

November 13th, 2023

To,
The Secretary,
Listing Department
BSE Limited (SME)
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai - 400001.
Maharashtra, India.

Scrip Code: 543615
Trading Symbol: SRSOLTD

Subject: Submission of Earnings Call Transcripts.

Dear Madam/Sir(s),

Pursuant to Regulation 30 and Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find attached the transcript of the H1FY24 earnings call held on Wednesday, November 08th, 2023 at 02.00 pm (IST).

The said Transcript is also available on the website of the Company at:
<https://silicongroup1.com/>

Kindly take the above information on records.

Thanking you,

Yours faithfully,

For SILICON RENTAL SOLUTIONS LIMITED

Himanshi Tiwari
Company Secretary & Compliance Officer
M. NO.: A65997



“Silicon Rental Solutions Limited Q2 FY24 Results Conference Call”

November 08, 2023



**MANAGEMENT: MR. SANJAY HARISH MOTIANI – CHAIRMAN – SILICON
RENTAL SOLUTIONS LIMITED
MR. NIKHIL SANJAY MOTIANI – DIRECTOR**

**MODERATOR: MR. KAUSHAL SHINDE - KIRIN ADVISORS PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 FY24 Results Conference Call of Silicon Rental Solutions Limited hosted by Kirin Advisors.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Kaushal Shinde from Kirin Advisors. Thank you, and over to you, sir.

Kaushal Shinde: Thank you. On behalf of Kirin Advisors, I welcome you all to Silicon Rental Solutions Limited Q2 FY24 Concall. From the management side, we have Mr. Sanjay Harish Motiani – Chairman and Managing Director, and Mr. Nikhil Sanjay Motiani – Director. Now I will hand over the call to Mr. Nikhil Sanjay Motiani. Over to you, Sir.

Nikhil Sanjay Motiani: Thank you so much Mr. Kaushal. I would like to begin by welcoming you all. Ladies and gentlemen, warm welcome to our inaugural conference call. As we come together to discuss the financial performance of Silicon Rental Solutions Limited for the first half of fiscal year 2024, I am honored to address you all.

Before we delve into the specifics of H1 FY24, let me offer a brief overview of our company and its business model. Silicon Rental Solutions Limited, a pioneering name in the Indian IT rental sector since its establishment in 1993. Initially focused on the sale and service of IT equipment. Over the years, our company has evolved and broadened its services while maintaining an unwavering commitment to customizing rental schemes that provide undeniable advantages to our clients. Our registered headquarters is in Mumbai with branch offices in Pune, New Delhi and Kolkata. In 2021, we proudly achieved recognition as India's first ISO 9001 2015 third side IT rental company. We take pride in being a one stop destination for all IT rental needs. Our extensive product portfolio is designed to adapt to the ever-changing demands of our clients, ensuring that business thrives with optimal efficiency and performance. We offer desktops, laptops, printers, servers, CCTV security, networking gear, projectors and various IT hardware and peripherals. We source the majority of our products from major brands like HP, Dell, Lenovo, Apple, Asus, Intel, AMD, GIGABYTE, SonicWall, D-Link, Cisco and others. We consistently enhance our offerings, cementing our position as a trusted partner with a skill team of engineers dedicated to equipment, support and maintenance. We promised to schedule visits within 24 to 48 hours, aligning with the clients specified turnaround time.

Our rental solutions range from as short as one day to as long as 36 months offering benefits such as 24 x 7 support service, rapid support, low capital investment, 0 cost repairs, hassle free maintenance and convenient free upgrades. Some of our notable clients include Tata Group Companies, Reliance.

Looking back at FY 2023, at FY2023, the company reported total revenue of 36.35 crores, EBITDA of 30.04 crores and a net profit of 10.67 crores. Our remarkable CAGR reveals a remarkable growth trajectory revenue of 62%, EBITDA of 77% and PAT of 99%. We successfully listed on the BSE SME platform in October 2022. To sum it up, we currently serve more than 1000 clients, including industry giants across various sectors with the presence in over 250 locations spanning 16 States and three union territories in India. We have deployed over 30,000 tech assets to drive their success.

