



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 Phone Call (Pvt.) Ltd.**

File No. PTA/Finance/CPPS/Phone Call/98/2006

Date of Issuance of Show Cause Notice:	21 st September 2006
Venue of Hearing:	PTA H/Qs, Islamabad
Date of Hearing:	29 th 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 Phone Call (Pvt.) Ltd. (the “licensee”) was awarded a non-exclusive license No. DIR(C)/L/PTA/448/2002 dated 02-09-2002 by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Payphone Services in Pakistan on the terms and conditions contained in the license. As a licensee of the Authority, M/s Phone Call (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 Phone Call (Pvt.) Ltd. had a total outstanding balance of Rs. 165,000/- against annual license fee for the years ended June 30, 2004 and 2005. The licensee failed to deposit the said outstanding amount and also did not submit annual audited accounts (AAA's) for the years ended June 30, 2004 and 2005 despite many correspondence of the Authority. Hence, a Show Cause Notice No. PTA/Finance/CPPS/Phone Call/98/2006 under section 23 of the Act was issued to the licensee on available addresses on 21st 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 proceed further in the matter, the licensee was required through Hearing Notice dated 23rd November 2006 to appear before the hearing panel for personal hearing on 29th November 2006. In response, Mr. Abdul Wajid Khan Achakzai, Chief Executive of the company, vide letter No. PTA HQ 01/11/06 dated 26th November 2006 informed about his inability to attend the hearing in person. In addition, it was also informed that he has dispatched a post-dated cheque No. 3512664 dated 5^h December 2006 for payment of Rs. 65, 000/- coupled with the request for allowing remaining payment of Rs. 100,000/- monthly 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. On 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 above was presented before the hearing panel. The installments request, post-dated cheque of Rs. 65, 000/- drawn on Muslim Commercial Bank Limited alongwith relevant record was perused in *absentia* of the licensee during the hearing.

2. ORDER

2.1 The hearing panel scrutinized all the documents and deduced that attitude of the licensee, which is positive and submissive. The licensee 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. Moreover, the hearing panel also takes into

consideration and invokes the Authority's decision vide letter No. DIR (C)/PTA/656/2006 dated 28th September 2006 wherein payphone licensees are allowed to deposit their piled up dues in installments.

2.2 We, the hearing panel, after careful perusal of record, provision of post-dated cheque of Rs. 65,000/- for part payment, request of the licensee and keeping in view the interests of consumers and licensee, both, hold and decide as under:

- (a) post-dated cheque No. 3512664 dated 5th December 2006 forwarded by the licensee for part payment of Rs. 65, 000/- is hereby accepted subject to condition of realization of the same;
- (b) request of the licensee for payment of remaining Rs. 100,000/- in monthly installments is allowed and the licensee is directed to deposit this amount in five (5) monthly installments of Rs. 20,000/- each, due from 16th day of every month, i.e. (i) 16th January 2007, (ii) 16th February 2007, (iii) 16th March 2007, (iv) 16th April 2007 and (v) 16th May 2007. Moreover, the licensee is further directed to submit its annual audited accounts for the year ended June 30, 2004 and 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;
- (c) in case of failure of the licensee to comply with the directions referred at para 2.2 (a) & (b) above, license No. DIR(C)/L/PTA/448/2002 dated 02-09-2002 for Card Payphone Services of the company i.e. M/s Phone Call (Pvt.) Ltd. shall STAND SUSPENDED, 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.