



Adding Smiles To Life

To,
National Stock Exchange of India Ltd.
Exchange Plaza, C 1, Block G,
Bandra - Kurla Complex,
Bandra (E),
Mumbai - 400 051.

Company Symbol: QMSMEDI

ISIN: INEOFMW01018

Sub: Transcript of Earning Call pertaining to the Financial Results for the quarter and nine months ended December 31, 2023.

We enclose herewith a copy of the transcript of the Earning Call on the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2023 held on Thursday, February 15, 2024.

The same is also being made available on the Company's website at: <https://qmsmas.com/>

Kindly take the same on your records and oblige.

Thanking you,

Yours truly,

FOR QMS MEDICAL ALLIED SERVICES LIMITED

**TORAL BHADRA
COMPANY SECRETARY AND COMPLIANCE OFFICER
MEMBERSHIP NO.: A56927
DATE: FEBRUARY 19, 2024
PLACE: MUMBAI**

QMS Medical Allied Services Ltd.

📍 1A-1B / 2A-2B, Navkala Bharati Building, Plot No. 16, Prabhat Colony, Road No. 3, Santacruz (East), Mumbai - 400 055.

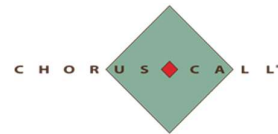
☎ +91-022 - 6288 1111 🌐 www.qmsmas.com

CIN: U33309MH2017PLC299748; Email Id: mm@qmsmas.com



“QMS Medical Allied Services Limited
Q3 FY '24 Earnings Conference Call”

February 15, 2024



**MANAGEMENT: MR. MAHESH MAKHIJA – CHAIRMAN AND MANAGING
DIRECTOR – QMS MEDICAL ALLIED SERVICES
LIMITED**

**MODERATOR: MS. VAISHNAVI AMBOKAR – KIRIN ADVISORS
PRIVATE LIMITED**



Moderator: Ladies and gentlemen, good day and welcome to QMS Medical Allies Services Limited 3QFY24 conference call 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 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 Ms. Vaishnavi Ambokar from Kirin Advisors. Please go ahead, ma'am.

Vaishnavi Ambokar: Thank you. Good afternoon and thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of QMS Medical Allies Services Limited. From management side, we have Mr. Mahesh Makhija, sir, Chairman and Managing Director. Now I hand over the call to Mr. Mahesh Makhija. Over to you, sir.

Mahesh Makhija: Thank you, Vaishnavi. Good morning, everyone. Thank you for the warm welcome. It's truly an honor to address this esteemed gathering and share the insights into the remarkable journey of QMS Medical Allies Services Limited. Today as we delve into the performance of Q3FY24 and our nine-month FY25, it's an opportune moment to reflect on our achievements and basically on our achievements. Before we delve into the financials, let me provide you a snapshot of QMS Medical Allies Services Limited.

We proudly stand as a leading healthcare services provider in India, committed to advancing preventative healthcare. Our operations are structured around two robust verticals, the marketing and the distribution of medical devices, equipment, and our innovative patient service programs. Starting with our medical devices and equipment vertical, we engage in the marketing and distribution of healthcare services, catering to a diverse range of clients from B2B market, pharmaceuticals, medical institutions.

Our extensive portfolios of over 600 SKUs marketed under both the original manufacturer's brand name and our brand name QDevices, where we have Mr. Kapil Dev as our brand ambassador, serves more than 130 esteemed healthcare enterprises customers. Leveraging the dual sales models online and offline, we maintain a well-established distribution channel across India, including a significant e-commerce presence on the Amazon. Our second vertical focuses on providing patient services programs, offering customers unprecedented access to specialized screening tests across the country.

These programs drive the preventative healthcare, aiming to reduce the healthcare costs related to chronic diseases. Our highly trained technicians equipped with USMD-approved machines, medical devices, conduct specialized tests for early detection of conditions like macular degeneration, diabetes, mellicitis, osteoporosis, and more. Collaborations with globally renowned companies such as Chromeron, Contact, Carsize, Insurance, National Standards, and Testing.

