

Hague tribunal unanimously finds in favor of Devas Multimedia investors; damages award to follow

UNCITRAL arbitration ruling is second international finding that compensation is payable as a result of the 2011 annulment of the Devas-Antrix contract.

Bangalore, July 26, 2016 – Devas Multimedia Private Ltd. (Devas) today announced that a Permanent Court of Arbitration (PCA) tribunal has found that the Government of India's actions in annulling a contract between Devas and Antrix Corporation Ltd. and denying Devas commercial use of S-band spectrum constituted an expropriation. The PCA tribunal also found that India breached its treaty commitments to accord fair and equitable treatment to Devas's foreign investors. The PCA regularly administers cases involving states, including investment treaty claims brought under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).

The ruling, issued yesterday at The Hague, was the second by an international tribunal arising out of the cancellation of the Devas-Antrix contract. The unanimous decision included the arbitrator appointed to the tribunal by India. In an earlier decision, an International Chamber of Commerce (ICC) tribunal in 2015 found unanimously that Antrix's repudiation of the Devas-Antrix contract was unlawful, and awarded Devas damages and pre-award interest of approximately \$672 million, plus post-award annual interest accruing at 18 percent until the award is paid in full. Courts in the United Kingdom and France have recognized the ICC award and held that it is enforceable.

“Devas committed to partner with Antrix on a hybrid satellite-terrestrial infrastructure project to bring nationwide satellite/terrestrial broadband wireless access and audio visual services to India. With today’s PCA award, two international tribunals have now unanimously agreed that financial compensation should be paid after the annulment of Devas's rights,” said Devas Chairman Lawrence Babbio, former Vice Chairman of Verizon, the largest telecommunications company in the United States. “Other courts in France and the United Kingdom have agreed that the award against Antrix ought to be enforced. We prefer a mutually agreeable resolution of this matter. But until that occurs, Devas and its investors will continue to press their claims before international tribunals and in courts around the world.”

Antrix, operating as the marketing arm of India’s International Space Research Organization (ISRO), entered into an agreement with Devas in 2005 for the long-term lease of two ISRO satellites operating in the S-band. The PCA tribunal unanimously found that by annulling the contract in 2011 and denying the commercial use of S-band spectrum, the Indian Government expropriated the investments of Devas's foreign shareholders and also acted unfairly and inequitably, thus making it liable to pay financial compensation.

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