



“ROX Hi-Tech Limited
Q3 FY '24 Results Conference Call”
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MODERATOR: **MR. KAUSHAL SHINDE - KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to ROX Hi-Tech Limited Q3 FY24 Results Conference Call hosted by Kirin Advisors Private Limited. 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 an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Kaushal Shinde from Kirin Advisors Private Limited. Thank you and over to you, sir.

Kaushal Shinde: Thank you. On behalf of Kirin Advisors, I welcome you all to ROX Hi-Tech Limited Q3 FY24 conference call. From the management side, we have Mr. Jim Rakesh, Managing Director, Ms. Sukanya Rakesh, Whole-Time Director, Ms. Agna Daicy Edison, Leader, Intelligent Enterprises, Ms. Thenmozhi, Company Secretary. Now I hand over the call to Ms. Agna. Over to you, ma'am.

Agna Daicy Edison: Thank you, Kaushal. Ladies and gentlemen, good afternoon, and a heartfelt welcome to our first conference call where we come together to talk about the financial performance of ROX Hi-Tech Limited for the third quarter of fiscal year 2024. It is truly an honour to speak with you all of you.

Before we dive into the details of Q3 FY24, let me give you a quick overview of our company and how we operate. ROX Hi-Tech Limited, headquartered in Chennai, stands as a beacon of customer centricity and unwavering commitment to excellence in IT solutions. With over two decades of industry experience, we have transformed from an IBM business partner into a prominent IT player.

Specializing in system integration, ROX is dedicated to delivering a diverse array of IT solutions, demonstrating agility in adapting to industry changes and offering forward thinking services to a broad clientele. ROX Hi-Tech Limited got listed on NSE EMERGE platform in the month of November 2023. On the operational side, we have made good progress by strengthening our relationship with many clients.

These initiatives brought into new clients, showing that we are committed to growing steadily. We are pleased to share that we have secured a substantial order valued at INR40 crores in Q3 FY24, focusing on digital transformation. The associated deals are scheduled to unfold between January 2024 and June 2024.

Furthermore, we are excited to announce a partnership with Blue Prism aimed at providing AI-powered intelligent automation solutions for SAP deployments, thereby expediting our clients' SAP S4 HANA transformation objectives. In addition to these accomplishments, we have clinched a significant digital transformation deal with public sector organizations, showcasing our expertise in data and database migration. With these significant milestone and strategic initiatives, we are confidently entering a phase of substantial growth, setting the stage for further expansion in the future.

Now, let me take you through the financial performance of the company during Q3 FY24. During the third quarter of current financial year, our company achieved a noteworthy total revenue of INR37.76 crores. EBITDA stood at INR7.73 crores, reflecting a strong EBITDA margin of 20.47%. The profit after tax reached INR5.30 crores, with an impressive net margin of 14.04%. Earnings per share for the quarter was 2.32%. For the cumulative nine months of FY24, the company reported a total revenue of INR115.11 crores, EBITDA for the period of INR23.35 crores, with a notable EBITDA margin of 20.29%.

Profit after tax amounted to INR15.8 crores, showcasing a PAT margin of 13.72% and an EPS of 6.92%. We are proud of the strong growth we have seen so far and looking forward to an even better performance in the upcoming quarter. We are working hard to improve our financial results and are excited about the opportunities coming our way.

The noteworthy performance is the reward to our hard work and our effective growth strategies, operational efficiency, and nonetheless lucrative market opportunity which we capitalized during the reported period. At this point, we'd like to assure you the future is lucrative and our company will do every effort to optimize profit from it. We are grateful to you for your faith in the company and being an integral part of the journey.

With this brief, I would like to hand over the call to Mr. Jim Rakesh, Managing Director and Mrs. Sukanya Rakesh, the Whole-Time Director of ROX Hi-Tech Limited for a quick Q&A.

Moderator: Thank you very much. We have our first question from the line of Ananaya Swaminathan from C-Square. Please go ahead.