These collaborations are basically we use their machines and their AI platforms. The strategic investments made in this patient service program and QDevices business areas are yielding substantial growth, evident in our financial performance. The recent capital infusion through

accountable equity share warrants and preferential equity shares is poised to catalyze our future growth and development.

Looking ahead, we maintain a positive outlook, driven by our continuous achievements and strategic decisions. Now, commenting on the financial highlights of Q3FY24. In Q3FY24, we achieved a total revenue of INR35.38 crores, witnessing a substantial growth of 69.33% from INR20.89 crores in Q3FY23. The increased EBITDA at INR4.99 crores reflects an impressive surge of 31.36%, with an EBITDA margin of 14.1%.

The net profit of Q3FY24 stands at INR2.44, boasting a PAT margin of 6.9% and an EPS of 1.37%. In the 9-month FY24, our financial indicators demonstrate consistent growth. The total revenue reached INR90.18 crores, making a year-on-year growth of 23.16% from INR73.22 crores in the 9-month FY23. EBITDA expected substantial improvement, reaching INR14.74 crores, a significant 69.15% increase from INR8.71 crores in the 9-month FY23. The positive trend is underscored by the growth in the EBITDA margin, rising to 16.34% from 11.9% in the 9-month FY23, marking an increase of 444 basis points.

Net profit experienced a considerable upswing, reaching INR7.46 crores, a growth of 51.18% from INR4.81 crores in the 9-month FY23. The net profit margin increased to INR8.28 crores from INR6.57 crores, reflecting a growth of 171 basis points. Additionally, the EPS for the 9-month FY24 stands at INR4.18, demonstrating a growth of 37.9% from INR3.03 in the 9-month FY23. These positive results underscore our effective financial management and strategic initiative, contributing to our overall growth. As we look ahead, we remain optimistic in sustaining this positive trajectory and building our success in the upcoming quarters.

Before we transition to the question and answer sessions, I express my sincere gratitude to all our stakeholders for being a vital part of our growth journey. Your support and active participation has been instrumental in our success. We genuinely value your significant contribution.

With this, I would like to open the floor for questions and answers. Thank you once again for your continued support. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question is from the line of Yashwanti from Kojin Finvest. Please go ahead.

Yashwanti: Thank you, sir. I just wanted to understand on the margin profile.

Mahesh Makhija: Yes.

Yashwanti: So, we had seen that the margin has improved to 16% plus.

Mahesh Makhija: Yes.

Yashwanti: So, what were the drivers for the quarter that has seen such an improvement?

Mahesh Makhija: See, the two basic things that we are... Sorry, are you finished, ma'am, or do I wait for... No, no, sir.

