



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1 ISLAMABAD

Ph: 9225328 Fax: 9225338

www.pta.gov.pk

**Enforcement order under sub-section 3 of section 23 of the Pakistan
Telecommunication (Re-organization) Act, 1996 against M/s. YBM International
(PVT.) Ltd**

File No. 15-26/CPPS-194/Fin/PTA

Date of Issuance of Show Cause Notice: 22nd September, 2006

Venue of Hearing: PTA HQs, Islamabad

Date of Hearing: 21st December, 2006

The Panel of Hearing Present:

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

The Issue:

“Non payment of PTA dues ”

DECISION OF THE OFFICERS OF THE AUTHORITY

BRIEF FACTS:

M/s. YBM International (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 in Pakistan vide non-exclusive licenses No. DIR (C)/L/PTA/542/2003 dated 5th August, 2003 issued by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Payphone Services in Islamabad/Rawalpindi Metropolitan City on the terms & conditions contained in the license.

2. The licensee defaulted in payment of PTA dues on account of annual license fee amounting to Rs. 122,833/- for the years ended 30th June, 2004 and 2005. In this regard PTA made various requests to the licensee but in vain. Hence, a Show Cause Notice (the “Notice”) dated 22nd September, 2006 under section 23 of the Act was issued

to it requiring it to comply with the same by remedying the contravention by depositing the annual license fee till the years ended 30th June, 2005 and submitting annual audit accounts 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 issued against it under section 23 of the Act. In its reply dated 9th October, 2006 to the aforesaid Notice, the licensee took the stance that initially they faced difficulty from PTCL in getting connections and this was done as a result of their complaint with PTA Zonal office Rawalpindi. Secondly, PTA issued two letters, vide letter dated 24th December, 2004 the licensee was directed to deposit Rs.20,000/- only whereas in letter dated 28th March, 2006 it demanded Rs.122,833/-. The licensee further requested the Authority to look into it and reduce the payable fee as well as allow it to make payment in installments. As the reply was unsatisfactory therefore, a hearing was arranged on 21st December, 2006, before passing an enforcement order under section 23 of the Act. The licensee was informed vide letter dated 13th December, 2006 to attend the hearing dated 21st December, 2006. The show cause and hearing notices were served on the addresses of the company and all of its Directors as are available in the record.

3. Mr. Bashir Ahmed (Director), the representative of the company/the licensee/ attended today's hearing. He informed the hearing panel that he is competent to take decision on behalf of the company. During the hearing he argued that initially they faced difficulty from PTCL in getting connections and they succeed in getting connections as a result of their complaint with PTA Zonal office Rawalpindi. In the year 2004 they have only 10 connections. Secondly, PTA issued two letters, vide letter dated 24th December, 2004 the licensee was directed to deposit Rs.20,000/- only whereas in letter dated 28th March, 2006 it demanded Rs.122, 833/- and requested the Authority to recalculate and inform the actual payable dues and allow it to make payment in installments. He further informed that owing to abrupt change in PTA/Government policies their business is totally finished, only 30% connections are operative. The representative from Finance Department of PTA informed that the dues of Rs.122,833/- are accurate and calculated from the date of issuance of license in accordance with condition 3.1 of the license and regulation 7 of Card payphone Regulations, 2004. He further informed that demand note dated 24th December, 2004 was provisional and was not based on annual audited accounts. On this explanation, the licensee satisfied with the factual position and requested to grant permission for making payment in installment. The company was directed to deposit Rs.22,833/- by 26th December, 2006 as an evidence to show its commitment to pay PTA dues. The company made the payment of Rs.22,833/- vide DD N0.3633914 dated 26th December, 2006.

6. ORDER

6.1. Keeping in view the above mentioned facts and circumstances mentioned during the hearing and perusal of the documents, the Panel hereby dispose of the Notice by passing the following enforcement order:

(a). The licensee, i.e., M/s. YBM International (Pvt) Ltd is hereby directed to pay the outstanding dues Rs. 99,998/- (ALF upto 30th June, 2005) as per the schedule approved by the Authority vide directive No. DIR (C)/PTA/656/2006 dated 28th September, 2006 in five bimonthly installments. Each installment shall be of Rs.20,000/- and effective from 16th February, 2007.

(b). In case of failure of the licensee to deposit PTA dues as provided in Para 6.1 (a) above, license No. DIR (C)/L/PTA/542/2003 dated 5th August, 2003 of the company shall stand suspended 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.

Deputy Director (Licensing)

Director (Litigation & Adjudication)

Director General (Finance)

7. This determination is passed on 17th January, 2007 and comprises 03 pages.