license.

2. As a licensee of the Authority, Skynet (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, Class Licensing and Registration Regulations, 2007 and the terms & conditions of the license. Whereas in this case the licensee has violated condition 3 of its license, sub-regulation (6) and (7) of regulation 23 of the Pakistan Telecommunication Authority (Function & Powers) Regulations, 2006, and sub-regulation (1) of regulation 11 of the Class Licensing and Registration Regulations, 2007 by failure in submitting annual audited accounts and paying

annual license fee for the years mentioned in Para 3, below, within the time period given in the license.

3. The licensee has defaulted in payment of the Authority's dues for the year ended on 30<sup>th</sup> June, 2008 amounting to Rs.68,167/- as well as not provided its annual audited accounts alongwith annual license fee for the year ended 30<sup>th</sup> June, 2009. In this regard the Authority made various requests to the licensee but in vain. Hence, the Authority issued Show Cause Notice (the "Notice") dated 14<sup>th</sup> July, 2010 under section 23 of the Act whereby required the licensee to remedy the contravention by making the aforesaid payments and submission of annual audited accounts alongwith annual license fee for the year ended on 30<sup>th</sup> June,2009 within seven days and also 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. But the licensee neither submitted its reply to the Notice within the statutory period of thirty days nor deposited the Authority's dues for the year 2008 as well as failed to submit annual audited accounts alongwith annual license fee for the years 2009, hence, committed sheer violation of the provisions of the license and the Act.

4. Therefore, before passing an enforcement order a Hearing Notice dated 30<sup>th</sup> September, 2010 was issued and served on the licensee whereby informed the licensee to attend the hearing dated 7<sup>th</sup> October, 2010. Mr. Salman Ahmad (Director) and Mr. Basharat (Manager), representatives of the licensee, attended the hearing on the said date. It highlighted the difficulties being faced by it in its operations and financial crunch which made it unable to pay the annual license fee within the given period. However, it has managed to clear its outstanding dues of PTCL successfully and now intend to make the payment of PTA's dues. However, it requested to waive off the penalty imposed on it due to late payment. The Authority clarifies that it has no power to waive off the late payment charges incurred upon it under the Act. When the licensee was confronted with the question that when it will submit annual audited accounts and make the payment, it replied that it will submit the audited accounts for the year 2009 within a week's time and requested the Authority to grant permission for making the payments of the dues for the year 2008 and 2009 in easy installments.

## **5. ORDER**

5.1. Keeping in view the above mentioned facts coupled with the available record and positive attitude of the licensee, the Authority hereby dispose of the aforesaid show cause notice in the following terms:

- (a) The licensee, Skynet (Pvt) Limited is hereby directed to submit annual audited for the year ended on 30<sup>th</sup> June, 2009 within seven days of the issuance of the determination and make the payments of annual license fee for the years 2008 and 2009 alongwith additional fee (@ 2% per month or part thereof incurred due to late payment) in three equal monthly installments w.e.f 1<sup>st</sup> November, 2010, 1<sup>st</sup> December, 2010 and 3<sup>rd</sup> January, 2011, respectively.
- (b) In case of failure of the licensee to deposit the Authority's dues and annual audited accounts as provided in Para 5.1 (a) above, its license No. DIR (L)/CVAS-

231/PTA/2007 dated 24<sup>th</sup> July, 2007 shall stand SUSPENDED w.e.f 4<sup>th</sup> January, 2011 without further notice for one month or till submitting the aforesaid annual audited accounts alongwith annual license fee including late payment charges, whichever is earlier, while in case of submission of annual audited accounts and payment as per 2.1 (a) above, the license shall be restored.

- (c) However, in case of failure to submit the annual audited accounts for the year ended on 30<sup>th</sup> June, 2009 and to make the payment of annual license fee for the year 2008 and 2009 as provided in para 5.1 (a) & (b) on or before 4<sup>th</sup> February, 2011 its license No. DIR (L)/CVAS-231/PTA/2007 dated 24<sup>th</sup> July, 2007 shall stand TERMINATED w.e.f 5<sup>th</sup> February, 2011 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.

---

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

---

(Dr. Khawar Siddique Khokhar)  
Member (Technical)

6. This determination signed on 03-11-2010 and comprises 03 pages.