



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. Zee Telecom (PVT.) Ltd

File No. 15-26/CPPS-104/Fin/PTA

Date of Issuance of Show Cause Notice: 17th July, 2006
Venue of Hearing: PTA HQs, Islamabad
Date of Hearing: 4th October, 2006

The Panel of Hearing Present:

Director General (Finance): Head
Director (Litigation & Adjudication): Member
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. Zee Telecom (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/413/2002 dated 29th July, 2002 (the “license”) issued by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Payphone services in Karachi on the terms & conditions contained in the license.

2. The licensee has defaulted in payment of PTA dues for the years ended 30th June, 2002-03 and 2003-04 and has also not provided its annual audited accounts for the said years. In this regard PTA made various requests to the licensee but the licensee failed to comply with the same. As the licensee has neither submitted its annual audited accounts nor deposited its Annual License Fee for the years 2002-03 and 2003-04 amounting to Rs. 200,000/-. Hence, PTA issued Show Cause Notice (the "Notice") dated 17th July, 2006 under section 23 of the Act and 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 deposited payable dues nor submitted its reply to the Notice, which constitute sheer violation of the Act. Therefore, before passing an enforcement order a hearing was convened on 4th October, 2006 which was communicated to the licensee vide Hearing Notice dated 22nd September, 2006. This time hearing notice was received back undelivered with remarks that no such office existed at the address. As the show cause notice has been served on the licensee on the same address where hearing notice has been issued which is received back undelivered and licensee has not informed about change of address, therefore, it is presumed that this notice has been served on the company and as the company is well aware of the nature of the case, has intentionally not received the same. Moreover, the licensee has not attended today's hearing.

3. The Panel, under the circumstances, 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 5th November, 2003, 13th December, 2003, 6th February, 2004, 1st April, 2004, 30th June, 2005, 19th July, 2005, 3rd August, 2005, 23rd August, 2005, and 12th September, 2005 whereby required 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. Even Regional Director Karachi has also requested the licensee vide letter dated 20th February, 2004 to clear PTA dues but the licensee did not bother to respond positively. In addition, the requests of licensee dated 21st December, 2004 regarding waiver of license fee for two years during which it could not start services owing to not having interconnection with PTCL which has not been accepted and communicated vide PTA letter dated 27th

October, 2004. Again, the licensee vide letter dated 8th November, 2004 confirmed that it will furnish its annual audited accounts on receipt from Auditors but till date no annual audited reports have been furnished to the Authority. PTA has made its reasonable efforts to contact the licensee, but failed to contact.

(c). The Notice issued to the licensee was served whereas hearing notice received back undelivered, but the licensee has not responded, hence, not attending today's 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 and perusal of the available record, the Panel hereby decides to proceed *ex-parte* against the licensee by passing the following enforcement order:

- (a) License of M/s. Zee Telecom (Pvt) Ltd is hereby suspended and PTCL is directed to terminate forthwith all telecom facilities extended to the licensee.
- (b). M/s. Zee Telecom (Pvt) Ltd is directed to deposit all payable dues including Rs. 200,000/- ALF for 2002-03 and 2003-04 and submit AAAs 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/413/2002 dated 29th July, 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 4th October, 2006 and comprises 03 pages.