- Yashwanti:** Please go ahead. Okay.
- Mahesh Makhija:** Okay. There are two basic things which we have worked on, actually. You know, as we said, you know, the patient service programs, that's a substantial, you know, going game, actually. Then we have an additional better margins in that. And second, we have been... We reached a turnover of at least one crores on our own brands right now, few devices per month right now, which also has given us a substantial little bit increase.
- And third, the point-of-care products, actually, which we used to, you know, get it officially from some other people right now as a distribution. We've got the products registered, licensed, and all under... And we have taken the CDSO license, and we are importing it on our own and marketing it on ourselves.
- So, that... These basic three things have increased the margins right now.
- Yashwanti:** So, the branding, under our own branding, which had been sat in, compared to the -- so, what was the difference in the margin? If it is the right time, right forum to explain?
- Mahesh Makhija:** You mean to say the margins in Q-Devices?
- Yashwanti:** Yes. So, the strategic decision which we have taken. So, what has resulted in the increase in the EBITDA margin? What is the difference when we are sourcing it from someone and now when we are...
- Mahesh Makhija:** Yes, exactly. That's what I said. See, you know, obviously, the margins which are included in somebody importing and giving it to you, you yourself import it and get it done in our name. And so, there is going to be a difference in all those things. And the EBITDA, you know, and the profit margins for the patient service programs are substantial. Those are the service-based models. So, those margins are totally different than as compared to the product. Services margins are always higher than the product sales margins, actually, Ma'am.
- Yashwanti:** Okay. So, and then as we are focusing on the patient services, which is given as EBITDA margin. So, just wanted to understand in terms of the percentage or in terms of the actual number, what has been the contribution from our patient service programs, from patient services and from the Q-Devices, that is the three vertical...
- Mahesh Makhija:** As I told you, Q-Devices contribution, we are doing almost INR 1 crores a month right now. And the patient service programs model also, we are doing INR1.25 crores a month right now.
- Yashwanti:** Okay. And then with the diverse range of the medical devices in the country, so how does the company plan to stay innovative and competitive in the market? So, what are our efforts on it?
- Mahesh Makhija:** See, the efforts basically is like we are, QMS is like, it's almost more than 30, almost 30 years we'll be completing in April right now. See, we initially started as a proprietary company. The original company name was Queens Marketing. So, in 2017, I'm just giving you a history, but actually, just to give you, it's 2017 where we moved towards private and then limited actually.

So, it's almost a 30-year journey, ma'am, that we understand the market, know which brands sell, how we sell. We have a sales team. We have a back-office team, working continuously, being in touch of the customers. So, based on that, A, we have dealers and distributors for the parent companies like 3M, Hind, BPL, Tanita, Goan, Rosemax, Tynor. So, that's... Those products which are anyway selling, they are selling that way.

Second, which, Q-Devices, instead of importing products from China, we started manufacturing made in India sort of thing. Not our own manufacturing, but third-party manufacturing.

So, these are the things which we keep in mind, vision, point-of-view, the point-of-care the things which we not only sell in the B2B business model, but also use them for our PATIENT SERVICE CAMPS models also. So, all these things, you know, keeping in mind, the future journey is being made of for actually.

Yashwanti: Okay. So, and with this strategy in place, what is your call on your talent pool? Do you're looking to increase it from the current level of 630?

Manaement: I'm sorry, ma'am, your voice was not clear. Could you just repeat that question?

Yashwanti: Yes, I'm just wanted to understand, what is the strategies on increasing your staff strength, that is a talent pool in the innovation center?

Mahesh Makhija: The talent pool is already there, ma'am. We are very proud to say that, you know, 60% of the people are there for with us for more than five years, you know, actually, and they have been increasing. So, talent pool is there. So, we have a staff strength right now of in the entire back office marketing team of almost 60 people.

Plus, we have almost 130 people conducting camps across the country right now. That's what is continuously going on. We have a lot of incentive. I mean, if you want to talk about retaining a talent pool, am I right? Correct me if I'm wrong. I mean, this is what you're asking.

Yashwanti: I'm saying that retaining the talent pool and increasing the strength in the sense of making addition as we are growing?

Mahesh Makhija: Yes, additional definitely, as and when, you know, we don't want to be a top-heavy trade team, actually. And retaining, I mean, even if these quarters also, if you see, actually, there's a lot of incentive programs. There's a lot of, you know, bonus structures and all, which we keep giving to our team actually on their performances and all.

That helps us in retaining them properly. The training models continuously is there. That is always there. And as and when these phase, we know where and how the people are required for that. So, we will keep on increasing our team as and when required.

Management: Also, ma'am, regarding the talent pool, the field force that we have currently conducting the patient service programs are all highly qualified and trained DMLT. So, they are all technicians.

So, that is where we are going to have a significant increase of staff in the coming six to eight months, because the demand is so high that our people are not capable of reaching the locations.

So, we are basically going to increase a significant number of technicians on field with the devices in the coming six to eight months. That is where our primary focus is right now.

Yashwanti: Actually, I wanted to understand because we are increasing our staff in the patient services. So, how do you want to go about it?