Now let's delve into the financial highlights of H1 FY24:

In the first half of the fiscal year 2024, Silicon Rental Solutions Limited demonstrated substantial growth with total revenues reaching 25.06 crores marking an impressive year on year increase of 42.47 from H1, FY23. The company's EBITDA also showed a robust performance reaching 18.81 crores, reflecting a notable 29.47% increase compared to the same period in the previous year. The net profit for H1 FY24 stood at 7.13 crores exhibiting a substantial growth of 31.45% when compared to H1 FY23. The EBITDA margin stood at 75.07% while the net profit margin stood at 28.44%, highlighting strong profitability. The depreciation amounted to 9.53 crores, which is one of the major non-cash expenses. The company also generated a healthy operating cash flow of 12.89 crores, reinforcing its financial stability and ability to sustain positive growth.

Now I would like to end my part and hand this over to Mr. Kaushal. Thank you so much.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Rahil Dasani from Mittal Analytics. Please go ahead.

Rahil Dasani: I have a few questions. So, first of all, according to your last Concall, I know this was an example, right? How do you do the logistics for 900 while other companies may do it for 2500 and secondly as your scale grows, would you be able to maintain this level of cost or as you spread geographically this would be impacted. How do you do the logistics for Rs.900 while other companies might do it for Rs. 2500?

Nikhil Sanjay Motiani: We do not do it at Rs. 100. Yes, but we do it 900. So, basically, we have a huge I mean we have all the big major logistics companies and because the quantity is so huge, we can have a tie up with them for a year, so we tie up with them for a long term and with this kind of quantity, we get the best rate. So, our commitment is huge and that is why we get these kind of prices.

Rahil Dasani: Okay and are these costs sustainable, like if you spread geographically, would these costs remain the same.

Nikhil Sanjay Motiani: See basically what happens. See today we have reached a position where we have said 100 engineers and say we have 30,000 machines deployed and the mathematics goes that the moment you start increasing your base where you reach to 40 to 50 thousand machines, your expenses do not go up exponentially, so we will definitely be able to maintain these kind of profits, though

we might not be showing a 100% jump and 50% jump. But our part and this thing will be very much in a good range as compared to most of the companies in the market today.

Rahil Dasani: Okay, so my second question is what is stopping new competitors from entering this space like? What are the entry barriers in your opinion according to your last concall there was a logistic management issue with the new competitors must have faced, but now since the work from home is taking a halt, so what is your opinion on this?

Nikhil Sanjay Motiani: See today if you see everybody the mindset is such that nobody wants to own assets and with especially with these kinds of depreciating assets where you need huge backup support service, it really is not easy to manage all these things. So, a client would definitely look at a solution where he gets the product, which is taken care of in every term, I mean including logistics, including service, including upgrade and exchange. So, we have all those options which a client would love to have, and nobody wants to go into CAPEX mode, that is one and as far as competition is concerned, I think there is competition everywhere. But with our business where the investment is so high, I do not think it is very easy for anybody to get into this business and the scale which we are doing it on. So, it won't be as easy. I mean you can easily get in to reselling a product. But if you have to rent it out, you have to invest on your side, and I am not talking about thousands of numbers. So, you are looking at crores of investment and your money is going to come to you in a period of time. So, that is something which is not so simple, and it is not so easy for everybody to jump into.

Moderator: Thank you. The next question is from the line of Chinmayee Rane from Kojin Finvest. Please go ahead.

Chinmayee Rane: Just want to understand your business model, how scalable our business model is and what is the approach to bag an order for any corporate or any institution?

Nikhil Sanjay Motiani: See, it is definitely a very scalable model. Investment is high, but then we are listed, and we have good banks with us where we find what we call our source of money is very much I mean taken care of and we have all the options ready with us. So, the moment we scale up we have the finances in place. That will be a big advantage to us and the way we are growing, I mean it should not be a challenge and definitely it is a scalable model, and we can definitely grow to a very-very large extent.

