



Devas- ISRO's Antrix Corporation Deal

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Why in News?

The district court of The Hague, Netherlands, rejected India's request to cancel a USD 111 million compensation award to **foreign investors in Devas Multimedia**.

- The payment was awarded by the [United Nations Commission on International Trade Law \(UNCITRAL\) tribunal](#) because a **satellite deal from 2005 with India's ISRO's Antrix Corporation and Devas Multimedia was cancelled in 2011**.
- The Court of Netherlands refused to overturn the award, finding the Indian government liable for improperly terminating the deal.

What is the Case of the Devas-Antrix Deal?

- **The 2005 Devas-ISRO Satellite Deal:**
 - In 2005, [Antrix Corporation](#), the commercial arm of the Indian Space Research Organisation (ISRO), entered a satellite deal with **Devas Multimedia, a Bengaluru start-up**.
 - The deal involved leasing the **S-band on ISRO satellites, GSAT-6 and GSAT-6A**, for 12 years to provide digital multimedia services.

Note

- The S-band is a designation for a part of the **microwave band of the electromagnetic spectrum**.
- The S-band is used for Satellite communication, Radar, Supplying vital real-time data, and High resilience to rain fade and other environmental interference.
- The S-band is used by the shipping, aviation, and space industries. The S-band spectrum is also extremely valuable for mobile broadband services.
- **GSAT-6 and GSAT-6A are high-power S-band communication satellites.**
- **Cancellation of the Satellite Deal:**
 - In 2011, the Indian government abruptly cancelled the deal, citing **national security reasons**.
 - The decision was taken in the midst of the **2G scam** and allegations that the Devas deal involved the handing over of a communication spectrum valued at nearly Rs 2 lakh crore for a pittance.
- **Legal Battles and Compensation Awards:**
 - Foreign investors in Devas Multimedia, pursued compensation through international tribunals.
 - In 2015, the **International Chamber of Commerce (ICC)** arbitration tribunal, awarded Devas Multimedia USD 1.2 billion in compensation.
 - Deutsche Telekom received USD 101 million from the [Permanent Court of Arbitration in Geneva](#).

- In 2020, three Mauritius-based investors were granted USD 111 million by UNCITRAL.
- Due to the Indian Government not paying the compensation, Devas filed an appeal in the US and EU to liquidate assets of Indian **Public Sector Undertaking (PSUs) for recovery of penalty.**
- **Indian Government's Challenge:**
 - In 2022, the Indian government challenged the compensation awards, citing a **Supreme Court of India** order that upheld **Devas Multimedia's liquidation on fraud charges.**
 - The **Enforcement Directorate** and the **Central Bureau of Investigation** are currently pursuing cases of **money laundering and corruption** in India against Devas and its officials.
- **The Hague District Court's Rejection:**
 - The district court in Hague rejected India's plea to set aside the compensation awards.
 - It ruled that charges of deceit, fraud, and corruption had already been addressed and dismissed during earlier legal proceedings.
 - The Supreme Court of India's judgment was deemed to hold no independent significance.

International Chamber of Commerce (ICC)

- ICC is the world's largest business organization working to promote international trade and responsible business conduct.
- It has been helping to resolve difficulties in international commercial and business disputes to support trade and investment since 1923.
- ICC headquarters is in Paris, France.

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