



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1 ISLAMABAD
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Enforcement order under section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 against, Worldcall Telecom Limited

File No.PTA/Finance/LDI/Worldcall Telecom LDI/134/2006/71

Show Cause Notices: 25th Feb., 2014
Venue of Hearing: PTA HQs, Islamabad
Date of Hearings: 28th Jan, 2014 and 16th July, 2014

The officers of the Authority present:

Dr. Mohammed Saleem: Director General (Finance)
Ali Asghar: Director General (Law & Regulations)
Amjad Mustafa Malik: Director (Wireless & Licensing)

The Issue:

Non-payment of Annual Regulatory dues and Contributions of Rs.15,019,020 for the year ended 31st December, 2012

1. Worldcall Telecom Limited (the "licensee"), being a Long Distance and International (LDI) licensee, pursuant to license conditions No(s). 4.1.2(a), 4.1.3, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 6.4.3 read with clause 3.4 and 3.6 and sub-regulation 6 and 7 of regulation 23 of the Pakistan Telecommunication Authority (Functions & powers) Regulations, 2006 (the "Regulations") as contained in license bearing No.LDI-05 (10)-2004 dated 3rd August, 2004 (the "license"), was required to submit the Annual Audited Accounts (AAAs) and pay Annual Regulatory Dues (ARD) and Contributions (i.e., ALF, R&D and USF) within 120 days of the end of each financial year to which such fees and contributions relates.
2. On the basis of Annual Audited Accounts for the years ended 31st December, 2012, the licensee was required to pay annual regulatory dues and contributions for the year ended 31st December, 2012 amounting to Rs. 14,724,530/- but the licensee has failed to deposit the same within due time.

3. Due to non-compliance of the aforementioned license terms and conditions, a Show Cause Notice (SCN) dated 25th Feb., 2014 under section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 (the "Act") was issued, wherein the licensee was required to remedy the contravention by paying Rs. 14,724,530/- on account of ARDs along with late payment additional fee @ 2% per month or part thereof (on the outstanding dues for each month or part thereof) till date within seven (07) days and also to explain in writing within thirty days of the issuance of notice as to why the license should not be suspended, terminated or any other enforcement order should not be passed against the licensee under section 23 of the Act.. However, since the Honorable Islamabad High Court vide order dated 12th September, 2011 in W.P No. 2553 of 2011 directed the licensee to pay all outstanding dues except LPAF and restrained the Authority to demand LPAF from the licensee therefore, the matter relating to LPAF as levied on outstanding dues under the said regulations will be dealt with in accordance with the decision of the court once arrived in the said petition.

4. The licensee vide letter dated 26th March 2014 and 10th April 2014 replied the SCN. It is pertinent to mention here that the licensee has submitted following two cheques of Rs. 8,834,718 (Principal USF) and Rs.1,165,282 (partial principal ALF) and further requested that remaining amount of ALF Rs.1,779,624 and R&D Contribution Rs.2,944,906 will be paid by 15th June, 2014 but have not paid till date.

5. In order to proceed further the matter was fixed for hearing on 28th Jan., 2014 and 16th July, 2014. Mr. M. Kamil Khan, Director (GR) (the "representative"), attended the hearing on 16th July, 2014. The representative reiterated the same as stated in reply. However, he further stated that FDI has been arranged and the company is in a process to release outstanding dues payable to PTA. The representative further asserted that principle amount has already been paid and only late payment additional fee is payable which is pending adjudication in Islamabad High Court in W.P No.2553 of 2012. It is pertinent to mention here that the Honorable Islamabad High Court in the said petition has recalled the injunctive order passed on 12th September, 2012 vide its order dated 30th June, 2014.

6. It would not be out of context to mention here that despite the date i.e., 15th June 2014 for making payment of remaining amounts as mentioned above, the licensee has miserably failed to make the payment within the stipulated time as mentioned in its letter dated 10th April, 2014. Even, upon query for provision of exact time and date for payment of outstanding dues the representative stated that he was not in a position to give exact date for payment, however, he stated that tentatively outstanding dues will be paid by 30th September, 2014. The representative also stated the he is unable to give any post dated cheques of outstanding dues for the year ended 31st December, 2012.

7. After hearing the submissions made by the licensee and perusal of record, the officers of the Authority reached at the conclusion that in this case there is no point for consideration to entertain the further request of the licensee by extending time for clearance of outstanding on the ground that the licensee in its letter dated 10th April, 2014 has already committed to pay remaining dues by 15th June 2014 which after lapse of more than one month has not yet been paid. Moreover, the licensee without paying its outstanding dues, has been enjoying the rights granted under the license and not complying with the terms and condition of licenses. In such, circumstances, the officers of the Authority pass the following orders:

a. The licensee is hereby directed to pay outstanding dues of Rs.8,593,502 on account of Annual Regulatory Dues for the year ended 31st December, 2012 within ten (10) days from the date of issuance of this order;

b. In case of non-compliance of the above order i.e., 7(a), the license shall stand suspended without any further notice and further legal action including but limited to recovery proceedings under section 30 of the Act shall be initiated against the company i.e., Worldcall Telecom Limited for recovery of all payable dues as arrears of land revenue.

Dr. Muhammad Saleem
Director General (Finance)

Ali Asghar
Director General (Law & Regulations)

Amjad Mustafa Malik
Director (Wireless Licensing)

This enforcement order signed on 28-07-2014 and comprises of 03 pages only.