Chinmayee Rane: And then what are the courses generally need follow the bag in order like how the business is generated?

Nikhil Sanjay Motiani: That is our normal marketing process, we have in-house digital marketing people. We have on-field marketing guys, sales guys who are on the field all the time and not to forget the references that we get because of our good work and good service that we are doing. So, all those things help in our expansion and orders.

- Chinmayee Rane:** But it means that it is an individual requirement of a working capital suppose the peripheral and then to supply right sir.
- Nikhil Sanjay Motiani:** Yes, yes.
- Chinmayee Rane:** And then what is the time period generally you refer back to your investment in the sense you will receive the money from your bank?
- Nikhil Sanjay Motiani:** That varies. Actually, there is a lot of working to it. The service required, the logistics, everything and the product that we are giving so that there is no fix this thing which I can tell you that we recover the cost in x number of months. So, there is no fixed thing to it. But we have a working, where we work on all the costing, the product, the life of the product, the service required, and logistics required and everything. So, all those things are, there is a lot of calculation to it, it is not so simple.
- Chinmayee Rane:** So, can you safely assume that your working capital cycle would be around 6 to 8 months.
- Nikhil Sanjay Motiani:** No way. That is not possible in such a short time to recover the cost of the product, and everything is not possible.
- Chinmayee Rane:** So, then what is your working capital cycle sir?
- Nikhil Sanjay Motiani:** It will be different for different products so that I will not be able to tell you as of now.
- Moderator:** Thank you. The next question is from the line of Gunit Singh from CCIPL, please go ahead.
- Gunit Singh:** I am new to the business. I just would like to understand, I mean how things work so I mean what kind of contracts do we have with our clients, or I mean do they pay us monthly or do we have an annual cost for and what is the realization to a customer, I would like to understand. I mean what is our investment say for example if we are talking about laptops, so what is our investment in a single laptop for us? What is the cost and I mean what kind of revenues and EBITDA do we generate per laptop.
- Nikhil Sanjay Motiani:** I think we have given everything on this thing, so all these I think, and I will answer the question anyway. So, anyway.
- Gunit Singh:** I just want to understand the unit economics basically of how this works. So, for example.
- Nikhil Sanjay Motiani:** It is a simple rental this thing where we have a product which will cost X whatever 30,000 we have our service cost to it. We have our logistics cost to it. We have our interest cost to it. So, all those things are added, and we take care of everything, and we give a turnkey kind of this thing to every client and that is how it works. So, basically, we are taking care of all the headaches right from investment to service to logistics and we give them a complete package.

Gunit Singh: So, I mean, what kind of a price differential is it for them? I mean as for example, against purchasing a laptop or renting it out from us I mean.

Nikhil Sanjay Motiani: You might look from your window where you are an individual. See when a company is looking at a thousand laptops.

Gunit Singh: From a company's perspective.

Nikhil Sanjay Motiani: I am just giving you an idea. That's what I am just telling you. So, basically when you are looking at thousand laptops you have to invest some around 55 crores or so when you are wanting to, when you go to invest 5 to 7 crores and you go to pay your interest on it and a depreciating asset where you for thousand machines, probably you will need at least 7-8 engineers and upgrade cost. All those things are there. So, when I have to invest that kind of money where I have to keep a team of engineers to maintain those in addition maintaining the details of the access, the locations is that so when you add all these things, it becomes quite an headache. So, when a company is given a package where they just have to pay a monthly installment of x amount and I take care of everything, so then it becomes one headache which is off the head, I mean they are basic basically just outsourcing it is like any other business where if I am paying an x amount extra also and my department is taken care of I would prefer to do that rather than investing and hand taking over all those headaches on my head. So, that is why it becomes a complete package for a company where everything we take care not to forget pilferage, so for companies to where if they have 10,000 machines, they cannot keep track how many hard disks are going bad. So, how many RAMs are going bad, how many things are missing, you get that, and we are taking x amount every month. That is, it whatever goes bad, whatever is faulty, whatever has to be replaced, upgrades are totally our headache, not to forget our logistics costs and all these things which are much-much cheaper as compared to when individual company goes in and start negotiating with those vendors. So, overall if you will see it is not going to be a very costly proposition, but it is definitely a workable thing for everybody because they have to just give a rental amount every month, that is it everything else is taken care of.

