

Chapter 3 Undue favours to Devas

3.1 Introduction

The features of the Antrix-Devas agreement are as under:

The Antrix-Devas agreement allowed Devas to provide multiple services such as 4G services (improvement in 3G services), mobile TV services both through satellite and terrestrial route, DTH services, etc., on the same platform.

It provided for the launch of two customer-specific satellites for Devas by leasing all 20 transponders of these two satellites.

70 MHz of S-Band was earmarked for spectrum in 2.6 GHz band to Devas as a part of leasing out the transponders of the two satellites.

Orbital slot was to be allocated for an indefinite period to Devas.

It indicated a sub-licensing clause which would enable Devas to sub-lease satellite transponders to others.

3.2 DoS negotiated exclusively with Devas

ISRO generally conducts meetings with INSAT users/ service providers to ascertain the demand in thematic sectors such as (i) telecommunications through VSAT operations; (ii) broadcasting through TV/DTH Operations; (iii) educational and developmental communications; (iv) security communications for Defence Ministry/ Services and (v) meteorological applications. The realisation and launch of satellites is planned based on the needs of both Government and non-Government users.

ISRO did not furnish any document to Audit by which we could arrive at a reasonable assurance that it had conducted any users' meet to assess the requirement/demand for the S-DMB services. ISRO replied in August 2010 that GSAT-6 proposals were formulated based on assessment of the need to introduce multimedia mobile services in the country and only one party (M/s Forge Advisors) had come forward to carry out the services.

The reply of ISRO is to be seen in the context that the new S-DMB service had not been approved by the Union Cabinet, and that there was no regulatory framework in place for launching Devas services in the country. DoS invited no public offers for S-DMB services before launching the satellites.

Further, entering into the agreement with Devas was based on exclusive negotiations with M/s Forge Advisors, which had floated Devas for this very purpose. Later, in March 2011, DoS agreed that it had not carried out any need assessment before the launch of the GSAT-6 & GSAT-6A satellites. It qualified this fact by stating that user meets were not scheduled for each satellite.

DoS confirmed in August 2011 that a need assessment was not conducted before the proposals in respect of GSAT-6 and GSAT-6A were formulated and it was also true that a user meet was not held for the two satellites.

Before the offer of S-DMB services, DoS did not ascertain needs nor did it invite applications from interested service providers.

3.3 DoS ignored the potential benefits of 2.6 GHz band to Government

Seventy MHz of the 2.6 GHz spectrum was intended to be made available to Devas. The market value of spectrum depends on the volume of its customer base/ potential customer base (future utilisation potential), telephone density, population, area covered, etc. The value of a telecom and broadcasting service depends upon its demand and business potential in the market. While the target group for the business opportunities of 3G was only the mobile population, the Devas services aimed at vehicles, TV households and broadband users, in addition to the mobile phone population in India. The breadth of services in the downlink of the hybrid S-DMB was to be more than 24 MHz (8 MHz for three services) for broadcasting services with a flexible option to interchange between three services (video, audio and data) and 8 MHz for two-way services in return link⁶. These facilities would make the Devas services better comparable to alternate and existing technologies/ services such as 3G, DTH etc. in India. The table below brings out a comparison of the services in terms of some parameters.

Table-3 : Comparison of 3G, DTH and S-DMB services

No	Services	MHz available for terrestrial operations	MHz available for Space operations	Potential customer base in Million	Number of service providers	Revenue received by Government for the entry in India (₹ in crores)
1	3G	20	Nil	851.70 ⁷	8	67,719
2	DTH	Nil	2700	35.56 ⁸	7	Nil

⁶ A return link is the transmission link from a user terminal to the central hub.

⁷ Reported by TRAI as of 30 June 2011, based on which transition to 3G users is assumed.

3	S-DMB	70 (on reuse)	70	1008.40	1	Nil
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The future business potential of Devas services is evident from its potential customer base of 1008.40 million. The Devas services aimed at 851.70 million mobile population, 23.70 million vehicle population and 133 million⁹ TV households in India. The Devas services proposed to provide telecom and broadcasting services in the mobile and fixed environment. This potential was to be utilised by one service provider, viz., Devas alone. Considering the above business opportunities in India, Devas estimated to be cash flow positive in two to three years' time, considering the investment in comparison to the seven to 10 years required for alternate services such as 3G.

