

Arbitration Petition before ICJ

586. DR. T.N. SEEMA: Will the PRIME MINISTER be pleased to state:

(a) whether Government is aware that M/s. Devas Multimedia Limited with whom ISRO sponsored Antrix Corporation had signed a deal to share S-band spectrum, has moved an arbitration petition before the International Court of Justice against cancellation of the contract with them;

(b) if so, the status of the petition;

(c) the provisions in the original agreement under which the arbitration petition has been moved; and

(d) the financial compensation liable to be paid by ISRO/Antrix to M/s. Devas as per the agreement in the event of unilateral cancellation of the contract?

THE MINISTER OF STATE IN THE PRIME MINISTER'S OFFICE (SHRI V. NARAYANASAMY):

(a) Yes, Sir.

(b) Antrix is taking action to defend itself in consultation with its legal adviser.

(c) Initially Devas Multimedia Pvt. Ltd., contested the grounds for termination of the Agreement, stating that the force majeure was self-induced. However, they sought to invoke Article 20(a) of the Agreement on arbitration and requested for discussion between Senior Management of both Parties. Based on legal consultations, Antrix agreed to the same and already one meeting of the Senior Management Team has been held on July 27, 2011. In case the matter is not resolved within three weeks, the Agreement provides for reference to an Arbitral Tribunal comprising of three Arbitrators, one to be appointed by each party and the Arbitrators so appointed to appoint the third Arbitrator.

In the meanwhile, Devas has approached the International Court of Arbitration, seeking restoration of the contract with Antrix and asked the Tribunal for compensation for breach of Agreement.

The Agreement and the rights and responsibilities of the parties shall be subject and construed in accordance with the Laws of India as per the Article 19 of the Agreement. However, as per Article 20 (c) the arbitration proceedings shall be held in accordance with the rules and procedures of the International Chamber of Commerce or UNCITRAL. Antrix is taking necessary legal measures to safeguard its interests.

(d) As per the Article 7(c) of the agreement on “Termination for convenience by Antrix” Antrix shall immediately reimburse Devas all the upfront capacity reservation fees and corresponding service taxes received by Antrix till that date and upon such termination, neither party shall have any further obligation to the other party under this Agreement nor be liable to pay any sum as compensation or damages (by whatever name called).

Scam in Posco Project

†587. SHRI RANJITSINH VIJAYSINH MOHITE PATIL: Will the Minister of STEEL be pleased to state:

(a) whether Government’s attention has been drawn towards bigger scam in ‘Posco’ project than that in 2-G; and

(b) if so, the reason therefor and the details thereof?

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA): (a) and (b) Ministry of Steel has not received any information regarding any investigation concerning Posco India Limited’s projects in the country.

MoU with Posco

†588. SHRI RUDRA NARAYAN PANY: Will the Minister of STEEL be pleased to state:

(a) whether Government is aware that the last date of a “Memorandum of Understanding” signed by Government with the giant Korean project Posco had ended;

(b) if so, whether in such a condition, the construction of Posco is legitimate;

(c) if not, the reasons for not putting pressure on the State Government by the Central Government for renewal of the MoU; and

(d) whether the issues of providing more compensation to rehabilitated people, more employment opportunities to locals and not allowing export of iron-ore, would be given more importance in the new Memorandum of Understanding?

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA): (a) In June, 2005, M/s POSCO, Republic of Korea had entered into a Memorandum of Understanding (MoU) with the Government of

†Original notice of the question was received in Hindi.