Gunit Singh: Get an idea on an annualized basis so for example, if they take a one-year contract. As against investing price year mean, how much are they saving on that and also do they have any clause or say replacing the laptop. So, if the contract is for the 3 Years. So, I mean, are there any clauses in build which say that every 12 months or every 18 months you replace this laptop with the newer machine? That is one question.

Nikhil Sanjay Motiani: That again depends on company-to-company that does not happen. There is no such thing as written in advance. It is normally a one-year or three-year contract, and we can always review it over the course of time, and we have all those options in place. If there is a specific requirement and they in spite of being in a contract for 36 months, they want to change to a better laptop even those options are available with us. So, that is a very big advantage to these clients. Alright, got it and so what is that I mean outlook for FY24 in terms of topline and bottom line since we are a fast-growing company and what kind of growth do we expect for FY25 and I mean in the

coming say next one or two years, I think you should go and check our last few years performance and we have been growing at 30-40% on a regular basis. So, I think we are going to maintain that for like 30 to 40% CAGR for the next 4-5 years, yes. alright, wish you all the best. Thank you.

Moderator: Thank you. The next question is from the line of Prateek Chaudhary from Saamarthya Capital. Please go ahead.

Prateek Chaudhary: Sir, in your income statement, you made some purchase of stock and trade worth around 3 or 4 crores. What is this regarding?

Nikhil Sanjay Motiani: So, we got an opportunity to do some trading, which normally we do not do, but we are mainly into rental, but that is also a part of our business which we have always been into, so we got an opportunity to I mean exhibit an existing client order which they wanted to purchase. So, basically that was a trading business that we did.

Prateek Chaudhary: Trading business, okay and what sort of margins do you typically earn on such business?

Nikhil Sanjay Motiani: Anywhere from 10 to 15% depending on the product.

Prateek Chaudhary: Okay and do you expect such revenues to persist in forthcoming quarters?

Nikhil Sanjay Motiani: Like I said, we do not, I mean getting to those businesses because we prefer to be in our space which is rental, but then if our client, who is the existing client and who is looking at something like this, we would not like to say no to them. So, that is the reason that we do honor such specific requirements.

Prateek Chaudhary: Right and what are your CAPEX plans for FY24 and FY25.

Nikhil Sanjay Motiani: I think that is as per orders, it totally depends on the orders that are there, and we have enough capacity to expand exponentially also. So, all are working in place, and we can have any kind of investment even up to a 100-plus crore.

Prateek Chaudhary: This is per year you were talking about?

Nikhil Sanjay Motiani: Yes.

Prateek Chaudhary: Are you envisaging such numbers or closer to such numbers to take place maybe in the next one or two years?

Nikhil Sanjay Motiani: Yes, definitely.

Prateek Chaudhary: Because up until now, we have been doing around 25 crores to 30 crores CAPEX per year and this half year also we did around 16 crores.

