



**PAKISTAN TELECOMMUNICATION AUTHORITY**  
**HEADQUARTERS, F-5/1 ISLAMABAD**  
**Ph: 051-9225328 Fax: 051-9225338**

**Enforcement order under sub-section 3 of section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 against M/s. Hilton Pakistan (PVT.) Ltd**

**File No. 15-26/CPPS-80/Fin/PTA**

Date of Issuance of Show Cause Notice: 2<sup>nd</sup> October, 2006  
Venue of Hearing: PTA HQs, Islamabad  
Date of Hearing: 6<sup>th</sup> December, 2006

**The Panel of Hearing Present :**

Director General (Finance):	Head
Director (Litigation & Adjudication):	Member
Dy. Director (Wireline Licensing):	Member

**The Issue:**

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

**EX-PARTE DECISION OF THE OFFICERS OF THE AUTHORITY**

**BRIEF FACTS:**

M/s. Hilton Pakistan (Pvt.) Limited (the “licensee”) is a private limited Company incorporated under the Companies Ordinance, 1984 and is engaged in the business of Card Payphone services pursuant to the non-exclusive license No. DIR(C)/L/PTA/346/2001 dated 6<sup>th</sup> September, 2001 (the “license”) issued by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Payphone services in Punjab on the terms & conditions contained in the license.

2. The licensee has defaulted in payment of PTA dues for the years ended from 30<sup>th</sup> June, 2002 to 30<sup>th</sup> June, 2005 amounting to Rs.811,250/-. In this regard PTA made various requests to the licensee but in vain. Hence, PTA issued Show Cause Notice (the "Notice") dated 2<sup>nd</sup> October, 2006 under section 23 of the Act whereby required the licensee to comply the same within seven days and also 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. But the licensee neither submitted its reply to the Notice nor deposited PTA dues, hence committed sheer violation of the provisions of the license and the Act. Therefore, before passing an enforcement order a Hearing Notice dated 29<sup>th</sup> November, 2006 was issued and served on the licensee whereby informed the licensee to attend the hearing dated 6<sup>th</sup> December, 2006. The show cause and hearing notices were served on the addresses of the company and all of its Directors. Three hearing notice served at the addresses of the company at Karachi and at addresses of its Directors at Lahore were received back undelivered whereas rest two notices have not been received undelivered, hence it is presumed that these notices have been served on to its Directors. Again, even after information of the scheduled hearing the licensee deliberately avoided attending the today's hearing, which shows its irresponsible attitude towards the writ of the Authority.

3. Therefore, the Panel has no option but to decide the matter ex-parte, on the basis of available record.

(a). The licensee was obliged under conditions 3.1 and 3.2 of the license and sub-regulation (2), (3), (4) and (5) of Regulation 7 of Card payphone Regulations, 2004 to pay annual license fee to the Authority within 120 days from the close of financial year which licensee failed to comply.

(b) The Authority has been making repeated requests to the licensee vide various letters including letters dated 18<sup>th</sup> September, 2002, 3<sup>rd</sup> November, 2002, 18<sup>th</sup> January, 2003, 4<sup>th</sup> April, 2004, 27<sup>th</sup> June, 2003, 4<sup>th</sup> August, 2003, 6<sup>th</sup> September, 2004, 5<sup>th</sup> October, 2004, 6<sup>th</sup> December, 2004, 3<sup>rd</sup> January, 2005, 2<sup>nd</sup> February, 2005, 5<sup>th</sup> march, 2005, 11<sup>th</sup> April, 2005, 16<sup>th</sup> may, 2005, 15<sup>th</sup> June, 2005, 23<sup>rd</sup> August, 2005, 12<sup>th</sup> September, 2005 and 16<sup>th</sup> December, 2005 requiring the licensee to make the payments and submit annual audited accounts, but the licensee never responded to these letters nor deposited PTA dues which constitute sheer disregard to the writ of the Authority. PTA also arranged meeting on 16<sup>th</sup> February, 2006 vide PTA letter dated 2<sup>nd</sup> February, 2006 and given final reminder vide letter dated 23<sup>rd</sup> January, 2006 for provision of annual audited accounts and payment of PTA outstanding dues but the licensee did not turn up to attend the meeting. However, the licensee vide its letter dated 14<sup>th</sup> February, 2006 responded that annual audited accounts for the years 2001-02, 2002-03, 2003-04 and 2004-05 are

in the process with the Chartered Accountant and will be furnished by 28<sup>th</sup> February, 2006. The licensee submitted its annual audited accounts for the years 2002, 2003, 2004, and 2005 vide its letter dated 22<sup>nd</sup> February, 2006. The payable dues of the licensee were reconciled/calculated in the light of annual audited accounts provided by the licensee which arrived at Rs. 811,250 and communicated to the licensee for payment vide PTA letter dated 24<sup>th</sup> February, 2006 within seven days. In response to PTA letter dated 24<sup>th</sup> February, 2006 the licensee first requested vide its letter dated 25<sup>th</sup> February, 2005 for permission to pay in installments. Thereafter, the licensee vide its letter dated 8<sup>th</sup> March, 2006 submitted two cheques No.9118501 for Rs. 50,000/- and cheque No.9118502 for Rs.761,250/- but these two cheques have been dishonored by the bank. PTA has made its reasonable efforts to contact the licensee, but failed to contact.

(c). Zonal Director Lahore has issued an enforcement order dated 21<sup>st</sup> March, 2006 after issuing show cause notice under section 23 of the Act and fulfilling other legal requirement and by granting an opportunity of personal hearing. The licensee failed to comply with the said enforcement order, therefore, Zonal Director Lahore issued final enforcement order vide letter dated 9<sup>th</sup> May, 2006 whereby recommended the case for cancellation of license.

(d). Foregoing factors led the panel to believe that the licensee is not complying with the directions of the Authority or officers of the Authority and closed its offices without informing the Authority. The Show Cause and hearing notices have been served on the address of the licensee and to all of its Directors out of which two have been received but neither the licensee nor any of its Directors attended the hearing establishing an irresponsible attitude of the licensee towards the writ of the Authority.

#### **4. ORDER**

4.1. Keeping in view the above mentioned facts coupled with the available record, the Panel hereby decides to proceed *ex-parte* against the licensee by passing the following enforcement order without prejudice to any civil or criminal action against the licensee for its bounced cheques:

- (a) License of M/s. Hilton Pakistan (Pvt) Ltd is hereby SUSPENDED and PTCL is directed to terminate forthwith all telecom facilities extended to the licensee till further orders.
- (b) M/s. Hilton Pakistan (Pvt) Ltd is directed to deposit all payable dues including Rs. 811,250/- within three months, at which its license will be restored.

- (c). In case of failure of the licensee to deposit PTA dues as provided in Para 4.1 (b) above, license No. DIR(C)/L/PTA/346/2001 dated 6<sup>th</sup> September, 2001 of the company shall stand TERMINATED and recovery proceedings under section 30 of the Act shall be initiated by the Authority against the company for recovery of dues as land revenue.

**Director (Licensing)**

**Director (Litigation & Adjudication)**

**Director General (Finance)**

5. This determination is passed on 15<sup>th</sup> December, 2006 and comprises 04 pages.