



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1 ISLAMABAD
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**Enforcement order under sub-section 3 of section 23 of the Pakistan
Telecommunication (Re-organization) Act, 1996 against M/s. AB
Telecommunication Pakistan (PVT.) Ltd**

File No. 15-26/CPPS-103/Fin/PTA

Date of Issuance of Show Cause Notice: 22nd September, 2006
Venue of Hearing: PTA HQs, Islamabad
Date of Hearing: 6th December, 2006

The Panel of Hearing Present:

Director General (Finance): Head
Director (Litigation & Adjudication): Member
Dy. Director (Wireline Licensing): Member

The Issue:

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

EX-PARTE DECISION OF THE OFFICERS OF THE AUTHORITY

BRIEF FACTS:

M/s. AB Telecommunication Pakistan (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/416/2002 dated 27th April, 2002 (the “license”) issued by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Payphone services in Punjab on the terms & conditions contained in the license.

2. The licensee has defaulted in payment of PTA dues for the years ended 30th June, 2005 amounting to Rs.40,932/-as well as not provided its annual audited accounts. In this regard PTA made various requests to the licensee but in vain. Hence, PTA issued Show Cause Notice (the “Notice”) dated 22nd September, 2006 under section 23 of the Act whereby required the licensee to

comply the same 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 nor deposited PTA dues 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. Therefore, before passing an enforcement order a Hearing Notice dated 29th November, 2006 was issued and served on the licensee whereby informed the licensee to attend the hearing dated 6th December, 2006. The show cause and hearing notices were served on the addresses of the company and all of its four Directors. Two hearing notices served at the addresses of the company at Faisalabad and Sargodha were received back undelivered whereas the rest two notices have not been received back undelivered and it is presumed that these two notices have been served on the licensee. Again, even after information of the scheduled hearing the licensee deliberately avoided attending the today's hearing, which shows its irresponsible attitude towards the writ of the Authority.

3. Therefore, the Panel 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 licensee failed to comply.

(b) The Authority has been making repeated requests to the licensee vide various letters including dated 6th February, 2004, 1st April, 2004, 11th June, 2004, 18th August, 2004, 25th September, 2004, 29th November, 2004, 22nd February, 2005, requiring the licensee to make the payments and submit annual audited accounts, but the licensee never responded to these letters nor deposited PTA dues which constitute sheer disregard to the writ of the Authority. However, thereafter, the licensee requested the Authority vide its letter dated 3rd February, 2005 for permission to payment in installment which was allowed and the licensee made partial payment of outstanding PTA dues of Rs. 250,000/- in five installments each of Rs.50,000/- vide PO#1484360 dated 2nd February, 2005, cheque No.3978263 dated 2nd April, 2005, DD No. 1680079 dated 13th May, 2005 and DD No.1680320 dated 7th June, 2005 and DD No. 1680758 dated 6th July, 2005 against the annual license fee for the years 2004-05. The licensee was again requested to deposit the balance amount of annual license fee vide PTA letters dated 30th December, 2005 but the licensee failed to deposit the said dues. PTA also arranged meeting on 2nd February, 2006 and 9th March, 2006 vide PTA letter dated 20th January, 2006 and 27th February, 2006 respectively. The licensee vide its letter dated nil received in PTA on 14th March, 2006 informed its inability to attend the aforesaid meeting and informed to visit PTA on 15th March, 2006 and confirmed that it will pay all dues by 31st March, 2006 but the licensee again did not turn up in the meeting on 15th March, 2006. However, the licensee made

payments by submitting six monthly post dated cheques No.69547729 to 69547734 dated 27th June, 2006 to 10th September, 2006 each of Rs.20465/- vide its letter dated 20th June, 2006, but all these cheques have been bounced. PTA has made its reasonable efforts to contact the licensee, but failed to contact.

(c). Foregoing factors led the panel to believe that the licensee is not complying with the directions of the Authority and closed its offices without informing the Authority. The Show Cause and hearing notices have been served on the addresses of the licensee and to all of its Directors but neither the licensee nor any of its Directors attended the hearing establishing an irresponsible attitude of the licensee towards the writ of the Authority.

4. ORDER

4.1. Keeping in view the above mentioned facts coupled with the available record, the Panel hereby decides to proceed *ex-parte* against the licensee by passing the following enforcement order without prejudice to any civil or criminal action against the licensee for its bounced cheques:

- (a) License of M/s. AB Telecommunication Pakistan (Pvt) Ltd is hereby **SUSPENDED** and PTCL is directed to terminate forthwith all telecom facilities extended to the licensee till further orders.
- (b). M/s. AB Telecommunication Pakistan (Pvt) Ltd is directed to deposit all payable dues including Rs. 40,932/- and submit AAAs for the years 2005 and 2006 within three months, at which its license will be restored.
- (c). In case of failure of the licensee to deposit PTA dues as provided in Para 4.1 (b) above, license No. DIR(C)/L/PTA/416/2002 dated 27th April, 2002 of the company 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.

Director (Licensing)

Director (Litigation & Adjudication)

Director General (Finance)

5. This determination is passed on 15th December, 2006 and comprises 03 pages.