



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 Swift Communication (Pvt.) Ltd.

File No. PTA/Finance/CPPS/SWIFT Comm/174/2006

Date of Issuance of Show Cause Notice: 8th September 2006
Venue of Hearing: PTA H/Qs, Islamabad
Date of Hearing: 14th November 2006

The Panel of Hearing:

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

The Issue:

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

EX-PARTE DECISION OF THE OFFICERS OF THE AUTHORITY

1. BRIEF FACTS:

1.1 M/s Swift Communication (Pvt.) Ltd. (the “licensee”) was awarded a non-exclusive license No. DIR(C)/L/PTA/509/2003 dated 24-04-2003 by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Pay Phone Services in Sialkot (Province Punjab) on the terms and conditions contained in the license. As a licensee of the Authority, M/s Swift 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”), 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, sub-clause (5) of clause 7 of the Regulations and clause 3.1 and 3.2 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 Swift Communication (Pvt.) Ltd. has a total outstanding balance of Rs. 75,167/- (minimum) against annual license fee for the years ended June 30, 2004 and 2005. The licensee failed to deposit the said outstanding amount and to submit annual audited accounts for the years ended June 30, 2003 to 2005 despite many demands made by the Authority. Hence, a Show Cause Notice under section 23 of the Act was issued to the licensee on 8th September 2006 at available addresses of the company, which was neither responded by the licensee within the prescribed period of thirty days nor returned undelivered and Finance Wing of the Authority also confirmed this fact.

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 3rd November 2006 for hearing on 14th November 2006 but none on behalf of the licensee appeared before the hearing panel nor the hearing notices, except one, were returned undelivered.

1.5 It is worth noting here that on the date fixed for hearing Mr. Amer Masood Khan s/o Rafi Ullah Khan appeared on behalf of M/s Swift Telecom (Pvt.) Ltd. (*Swift Link*), a different separate company engaged in CPPS business and also being licensed by the Authority, to whom the notices were mistakenly dispatched. He clarified this fact to the hearing panel and submitted with humble clarification that his company has no concern whatsoever with M/s Swift Communication (the subjected company of these proceedings).

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, hence, 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 failing to submit annual audited accounts 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/509/2003 issued by the Authority dated 24-04-2003, of the licensee is hereby SUSPENDED with immediate effect;
- (b) the Licensee is directed to deposit outstanding annual license fee of Rs. 75,167/- (minimum) for CPPS License pursuant to Show Cause Notice dated 8th September 2006 and the other dues piled up against the licensee so far, within 30 days of this enforcement order and submit compliance report, at which its license will 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/509/2003 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 the telecommunication facilities forthwith until further orders, extended to the licensee i.e. M/s Swift Communication (Pvt.) Ltd. through license No. DIR(C)/L/PTA/509/2003 dated 24-04-2003.

Director (Licensing)

Director (Litigation & Adjudication)

Director General (Finance)

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