Ananaya Swaminathan: Hi, thank you for the opportunity. I wanted to know what is your revenue breakup in hardware, software, and AMC?

Jim Rakesh: Hi, good evening to all the shareholders. I am Jim Rakesh. See, how we work is 40-40-20.

So, that is the way our interest. 40% will be hardware, 40% will be software and 20% will be the recurring services on that.

Ananaya Swaminathan: Okay. And sir, how much of your top 10 clients contribute to the revenue?

Jim Rakesh: So, they are around, top 10 is around 45% of the overall revenue.

Ananaya Swaminathan: Okay. And what is the repeat business from client?

Jim Rakesh: So, these are all long-term contracts. So, I think, you know, we have annually repeatable businesses. So, they require, you know, minimum 3 years, maximum 5 years.

Ananaya Swaminathan: Okay. All right. Thank you. Thank you.

Moderator: Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Thank you very much for this opportunity. So, first, I just wanted to understand in third quarter, our revenue was INR37.7 crores. So, what was the like-to-like number? I mean, what is the growth we have seen in third quarter on a YOY basis?

Jim Rakesh: See, YOY basis is around 2 digit percentage. But if you look at the overall IPO, IPO was in the second week of November. And December first week was only we concluded the overall IPO.

So, the plan was, you know, you can see, you know, year-on-year growth as around 10% to 15%.

Deepak Poddar: 10% to 15% is what growth you are talking about? I didn't get you.

Jim Rakesh: Because, you see, last year, the annual revenue was INR133 crores. But this year Q3 revenue is INR117 crores. So, that way, we have done easily around 15% growth.

Deepak Poddar: Okay, in 9 months. In 9 months, you are saying 9 months like-to-like is 15% growth?

Jim Rakesh: Correct.

Deepak Poddar: And what is the growth in third quarter?

Jim Rakesh: Third quarter, Sukanya, will you have the number? Sure.

Sukanya R: Good evening. This is Sukanya. Thank you very much for the question. We have improved our growth between July till December. And quarter-on-quarter, we have shown about 7% to 8% increase.

Deepak Poddar: 7% to 8% increase, I mean, third quarter of FY24, 7% to 8% increase over third quarter of FY23. Right? That's what you are trying to say?

Sukanya R: Yes.

Deepak Poddar: Okay. Understood. And, I mean, what is the reason of not having a -- I mean, because we are standing in a big opportunity, right? This segment is seeing a lot of traction. But our growth seems to be on the lower side. So, what can be the attributable reason for that?

Jim Rakesh: Okay, I will take this. So, you will see that, there was a couple of buildings which got spilled over from December to January. So, you will see that compensating in Q4.

Deepak Poddar: Okay, understood. And for this entire year, what is the growth we are looking at for FY24 and maybe for next year?

Jim Rakesh: We are around 15 plus, 15 plus percentage.

Deepak Poddar: 15% plus in FY. And what about FY25-'26?

Jim Rakesh: Subsequently, we will be in the similar lines. 15%? Or maybe even more. Once post-election, I think, you know, we should be able to easily around 15%-20%, yeah.

