

**GOVERNMENT OF INDIA
SPACE
LOK SABHA**

UNSTARRED QUESTION NO:1060

ANSWERED ON:11.12.2013

ANTRIX DEVAS DEAL

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan; Yadav Shri Dharmendra

Will the Minister of SPACE be pleased to state:

(a) whether ISRO's commercial arm Antrix had entered in to a joint venture (JV) with a private company Devas-Multimedia Pvt. Ltd. in 2005 and as per the agreement, took the liability to fund and launch two satellites for the JV and allocate scarce 70 MHz S-band spectrum to the company for free;

(b) if so, the details thereof;

(c) whether the foreign partners of Devas are demanding \$1.6 billion in damages for not honouring the deal of awarding S-band spectrum which was cancelled in February 2011;

(d) if so, the details thereof; and

(e) the response of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PG & PENSIONS AND IN THE PRIME MINISTER'S OFFICE (SHRI V. NARAYANASAMY):

(a) & (b) Antrix Corporation Limited (Antrix), the commercial arm of the Indian Space Research Organisation (ISRO), had entered into an agreement with M/s Devas Multimedia Private Limited (Devas) on January 28, 2005 for lease of 90% of S-Band transponder space segment capacity through two satellites to be funded, built and launched by ISRO.

Antrix did not have any Joint Venture with the private company Devas. Also, ISRO has not allocated any S-Band spectrum to Devas.

This agreement was terminated on February 25, 2011 following the decision of the Government not to make S-band spectrum available for commercial use, but use it for strategic needs.

(c) & (d) The three Mauritius based share holding companies of M/s Devas Multimedia Private Limited viz., (i) M/s CC/Devas (Mauritius) Ltd; (ii) Devas Employees Mauritius Limited; and (iii) Telcom Devas Mauritius Limited have issued notice of arbitration to the Republic of India, on July 03, 2012, under the Bilateral Investment Promotion and Protection Agreement (BIPA) between Government of Republic of India and Government of Republic of Mauritius and in pursuance of UNCITRAL Rules.

The three Mauritius based companies have submitted their Statement of Claim on July 01, 2013 and the Government of India have submitted the Statement of Defence on December 02, 2013. The merits hearing of the Arbitration Tribunal is scheduled to be held in the first week of September 2014. On completion of merits hearing, the issue of damages would be taken up by the Tribunal, as the need may be.

Another foreign investor in Devas, namely M/s Deutsche Telekom AG has issued a notice of arbitration on September 02, 2013 under the Bilateral Investment Promotion and Protection Agreement between Government of Republic of India and Government of Federal Republic of Germany.

As of now, the foreign partners of Devas have not quantified the damages. However, Devas, in a separate commercial arbitration case against Antrix, under ICC rules have sought damages of \$1.6 billion for not honouring the Antrix-Devas agreement. Antrix has taken action to defend the case before the tribunal constituted by ICC.

(e) In order to handle these arbitration cases, Government of India has appointed M/s Curtis, Mallet, Prevost, Colt & Mosle LLP, a law firm of international repute, to represent Government of India in the arbitration proceedings.