- Nikhil Sanjay Motiani:** Yes. So, it's gone to 32 crores. So, I like you said for two years 100 crores is not a big deal. We could definitely do that.
- Prateek Chaudhary:** Is that a definitive plan you guys are working on or that's your sort of aspiration?
- Nikhil Sanjay Motiani:** It is not aspiration. We are in talks with lot of companies. We are giving them options. So, there are many, many, many things that we are looking at adding new verticals adding new ideas. We are not taking only to basic IT. We are looking at a lot of avenues and we are looking at lot of other verticals where we can definitely grow to that number.
- Prateek Chaudhary:** You could be looking at spending around 100 crores in the next two years.
- Nikhil Sanjay Motiani:** Yes.
- Prateek Chaudhary:** And what sort of asset turns would you generate on this investment roughly?
- Nikhil Sanjay Motiani:** Similar 30% kind of thing.
- Prateek Chaudhary:** How much?
- Nikhil Sanjay Motiani:** 25 to 30%.
- Prateek Chaudhary:** That's the asset turn currently as well for you. I am asking that if you spend 100 crore on if you spend on 100 crore worth of equipment, how much would it be able to generate in revenues per annum on full utilization?
- Nikhil Sanjay Motiani:** Like I said, no, 25% of it, 25 to 30% in the year.
- Moderator:** Thank you. The next question is from the line of Anand Patel. Please go ahead.
- Anand Patel:** I want to understand regarding the insurance policy. I mean we have assets worth of 70 to 80 crores, but I see only Rs. 55,000 spent on insurance last financial year which is 2022 to 2023. So, suppose any incident happens like a fire or earthquake or anything that can damage our asset, are our customers responsible for such damages.
- Nikhil Sanjay Motiani:** Yes, because see, the product is in their premises. So, it is definitely covered by them. So, that normally is the case and we normally do not have a huge quantity line with us. That is why we do not get into the insurance, only the clients take care of the insurance from that side.
- Anand Patel:** Okay so any kind of asset which is damaged, they will give us money for that because that is our asset, if their insurance claim is clear.
- Nikhil Sanjay Motiani:** Yes. Whether it is cleared, or no client takes care of it.
- Anand Patel:** Okay and do we collaborate with other companies for service upgrading or like networking?

- Nikhil Sanjay Motiani:** Yes, we do because we cannot because we have so many cities to take care of, it will not be possible to have so many engineers in so many locations. So, we have tie ups, yes.
- Anand Patel:** Okay just a follow-up question on this service part. Do we serve our customers only those who have access of more than 1 crores or like more than 100 access. Is it any kind of criteria like that?
- Nikhil Sanjay Motiani:** Yes, see, basically we give service only to people who have taken equipment from us so it's whether....
- Anand Patel:** But it is like minimum 100 plus equipment or minimum 1 crores asset.
- Nikhil Sanjay Motiani:** Yes, we try to maintain a minimum of 50 machines kind of criteria.
- Anand Patel:** So, if someone took 25 laptops for rent, so you will not provide them service.
- Nikhil Sanjay Motiani:** No, we will, not that we will not provide, we will not supply them all. See, if we supply, we have to give service. So, that is our motto, if we are supplying with a 1 piece or 10 piece, we have to give service. But if we do not supply them, then we are not liable to give them service. So, if it is less than 25 machines, I might not supply them. So, if you do not supply, you will not give serve and if we supply one piece also, we will give service, that is how it is.
- Nikhil Sanjay Motiani:** Thank you. The next question is from the line of Abhishek Sharda. Please go ahead.
- Abhishek Sharda:** My first question is regarding the growth guidance that you gave last time for FY24 is around 40 to 50%. So, do we stick with this guidance?
- Nikhil Sanjay Motiani:** Yes.
- Abhishek Sharda:** And Sir for FY25.
- Nikhil Sanjay Motiani:** Similar kind of growth.
- Abhishek Sharda:** In the starting concall, we said that our growth would be around 50 to 80%, minimum of 50%. So, basically, we are cutting our guidance.
- Nikhil Sanjay Motiani:** No such thing. I mean, we never said 50 to 80%, that is stupendous, I mean way beyond we have never mentioned 50.
- Abhishek Sharda:** In the first phone call you mentioned, I think 50 to 80% and minimum 50% I mean I read from your transcript only.
- Nikhil Sanjay Motiani:** I do not think so. We have always maintained 40% kind of a thing $\pm 5\%$. So, yes, I mean that is what we normally do.