Mahesh Makhija: So, I hope you are satisfied with the answer.

Yashwanti: Yes, yes. Thank you so much for your attention. So, any acquisition are you planning going forward?

Mahesh Makhija: We are already in the verge of discussions. Our due diligence and everything is going on. So, you will soon hear an announcement on the same actually right now.

Yashwanti: In the current quarter or it will take some next year?

Mahesh Makhija: In this current quarter, ma'am. Hopefully, in this current quarter.

Yashwanti: Okay. And sir, one more thing is like, I just wanted to understand like going forward, what are your revenue targets, maybe three years down the line or five years down the line?

Mahesh Makhija: See, three years down the line, basically, I don't talk about five years at this moment to tell you honestly. Three years down the line, the patient service model is that what we are looking at. You know, it's tripling our numbers actually with our acquisition. And you know, the product business which we have at a standard growth rate of 15%. That's what we are aiming at actually.

Yashwanti: Okay. Thank you so much for your kind explanation, sir. I will join back in a few. I wish you all the best.

Mahesh Makhija: Thank you.

Moderator: Thank you. Our next question is from the line of Deepak Pandey from Agrawal Family Office. Please go ahead.

Deepak Pandey: I just wanted to know what would be the contribution of our top 10 to 20 customers to our revenue?

Mahesh Makhija: Offline I cannot tell you, but the thumb rule is always like that 80% of the business comes from the top 20% of the customers. That formula is still working out here also, sir, effectively.

Deepak Pandey: Okay, sir. Okay. And, sir, actually the margins are fluctuating a lot. So, could be a sustainable margin for our company going ahead?

Mahesh Makhija: See, it's not fluctuating in the sense to tell you there are a lot of expenditures which we are doing actually. So, that is why. So, hopefully once that gets steady, we'll have a, you know, we'll have a, by soon next year onwards, we'll have a steady margin because we put in a lot of efforts on new products, for the cancer model also, we have brought in a lot of capex actually for that.

Then a lot of, you know, training on people, incentives on, as I said, on the sales revenue, people managing and retaining the people. So, a lot of, transition is happening in this last 1, 1.5, 2 years actually. So, that is why you see the fluctuations happening right now.

And it is probably also the rates also were, the post-corona effect also a lot of product prices and prices are going through a lot of transitions again. So, both these impacts were there actually, that's why.

Deepak Pandey:

Got it, sir. Sir, can you throw some light on the industry and who are some of our competitors in the product segment specifically?

Mahesh Makhija:

See, the product segment that we are into is the B2B segment actually, technically speaking. So, we have, competitors' point of view, I don't know, it's a very fragmented segment actually, where, you know, very few of them are there. We have the companies like Collateral, Vipractos, or all these guys who are there, probably none of them.

The beauty is that we are into two different vertices actually, because none of these guys are into any of the comprehensive solutions that we provide actually. So, we have one of the only unique mix which we can give, you know, focus on the B2B from end, from, you know, giving marketing solution programs to the B2B guys, to the, you know, tech support programs, to, you know, patient service programs and the education model programs. So, we are there as an end-to-end process, you know, service providers actually, solution providers, I would say.

Deepak Pandey:

Got it, sir. Sir, can you just throw some light on the patient service program segment apart, and what is the scope of it, and how do we earn the revenues through that?

Mahesh Makhija:

Okay, see, I'll tell you, the patient service program model basically, it's a very different and a unique model, which was a part, you know, from the B2B point of view, if I make you understand, the pharma companies basically, you know, cannot advertise actually, okay, and everybody wants to retain a patient. That's as simple as that. The doctor wants to retain a patient, the pharma companies want to retain a patient.

So, what we are basically focusing on, you know, disease management and patient retention programs in the PATIENT SERVICE CAMPS model. Conducting PATIENT SERVICE CAMPS like diabetic retinopathy, I'll give you a typical example of diabetic retinopathy. I mean, normally, every patient, first instance of diabetes is on the retina of the eye.