Due to heavy demand for the 3G spectrum in the market, the Government of India had auctioned in May 2010, 20 MHz in 3G spectrum ranging from 1959 MHz to 1979 MHz and earned revenue of ₹67,719 crore towards entry fees. Further, in the BWA spectrum band of 2300-2400 MHz auction in May 2010, Government had earned revenue of ₹38,543 crore in the auction of two blocks of 20 MHz spectrum on pan-India basis.

In the cases of all new broadcasting or telecommunications services introduced by the Government, specific Cabinet approvals were obtained. Necessary clearances from the concerned authorities were also received. In the case of DTH, for example, MIB initiated the proposal; the Cabinet approved the service; MIB then stipulated guidelines and licencing conditions; the WPC wing allocated the required spectrum; the licences for the service were granted by MIB and the transponder capacity was allocated by DoS. During this process, the service was evaluated in terms of its parameters, including the benefit streams for the Government. Given the uniqueness of the S Band in terms of its versatility and availability for both broadcasting and mobile satellite services, the Devas service should also have been evaluated thoroughly to derive the best interest of the Government.

It is pertinent to mention that the Secretary, DoT in a reference to DoS, emphasised (July 2010) the need for ensuring a level playing field for service providers using terrestrial spectrum. Pointing to the auction of BWA spectrum, he stated that the "commensurate amount must be levied as spectrum charges for providing any commercial services including digital multimedia". The Wireless Adviser of DoT stated (March 2012) that the 'price discovered' in the course of the BWA auction could be taken as value of spectrum in the S Band since the BWA spectrum was from this band. The BWA auction generated ₹ 38,543

⁸ Source: TRAI

⁹ Source: TRAI.

crore in revenues for the Government for a bandwidth of 60 MHz. As against this, 70 MHz of spectrum was being earmarked for Devas.

It is noteworthy that BWA was a wireless internet broadcasting service through terrestrial towers. The proposed Devas service was a superior service since it sought to provide continuous wireless services to consumers who used fixed as well as mobile receivers through satellite and terrestrial systems. Thus it could cater to the needs of customers even at remote locations where terrestrial towers could not be set up. This being the case, it is evident that the service being offered by Devas had considerable fiscal potential for the Government. By not following the due process for this new service, the revenue interests of the Government seemed to have been totally ignored.

DoS stated in August 2011 that it did not allocate spectrum to any user. DoS only leased satellite transponders, i.e., space segment capacity to users at prices stipulated by the department, based on recommendations of the pricing committee set up by it as per the SATCOM policy.

The reply of DoS needs to be viewed in the background of the fact that the requisite licencing conditions and regulatory framework for SDMB services should have been in place prior to signing the transponder lease agreement with Devas by the Government. The reply of DoS confirms the position that DoT was the authority with regard to allocation of spectrum, which was instead committed by DoS to Devas. Further, in the agreement entered into with Devas, the onus for obtaining all regulatory approvals rested with Antrix. The reply of DoS does not address the issue of earmarking of valuable spectrum to a private party.

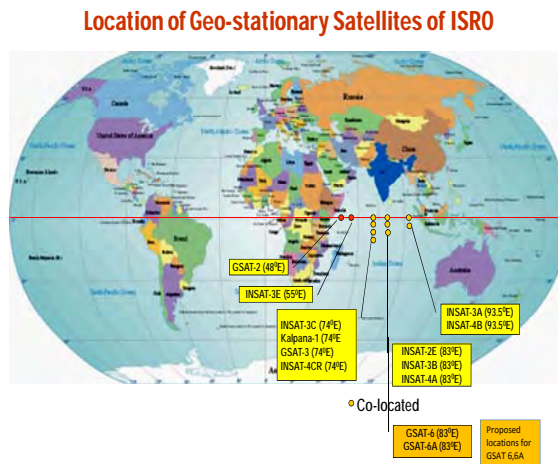
DoS virtually gifted a valuable and potentially high profit-earning band to Devas.

