



Government of Pakistan
PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1, ISLAMABAD
<http://www.pta.gov.pk>

Order under subsection 3 of Section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 in the matter of M/s. Commend (Pvt.) Ltd.

File No. PTA/Wireline Licensing/Commend (Pvt) Ltd/26/2006

Date of Show Cause: 23rd December, 2009
Date of Hearing: 18th March, 2010
Venue of Hearing: PTA HQs, Islamabad

The Authority present:

S. Nasrul Karim A. 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. Commend (Pvt.) Limited (the "licensee") is a private limited company incorporated under the Companies Ordinance, 1984 and is engaged in the business of Voice Class Value Added Services pursuant to the non-exclusive licence No. DIR(L)/CVAS-65/PTA/2006 dated 1st March, 2006 (the "license") issued by the Pakistan Telecommunication Authority (the "Authority") to establish, maintain and operate Voice Class Value Added Services in the province of Punjab subject to the terms and conditions contained in the licence.
- 1.2. As a licensee of the Authority, M/s. Commend (Pvt.) Limited was required to comply with the provisions of the prevailing regulatory laws comprising 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 the instant case the licensee has violated 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 100% management/directorship and control of the license without prior notification to the Authority.
- 1.3. Hence, show cause notice (the "Notice") under section 23 of the Act was issued to the licensee on 23rd December, 2009, which was duly responded to by the licensee vide its

letter dated 16th January, 2010. In its reply the licensee stated the circumstances in which the alleged change in shareholding took place. It informed that as pay-phone business is declining and it is difficult to pull on with the existing arrangement as handsome loss was being sustained every month for a considerable long time, therefore, it was forced to dispose of the entire set up to an other interested party, and being ignorant of law and regulations, it simply tried to get rid off this extra ordinary financial burden. Had it been quite aware of the rules and regulations it would have opted the right course before handing over the administrative right to other party. It further stated that it cannot think of committing un-lawful act by breaking the rules and regulations. All the things happened ignorantly without any bad intention which may please be ignored. In the end it requested to accept its unconditional apology and requested to withdraw the notice.

1.4. Under the provisions of the Act, the licensee was required to appear before the Authority for personal hearing on 18th March, 2010 vide Hearing Notice dated 9th March, 2010. The licensee appeared before the Authority through Ch. Sher Ali Sajjad, Advocate High Court, and reiterated the same stance as already communicated vide its aforesaid letter. In addition, the licensee assured the Authority that no such violation will be repeated in future and requested the Authority to accept its apology and take sympathetic and lenient view of the instant mistake.

2. Order

2.1. After careful perusal of record and keeping in view the apology being tendered by the licensee, the show cause notice dated 23rd December, 2009 is disposed of in the following terms:

- (a). The licensee i.e. M/s. Commend (Pvt.) limited, is warned not to repeat such violation in future.
- (b). Change in management as intimated by it vide its letters dated 26th September, 2009 and 17th November, 2009 is taken notice of and is accepted. Licensing Division, PTA, is directed to update its record accordingly.

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

(Dr. Khawar Siddique Khokhar)

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Signed on 29th March, 2010 and comprises 02 pages.