I mean, even in your family, or anybody -- if you have diabetes, how many of you would have gone to a clinic and an ophthalmic clinic or in a hospital to check the retina of your eye? So, diabetes, is a big issue, actually. So, what we do is basically, I'm just, that's the example I'm giving you.

So, we conduct these tests in the doctor's clinic, actually, and where he is able to check the retina of the eye, actually, and the treatment process goes on that way. So, instead of going to the hospital and going to some other doctors, the doctor, that patient is getting treated at the point itself. So, that's, it's like what you call a preventive medicine, actually, in a sense.

The doctor also retains the patient, he doesn't get, he gets service and all. So, this, we are doing these PATIENT SERVICE CAMPS across the country right now in different chemists. On an average, we are doing right now almost 100 PATIENT SERVICE CAMPS a day at this moment. And that's what we do. That's what we do is basically when you're doing, handling the patients.

So, like one of the programs which we were doing is like Humrahi program and all that is where you're handling the patient's journey throughout the year, actually, giving him, diagnostic consultancy, diabetic programs, consultancy, giving him annualized weekly checks also, monthly checks also, different, different programs, actually.

Deepak Pandey: Got it. Sir, my last question is, now we have started doing the con-calls. So, can we expect it to go on a regular basis?

Mahesh Makhija: I think so. I think so, sir. From the time we got listed, the con-calls are regularly happening. And I would be more than happy to share with everybody whatever steps we are doing. It probably will, I would love to increase it actually more. I mean, we have been following the system regularly, every quarter results and some more important announcements when we are doing it. So, the con-calls are regularly happening, sir.

Deepak Pandey: Okay, sir. Thank you, sir. That's it. Thank you.

Mahesh Makhija: Welcome, sir.

Moderator: Thank you. Our next question is from the line of Jignesh from Jiva Capital. Please go ahead.

Jignesh: So, sir, just to understand, we are planning to take some preferential allotment.

Mahesh Makhija: Yes.

Jignesh: What will be the end use of the preferential allotment? Like...

Mahesh Makhija: We have already announced that long back, sir. We have to signed -- we are bidding for acquiring a company for the patient service programs. So, that's where we'll be using the revenue for.

Jignesh: Okay. And then for our own brand devices, would we be acquiring? I mean, spending some amount?

Mahesh Makhija: That will happen from the already what revenue we are generating with the current business itself, only with that we'll get it for that. So, that is self-generating right now. We don't need extra capital for that.

Jignesh: Our monthly revenue has crossed INR1 crores in our brands and in the patient service also INR1.25 crores.

Mahesh Makhija: Right, sir. Right.

Jignesh: How we can scale up in next one year? Can we scale up to 2x per month from current levels?

- Mahesh Makhija:** We can definitely look at that. We are definitely looking at the patient service programs to scale up to that level, honestly speaking. But the -- our own product scale up of 2x looks difficult to tell you, honestly, because we the market is very volatile dynamic in the sales. We are looking at the standard in the product category. We are looking at a standard growth of 15% actually, not much more than that.
- Yes. What do you think with the product? See, instead of, depending on the other venture companies products, we would be always happy to sell our own brands actually. So how much transition and how much this will happen? This was very difficult honestly to comment on that right now so...
- Jignesh:** Okay. Thank you.
- Moderator:** Thank you. Our next question is from the line of Sampath Nayak from Tiger Asset. Please go ahead. Hello, Sampath sir, your voice is not audible. Can you speak loudly? Yes.
- Sampath Nayak:** Yes, hi, sir. So my first question is on like, what is the revenue contribution from different segments in Q3? Can you give me some numbers on that?
- Mahesh Makhija:** So we have only two segments basically right now, as I told you, we are doing right now after the INR35 crores business that we did, the product category business would be more almost more than INR30 crores in that sense. And services category would be around INR4-odd crores for that.
- Sampath Nayak:** Services, there is only PATIENT SERVICE CAMPS, but...
- Mahesh Makhija:** Only PATIENT SERVICE CAMPS, only PATIENT SERVICE CAMPS. There is no education business in that sense at this moment.
- Sampath Nayak:** So like, but do we have education segment in our product portfolio?
- Mahesh Makhija:** Yes, we have. We have that education portfolio right now. Probably in the last year, we didn't do much. But as the model was shifting towards the PATIENT SERVICE CAMPS model more, the revenue model is shifting towards the PATIENT SERVICE CAMPS model more.
- Sampath Nayak:** Right, right. And, okay. And so like coming to margin front, like what would be the margins in, product segment and PATIENT SERVICE CAMPS segment? Because in like, I think in your first con-call, you said like PATIENT SERVICE CAMPS command approximately 50% of the EBITDA margin. Am I right?
- Mahesh Makhija:** Yes, probably. Right.
- Sampath Nayak:** Okay. And what would the margins in the product segment, the B2B and QDevices?
- Mahesh Makhija:** So B2B product margins are always standards are almost 15% to 18% margins. That's all it operates upon.
- Sampath Nayak:** So like, what is the number, can you repeat the numbers?