3.4 Allocation of a valuable orbital slot for indefinite period to Devas

ITU allots orbital slots for satellites of individual countries. The changes made by ITU in the year 1997 make orbital slot filings a long-drawn and critical activity, which requires vision and careful coordination as ITU allows only the administration of each country to file for orbital slots. It is important for each country to prepare orbital slot filings for country-specific slots and occupy the allocated slots within the due diligence period. The long-drawn process of filing and coordination with ITU and the due diligence principle, therefore, make

filings for India-specific orbital slots a crucial process. The decision-making process should, therefore, be objective, transparent and well-documented.

In addition to assigning orbital slots, spectrum planning and coordination are very important in planning and implementing space projects. A large number of co-located satellites can potentially result in collisions and polarisation interference¹⁰ in spectrum. Therefore, the strategy of co-location of satellites has to be considered before planning a satellite's movement in an orbital slot.



DoS decided to use its scarce orbital slot at 83° East for the two co-located satellites (GSAT-6 & GSAT-6A), to be used exclusively by Devas. Further, the related S Band spectrum was also earmarked for an indefinite period for use by Devas.

DoS stated in August 2011 that the orbital slots and the spectrum remained the property of India and the agreement for lease of transponders was for a definite period.

The contention of DoS needs to be viewed in the context of the agreement which provided for a period of lease which covered the entire expected life of the two satellites (PS 1 and PS 2) of 12 years. Additional capacity was to be provided based on a three- year notice subject to entering into a fresh lease agreement and regulatory approvals.

DoS earmarked a valuable and prime orbital slot for Devas for an indefinite period.

3.5 Devas capitalised on the agreement signed with Antrix

Devas Multimedia Limited was registered by former employees of ISRO / DoS in December 2004 under the Indian Companies Act, 1956, initially with 10,000 shares with a face value of ₹10 each. The number of shares increased to 1,81,824 shares by March 2010 as indicated in Table-5 below. The detailed information is given in [Annexure 1](#).

¹⁰ Interference which causes a change in the orientation of electromagnetic waves.

Table-5 : Status of shares at the time of incorporation and as of March 2010

No	Particulars	Status of the investor	At time of incorporation	At the end of March 2010
(1)	(2)	(3)	(4)	(5)
1	D. Venugopal	Ex. ISRO official	9000	9622
2	Umesh M	Ex. ISRO official/LDC	1000	267
3	CC/ Devas Mauritius Ltd	Foreign Investor	0	31350
4	Telecom Devas Mauritius	Foreign Investor	0	31350
5	Deutsche Telekom Asia Pvt Ltd	Foreign Investor	0	36749
6	M.G.Chandrasekhar	Ex. ISRO official	0	35223
7	Ramchadran Viswanathan	Employee of M/s Forge Advisors	0	9623
8	Paresh Shah	Employee of M/s Forge Advisors	0	9622
9	James Fox	Employee of M/s Forge Advisors	0	4179
10	D Natraj	Ex. World Space employee	0	267
11	Abhishek Jain	Employee of M/s Forge Advisors	0	267
12	Clarence Irving	Employee of M/s Forge Advisors	0	267
13	Amirali Hudda	Employee of M/s Forge Advisors	0	533
14	Garry M Parson	Columbia Capital employee	0	798
15	Lawrence Babbio Junior	Telecom Devas employee	0	798
16	Devas Employee Mauritius Ltd	Mauritius limited company	0	4511
17	Murugappan A.	Ex. Defence personnel	0	6400
18	Miscellaneous transfer		0	-2
	Total		10000	181824

We observed that Devas issued capital at par to its employees and the employees of M/s Forge Advisors at a substantial premium. The shareholding pattern along with share premium raised as on 31 March 2010 is given in Table-6.

Table-6 : Share-holding pattern of Devas

Description	Ex-ISRO/DoS /Defence employee	Persons associated with M/s Forge Advisors	Investment by foreign investors	Others	Total
Total numbers of shares of ₹ 10 each held	51512	24758	101043	4511	181824
Total share premium paid (₹in lakh)	--	----	57566.04	316.34	57882.38
Total amount paid (₹in lakh)	5.15	2.48	57576.14	316.79	57900.56
Average share premium paid per share of ₹10 each (in ₹)	---	----	56972	7013	31834
Range of share premium paid	--	----	21446 to 126821	7013	7013 to 126821
Value of shares based on highest premium (₹ in crore)	653.28	313.98	1281.44	57.21	2305.91

Devas, without engaging in any trading, manufacturing, or ground segment development activity, could raise an amount of ₹575.76 crore from the sale of its 1,01,043 shares, having face value of ₹10 each, to three foreign investors at premia ranging from ₹21446 to ₹126821 per share. The value of 51,512 shares allotted to ex-ISRO/DoS /Defence employees at par increased from ₹5.15 lakh to ₹653.28 crore even before the commencement of activities by Devas.

