



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 Hassan Mohsin Enterprises (Pvt.) Ltd.**

File No. PTA/Finance/CPPS/Hassan Enterprises/270/2006

Date of Issuance of Show Cause Notice: 08th September 2006
Venue of Hearing: PTA H/Qs, Islamabad
Date of Hearing: 06th December 2006

The Panel of Hearing:

Director General (Finance)	Head
Director (Litigation & Adjudication)	Member
Deputy Director (Wireline Licensing)	Member

The Issue:

“Failure in payment of PTA outstanding dues”

EX-PARTE DECISION OF THE OFFICERS OF THE AUTHORITY

1. BRIEF FACTS:

1.1 M/s Hassan Mohsin Enterprises (Pvt.) Ltd. (the “licensee”) was awarded a non-exclusive license No. DIR(C)/L/PTA/395/2002 dated 07-02-2002 by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Pay Phone Services in Pakistan on the terms and conditions contained in the license. As a licensee of the Authority, M/s Hassan Mohsin Enterprises (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”), Pakistan Telecom Authority (Functions & Powers) Regulations, 2004 (the “Functions & Powers Regulations”), 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, clause 7 of the Regulations and clause 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 Hassan Mohsin Enterprises (Pvt.) Ltd. had a total outstanding dues of Rs. 499,582/- against annual license fee till the years ended June 30, 2005. The licensee failed to deposit the said outstanding amount despite various demands made by the Authority, including letters dated 15th March 2006 and 12th April 2006, respectively. Hence, a Show Cause Notice under section 23 of the Act was issued to the licensee on 08th September 2006 on its provided available address, which was neither responded by the licensee within the prescribed period of thirty days nor returned undelivered which fact proves that the notice was properly served. It is worth noting here that previously the Authority vide determination No. 14-170/L&A/PTA/04 dated 16th March 2005 had allowed the licensee on its own commitment to deposit the outstanding dues in easy installments but it remained fail to clear the outstanding dues and the two post-dated cheques No. 617240 dated 15-04-2005 and 617244 dated 15-07-2005 for payment of Rs. 100,000/- & Rs. 200,000/- submitted by the licensee, were dishonored from the bank concerned.

1.4 In order to proceed further in the matter, the licensee was required to appear before the hearing panel (for personal hearing) through Hearing Notice dated 28th November 2006 and was also telephonically informed of the hearing on 06th December 2006 but none on behalf of the licensee appeared before the hearing panel.

2. ORDER

2.1 Since the licensee failed to appear for personal hearing and present its stance, the hearing panel is left with no other option but to decide the matter *ex-parte* on the basis of available record. The hearing panel has also noted with great concern the licensee's attitude towards today's hearing and its previous track record.

2.2 Today's hearing was convened not to necessarily impose any penalty on the licensee but to listen to the licensee's reasons, if any, for the aforementioned violation committed by it and to pass an appropriate order in the matter. However, to reiterate, since the licensee has failed to appear and has kept us deprived of its point of view and this situation has constrained us to follow the record available before us and to decide the issue *ex-parte* in its absence.

2.3 We carefully perused the record with the assistance of officers from Finance Division of the Authority, and came to the conclusion that the licensee has violated the provisions of the Rules, Regulations and the terms and conditions of the license by not paying PTA dues and has thus exposed itself to the penal provisions of sub-section (3) of section 23 of the Act. Hence, we hold and decide as under:

- (a) the Card Pay Phone Service License, bearing number DIR(C)/L/PTA/395/2002 issued by the Authority dated 07-02-2002, of the licensee is hereby SUSPENDED with immediate effect;
- (b) the Licensee is directed to deposit outstanding annual license fee of Rs. 499, 582/- pursuant to Show Cause Notice dated 8th September 2006 and other dues, if any, piled up against the licensee so far, within 30 days of this enforcement order and submit compliance report, at which its license may be restored;
- (c) in case of failure of the licensee to deposit PTA dues as provided in Para 2.3 (b) above, license No. DIR(C)/L/PTA/395/2002 dated 07-02-2002 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 arrears of land revenue; and
- (d) M/s PTCL is informed of the instant enforcement order and directed to suspend forthwith all the telecommunication facilities extended to the licensee till further orders.

Deputy Director (Licensing)

Director (Litigation & Adjudication)

Director General (Finance)

This enforcement order is passed on ___ December 2006 and comprises ___ pages.