- Abhishek Sharda:** 40 to 45% may be a mistake from my side and sir the other question is like recently you got the order of around 250 laptops.
- Nikhil Sanjay Motiani:** Yes.
- Abhishek Sharda:** Basically, what kind of incremental revenue we get from this order in the top line.
- Nikhil Sanjay Motiani:** It will be around 7 to 8 lakh per month. It is a monthly it's a monthly this thing.
- Abhishek Sharda:** Okay sir. So, 7 to 8 lakh per month for around 4 to 5 years. The useful life if you assume useful life for 4 to 5 years.
- Nikhil Sanjay Motiani:** Yes, you can do that.
- Abhishek Sharda:** So, is that understanding, correct?
- Nikhil Sanjay Motiani:** Yes.
- Abhishek Sharda:** Okay and sir any margin guidance like you said like PAT margin you have given the PAT margin guidance of around 30%, so we stick to that guidance only.
- Nikhil Sanjay Motiani:** Yes.
- Moderator:** Thank you. The next question is from the line of Jainam Shah. Please go ahead.
- Jainam Shah:** So, we have achieved a remarkable EBITDA margin of 77%, right?
- Nikhil Sanjay Motiani:** Yes.
- Jainam Shah:** So, what is the specific factor that contributes to such a high margin?
- Nikhil Sanjay Motiani:** It is everything, it is our product it is because how we maintain our products, how we increase their life. So, our products can last longer. The longer they last, the better the revenue and how we keep our expenses in check. So, everything is responsible for this and like I said, now it even previously, like I said, I mean if we have a say 30,000 machines and we have expenses of say 10 lakhs if I move from 30,000 to 60,000 machines also my 10 lakhs will just go to around 12 to 13 lakhs. So, that all these things as we grow keep helping us in maintaining our profit span keeping our EBITDA and PAT high.
- Jainam Shah:** Okay understood. And now one question, one more. So, what are the strategies for next half of the financial year, so any strategies we have made?
- Nikhil Sanjay Motiani:** Yes, we are continuously doing a lot of things. I mean, actually, I cannot divulge many things, but then we are adding new verticals. We are expanding in different states, we are opening offices there, we have new products coming in new so lot of things happening at the back end.

So, I mean I can ensure our growth will be as good as it has been, and it might become better with time.

Jainam Shah: Okay. Yes. I think that should be OK, Sir. Thank you.

Moderator: Thank you. The next question is from the line of Chinmayee Rane from Kojin Finvest. Please go ahead.

Chinmayee Rane: Sir just wanted to understand like how over AMC works after providing the reference, what kind of how our AMC is going to?

Nikhil Sanjay Motiani: I mean, it is like a normal AMC, no, I mean we have our own ticketing system where client places a call, and our engineer goes and attends. So, we have engineers all over and we have a maximum turnaround, I mean 24 hours we resolve the issues and again like I said because we are Pan India, we have offices in some places, some places we have tie ups, and we ensure that our maximum 24-48 hours our resolution is taken, and the product is up and running.

Chinmayee Rane: Sir right now we understand, like, suppose you have 50 or 100 peripherals order So, what is quantum of the AMC. In terms of the money, like how was the AMC charges, is it a particular percentage of the total order or it is a fixed amount for the 50 peripherals is how does it work?

Management: There is no mathematics for this madam.

Chinmayee Rane: And you said it in logistics cost is the major cost I believe. So, what is the percentage of to the sales revenue?

Management: Of what cost the logistics?

Nikhil Sanjay Motiani: Maximum 2-3%.

Chinmayee Rane: Okay so that is not a major cause for you?

Nikhil Sanjay Motiani: Exactly.

Chinmayee Rane: Okay and say then you have a tie up for the services you provided PAN India. So, what kind of how the regeneration how the fees are paid to them is this percentage to them or like how it is?

Nikhil Sanjay Motiani: It depends if it is normally a call basis because like I said, most of the places we will have our offices or we will have our engineers there and a little Tier-2, Tier-3 cities where the calls are not too many, we will be per call basis. So, it is just per call.

Chinmayee Rane: So, then what would be the major personal comment?