In a note put up by the Executive Director, Antrix, Sh. K. Sridharamurthy, in July 2006, it was proposed to amend Article 3(i) of the Antrix-Devas contract to read as 'the leased capacity was to be put up for renewal at least two years before the end of 12-year period or anticipated life of the satellite for another 12 years at a reasonable lease fee to be mutually agreed upon.'

"Such amendment would reassure the investors of the continuity of the new service under reasonable terms and conditions". Executive Director of Antrix, July 2006.

The note was approved by Chairman ISRO and Secretary, DoS, Dr. G Madhavan Nair. Such support provided by DoS helped Devas, a private Company, to raise substantial premium. The realisation of ₹1,26,821 per share in the year 2009-10 took the value of the Company to ₹2305.91 crore, increasing the value of Devas shares to more than 12682 times in the 2005-10 period. The value of the shares of a market leader in telecommunication services such as Bharti Airtel in the same field had risen by only 25 times during the period 2003-2010. This was indicative of the embedded value granted to Devas by DoS in this contract.

Devas could secure substantial foreign direct investment on the basis of the business potential of the deal it had made with Antrix. The three Principals of M/s Forge Advisors viz., Sh. Ramchandran Viswanathan, Sh. Paresh Shah and Sh. James Fox are also shareholders of Devas as on date.

DoS, in its reply of August 2011, confirmed the facts brought out in audit. Further, while furnishing information on the action taken, DoS stated (January 2012) that the interim report of the Ministry of Corporate Affairs (MCA) indicated many violations of Company law

by Devas, warranting action. Investigation for possible acts of omission and commission by Devas were under process by the MCA and the Department of Revenue (DOR). DoS added that an investigation report of MCA and feedback from DOR were awaited.

3.6 DoS devised the costing of satellites GSAT-6 and GSAT-6A to help Devas

The SATCOM policy stipulated that DoS was to fix prices for the transponders. Accordingly, DoS constituted a Standing Pricing Committee for fixing the prices of transponders considering the actual costs, reasonable return on investment, and the market conditions in the year 2002. DoS did not fix the transponder lease charges for GSAT-6 and GSAT-6A through a mechanism of the Standing Pricing Committee as was done in the case of INSAT 3A, 3B and satellites of the INSAT 4 series. In the case of Devas, it was observed that:

- (a) The Standing Pricing Committee did not fix the price of the transponder lease;
- (b) Chairman, ISRO/ Antrix mandated this task to the Dr. Shankara Committee for financial evaluation and negotiation. This committee did not incidentally have any financial expert in it.
- (c) The Committee did not work out the total costing for the projects of GSAT-6 and GSAT-6A, considering the extent of risk being undertaken under the agreement and return on investment as well as marketing expenses and commission payable to Antrix. It negotiated with M/s Forge Advisors on the offer made by them and planned to increase transponder lease charges once Devas's operations became cash positive.

DoS estimated the cost of GSAT-6 and GSAT-6A as detailed below.

Table-7: Cost of GSAT-6 and GSAT-6A

No	Description	Amount (₹in crores)
1	DoS cost for GSAT-6 (including insurance)	269.00
2	Launch Services cost	175.00
3	Total (1)+(2)	444.00
4	Overheads ¹¹ (administrative) on project to be charged at 10 % of (3)	44.40
5	Total project cost (3) + (4)	488.40
6	Operational cost towards operation and maintenance of satellite by MCF for the designed life of satellite viz., 12 years	36.00
7	Total Cost (5) + (6)	524.40
8	DoS cost for GSAT-6A satellite ¹²	424.20

¹¹ According to DoS instructions in order No. B-31012/6/2006-Sec.3 dated 27 October 2006, administrative overheads of 10 per cent were to be charged.

¹² Cost of GSAT-6A included satellite cost of ₹147 crore, launch service cost of ₹175 crore, administrative overheads of ₹32.20 crore, insurance cost of ₹34 crore and operation and maintenance cost of ₹36 crore.

