



**PAKISTAN TELECOMMUNICATION AUTHORITY**  
**HEADQUARTERS, F-5/1 ISLAMABAD**  
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**Enforcement order under sub-section 3 of section 23 of the Pakistan  
Telecommunication (Re-organization) Act, 1996 against M/s. Cyber House  
(Pvt.) Ltd**

**File No. 14-348/L&A/PTA/06**

Date of Issuance of Show Cause Notice: 14<sup>th</sup> September, 2006  
Venue of Hearing: PTA HQs, Islamabad  
Date of Hearing: 6<sup>th</sup> December, 2006

The Panel of Hearing Present :

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

The Issue:

“Non compliance with enforcement order dated 28<sup>th</sup> April, 2006 of  
Zonal Director, Lahore”

**DECISION OF THE OFFICERS OF THE AUTHORITY**

**BRIEF FACTS:**

M/s. Cyber House (Pvt.) limited (the “licensee”) is a private limited Company incorporated under the Companies Ordinance, 1984 and is engaged in the business of EIS services in Pakistan pursuant to the non-exclusive license No. DIR(C)/L/PTA/311/2000 dated 30<sup>th</sup> September, 2000 issued by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate EIS Services on the terms & conditions contained in the licenses.

2. The licensee has not complied with the enforcement order dated 28<sup>th</sup> April, 2006 issued by Zonal Director Lahore whereby the Zonal Director imposed fine of Rs.50,000/- by exercising powers under section 23 of the Act and as per

enforcement order the licensee was required to deposit the fine amount within thirty days of the aforesaid order. The licensee failed to deposit the fine amount therefore Zonal Director, Lahore issued letter dated 11<sup>th</sup> July, 2006 whereby recommended that license of the company may be suspended. Before initiating process for suspension of license PTA made request to the licensee vide its letter dated 10<sup>th</sup> August, 2006 whereby requested the licensee to deposit fine amount in compliance with Zonal Director's enforcement order, but that letter was received back undelivered. Hence, a Show Cause Notice (the "Notice") dated 14<sup>th</sup> September, 2006 under section 23 of the Act was issued to it requiring it to comply with the same by remedying the contravention and also submit written reply to the Notice within thirty (30) days of the issuance of the Notice and explain as to why the license should not be suspended, terminated or any other enforcement order should not be issued against it under section 23 of the Act. But the licensee failed to submit reply to the notice. Therefore, before passing an enforcement order a Hearing Notice dated 29<sup>th</sup> November, 2006 was issued and served on the licensee whereby informed the licensee to attend the hearing dated 6<sup>th</sup> December, 2006. The hearing notices were served on the addresses of the company and all of its Directors. Three hearing notices served at the addresses of the company at Rawalpindi and one at the address of its Director in Multan were received back undelivered whereas the rest two notices have not been received back undelivered and it is presumed that these two notices have been served on the licensee.

4. Mr. Muhammad Ehtesham-ul-Haq, CEO of the company attended the today's hearing. He argued that he has no information about any enforcement order passed by the Zonal Director, Lahore. He argued that the company has stopped its sale in 2004 and closed its operations in 2005 in Lahore region and also closed the office at Sialkot. He further argued that they always provided every information whenever called by Zonal Director Rawalpindi. The company has also provided its new address to the Authority and also receiving some letters of PTA at this address. Zonal Director, Lahore has not communicated any letter including the alleged enforcement order dated 28<sup>th</sup> April, 2006 at its registered office at Rawalpindi, that is why, the company was unable to respond or comply with any directive or order of the officer of the Authority. The licensee further replied that it has always complied with all directions of the Authority and always paid all dues and there is nothing outstanding against the company

5. As the licensee has closed its operations, therefore, the licensee was asked to inform whether it likes to retain the license or withdraw it. The licensee replied that it has lost every thing in this business even its license of FLL is not operative owing to practical problems of telecom market. The licensee showed its interest to retain the EIS license. The licensee was then asked by the hearing panel whether it would pay the fine amount of Rs.50,000/- imposed by the Zonal

Director, Lahore pursuant to the aforesaid enforcement order or not? The licensee replied that the company has suffered huge losses and now is not in a position to deposit this fine amount. It further apologizes if any information was not provided to the said Zonal Director in timely manner. There would be some reasons of non-responding, otherwise it always provided all information whatever called for by the Authority. Copy of the aforesaid determination has been provided to Mr. Muhammad Ehtesham-ul-Haq by hand with instructions to file appeal within seven days.

## **6. ORDER**

6.1. Keeping in view the above mentioned facts and circumstances mentioned during the hearing, the Panel hereby dispose of the Notice on the following terms:

- (a). M/s. Cyber House (Pvt) Ltd may file an appeal under section 7(2) of the Act against the order passed by Zonal Director, Lahore before the Chairman Pakistan Telecommunication Authority within seven days of this order.
- (b). M/s. Cyber House (Pvt) Ltd is directed to restore its commercial operation within four months of today's hearing, i.e., 6<sup>th</sup> April, 2007 and submit compliance report by 7<sup>th</sup> April, 2007 to this effect.
- (b). In case of failure of the licensee, i.e., M/s. Cyber House (Pvt) Ltd, to restore its commercial operations/services by the date mentioned in Para 5.1 (b), i.e., 6<sup>th</sup> April, 2007, license No. DIR(C)/L/PTA/311/2000 dated 30<sup>th</sup> September, 2000 of the company shall stand CANCELLED. In addition, if the licensee fails to file appeal within seven days as mentioned in Para 6.1 (a) above, the fine amount may be recovered under section 30 of the Act as land revenue arrears.

**Director (Licensing)**

**Director (Litigation & Adjudication)**

**Director General (Finance)**

6. This determination is passed on 15<sup>th</sup> December, 2006 and comprises 03 pages.

