

## **Clarification on the Article published in Mint on 25<sup>th</sup> February 2022 and rejoinder in Mint on 27<sup>th</sup> February 2022**

This clarification has been issued in response to an article interview with Mr. P.J.Nath, MD & CEO of Nelco Ltd. published in Mint on 25<sup>th</sup> February 2022 and also the rejoinder in Mint on 27<sup>th</sup> February 2022 (collectively called "Article"). The Article contains several details which are partially quoted in isolation. These out of context statements may convey wrong message / perspective of the Company.

This clarification has been given by the Company in its legal interest, reputation and goodwill and in the interest of Company's various stakeholders, business partners, associates and public at large.

During the aforesaid interview with journalist of Mint, it was categorically discussed as to how satellite can help improve the internet infrastructure, who uses it, its advantages and limitations. The Article has captured only the limitations of satellite services but not mentioned at all about its advantages. The Company therefore, would like to clarify and elaborate on the immense opportunity Satcom has to offer. Also, some of the following key messages were not conveyed in the said Article:

To begin with, the Company wants to highlight the views on Low Earth Orbit (LEO) Satellites which are likely to revolutionize the Satcom industry globally. LEO satellite constellations can offer much larger capacity as compared to Geosynchronous Equatorial Orbit (GEO) satellites and offer much lower the latency which is comparable to that of a fiber. Because of these aspects, it will be possible to get fiber like speeds along with the flexibilities of a satellite connectivity, anywhere in the country with LEO satellites. This will be particularly relevant for the remote areas where the cost of laying fiber will be even higher. The LEO satellites will enable newer markets and applications for the Satcom industry, which are not there currently using GEO satellites. It will also help in bridging the digital divide in the country by providing reliable connectivity in the remotest villages. As such LEO satellites have large potential for India as well.

In terms of terrestrial media and Satcom price competitiveness, the Company believes that terrestrial media and Satellite communication will co-exist. Amongst many applications, Satcom will enable reliable connectivity in areas where terrestrial media is not feasible, unreliable or commercially unviable. For the retail internet Broadband consumers, the overall pricing and package are the key factors rather than the technology behind it.

The Satcom industry has been using GEO Satellites so long and quite successfully. There are also many developments taking place like High Throughput Satellites, Software defined satellites, Steerable beams etc. apart from the larger capacities in these satellites, which bring a lot of flexibility and advantages for the users. There are also a number of innovations taking place in the ground segments for the GEO satellites. All these will ensure that GEO satellites will also create newer markets and applications for the Satcom industry.

Our view is that GEO and LEO satellites will co-exist, each with its own preferred applications and markets. Nelco is a technology agnostic company and its overall growth strategy revolves around both GEO & LEO satellites.

As such, if one looks from all these perspectives, the Satcom industry has evolved a lot over the years globally as well as in India. The good news is that the industry is moving in the right direction and the Indian Govt. is also trying to give a boost to this sector. A lot of discussions are taking place for liberalising the regulatory framework in the country for the Space sector. As these changes take place, the Satcom industry in India will also be able to take advantage of all the developments taking place across the world and within the country serve many more sectors and applications in near future. The Indian Satcom industry has the potential to grow multi-fold in the coming years.