- Deepak Poddar:** 15%-20% kind of a growth. And we were working on one of our product, medical automation. So, what is the status on that particular...
- Jim Rakesh:** So, we are setting up the digital transformation centre of excellence, which is in Chennai, which is bound to inaugurate by third week of March. Once that is done, already we have recruited various developers who are working on the blueprint. Once that is done, I think we will go into the testing phase.
- Deepak Poddar:** Okay. And I mean, by when you expect that this can be ready for commercial launch?
- Jim Rakesh:** See, commercial launch, I will not be able to comment on the Q3 financial results right now. But it should be all ready for the beta release next financial year.
- Deepak Poddar:** By second half? I mean, 2H FY25, right?
- Jim Rakesh:** Yes.
- Deepak Poddar:** Okay. So, when we are saying this 15%-20% growth, have we factored in any kind of upside that we can get it from this particular segment?
- Jim Rakesh:** No, that's not factored in. So, that will go to the separate revenue stream, which we will, you know, come out to the disclosure maybe in the next financial year.
- Deepak Poddar:** Okay, understood. And at a steady state basis, what is the EBITDA margin at which we generally work with or we are comfortable with in that range?
- Jim Rakesh:** See, services is high, right? Because we can run a lot of repeatable processes, which we can deploy to customers. The return key projects also, we should be able to be around the same, you know, consistently maintained till we see the market correcting and coming back. Then automatically the margins go up, grow in the northward.
- Deepak Poddar:** So, this 20%-21% is what one may look to maintain, right?
- Jim Rakesh:** Yes, that is going to come up.
- Deepak Poddar:** And ideally, medical automation would have better margins as compared to this?
- Jim Rakesh:** Yes. Yes.
- Deepak Poddar:** Okay. And just one last query from my side. This mix that you have mentioned about hardware, software, and recurring services, 40-40-20. So, do you expect this to change and how should it change in next three years?
- Jim Rakesh:** See, once the demand is back, once I think the elections are over, I think India will start coming back to the growth phase again. Then it all, depends on a turnkey project. So, if you look at averaging out in the, you know, three to five years' time, it will be a similar percentage.

But there could be some quarters where, hardware could be more or software can be more based on the project implementation, you know, scopes.

Deepak Poddar: Okay. And how much percentage revenue we get from overseas?

Jim Rakesh: Overseas, not yet because we are just establishing, going to establish. We have just called out in the board meetings that we are establishing our subsidiaries. In Europe and US. Once that happens, I think we can see that revenues coming in from H2 next year.

Deepak Poddar: So, we do have aspirations for overseas revenue.

Jim Rakesh: Absolutely. Yes. Okay.

Deepak Poddar: Fair enough. I think that's it from my side. All the very best. Thank you so much.

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

Yashwanti: Thank you for the opportunity. I just wanted to understand if you can brief us about the market projects you have handled very recently or maybe in the life of the company. I just wanted to understand the market projects handled by the company, how big projects the company has handled till date and what is going forward, how big contracts the company can take?

Jim Rakesh: See, look, the current financial strength, I think we can easily execute orders around INR50 crores as a single large deal for which we have the muscle power. Previously, we have handled up to INR35 crores or up to those kind of range. Once potential grows and we are able to start bidding for larger contract value, definitely we'll come back to the market for support. And so that we can have the muscle power built in, financial muscle power built in to execute those large deals.

Yashwanti: Sir, in your earnings release, you mentioned that we secured a deal from prominent public sector organization. Can you please brief us about it?

Jim Rakesh: It's a digital transformation deal. I will not be able to call out the name of the public sector because the public sector is a part of a Navaratna company in India. It is up to their enterprise, software services infrastructure, which they are going for an upgrade and they are migrating the complete infrastructure from the old systems to the new latest digital systems.

So they have awarded the contract to ROCKS and this is a contract which will be executed in three quarters. And we are also seeing another refresh coming in the same public sector company, which will be of an even larger scale once we effectively implement these solutions.

Yashwanti: So you say that there is likely one more deal coming from one more public sector organization.

Jim Rakesh: Correct.

Yashwanti: And then we can...

Jim Rakesh: This deal becomes a reference deal for us. Once a reference deal happens, then we can start, you know, going into public sector very effectively.

Yashwanti: Okay. So you said you cannot name the organization, but can you just brief us about the quantum of the order?

Jim Rakesh: So quantum is around INR500 crores, kind of an order. And this is a complete enterprise class, you know, solution for running their core application data.

Yashwanti: So considering our employee staff strength, how are we booked for the order book? Do we need to expand our employee strength from current, I believe, 100 of the size?

Jim Rakesh: Madam, can you repeat it, please?