9	DoS cost for both the satellites (7) + (8)	948.60
10	Return on investment for DoS @ 15 % of (9)	142.29
11	Commission for Antrix @ 15% of (9) and (10)	163.63
12	Total cost to DoS (9), (10) and (11)	1254.52

DoS worked out the cost as ₹1254.52 crore. In reality, it would have received ₹1120.76 crore. This was the sum total of (a) annual lease charges receivable @ US \$ 9 million per year for 12 years per satellite and (b) upfront capacity reservation fee of US \$20 million per satellite. The total charges for two satellites thus amounted to US \$ 256 million. In Rupee terms, this amounted to ₹1120.76 crore. The Antrix-Devas agreement, therefore, could not have recovered the total cost incurred by DoS.

DoS, in its reply of August 2011, stated that as per the Antrix-Devas agreement, an increase in lease charges due to yearly changes in the wholesale price index worked out as ₹1310.29 crore as against ₹1120.76 crore as estimated by Audit.

The reply of the department is not tenable since the benefit stream was indexed to the wholesale price index and not to the cost stream. Further, the total cost to DoS of ₹1254.52 crore was worked out without considering other revenue operations and maintenance expenditure incurred, such as expenditure on space consumables held in their stock, launch service cost, insurance, etc., which on an average worked out to ₹452.98 crore¹³.

DoS fixed substantially lower transponder lease charges for Devas.

ISRO had incurred an expenditure of ₹223.41 crore (as of February 2011) towards the development of these two satellites developed as per the requirement of Devas to suit Devas services.

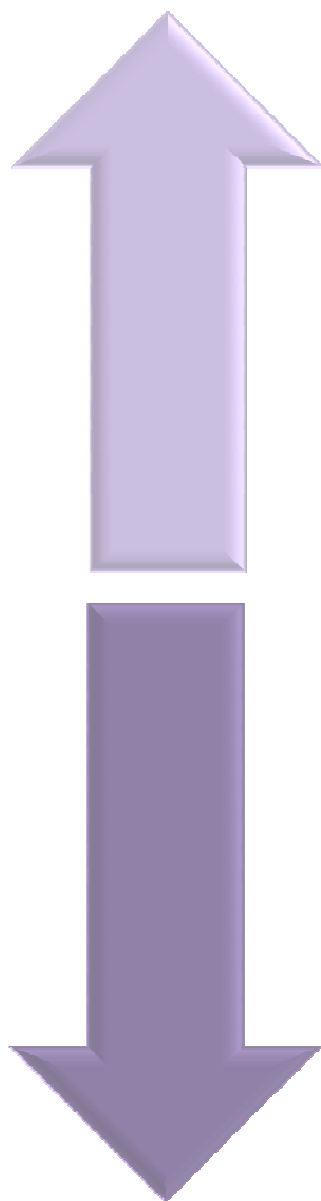
While furnishing a report on the action taken, DoS stated (January 2012) that appointment of a Director-level officer for costing was under process. The Chief Advisor (Cost) in the Ministry of Finance was consulted for the costing of INSAT transponders.

¹³ Revenue Operation and Maintenance (OM) expenditure of DoS for the 11 communication satellites in operation during 2004-09 is ₹1203.08 crore. The OM cost per satellite per year therefore would be ₹21.87 crore. The OM cost for 12 years for one satellite would be ₹262.49 crore. Therefore, for two satellites, the OM cost works out to ₹524.98 crore. The underestimated OM cost excluding the expenditure of MCF indicated by DoS for two satellite of ₹72 crore worked out to ₹452.98 crore.

