



PAKISTAN TELECOMMUNICATION AUTHORITY
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Enforcement Order under Sub-section 3 of section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 against Gujjar Communication (Pvt.) Ltd

File No. PTA/Finance/Finance/CVAS-Voice/Gujjar Communication/869/2006/

Date of Issuance of Show Cause Notice: 1st November, 2010
Venue of Hearing: PTA HQs, Islamabad
Date of Hearings: 17th Feb, 2011, 17th May, 2011 and
14th June, 2011

The Authority present:

Dr. Mohammed Yaseen: Chairman
Dr. Khawar Siddique Khokhar: Member (Technical)

The Issue:

“Non submission of Annual Audited Accounts and Non payment of Annual Regulatory dues for the year ended 30th June 2008 to 2009”

DECISION OF THE AUTHORITY

1. Brief facts of the case:

1.1 By this enforcement order, a show cause notice (SCN) dated 1st November, 2010 issued to M/s Gujjar Communication (Pvt.) Ltd (the “licensee”) due to not adhering and complying with the terms and condition of the license with respect to payment of annual license fee for the years ended on 30th June, 2006-2007 and non-submission of Annual Audited Accounts for the year ended on 30th June, 2008-2009 and restoration of licensed services, will be disposed of.

1.2 Shortly narrated facts of the case are that Pakistan Telecommunication Authority granted a license bearing No. DIR (C)/L/CVAS-758/PTA/2005 dated 2nd February, 2005 (the “license”) to the licensee for establishment, maintenance, and operation of card pay phone services in the District Gujrauwala subject to terms and conditions contained in the license.

As per license terms and conditions read with sub-regulation (1) of regulation 11 of the Class Licensing and Registration Regulations, 2007, sub-regulation (6) & (7) of the Pakistan Telecommunication Authority (Functions & Powers) Regulations, 2006 the licensee was required to submit annual audited financial statements along with annual license fee within 120 days of the close of financial year.

1.3 Upon non-payment of Annual License Fee amounting to Rs. 826/- for the year ended 30th June, 2006-2007 and non-submission of Annual Audited Accounts for the year ended 30th June, 2008-2009, the licensee was asked vide letters dated 26th October, 2009 and 16th November, 2009 for payment and submission of Audited Accounts but in vain. In addition, it has also been found that the licensee has discontinued its licensed services since long. Resultantly, under section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 the licensee was served with a SCN dated 1st November, 2010 requiring it to remedy the contravention by depositing the amount of Rs.826/- for the year ended 30th June, 2006-2007 and submitting Annual Audited Accounts along with Annual License Fee for the years ended 30th June, 2008 and 2009 including late payment additional fee calculated @ 2% per month or part thereof and also required to restore its licensed services within seven days and to explain in writing within 30 days of the issuance of SCN as to why the license should not be suspended, terminated or any other enforcement order should not be passed against the licensee under the Act.

1.4 The licensee vide letter 8th November, 2010 replied the SCN within time and paid outstanding amount of Rs.826/-. However did not submit Annual Audited Accounts for the period mentioned in the SCN.

1.5 In order to proceed further, hearings on 17th Feb., 2011 and 17th May, 2011 were convened, however on the request of the licensee the same were adjourned and finally rescheduled for 14th June, 2011. Mr. Zahid Rashid on behalf of the licensee attended the hearing on the said date and reiterated the same facts as narrated above.

1.6 The argument heard and record perused, after going through the record, it is revealed that the licensee has already communicated for closure of licensed services due to financial loss. Since long the licensee has not been providing licensed services and unable to continue the same due to financial problems of the company. The same has been stated by Mr.Zahid Rashid during hearing held on 14th June, 2011. On the contrary, it is also noticed that the licensee neither provided and conveyed time line for restoration of licensed services nor made any assurance for submission of AAAs for the year ended 30th June, 2008 and-2009. Most importantly, the licensee has not provided any frame work or steps taken to remedy the contravention as alleged in the SCN. In the absence of any such assurance, satisfaction and measures/steps with respect to managing financial loss being faced by the licensee thereby enabling it to submit AAAs and restoration of licensed services, which

ultimately will affect the licensee in terms of discharging its obligations contained in the license terms and conditions. Therefore, licensee's response, despite affording various opportunities of hearings, is not found satisfactory.

2. ORDER

2.1. Keeping in view the above mentioned facts coupled with the available record, the Authority hereby decides as under:

- (a) The License issued to Gujjar Communication (Pvt.) Ltd. is hereby suspended for a period of one month or till the submission of Annual Audited Accounts along with Annual License Fee for the years ended on 30th June, 2008 to 2009 including late payment additional fee calculated @ 2% per month on the outstanding amount for each month or part thereof for the years ended on 30th June, 2008 to 2009 as well as restoration of licensed services, whichever is earlier.
- (b). In case of non-compliance of Para 2.1 (a) above, license No.Dir(L)/CVAS-758/PTA/2007 dated 2nd February, 2005 of the licensee shall stand terminated upon expiration of one month after the date of issuance of this order without any further notice and recovery proceedings under section 30 of the Act shall be initiated by the Authority against the company i.e., Gujjar Communication (Pvt.) Ltd. for recovery of all payable dues as arrears of land revenue. While in case of submission of Annual Audited Accounts along with payments as per para 2.1 (a) within 30 days of the issuance of this enforcement order the license shall be restored.
- (c). All LDI, LL and Mobile licensees are directed to forthwith suspend all telecommunication facilities extended to the licensee pursuant to the license till further orders of the Authority.

Dr. Khawar Siddique Khokhar
Member Technical

Dr. Mohammed Yaseen
Chairman

This enforcement order signed on _____ and comprises of 03 pages only.

