



**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 Shahbaz Telecom (Pvt.) Ltd.**

**File No. PTA/Finance/CPPS/Shahbaz Telecom/740/2006**

Date of Issuance of Show Cause Notice: 11<sup>th</sup> September 2006  
Venue of Hearing: PTA H/Qs, Islamabad  
Date of Hearing: 29<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 Shahbaz Telecom (Pvt.) Ltd. (the “licensee”) was awarded a non-exclusive license No. DIR(C)/L/PTA/477/2002 dated 22-02-2003 by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Payphone Services in Province Punjab on the terms and conditions contained in the license. As a licensee of the Authority, M/s Shahbaz 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 and 3.3 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 Shahbaz Telecom (Pvt.) Ltd. had a total outstanding balance of Rs. 33,000/- against annual license fee for the year ended June 30, 2005. The licensee failed to deposit the said outstanding amount and also did not submit annual audited accounts (AAA's) for the year ended June 30, 2005 despite many requests by the Authority. Hence, a Show Cause Notice No. PTA/Finance/CPPS/Shahbaz Telecom/740/2006 under section 23 of the Act was issued to the licensee 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 provide an opportunity of hearing before further proceeding the matter, the licensee was required through Hearing Notice dated 23<sup>rd</sup> November 2006 to appear before the hearing panel on 29<sup>th</sup> November 2006. In response, Mr. Muhammad Shahbaz Khan, Chief Executive of the company, on the date of hearing, telephonically informed about his inability to attend the hearing in person. In addition, it was also informed that he has dispatched six (6) post-dated cheques for the said amount vide letter No. PTA/HO/R-I/06 dated 27<sup>th</sup> November 2006 coupled with the request for allowing payment in six (6) installments.

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 order. To the contrary, as mentioned above, since no one was present to represent the licensee in person, therefore, request of the licensee as per para 1.4 of this order was placed for consideration before the hearing panel. The installments request letter dated 27-11-2006, six (6) post-dated cheques drawn on the Bank of Punjab alongwith relevant record was perused in *absentia* of the licensee during the hearing. Detail of the requested schedule for payment is as under:

<b>Sr.</b>	<b>Cheque No.</b>	<b>Date of Payment</b>	<b>Amount in Rs.</b>
1	16495619	30-12-2006	Rs. 5,000/-
2	16495620	30-01-2007	Rs. 5,000/-
3	16495621	28-02-2007	Rs. 5,000/-
4	16495622	30-03-2007	Rs. 5,000/-
5	16495623	30-04-2007	Rs. 5,000/-
6	16495624	30-05-2007	Rs. 8,000/-
<b>Total</b>			<b>Rs. 33,000/-</b>

## **2. ORDER**

2.1 The hearing panel scrutinized all the documents and deduced that attitude of the licensee, however, is positive and submissive and it is also willing to operate its licensed services according to the provisions of the Act, the Rules, the Regulations and the license conditions. The hearing panel also carefully and compassionately considered section 4(d) and section 6(f) of the Act, which provides that interest of the users of telecommunication services, must be protected and promoted. The hearing panel is also mindful of the Authority's decision vide letter No. DIR (C)/PTA/656/2006 dated 28<sup>th</sup> September 2006 wherein payphone licensees are allowed to deposit their dues in six (6) installments.

2.2 We, the hearing panel, after careful perusal of record, provision of post-dated cheques for payments, request of the licensee and keeping in view the interests of consumers and licensee, both, hold and decide as under:

- (a) the request of the licensee for payment of above-mentioned dues in six (6) monthly installments through post-dated cheques as referred at para 1.5 above, is allowed and the licensee is directed to submit its annual audited accounts for the year ended June 30, 2005 within thirty (30) days of this order to Finance Department of the Authority for exact calculation of fee and payment thereof, if any, accordingly;
- (b) in case of failure of the licensee to comply with the directions referred at para 2.2 (a) above or in case of any of the licensee's cheques going dishonored for whatever reason, license No. DIR(C)/L/PTA/477/2002 dated 22-02-2003 for Card Payphone Services of the company i.e. M/s Shahbaz Telecom (Pvt.) Ltd. shall STAND TERMINATED, automatically without prejudiced to any other adequate legal action under the law available for recovery of PTA outstanding dues.

**Director (Licensing)**

**Director (Litigation & Adjudication)**

**Director General (Finance)**

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