Yashwanti: Yeah. I just wanted to know what is our bandwidth as considering our employee strength to take up the order? Do we need to expand from the current level?

Jim Rakesh: Currently, we are 125 people. We have already given offers to around 20 plus, you know, students from the campus to join us in the month of June first week. Once that comes, I think we should have the manpower capacity to manage this growth.

Yashwanti: Okay. Do we have something called like order book in our industry or maybe the industry in which the company is?

Jim Rakesh: Yes. Yes, we have an order book.

Yashwanti: Can you name the quantum of it and tell how many -- how much of FY'25 we are booked for the same?

Jim Rakesh: FY'25, we have somewhere around INR45 crores as of now.

Yashwanti: INR45 crores. Okay. So, what is our working capital cycle?

Jim Rakesh: It depends upon multiple, you know, project structure. If it is a straight solution, it is around 60 to 75 days. If it is a turnkey project, it is a 90 to 100 days kind of cycle.

Yashwanti: And how much is our employee cost as a percentage to say and what is our attrition rate?

Jim Rakesh: Our attrition rate is around 1% because we are able to keep our employees. The Board has also approved an ESOP option for employees so that we can retain them in the long term. So that work is also parallely happening.

We have promised ESOPs to keep stakeholders as a retention policy. Beyond which, you know, the cost is somewhere around, this year will be -- with respect to our overall revenue will be around 6% to 8%.

Yashwanti: 6% to 8%. Okay. Thank you, sir. I will jump back in the queue.

Jim Rakesh: Sure, ma'am. Thank you.

- Moderator:** Thank you. The next question is from the line of Nikhil Singhania, an individual investor. Please go ahead.
- Nikhil Singhania:** Good evening, team. Sir, what is the status of ongoing capex and when will they start adding to our revenue?
- Jim Rakesh:** Yeah. So we are stage wise deploying the proceeds of the IPO based on the RHP promises. So the first tranche has gone in and we are stage wise doing it. We will start seeing the proceeds, you know, greening return on investments from second half of 2025 onwards.
- Nikhil Singhania:** Okay, sir. And how much revenue we are targeting from the new setup?
- Jim Rakesh:** That will be sustaining the future growth and also our global footprint. We have also put up a Centre of Excellence for automation business based out of Noida and that is also coming up. So this all will sustain and ensure that the business is able to meet the future aspirations for at least the next, you know, 3 to 4, 5 years.
- Nikhil Singhania:** Okay, right, sir. And sir, I have one more question. Is there any acquisition plans we are looking into?
- Jim Rakesh:** We are exploring few companies. I think there is an offer which has come from the U.S. based medical company. I think we are talking to them and experts are working towards understanding the overall structuring. Once it comes, definitely we will announce to the shareholders and the markets.
- Nikhil Singhania:** And sir, for that, we will raise any debt or we will meet that cost from our approval?
- Jim Rakesh:** It is going to be a hybrid model. It will be debt equity plus also on certain cash.
- Nikhil Singhania:** Okay. And sir, one last question, if you permit. Can you guide me for our next quarter? How much revenue we are looking forward?
- Jim Rakesh:** I will not be able to call out the number now, but we are in course to meet the overall targets what we have called out before IPO. And yes, we should be able to see at least 50% of minimum growth year-on-year.
- Nikhil Singhania:** All right, sir. Thank you for the time.
- Jim Rakesh:** Thank you. Welcome.
- Moderator:** Thank you. The next question is from the line of Mukesh Agarwal, an individual investor. Please go ahead.
- Mukesh Agarwal:** Hello?
- Moderator:** Yes, Mr. Mukesh.
- Mukesh Agarwal:** Hi, sir.

