



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1, ISLAMABAD

Enforcement order under section 23 of the Pakistan Telecommunication (Re-organization) Act 1996 against Muskan Networks (Pvt.) Limited for Non-commencement of licensed services

No: PTA/Wireline Lic/CVAS/Muskan Networks/1122/2017/612

Date of Show Cause Notice:	23 rd July, 2020
Venue of Hearing:	PTA HQs, Islamabad
Date of Hearing:	26 th March, 2021

The issue:

"Non-Commencement of Licensed Services"

DECISION OF THE OFFICERS OF THE AUTHORITY

1. Precisely stated the facts of the case are that Muskan Networks (Pvt.) Limited (the "Licensee") was awarded non-exclusive CVAS-License No. DIR (L)/CVAS/910/PTA/2017 dated 16th November, 2017 (the "license") issued by the Pakistan Telecommunication Authority (the "Authority") to establish, maintain, and operate Data Class Value Added Services in Punjab, subject to the terms and conditions contained in the license.
2. The licensee is required to comply with the provisions of prevailing regulatory laws comprising of the Pakistan Telecommunication (Re-organization) Act, 1996 (the "Act") the Pakistan Telecommunication rules, 2000, (the "Rules") the Pakistan Telecommunication Authority (Functions & Powers) Regulations, 2006 (the "Regulations"), Class Licensing and Registration Regulations, 2007 (the "CL Regulations") and the terms and conditions of the license.
3. In accordance with regulation 17(A) of CL Regulations read with regulation 19 of the Regulation and clause 22 of schedule 2 of the Rules, the Licensee was under an obligation to commence Licensed services within one year from the date of grant of License moreover, the licensee, vide PTA letter dated 31st October, 2018 was required to obtain commencement certificate and respond to the said PTA letter within thirty (30) days, which has not been complied with.

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4. Due to failure on the part of the licensee a Show Cause Notice (SCN) under section 23 of the Act was issued wherein the licensee was required to remedy the aforementioned contravention by obtaining Commencement Certificate within fifteen (15) days of the issuance of the said SCN and also explain in writing, within thirty (30) days of the issuance of the said SCN, as to why the license should not be suspended, terminated or any other enforcement order should not be passed against the licensee for the aforesaid contraventions.

5. In response to the aforesaid SCN, the licensee vide letter dated 29th July, 2020 submitted and contend that due to some financial problem and Covid-19 SLA with ISP is pending and could not be concluded. As soon as the licensee received the SLA licensee will submit documents for Commencement. And requested for extension of three (03) month time. However, till date no such intimation for commencement of licensed service has yet been received.

6. Before passing an enforcement order under sub-section 3 of Section 23 of the Act, the matter was fixed for hearing on 26th March, 2021 which was attended by the licensee in person. During the hearing licensee submitted copy of payment of CIR of Redtone Digital Services (RDS) for provision of services at Veharri. However, the same was not acceptable as RDS does not hold LL License for MTR. Accordingly, the licensee was asked/required to submit documents as conveyed earlier vide PTA letter dated 31st October, 2018. The same was reminded vide email dated 1st September, 2021 wherein it was conveyed to provide copy of Agreement with LL license for bandwidth and last mile connectivity by 3rd September, 2021 along with all other required documents. However, in response the licensee vide email dated 9th September, 2021 has informed that they are in process for signing SLA and requested for more time.

7. After hearing argument and perusal of record, it is transpired that the license was issued on 16th November, 2017 and as per license condition read with applicable regulation, the licensee was required to obtain commencement certificate for provision of licensed services within one year from the date of grant of license. Whereas despite lapse of approximately four years the licensee did not comply with the terms and conditions of the license, letter(s) addressed to licensee with respect to obtaining commencement of service certificate the licensee has failed to commence the license services. The conduct and attitude of the licensee in terms of fulfilling its obligations contained in the license has been gravely non-serious which falls within the ambit of sub-section (3) of Section 23 of the Act.

8. **Order:**

8.1 Keeping in view the above-mentioned facts coupled with the available record, the Authority hereby decide as under:

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- a) The license is hereby suspended for a period of three months effective from the date of issuance of this Order or till the licensee obtains Commencement of service Certificate from Pakistan Telecommunication Authority after fulfillment of all codal formalities, whichever is earlier.
- b) In case of non-compliance of Para 8.1 (a) above, license No. DIR (L)/CVAS/910/PTA/2017 dated 16th November, 2017 of the licensee i.e. Muskan Networks (Pvt.) Limited shall stand terminated upon expiration of three months without any further notice.
- c) All LDI, LL, Mobile and TIP licensees are directed to suspend immediately all telecommunication facilities extended to the licensee pursuant to the license till further orders of the Authority.

Sajjad Latif Awan
Director General (Law & Regulations)

Brig (R). Amir Shehzad
Director General (Licensing)

Ubaid Tayyab
Director (Finance)

Muhammad Shafique
Director (Enforcement)

This enforcement order is signed on 5th Nov, 2021 and comprises of three (03) pages only.