



**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 Hermes On-line (Pvt.) Ltd.**

**File No. PTA/Finance/ATS/Hermes/188/2006**

Date of Issuance of Show Cause Notice:	11 <sup>th</sup> September 2006
Venue of Hearing:	PTA H/Qs, Islamabad
Date of Hearing:	10 <sup>th</sup> 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 Hermes On-line (Pvt.) Ltd. (the “licensee”) was awarded a non-exclusive license No. DIR(C)/L/PTA/180/99 dated 09-09-2003 by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate commercial Audiotex Service in Pakistan on the terms and conditions contained in the license. As a licensee of the Authority, M/s Hermes On-line (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 “Regulations”), the Audiotex Service Regulations, 2004 (the “Audiotex 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 Audiotex 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 Hermes On-line (Pvt.) Ltd. had a total outstanding provisional balance of Rs. 55,000/- against annual license fee for the year ended June 30, 2005. The licensee failed to deposit the said outstanding amount and did not submit Annual Audited Accounts (AAA's) for the years 2003-2004 and 2004-2005 despite many correspondence of the Authority. Hence, a Show Cause Notice No. PTA/Finance/ATS/Hermes/188/2006 under section 23 of the Act was issued to the licensee on 11<sup>th</sup> 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 2<sup>nd</sup> November 2006 to appear before the hearing panel for personal hearing on 10<sup>th</sup> November 2006. Mr. Muhammad Yaseen, Manager Coordination, alongwith Mr. Syed Saif-ul-Haq appeared before the panel on behalf of the licensee and presented letter of authorization as well.

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 enforcement order. On the contrary, the licensee apologized and submitted that since the company changed its corresponding address, therefore, it could not receive the notice issued by the Authority well in time. The representative of the licensee presented new corresponding address of the company and Bank Challan of NBP, Marriott Hotel Branch, Islamabad dated 10<sup>th</sup> November 2006 showing payment of the said outstanding dues Rs. 55,000/-. Personnel from Finance Wing present in the hearing required the representative of the company to provide AAA's also for the abovementioned periods so that exact fee may be calculated, accordingly. The representative of licensee assured to submit AAAs as early as possible. Personnel from Wireline Licensing Wing present in the hearing also required the licensee to provide duly certified fresh copy of Form 29 and an undertaking declaring that in future any kind of change in address etc will be priorly intimated to the Authority. Hence, the licensee requested the hearing panel that no punitive action may be taken against the company and the Show Cause Notice may be withdrawn as well. The licensee also assured that the company is willing & serious to operate business as per license terms and conditions.

## **2. ORDER**

2.1 The hearing panel scrutinized all the documents and deduced that attitude of the licensee, however, is positive and submissive and it 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.

2.2 We, the hearing panel, after careful perusal of record, payment of provisional fee of Rs. 55,000/-, request of the licensee and keeping in view the interests of consumers and licensee, both, hold and decide as under:

- (a) the licensee is directed to submit its Annual Audited Accounts for the periods 2003-2004, 2004-2005 and 2005-2006 within thirty (30) days of this enforcement order to Finance Department of the Authority for exact calculation of fee and payment thereof, if any;
- (b) the licensee is further directed to submit duly fresh certified copy of Form 29 and an Undertaking referred at para 1.5 above, within thirty (30) days to Wireline Licensing Department of the Authority; and
- (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/180/99 dated 09-09-2003 for Audiotex Service of the company shall STAND SUSPENDED, automatically until compliance of this enforcement order.

**Director (Licensing)**

**Director (Litigation & Adjudication)**

**Director General (Finance)**

This enforcement order is passed on \_\_\_\_ November 2006 and comprises \_\_\_\_ pages.