- Jim Rakesh:** Good evening and Mr. Mukesh, please.
- Mukesh Agarwal:** Good evening, sir. I just want to understand the status of the automation, medical automation. One project we were doing to help the doctors and medical practitioners.
- Jim Rakesh:** I have already reiterated in the couple of questions before. I will try to reiterate again. See, the digital transformation Centre of Excellence is getting ready in Chennai. We should be inaugurating in the third week of March. Once that is done, we have already recruited developers. We have collected the data. Our prototype is getting ready. Once that is done, the second half of 2025, we should be able to have our first release.
- Mukesh Agarwal:** Second half of 2025. Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Ankit Kumar, an individual investor. Please go ahead.
- Ankit Kumar:** Hello, sir.
- Jim Rakesh:** Good evening.
- Ankit Kumar:** Sir, my question is, do you currently have any acquisition on your card?
- Jim Rakesh:** We are having conversations, exploring synergies in a few areas. The overseas market. So, experts are working on those proposals. So once we see some light, we will definitely disclose to the shareholders.
- Ankit Kumar:** Okay, sir. And what is the typical contract size on an average and the average duration of a contract tenure?
- Jim Rakesh:** See, the average size is around INR1 crore plus. And minimum will be INR1 crore, maximum will be beyond which. But tenure will be based on the complexity of the project. These are all multiple complexity projects. So some can have -- a few can happen in 60 days, a few can happen in six months. So that's how it works. A few are runs to multiple years, so based on that.
- Ankit Kumar:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Yashwanti from Kojin Finvest. Please go ahead.
- Yashwanti:** Thank you once again for the opportunity. Sir, I wanted to understand, what is the process of entering any new contract? How much time does it take to onboard any new client?
- Jim Rakesh:** Ma'am, the process is the classic traditional, you know, enterprise B2B sales process where we have a set of relationship managers who engage with our current customers, plus also their competitors, plus all the industry-specific customer base, with the solutions. Then a typical time for a sales cycle to close is 90 days. Because these are all enterprise class solutions. But

public sector takes more time. Public sectors are 180 days. Our corporates decide faster. And, yeah, it's averaged between 60 days to 150 days is the contract's closure time.

Yashwanti: Okay. Sir, my next question is what are the steps we are taking to improve our profitability? Currently, at EBITDA margin of 20% we are operating, what is the outlook for Q4? And what do you see margins headed for in FY'25?

Jim Rakesh: Ma'am, this industry, you know, we will try to keep our expectations realistic. Q4, we should be in similar lines. But 2025, we are yet to call out. I don't want to speak at this moment. Definitely on the Q4 earnings, the annual report when we are filing, we will take it up on 2025, ma'am.

Yashwanti: Okay. Well taken, sir. Sir, can you please explain, what are your future growth drivers?

Jim Rakesh: Ma'am, the world is moving towards digital transformation. Everybody needs to upgrade their IT infrastructure. That is the need of the hour. We are seeing a humongous potential, first in the domestic markets, plus also in the few pockets in the global markets as well. So with the world coming with new technologies, we should be able to do well.

Yashwanti: Okay. Sir, currently, how much export contribute to our revenue?

Jim Rakesh: Ma'am, currently our business is an India business. The reason why we went IPO was to raise capital and establish our overseas presence, which is on progress. We should see a second half of 2025 onwards, contribution in the foreign currency revenues.

Yashwanti: Okay. And then my last question is, what you would call as your competitive advantage, which will stand as an entry barrier for other competitors to enter in your domain?

Jim Rakesh: Ma'am, we are the only company currently in the country. We are very efficient in the edge to AI, entire stack implementation solution. But if you look at, that is where we are faster than the most of our competitors, very efficient. And we have 23 years of experience in the market because this company is 23 years old of experience. And credit, credibility in the marketplace with great experience to team what we have.

And we also have established our skill sets with great client base. And that's what keeps us as a [range of the] competition.

Yashwanti: So in that case, correct me if I'm understanding it wrong. Does it mean that we have developed some application, which is very useful to a particular industry? Or my question would be, which industries we are serving?

Jim Rakesh: Predominantly, we are serving manufacturing. Because that's where they see efficiencies through us. And beyond which we also work in various industries because application deployment and data centre solutions are all common in these areas.