Mahesh Makhija: 15 to 18%, sir.

Sampath Nayak: Okay. And QDevices, sir?

Mahesh Makhija: QDevices is slightly little higher on the online platform. That is because we are, we are not manufacturing on our own. We are just on the verge of brand building actually. Okay. So we, since we are not a manufacturer, we obviously get it "Made in India" and "Made in India" products are more expensive actually in getting products importing directly from China. In the healthcare market, if you understand the healthcare market, sir.

So, "Made in India" products are more. So if we have to, compete along that time, so we cannot have a, very high 50%-odd margins at this point right now.

Sampath Nayak: Right. Understood, sir. So like one last question on the CAM segment, patient service program segment. So like, can you give me rational on how can we command such 50% margin?

Mahesh Makhija: See, rational is very simple, sir. You are putting in enough money in that there is a capex put in, there is a people's cost put in. There is after that, all those things, we have 130 people put across the industry right now conducting Patient Service Camps actually. And there is a capex of almost INR15 to INR20-odd crores, we're behind that actually. Now each rep carries actually machinery worth INR15 to INR17 lakhs with them for conducting Patient Service Camps actually. So the cost of recovering that money is also very high, sir. So that's in a, you need margins on that actually.

Sampath Nayak: Right. Okay, sir. So like, again, one more question on patient service program is like, I mean, what is the model like? I mean, is there a, like there's a clinic and we go do testing there or, we do it for different, businesses?

Mahesh Makhija: See, we are at this moment in the B2B market right now. Okay. We are slowly coming into the B2C market also. But at this moment in the B2B market where the corporates conduct Patient Service Camps in the doctor's clinics actually, they give us the bookings and we go and do our reps goes and does the Patient Service Camps in the doctor's clinic actually. Where the doctor doesn't pay anything, the patient doesn't pay anything, we get it -- we get our money from the corporate actually.

Sampath Nayak: Okay. Okay, sir.

Mahesh Makhija: So these are all purely patient beneficial programs actually, what we call them.

Sampath Nayak: So you said like we don't get any money from doctors, neither patients?

Mahesh Makhija: Patients, but the corporate pays them.

Sampath Nayak: Okay. Got it. So, also like, like you had plans to venture into insurance segment, right?

Mahesh Makhija: Yes, exactly. Exactly. This is one more line. This is the patient service programs is one more line, which is the insurance segments already. So we are doing some work with Kotak at this

moment on the testing phase right now, doing certain type of Patient Service Camps within right now, but not yet explored full-fledged.

