



**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 in the Case of  
M/s Zari Telecommunication (Pvt.) Ltd.**

**File No. PTA/Finance/CPPS/Zari Telecom/243/2006**

Date of Issuance of Show Cause Notice: 11<sup>th</sup> September 2006  
Venue of Hearing: PTA H/Qs, Islamabad  
Date of Hearing: 14<sup>th</sup> November 2006

**The Panel of Hearing:**

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

**The Issue:**

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

**DECISION OF THE OFFICERS OF THE AUTHORITY**

**1. BRIEF FACTS:**

1.1 M/s Zari Telecom (Pvt.) Ltd. (the “licensee”) was awarded a non-exclusive up-graded license No. DIR(C)/L/PTA/425/2002 dated 18-11-2002 by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Pay Phone Service in Pakistan on the terms and conditions contained in the license. As a licensee of the Authority, M/s Zari Telecom (Pvt.) Ltd. 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"), PTA (Functions & Powers) Regulations, 2004, (the "Functions & Powers Regulations"), the Card Pay Phone Service Regulations, 2004 (the "Regulations") and the terms and conditions of the license.

1.2 Provisions of clause 8.1 of Appendix B of the Rules, regulation 7 of the Regulations and clause 3.1 & 3.2 of the conditions of the license make it obligatory on the licensee to deposit annual license fee in the first quarter of every financial year and also to submit audited financial statements and summary of the accounts to the Authority within three months of the closing date of each financial year.

1.3 The licensee i.e. M/s Zari Telecommunication (Pvt.) Ltd. has a total outstanding balance of Rs. 78, 878/- (minimum) against annual license fee for the years ended December 31, 2004 And 2005. The licensee failed to deposit the said outstanding amount and did not submit annual audited accounts (AAA's) for the above-mentioned period despite many correspondence of the Authority. Hence, a Show Cause Notice No. PTA/Finance/CPPS/Zari Telecom/243/2006 under section 23 of the Act was issued to the licensee at available addresses on 11<sup>th</sup> September 2006 by Finance Wing, which was neither responded by the licensee within the prescribed period of thirty days nor returned undelivered.

1.4 In order to proceed further in the matter, the licensee was required through Hearing Notice dated 3<sup>rd</sup> November 2006 to appear before the hearing panel (for personal hearing) on 14<sup>th</sup> November 2006. Mr. Shuja Ahmed (Director) alongwith Mr. Roweed Khan (Accountant), both representatives of the licensee, appeared before the panel on behalf of the licensee and presented their letter of authorization as well.

1.5 The case was presented before the hearing panel. It was argued that the licensee has violated statutory provisions as mentioned in para 1.2 of this enforcement order. On the contrary, the licensee apologized and submitted that since the company could not receive the notice issued by the Authority therefore, no reply to the notice could be submitted. However, the hearing notice was received by the company; thus today's appearance before the hearing panel. This statement was rebutted by asserting that how it is possible that the show cause notice, which was delivered earlier on the same address and not returned undelivered, was not received and later on the hearing notice was received on the same address? Therefore, the hearing panel cannot accept this statement. The hearing panel asked the representative of the licensee presented regarding the issue of outstanding dues and annual audited accounts. They were required to give clear time frame for payment of dues and provision of annual audited accounts and were also afforded an opportunity to communicate and deliberate with their Chief Executive (CEO) in this regard as well. They communicated with

their CEO during the hearing proceeding but remain failed to give an agreed timeframe. Thus, the hearing panel asked the representatives of licensee to deposit the said outstanding dues and provide annual audited accounts for the said period by 20<sup>th</sup> November 2006, positively in order to avoid any penal action against the company which may lead to suspension of license or imposition of fine under section 23 of the Act.

## 2. ORDER

2.1 The hearing panel scrutinized all the documents and deduced that attitude of the licensee, however, is irresponsible one and shows that it is not willing to operate its licensed services according to the provisions of the Act, the Rules, the Regulations and the license conditions. The licensee has failed to abide by the direction of hearing panel to deposit the said outstanding dues and provide annual audited accounts by 20<sup>th</sup> November 2006.

2.2 We, the hearing panel, after careful perusal of record with the assistance of officers from Finance Wing, non-payment of outstanding dues and failure of the licensee to provide annual audited accounts, even after personally hearing the licensee, hold and decide as under:

- (a) the up-graded Card Pay Phone Service License bearing number DIR(C)/L/PTA/425/2002 issued by the Authority dated 18-11-2002, of the licensee is hereby SUSPENDED with immediate effect;
- (b) the Licensee is directed to deposit outstanding annual license fee of Rs. 78,878/- (minimum) for CPPS License for the period ended on December 31, 2004 and 2005 alongwith provision of annual audited accounts for the said period to Finance Department of the Authority pursuant to Show Cause Notice dated 11<sup>th</sup> September 2006 and the other dues piled up against the licensee so far, within 30 days of this enforcement order and submit compliance report, at which its license will be restored;
- (c) in case of failure of the licensee to comply with the directions referred at para 2.2 (b) above, license No. DIR(C)/L/PTA/425/2002 dated 18-11-2002 for provision of Card Pay Phone Service 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 arrears of land revenue; and

- (d) M/s PTCL is informed of the instant enforcement order and directed to suspend forthwith the telecommunication facilities extended to the licensee until further orders.

**Director (Licensing)**

**Director (Litigation & Adjudication)**

**Director General (Finance)**

This enforcement order is passed on \_\_ November 2006 and comprises \_\_\_\_ pages.