Yashwanti: Okay, sir. Thank you so much for patiently answering my question. And wish you all the best.

Jim Rakesh: Oh, thank you, ma'am. And thanks for all the support. Thank you.

Moderator: Thank you. The next question is from the line of Amit Bhatt from MIT engineers. Please go ahead.

Amit Bhatt: Sir, your one prominent anchor investor exited just after the cutoff time. After one month, they can exit and they exited the entire amount. So I think if somebody like a foreign anchor, if you're investing in the company, that should be a good communication. Because if anchor investor just exiting the stock after the one month's time, then it is worrying for the other non-institutional investor and the retail investor. Can you throw some light on that?

Jim Rakesh: Sir, I don't have any idea about that. It is a news to me as well. Let me ask my company secretary to look into it and understand. And may know, may I know, whom are you referring in this?

Amit Bhatt: I think that you -- that can find it out from your anchor book. One of the anchor whom you allotted most of the stock in the anchor book. More than the 50% and that is a FII. I can't name the anchor that you can find it out. And just after the one month cutoff time, they exited the full stock available with them.

So when anchor is exiting within a one month, it's a very bad management by the lead manager and even company should know who is your anchor investor and why he is dumping your stock. The entire stock is dumped after one month. And because of that, price crashed from the high to the 190 to the IPO listing price.

So, company must your company secretary must take convergence of all these things. This is sending a very bad message to the non-institutional investor and even the SEBI should look into this. These anchor investors, they are behaving like a retail investor and dumping the stock within that cut-off time.

After one month, they can 50 percentage of the anchor proportion, they can sell. But they just waited for that and they sold the entire stake. So, you should check the block deals. You should check the shareholding pattern is with you. Everything is in the public domain. So, my request to you is, that in the interest of the other shareholder, you should look into that and start communicating with these FII.

Because these anchor investors nowadays, they are behaving like a trader. And that is not acceptable at all. We will definitely take this matter to the SEBI also. But before that I just want you to understand that what's your anchor investor and lead manager is doing. Thank you, sir.

Jim Rakesh: Sure, sir. We will definitely. Thanks for the feedback. It is a news to us. I will ask my company secretary to have a look at it. I will definitely scrutinize the books today evening. And we will take appropriate action on it and we will come with a statement on that matter.

Amit Bhatt: Yes, sir. Because sir again, I am just repeating this thing. Sir, actually the anchor investor is giving confidence to the others. An anchor investor normally having the privilege to talk to the lead manager and better understanding of the company. But just after the...

Moderator: The line for Mr. Amit got dropped. I would like to take the next question. The next question is from the line of Khushboo Kaur, an Individual Investor. Please go ahead.

Khushboo Kaur: Yes. So, what is your customer retention rate and any new customer added in this year?

Jim Rakesh: Yes, ma'am. We have already added, Q3 we added three customers.

Khushboo Kaur: Okay. And, sir, we expect the collaboration with Blueprint to reflect and when we can -- see the reflection in our revenue and in which quarter...

Jim Rakesh: Ma'am, the first POC is successful. We have already done the first bot implementation in a marquee client in the country. We are expecting to automate around 12 processes for the customers. I think it will start reflecting from Q1 2025.

Khushboo Kaur: Okay, 2025. And any new capex that we are planning to add?

Jim Rakesh: Madam?

Khushboo Kaur: Any new capex that we are planning?

Jim Rakesh: Can you be a little louder, ma'am, please?

Khushboo Kaur: Any new capital expenditure that you are planning?

Jim Rakesh: Of course. As per the RHP, we will be executing. In RHP, we have called out four pillars of action and that is well called out and that we need to execute and that's where the capex will go.

Khushboo Kaur: Okay. Also, I need a few more details about the pure digital transformation deal that your company had and that is a public sector. So, could you just provide brief details about which is the public sector organization?

