The code step by step:

- 1. Importing the socket module, which provides access to the BSD socket interface.
- 2. Defining host and port for the server to listen on (127.0.0.1 and port 8888, respectively).
- 3. Getting the total number of clients from user input.
- 4. Creating a socket object (sock) using IPv4 addressing (socket.AF_INET) and TCP protocol (socket.SOCK_STREAM), then binding it to the specified host and port.
- 5. Putting the socket in listening mode and specifying the maximum number of queued connections (totalclient).
- 6. Initiating connections with clients in a loop, accepting connections with sock.accept() and appending them to the connections list.
- 7. Receiving data from each client and writing it to a new file on the server.
- 8. Closing the connections with all clients.
- 9. The script assumes that the clients are sending files. It receives the data and saves it as a file with a unique name (output0.txt, output1.txt, and so on).