



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 against M/s. Majid & Majid
(PVT.) Ltd**

File No. 15-26/CPPS-44/Fin/PTA

Date of Issuance of Show Cause Notice: 17th October, 2006
Venue of Hearing: PTA HQs, Islamabad
Date of Hearing: 6th December, 2006

The Panel of Hearing Present :

Director General (Finance): Head
Director (Litigation & Adjudication): Member
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. Majid & Majid (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/432/2002 dated 3rd July, 2002 (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 30th June, 2003 to 30th June, 2005 amounting to Rs.333,000/-as well as not provided its annual audited accounts for the said years. In this regard PTA made various requests to the licensee but in vain. Hence, PTA issued Show Cause Notice (the "Notice") dated 17th 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 as well as failed to submit annual audited accounts for the aforesaid period, hence committed sheer violation of the provisions of the license and the Act. Therefore, before passing an enforcement order a Hearing Notice dated 29th November, 2006 was issued and served on the licensee whereby informed the licensee to attend the hearing dated 6th December, 2006. The show cause and hearing notices were served on the addresses of the company and all of its four Directors. Two notices at the address of the company at Rawalpindi were received back undelivered whereas rest five notices have been services and one Director namely Mr. Muazzam Hussain refused to accept the notice. 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 dated 1st April, 2004, 5th March, 2004, 1st June, 2005, 15th May, 2005, 17th June, 2005, 29th June, 2005, 10th August, 2005, 23rd August, 2005, 12th September, 2006, 26th November, 2005, 23rd January, 2006 and 14th April, 2006 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. In addition, the request of licensee dated 7th July, 2005 for extension of three month time for payment of PTA dues was duly responded vide PTA letter dated 18th July, 2006 and was not accepted. PTA also arranged meeting on 17th February, 2006 and 6th March, 2006 vide PTA letter dated 2nd February, 2006 and 21st February, 2006 respectively but the licensee did not turn up to attend the meeting. PTA has made its reasonable efforts to contact the licensee, but failed to contact.

(c). Foregoing factors led the panel to believe that the licensee is not complying with the directions 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 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:

- (a) License of M/s. Majid & Majid (Pvt) Ltd is hereby SUSPENDED and PTCL is directed to terminate forthwith all telecom facilities extended to the licensee.
- (b). M/s. Majid & Majid (Pvt) Ltd is directed to deposit payable dues Rs. 333,000/- and submit AAAs 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/432/2002 dated 3rd July, 2002 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 8^h December, 2006 and comprises 03 pages.