



**PAKISTAN TELECOMMUNICATION AUTHORITY**  
**HEADQUARTERS, F-S/1. ISLAMABAD** Ph: 9225328 Fax:  
9225338 [www.pta.gov.pk](http://www.pta.gov.pk)

**Enforcement Order under Sub-section 3 of Section 23 of the  
Pakistan Telecommunication (Re-organization) Act, 1996**

**Re: M/s Brands Promotion Services (Pvt) Ltd**

**File No.PTA/Finance/ATS/Brands Promotion/539/2006**

Date of Issuance of Show Cause Notice:	22 <sup>nd</sup> October 2009
Date of Hearing:	31 <sup>st</sup> December 2009
Venue of Hearing:	PTA HQs, Islamabad

**The Authority Present:**

Dr. Muhammad Yaseen:	Chairman
S. Nasrul Karim Ghaznavi:	Member (Finance)
Dr. Khawar Siddique Khokhar:	Member (Technical)

**The Issue:**

"Non payment of Annual License Fee and non submission of Annual Audit Accounts"

**Decision of the Authority 1.**

**Brief Facts:**

1.1. M/s Brands Promotion (the licensee) was awarded Audiotex Service License No.Dir(C)/L/PTA/712/2004 Dated October 4, 2004 (the License) by the Pakistan Telecommunication Authority (the "Authority") to provide the licensed services in Pakistan subject to the terms and conditions contained in the license.

1.2. As a licensee of the Authority, the licensee i.e. Brands Promotion (Pvt.) Limited is required to comply with the provisions of prevailing regulatory laws comprising of the Act, the Pakistan Telecommunication Rules, 2000 (the "Rules") the Pakistan Telecommunication Authority (Functions & Powers) Regulations, 2006, (the "Regulations") and the terms and conditions of the licenses. Whereas in this case the licensee was obliged under clause 8.1 of the Appendix B of the Rules, regulation 23 of the Regulations and clause 3.2 and 3.5 of the conditions of the ATS license, to deposit Annual License Fee (ALF) within 120 days of every financial year and also to submit Annual Audited Accounts (AAAs) and summary of the accounts to the Authority within ninety (90) days from the close of financial year.

1.3. The licensee i.e. Brands Promotion (Pvt) Limited failed to make the payment of Rs. 615,5157- as ALF for the year ended 30<sup>th</sup> June 2007 and to submit annual audit accounts for the year ended on June 30 2008 and 2009 in contravention of the statutory requirements mentioned above. Hence, a show cause notice (the "Notice") under section 23 of the Act was issued to the licensee on 22<sup>nd</sup> October, 2009, which was replied by the licensee on 29<sup>th</sup> October 2009 along with AAA's for the year 2008 and a surety to the fact that AAA's for the year 2009 will be submitted soon.

1.4. Under the provisions of the Act, the licensee was required to appear before the Authority for personal hearing on 22<sup>nd</sup> December 2009, vide Hearing Notice dated 18<sup>th</sup> December 2009. In response to this notice the licensee requested for a short adjournment which was graciously granted by the Authority and case was finally fixed for hearing on 31<sup>st</sup> December 2009. The licensee appeared through Mr Maroof Raza Khan (Manager Operations) and Mr Shamim Ahmed (A.M.Technical).

1.5. The licensee's representatives reiterated the position they have taken in their reply to the notice by stating that they are totally dependent for their cash inflow on PTCL but the latter is not complying with its license obligation thereby withholding the payments of the former and this issue of short/late payment has been reported to the Authority too. Moreso for the last 2 to 3 years 0900 industry has been literally demolished by PTCL's policies due to which the licensee has even failed to meet its expenses as it has invested heavily in the state of the art equipment to ensure best quality services to 0900 users, however without business this has become a liability. The licensee also highlighted during its argument that millions of rupees are lying with PTCL in form of arrears which are not given or returned back to the licensee. Non payment of licensee's share by PTCL is another factor for delay in payment of PTA dues.

1.6. The Authority after hearing the licensee's representatives at length declined to accept their justification for non payment of PTA dues which was a statutory obligation of the licensee and must not be linked with the payments from PTCL, however if the licensee has any payment issues with the latter it can file a separate compliant to the Authority. Moreso the licensee was given three days time to submit to the Authority in writing the realistic time frame within which they can clear their dues. In response to that the licensee vide letter dated 7<sup>th</sup> January 2010 has requested for ten easy installments of equal value to pay the outstanding amount.

## 2. Order of the Authority:

2.1. Careful perusal of the record and hearing the arguments together with due consideration towards the request of the licensee, the show cause notice dated 22<sup>nd</sup> October 2009 is disposed of in the following terms:

a) The Licensee **Brands Promotion (Pvt.) Limited** is permitted to clear the outstanding dues of Rs 1,912,350 in three monthly installments,

First Installment- Rs 629,416 to be paid within one week of issuance of this Order, i.e., 8<sup>th</sup> April, 2010.

Second Installment- Rs 637,450 to be paid till 30<sup>th</sup> April, 2010.

Third Installment- Rs 645,484 to be paid till 30<sup>th</sup> June, 2010.

- b) The licensee is also directed to submit Annual Audit Accounts alongwith annual license fee for the year ended on 30\* June 2009 as per the terms and conditions contained in the license and regulations.

2.2. In case of non compliance of Para 2.1, above, the Audiotex Service License bearing No DIR(C)/L/PTA/712/2004 dated 4<sup>th</sup> October 2004 issued by Pakistan Telecommunication Authority shall stand SUSPENDED on 1<sup>st</sup> June, 2010 till further orders.

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

Dr. Khawar Siddique Khokhar  
Member (Technical)

(Dr. Mohammed Yaseen)  
Chairman

Signed on 1<sup>st</sup> day of April, 2010 and comprises 03 pages.