



Government of Pakistan  
**PAKISTAN TELECOMMUNICATION AUTHORITY**  
**HEADQUARTERS, F-5/1, ISLAMABAD**  
<http://www.pta.gov.pk>

**Enforcement order under sub-section 3 of section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 against, Union Communication (Pvt.) Limited.**

Date of Issuance of Show Cause Notice: 5 May, 2010  
Venue of Hearing: PTA HQs, Islamabad  
Date of Hearing: 24<sup>th</sup> June, 2010

The Authority present:

S. Nasrul Karim A. Ghaznavi: Member (Finance)  
Dr. Khawar Siddique Khokhar: Member (Technical)

The Issue:

"Failure to pay annual license fee amounting to Rs. 106,055 for the years ended on 30<sup>th</sup> June, 2008 and 2009"

**DECISION OF THE AUTHORITY**

**1. BRIEF FACTS:**

- 1.1. **Union Communication (Pvt.) Limited** (the "licensee") was awarded non-exclusive license No. DIR (C)/L/PTA/274/2000 dated 15<sup>th</sup> July, 2000 (the "license") by Pakistan Telecommunication Authority (the "Authority"), to establish, maintain and operate Card Payphone Services in Pakistan, subject to the terms and conditions contained in the license.
- 1.2. The licensee has defaulted in submission of annual audited accounts alongwith annual license fee for the years ended on 30<sup>th</sup> June, 2008 and 2009 within a period of 120 days of the close of each financial year which is in contravention of condition 2.3 (b) and (c) and Para relating to auditing and accounting of the license, sub- regulation (1) of regulation 11 of the Class Licensing and Registration Regulations, 2007 and sub-regulations (6) and (7) of regulation 23 of the Pakistan Telecommunication Authority (Functions & Powers) Regulations, 2006. In this regard the Authority made various requests to the licensee but in vain. Hence, the Authority issued Show Cause Notice (the "Notice") dated 5<sup>th</sup> May, 2010 under section 23 of the Act whereby required the licensee to remedy the contravention by submitting annual audited accounts alongwith annual license fee including late payment charges (@2% per month or part thereof) for the years ended on 30<sup>th</sup> June, 2008 and 2009 within seven days and also to 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.

- 1.3. But the licensee neither submitted its reply to the Notice within the statutory period of thirty days nor submitted annual audited accounts alongwith annual license fee for the aforesaid period., hence, the licensee has committed sheer violation of the provisions of the license and the Act.
- 1.4. Therefore, before passing an enforcement order a Hearing Notice dated 9<sup>th</sup> June, 2010 was issued and served on the licensee whereby PTA informed the licensee to attend the hearing dated 16<sup>th</sup> June, 2010. In response to aforesaid hearing notice it submitted its reply as under:

*Subject: Show Cause Notice/Hearing Notice*

*Reference to your letter No.PTA/Finance/CPPS/Union Communication/803/2006452 dated 9<sup>th</sup> June 2010 and our telephonic discussion thereon, we in this regard would like to explain as follows:*

1. *We never received the Show Cause Notice referred in your letter vide courier or vide any other post etc, except for through the email on 10' June, 2010, hence we were unable to respond in due time.*
2. *For the payphone business activity under the license issued by PTA, this has long back been suspended by the Company from July 2007 onward due to non viability of the said business.*
3. *Last Interconnect agreement with PTCL was signed on 31<sup>st</sup> January 2006 and was not renewed for the next period.*

*Keeping the above state of affairs in view we request you as follows:*

1. *Kindly cancel or adjourn the hearing as conveyed in your letter referred above.*
  2. *Advise us the procedure to cancel the license as we are not continuing with any of the commercial activity covered under the license.*
- 1.5. The matter was again fixed for hearing on 24<sup>th</sup> June, 2010 and communicated to the licensee vide PTA letter dated 14<sup>th</sup> June, 2010. Mr. Nadir Ali Awan, Director/representative of the licensee, responded the hearing notice vide letter dated 23<sup>rd</sup> June, 2010 and also appeared before the Authority and reiterated the same facts as mentioned above. In addition, it informed that due to commercial un-viability of the business it permanently discontinued its countrywide payphone business vide its instructions dated 21<sup>st</sup> August, 2006 to PTCL, hence, it is not providing licensed CPPS services since August, 2006 and requested to process the case for cancellation of license. Keeping in view the foregoing, the Authority directed the licensee to submit annual

audited accounts for the years ended on 30<sup>th</sup> June, 2008 and 2009 alongwith original license within a period of two weeks. In response to aforesaid the licensee submitted its annual audited accounts for the years 2008 and 2009 on 14<sup>th</sup> July, 2010. On the basis of aforesaid accounts the payable dues were calculated which arrived at Rs. 106, 0557, therefore, the licensee was directed vide letter dated 15<sup>th</sup> July, 2010 to pay the aforesaid amount immediately.

## 2. **ORDER**

2.1. Keeping in view the above mentioned facts, the Authority hereby dispose of the aforesaid show cause notice in the following terms:

- (a) The license No.DIR (C)/L/PTA/274/2000 dated 15<sup>th</sup> July, 2000 of **Union Communication (Pvt.) Limited** is hereby Terminated/Cancelled as per request of the licensee with immediate effect.
- (b). The licensee is directed to pay Rs. 106,0557- on account of annual license fee for the years ended on 30<sup>th</sup> June, 2007-2008 and 2008-2009 within a period of thirty days of the issuance of this order and in case of failure recovery proceedings under section 30 of the Act shall be initiated by the Authority against the company for recovery of all payable dues as arrears of land revenue.
- (c). PTCL is directed to forthwith terminate all telecommunication facilities extended to the licensee pursuant to the license till further orders of the Authority.

(S. Nasrul Karim A. Ghaznavi  
Member (Finance)

(Dr. Khawar Siddique Khokhar)  
Member (Technical)

This determination signed on 11-08-2010 and comprises 03 pages.