



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 ISLAMIC COMMUNICATION (PVT.) LTD.**

File No. PTA/Finance/CPPS/Islamic Comm/100/2006

Date of Issuance of Show Cause Notice: 22nd September, 2006
Date of Hearing: 20th February, 2007
Venue of Hearing: PTA H/Qs, Islamabad

The Authority Present:

S. Nasrul Karim Ghaznavi: Member
Dr. Muhammad Yaseen: Member

The Issue:

“Non-payment of PTA dues and failure in submission of annual audited accounts”

Decision of the Authority

1. BRIEF FACTS:

1.1 M/s Islamic Communication (Pvt.) Ltd. (the “licensee”) was awarded a non-exclusive license No. DIR(C)/L/PTA/538/2003 dated 30-06-2003 by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Payphone Services in Punjab Province on the terms and conditions contained in the license. As a licensee of the Authority, M/s Islamic Communication (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 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 Islamic Communication (Pvt.) Ltd. had a total outstanding balance of Rs. 150,000/- against annual license fee for the years ended June 30, 2004. The licensee failed to deposit the said outstanding amount and to submit annual audited accounts for the year ended June 30, 2005 despite many letters issued by the Authority. Hence, a Show Cause Notice No. PTA/Finance/CPPS/Islamic Comm/100/2006 (the “notice”) under section 23 of the Act was issued to the licensee on 22nd 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 14th February, 2007 to appear before the Authority for personal hearing on 20th February, 2007. On the date of hearing, Mr. Imran Faraz, Chief Executive of the company, alongwith Muhammad Hammad appeared before the Authority and presented the company’s stance.

1.5 The case was presented before the Authority in presence of the officers from Finance Wing. It was argued that the licensee has violated statutory provisions as mentioned in para 1.2 of this order and has also not responded to the notice. The licensee apologized for not responding to the notice and submitted that the notice was not responded to for un-avoidable reasons as the company is in severe financial crisis for the loss of business. The licensee further submitted that it has closed down its operation in Rawalpindi region and is presently operational at Sahiwal region. Licensee requested the Authority for payment of its dues in easy installments. The licensee was also required to provide annual audited accounts for the year ended June 30, 2006 immediately, as it provided the same for the year 2005 during the hearing.

2. ORDER

2.1 The Authority, after careful perusal of record, request of the licensee and keeping in view the interests of consumers and licensee, both, hold and decide as under:

- (a) request of the licensee at the time of hearing for payment of Rs. 150,000/- in easy installments is hereby allowed and the licensee is directed to deposit this amount in ten (10) monthly installments of Rs. 15,000/- each every month, commencing from 30th March 2007, i.e. (i) 30th March 2007, (ii) 30th April 2007, (iii) 30th May 2007, (iv) 30th June 2007, (v) 30th July 2007, (vi) 30th August 2007, (vii) 30th September 2007, (viii) 30th October 2007, (ix) 30th November 2007, and 30th December 2007, respectively.
- (b) licensee is further directed to submit its annual audited accounts for the year ended June 30, 2006 by 30th March 2007 to Finance Department of the Authority for exact calculation of fee for the years 2005 & 2006 and payment thereof accordingly; and
- (c) in case of failure of the licensee to comply with the directions referred at para 2.1 (a) & (b) above, license No. DIR(C)/L/PTA/538/2003 dated 30-06-2003 for Card Payphone Services of the company i.e. M/s Islamic Communication (Pvt.) Ltd. shall STAND SUSPENDED till further orders.

Dr. Muhammad Yaseen
Member (Technical)
Pakistan Telecommunication Authority

S. Nasrul Karim Ghaznavi
Member (Finance)
Pakistan Telecommunication Authority

Signed on ____ March 2007 and comprises ____ pages.