3.7 What was unique about the Devas agreement

Until it signed the Devas agreement in January 2005, DoS had pursued two contractual models in its interface with customers. The highlights of these two forms of relationships were as follows:

Table-8: Customer-specific satellite agreements against transponder lease



Customer-specific satellite agreements

- Fully funded by customer
- Customer has exclusive rights on satellite
- No need for ICC scrutiny as not funded through INSAT budget
- Customer responsible for acquiring regulatory permission, frequency allocation, license, orbital slot
- Customer to establish satellite control centre
- Involvement of customer in development, launch and operation of satellite
[Examples- W2M, Hylas]

Transponder lease satellite agreements

- Developed and launched by ISRO using INSAT budget
- ISRO assistance for acquiring Regulator's permission, frequency allocation, licence etc
- No need for customer to establish satellite control centre
- No payment to be made for orbital slot by customer
- Only annual lease charges payable
- Satellite capacity allotment on non-exclusive basis
- ICC approvals mandatory since satellite is part of INSAT System
- Fall within administrative and financial control process of Government
- No involvement of customer in development, launch and operation of satellite
- [Examples- INSAT 4A, 4B, 4CR, 4G]

agreements

The Devas agreement was a combination of the above two types of commercial arrangements DoS had hitherto entered into with other customers. There were in-built checks and balances in the two forms of contracts, which created a level playing field for the customers without compromising on the interests of DoS. It is interesting to note that the model created for Devas picked elements from both forms of agreements in a manner which would benefit Devas.

Benefits which were of customer-specific satellite mode

1. No need for ICC approvals
2. No requirement to apply DoS administrative and financial control procedures such as vetting/approval by Ministry of Law or Member (Finance) of Space Commission.
3. Customer's involvement in design, development, launch and operation of satellite.
4. Satellite capacity exclusively earmarked for customer.

Benefits which were of transponder lease mode

1. Satellite to be funded from DoS budget.
2. No need to establish satellite control centre.
3. No payment for orbital slots.
4. DoS to assist in obtaining regulatory permission, frequency allocation, licence etc.

DoS, while accepting the facts of the paragraph, contended that the objective of this exercise was to ensure that certain technology that would otherwise not be available to India would be obtained under this agreement and in return, the agreement would provide for a proper business return for Devas.

The reply of DoS is untenable since it does not address the fact that the S-DMB service was an untested technology, an unlicensed activity and a business proposition whose market feasibility had not been assessed in a systematic manner. There was also nothing on record to establish the technical competence of Devas to roll out the new service. The business returns to Devas referred to in the reply appeared to be skewed in the Company's rather than the nation's favour.

The Devas agreement was a cherry-picking exercise in which DoS picked and chose those elements from two contrasting forms of contractual agreements which benefitted Devas and not the Government.

3.8 How did the Antrix-Devas agreement conditions benefit Devas

According to the SATCOM policy, the transponders of the INSAT system were to be allocated to non-Governmental users by signing lease agreements between DoS and the customers, spelling out technical, financial, contractual and management clauses.

The terms of the Antrix- Devas contract were one-sided and advantageous to Devas as compared to other transponder lease agreements.

The system of checks and balances failed in the case of the contract with Devas for leasing out all transponders of GSAT-6 and 6A. A detailed comparison of the terms of the Devas contract with that of other transponder lease agreements to highlight the extent of undue advantage to Devas is placed in **Annexure-2**.

What were the terms beneficial to Devas?

The terms of the agreement were such that in the case of failure of satellites, all risks and losses were to be borne by DoS. Even in the case of success of satellites, DoS was to bear substantial financial load (difference between costs and receipts towards lease charges). Audit test-checked 25 transponder lease agreements entered into by DoS and compared these with the Devas contract to find deviations/ modifications in the Devas contract. (Details in **Annexure-3**). The terms of the Antrix-Devas agreement were not precise and contained conditional clauses, generally one-sided, in most cases open-ended and advantageous to Devas as detailed below:

1. Leased capacities	Allocation of satellite capacity exclusively to Devas was against the principle of "non-exclusive allocation" of satellite capacity stipulated by ICC.
2. Period of lease and terms and conditions	Devas was allowed an open-ended lease for the entire expected life of the two satellites. Additional satellite capacity was to be provided based on a three-year notice. Therefore, satellite capacity, valuable

	70 MHz spectrum and an orbital slot were earmarked for an indefinite period to Devas without any financial consideration.
3. Interruption in the provisions of leased capacity	The clauses relating to interruptions extended a big advantage to Devas in cases of interruptions, instead of the smaller one-hour discount offered to other customers.
4. Board Participation	Antrix was offered a position for one of its officials on the Devas Board, which it accepted. This was apparently to create an impression to the international investors of Devas that the project was a collaborative project.
5. Assignment	Devas was permitted to sub-license, assign or sell all its rights including scarce and valuable spectrum without any approval from Antrix. In other transponder lease agreements, sub-licensing/assignments were not allowed.
6. Governing law	The arbitration clause of the contract recognised Devas as an international customer though their registered address as per the contract was Bangalore. International agreements binding on a department of the Government of India i.e. DoS involving international customers, arbitration proceedings, etc., required under international law were to be cleared by the legal cell of DoS and vetted by the Ministry of Law. This was not done in the case of this contract.
7. Liability for damage	Devas was unique in that it was to be compensated for delay in lease, and for an amount as much as \$ 5 million without approval of the Ministry of Law.