Nikhil Sanjay Motiani: Major cost is investment.

- Moderator:** Thank you. Thank you. The next question is from the line of Gunit Singh from CCIPL. Please go ahead.
- Gunit Singh:** Thank you sir for the follow up. So, are we planning to raise any debt for our future CAPEX plans, or I mean would all this be from internal accruals from my internal alright, so we would be planning to remain, I mean almost that in the future as well.
- Nikhil Sanjay Motiani:** Yes.
- Moderator:** Thank you. The next question is from the line of Anand Patel. Please go ahead.
- Anand Patel:** So, as per the last presentation and last concall, company wanted to enter some new segment or some asset like business to improve debt margin. Any update on the same?
- Nikhil Sanjay Motiani:** We have started, but not on a full-fledged basis and we are still tying-up with a few. But this year we should be giving good news about those also.
- Anand Patel:** So, what kind of business that will be?
- Nikhil Sanjay Motiani:** Similar line.
- Anand Patel:** Similar line, just products are different.
- Nikhil Sanjay Motiani:** Yes.
- Anand Patel:** And are you planning for any kind of refurbishment, or some networking does not just provide the assets? So, are we planning any kind of refurbished business or networking, not only supply assets, but do networking for the companies also?
- Nikhil Sanjay Motiani:** But we are already doing that. So, we take turn-key projects, we do complete networking, firewall, everything. So, we were always into everything on the server, we were not into only box selling we were always into complete setup, networking, CCTV, firewalls everything.
- Anand Patel:** So, those installments or networking are ended up in this rent monthly rental.
- Nikhil Sanjay Motiani:** Yes.
- Anand Patel:** So, no different charge for those tickets.
- Nikhil Sanjay Motiani:** No.
- Anand Patel:** I see debt of long-term debt of 8 core on the balance sheet is H1, but finance cost is only 3.5 lakh. So, what is that?

Nikhil Sanjay Motiani: No, which one are you talking about 8 cores we had paid off with our IPO funds. So, I do not think they will be shown in the current balance sheet.

Anand Patel: It is showing in September 23, Rs. 8 core of long-term borrowing.

Nikhil Sanjay Motiani: How much 8 crores.

Anand Patel: 8.72 crores.

Nikhil Sanjay Motiani: No.

Anand Patel: Please go through the result please.

Nikhil Sanjay Motiani: Yes, I will do that. Don't worry. I will send you the one this week.

Anand Patel: And can you bifurcate clients based on the contract period. I mean how many less than six months, six to one year more than one year.

Nikhil Sanjay Motiani: Our model is more for people who are I will say at least 60 to 70% or long term.

Anand Patel: Long term and more than one year or one year at least.

Nikhil Sanjay Motiani: More than more than two years rather.

Anand Patel: More than two years and Maharashtra, how much percentage of the top line? Maharashtra, and we were mainly focused on Maharashtra previously.

Nikhil Sanjay Motiani: Yes, Maharashtra will be around 60% odd.

Anand Patel: 60%. So, I do not see much inventory in the books. So, whatever asset we buy, it goes into the asset part of the book. Okay so usually how much percentage of the assets are given on rent at a particular time and how much percentage of the assets we keep for backup.

Nikhil Sanjay Motiani: I think 95% will be there and maximum 5% as backup probably.

Anand Patel: Okay so we place orders for these assets only when we get commitment from the customers.

Nikhil Sanjay Motiani: Yes always.

Moderator: Thank you. As there are no further questions from the participant, I now hand the conference over to Mr. Kaushal Shinde from Kirin Advisors for closing comments.

Kaushal Shinde: Thanks everyone for joining the Conference Call of Silicon Rental Solution Limited. If you have any queries, you can write us at info@kirinadvisors.com. Once more, thank you everyone for joining us.

Nikhil Sanjay Motiani: Thank you. Thank you everyone.

Moderator: On behalf of Kirin Advisors that conclude this conference, thank you for joining us and you may now disconnect your lines.