Jim Rakesh: I am not supposed to take the name of the public sector, but it is part of the Navaratna companies of the federal government. That much I can give.

Khushboo Kaur: Okay. And also the last question is that we see a significant drop in our promoters' holding. Could you share why a sudden drop in the holding?

Jim Rakesh: Come again, ma'am?

Khushboo Kaur: We saw a significant drop in the promoters' holding in the last past quarters. So, could you share why there is a sudden drop in the promoters' holding?

Management: Promoters have not diluted any shares.

Jim Rakesh: Yes, we are holding 50%.

Khushboo Kaur: No, because we could see a drop in that, but if you are saying no, then it's okay.

Jim Rakesh: Promoters have not diluted. We want to hold the business for now. It's our business and we want to keep it for long.

Thenmozhi: Sorry to interrupt this line. Ma'am, this is Thenmozhi, Company Secretary of ROX Hi-Tech Ltd. There have been no promoters' holding is reduced. Ma'am, it is as per the -- at the time of listing, what is there, it's the same maintained here, ma'am.

Khushboo Kaur: Okay, ma'am. Thank you for the clarification.

Thenmozhi: Thank you.

Moderator: Thank you. The next question is from the line of Neha Sharma from Suraj Enterprises. Please go ahead.

Neha Sharma: Hello.

Moderator: Yes, Ms. Neha Sharma. Please go ahead.

Neha Sharma: Thank you for the opportunity. Hello.

Jim Rakesh: Yes, ma'am. Please go ahead.

Neha Sharma: What is the employee cost as a percentage to sales?

Jim Rakesh: Pardon?

Neha Sharma: What is the employee cost as a percentage to sales?

Jim Rakesh: That's around, I already told you, ma'am. It's around 6%-8% overall.

Neha Sharma: Okay. Any plans to repay debt from IPO funding?

Jim Rakesh: Madam, can you please rephrase your question?

Neha Sharma: Any plans to repay debt from IPO funding?

Jim Rakesh: No, we are not. Because we were not into big debts before. We only had major, I would say, instruments like NCB, non-cash based instruments. So, we are deploying our IPO funds predominantly for growth.

Neha Sharma: Okay. And another question is, please brief us about a few marquee projects handled by the company.

Jim Rakesh: Pardon?

Neha Sharma: Please brief us about a few marquee projects handled by the company.

- Jim Rakesh:** See, I will not be able to take the names. But these are all projects which are confidential. Because we have signed an NDA with our customer, non-disclosure agreement. So, maybe in a private conversation we can have, but not in this forum ma'am.
- Neha Sharma:** Okay. No issues, sir. No issues. Fine. Thank you, sir.
- Jim Rakesh:** Welcome. Thanks for your support.
- Moderator:** Thank you. The next question is from the line of Hrithika Jain, an Individual Investor. Please go ahead.
- Hrithika Jain:** Thank you sir for the opportunity. Sir, can you tell us about what are the entry barriers to the business?
- Jim Rakesh:** Ma'am, can you be a little louder, please?
- Hrithika Jain:** Sir, can you tell us about the entry barriers to the business?
- Jim Rakesh:** I am not able to understand. Entry barriers to the business?
- Hrithika Jain:** Yes. I mean competitors.
- Jim Rakesh:** I am not able to understand your question. Can you please rephrase this, please?
- Moderator:** As there is no response from the participant. I would like to...
- Jim Rakesh:** Can we go to the next question, please?
- Moderator:** Yes. As there are no further questions from the participants, I now hand the conference over to Mr. Kaushal Shinde. Over to you, sir.
- Kaushal Shinde:** Thank you, everyone, for joining us for the con-call of ROX Hi-Tech Ltd. Q3 FY24 con-call. If you have any queries, you can write us at info@kirinadvisors.com. And thank you, everyone, for joining the con-call.
- Jim Rakesh:** Thank you very much. Thanks, Kirin. Thanks for the great work. Thank you.
- Moderator:** On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.