The above brings out how the contract agreement with Devas was unique in that it accorded special benefits to the private entity and loaded upon the Government, risks and liabilities that existed in none of the other contracts.

As events turned out, exploiting the provisions of the one-sided contract, M/s Dua Associates, Advocates of Devas, served Chairman, Antrix with a legal demand notice on 11 February 2011 in terms of paragraph 2.1.2.2 of Exhibit B of the Antrix-Devas agreement for

INR equivalent to US \$5 million within 14 days of receipt of the notice as a penalty for the delay in the launch of spacecraft from 22 June 2009 to 21 June 2010.

The Antrix-Devas agreement was terminated by the Government on 23 February 2011. Devas filed an arbitration demand on 29 June 2011 before the International Court of Arbitration of the International Chamber of Commerce. Devas was able to file the arbitration demand before the International Court, since unlike other transponder lease agreements, which provided that disputes between parties were to be settled by arbitration in accordance with rules of arbitration of the Indian Council of Arbitration and awards made in pursuance thereof, in the case of Devas, the agreement was crafted to provide this special dispensation to it.

DoS stated in August 2011, that the agreement was terminated in February 2011. In June 2011, Devas filed an application before the International Court of Arbitration and this petition was opposed by Antrix on the ground that the seat for adjudication under the agreement was New Delhi and the applicable laws were the laws of India.

The reply of DoS confirms Audit's contention that the beneficial clauses of the Antrix-Devas agreement were now being invoked by Devas to bolster its legal position, to the disadvantage of DoS.

Developments in respect of the arbitration petition filed by Devas before the International Court of Arbitration of the International Chamber of Commerce confirm the view held by Audit that the arbitration clause of the Antrix-Devas agreement singularly benefited Devas. Subsequent developments on the Antrix- Devas deal, inter alia, revealed the following:

- Based on the petition of Devas, the International Chamber of Commerce unilaterally appointed Dr Justice A.S. Anand as the arbitrator without consulting Antrix.
- The International Chamber of Commerce also constituted an arbitration tribunal, appointing a foreign national as the Chairman of the tribunal for arbitration between the two Indian companies, Devas and Antrix.
- In July 2011, Antrix issued a notice of arbitration to Devas appointing retired Justice Sujata V. Manohar as arbitrator.
- Antrix filed an arbitration petition before the Hon'ble Supreme Court of India on 5 August 2011 for directions to Devas to nominate its arbitrator in accordance with the

agreement and the United Nations Commission on International Trade Law (UNCITRAL) Rules, to adjudicate upon the disputes.

- Antrix filed an application before the Supreme Court for interim relief seeking to restrain Devas from proceeding in any manner with the International Chamber of Commerce.
- The International Chamber of Commerce demanded an advance of USD 325,000 as arbitration charges from Antrix.
- Antrix also filed an arbitration application before the City Civil Judge of Bangalore on 5 December 2011, praying for restraining of Devas from proceeding in any manner with the International Chamber of Commerce arbitration, contrary to the agreement and restraining the arbitration tribunal constituted by International Chamber of Commerce under its rules, from proceeding with the arbitration.
- Devas filed a statement of claim before the International Chamber of Commerce in February 2012, wherein it sought either performance of the agreement by Antrix, or a compensation of USD 1.6 billion (₹ 8240 crore¹⁴) plus interest at a rate to be decided by the tribunal, costs, attorney's fees etc.

It is, therefore, evident that the contract entered into with Devas was one-sided and was prima facie advantageous to it. This has resulted in opening of many fronts in various legal fora to be defended by Antrix and consequent expenditure, both in defending the legal challenges and possible payment of damages to Devas.

¹⁴ USD= ₹51.50