



PAKISTAN TELECOMMUNICATION AUTHORITY

HEADQUARTERS, F-5/1, ISLAMABAD

www.pta.gov.pk

**Enforcement Order under sub-section 3 of Section 23 of the Pakistan
Telecommunication (Re-organization) Act, 1996 in the matter of M/s. Check Mate
(Pvt.) Ltd.**

File No. PTA/Wireline Licensing/Check Mate/CVAS-Data/791/2007

Date of Show Cause:	26 th January, 2009
Date of Hearing:	29 th April, 2009
Venue of Hearing:	PTA HQs, Islamabad

The Authority present:

Dr. Muhammad Yaseen:	Chairman
S. Nasrul Karim Ghaznavi:	Member (Finance)
Dr. Khawar Siddique Khokhar	Member (Technical)

The Issue:

“100% Change in Management and control of the license without prior notification to the Authority”

Decision of the Authority

1. Brief Facts:

- 1.1. M/s. Check Mate (Pvt.) Limited (the “licensee”) is a private limited company incorporated under the Companies Ordinance, 1984 and is engaged in the business of Vehicle Tracking Services pursuant to the non-exclusive licence No.DIR(L)/CVAS 229/PTA/2007 dated 19th July, 2007 (the “license”) issued by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Data Class Value Added Services in the province of Sindh subject to the terms and conditions contained in the licence.
- 1.2. As a licensee of the Authority, M/s. Check Mate (Pvt.) Limited 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”), the Pakistan Telecommunication Authority (Function & Powers) Regulations, 2006, Class Licensing and Registration Regulations, 2007 and the terms & conditions of the

license. Whereas in this case the licensee has violated the provision of section 21(4) (j) of the Act, rule 11 of the Rules, regulation 21 of the Pakistan Telecommunication Authority (Function & Powers) Regulations, 2006, sub-regulation (2) of regulation 17 of the Class Licensing and Registration Regulations, 2007 by changing its management and control of the license without prior notification to the Authority.

- 1.3. The licensee i.e. M/s. Check Mate (Pvt.) Limited allegedly changed its 100% management / directorship and control of the license without prior notification to the Authority in contravention of the statutory requirements. Hence, a show cause notice (the "Notice") under section 23 of the Act was issued to the licensee on 26th January, 2009, but the licensee failed to respond to the aforesaid Notice within statutory period of thirty days. However, recently it submitted its reply through counsel on 25th April, 2009 after lapse of about ninety (90) days of the issuance of the Notice in the following terms:

The existing chief executive/M.D had forwarded some amounts of loan to previous Management of the company M/s Check mate (Private) LTD. The previous management could not arrange to clear the liabilities of Mr. Dilshad Jaffri, and they were ready to close down the Business of the company.

For the sake of his advance money and the employment of the employee of the company Mr. Dilshad Jaffri, hastily took the charge of the Management of the company from previous management. The relevant documents were forwarded for S.E.C.P for change of ownership of the Company a time of ninety days has been taken by the S.E.C.P. to issue the certified documents.

The intimation and prior approval was not availed from the honourable PTA due to lack of information and procedure as soon the relevant documents received from S.E.C.P the PTA was duly informed on July 24, 2008 accordingly.

Due to non awareness we were waiting for the Form-29, Form-A, from S.E.C.P duly approved & the information regarding the change of directorship was sent to you in July 2008 just after the receipt the approval of change in director from the competent authority i.e. S.E.C.P.

However, we submit our sincere apology for not submitting the required information as per procedure information as for procedure due to negligence & non-awareness of the PTA policy.

The honourable chair be pleased to condone this mistake, as this was accrued due to lack of knowledge regarding Rule and regulation of P.T.A.

The honourable chair is being prayed to take lenient and soft corner in the matter of the applicant company.

- 1.4. However, prior issuance of any determination in the matter, the licensee was required under the provisions of the Act to appear before the Authority for personal hearing on 29th April, 2009 vide our Hearing Notice dated 21st April,

2009, but the licensee failed to appear before the Authority on the said date. In these circumstances, the Authority has no option but to pass an *ex parte* determination in the matter keeping in view the record of the case. However, the Authority has also considered its reply provided vide its letter dated 25th April, 2009 entailing the reasons for not intimating the change in management and control of the license.

2. Order

- 2.1. In the light of the foregoing, the show cause notice is disposed of in the following terms:
- (a). a fine of Rs. 10,000/- is imposed on the licensee under section 23 of the Act which is to be deposited within thirty days of the issuance of this order;
 - (b). subject to payment of fine under Para 2.1 (a) above, change in management as requested by the licensee vide its letter dated 24th July, 2008 is taken notice of and the licensing division is directed to update its record accordingly.

(S. Nasrul Karim A. Ghaznavi)
Member (Finance)

(Dr. Khawar Siddique Khokhar)
Member (Technical)

(Dr. Mohammed Yaseen)
Chairman

Signed on 22nd May, 2009 and comprises 03 pages.