- Sampath Nayak:** Yes. Have you finalized any [chimes] in that segment?...
- Mahesh Makhija:** As I said, we are doing some work with Kotak at this moment. We are doing some, what do you call pilot projects? If I would, let me tell you, put it across. We are doing some pilot projects with Kotak Life Care actually right now. Kotak Insurance or whatever it is.
- Sampath Nayak:** All right. Thank you so much and all the best.
- Mahesh Makhija:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Ritika Jain, an individual investor. Please go ahead.
- Ritika Jain:** Hi, sir. Thank you for the opportunity. Sir, do we have presence in overseas markets?
- Mahesh Makhija:** No, not at this moment, ma'am.
- Ritika Jain:** Sorry?
- Mahesh Makhija:** Not at this moment, ma'am.
- Ritika Jain:** Okay. Fine. And, sir, out of our product portfolio of 600 SKU -- [SKUVS], how much of are under the brand name of QMS?
- Mahesh Makhija:** We have at this moment, how much, 50-odd products under the brand name of QDevices coming in right now for us.
- Ritika Jain:** 50?
- Mahesh Makhija:** Yes.
- Ritika Jain:** Got it. Thank you, sir.
- Moderator:** Thank you. Our next question is from the line of Ananya Swamonathan from T Square. Please go ahead.
- Ananya Swamonathan:** Hello. Hi, sir. Thanks for the opportunity. Can you specify contribution from different business verticals?
- Mahesh Makhija:** Ma'am, that's what I said right now. We probably had INR90 crores business this time. Our PATIENT SERVICE CAMPS model would have contributed almost to around INR12 crores, and the remaining is in the product business right now. So, 78...
- Ananya Swamonathan:** Okay. And what would be our future focus area, in which verticals?

Mahesh Makhija: Future, ma'am, we are very bullish on the patient service programs at this moment as well as on the -- our own brand QDevices. These are going to be the two trust areas which we're going to focus on very aggressively right now in these coming next two years.

Ananya Swamonathan: Okay. And could you specify the reasons behind growing EBITDA margins?

Mahesh Makhija: More margins from the PATIENT SERVICE CAMPS, more margins from the own devices, and importing directly certain products under our own registration from CDSO, which I already said before. Instead of import -- taking it from the local vendors, we have started importing those products on our own.

Ananya Swamonathan: Right. So, these margins would be sustainable, right?

Mahesh Makhija: Yes, absolutely.

Ananya Swamonathan: Okay. All right, sir. Thank you so much.

Moderator: Thank you. Our next question is from the line of Deepak Pandey from Agarwal Family Office. Please go ahead.

Deepak Pandey: Sir, I just have one question about the working capital.

Mahesh Makhija: Hello. Can't hear you, sir. The last part got garbled. Could you just say that again please?

Deepak Pandey: Hello. Can you hear me, sir?

Mahesh Makhija: Yes.

Deepak Pandey: What does our working capital cycle look like currently?

Mahesh Makhija: Our cycle is almost 70 to 80 days, sir.

Deepak Pandey: Okay. Thank you.

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

Yashwanti: Yes, I just wanted to know how much of our top five contributing to our revenue?

Mahesh Makhija: As I said, ma'am, 80% of the business comes from 20% of the clients. Standard answer. Standard thing. Top five customers also almost will be contributing in the same way.

Yashwanti: Okay. And, sir, have you planned any particular expenditure to expand our QMS brand? So, basically, we just wanted to understand how much you are spending on our branding.

Management: So, ma'am, I'm actually heading the retail and digital division. And the QDevices brand comes under me. We are going to expand aggressively in the online space. We are going to increase our product portfolio to add more products into the wellness and fitness sector. And we are going to significantly increase the online presence. Currently, we've concentrated on Amazon alone, but we are going to go across other e-commerce channels.

We are going to find partnerships with other websites. And we're also going to sell on our own platform. And the product portfolio is going to be increased to the perspective that we have a very robust portfolio, that anyone that is looking for a health and wellness product, they will find the requirements catered to by us.

Yashwanti: Okay. Just excuse me if you've already answered, but just wanted to understand, currently, how much online is contributing to our revenue?

Mahesh Makhija: Not much, ma'am.

Management: Not much, ma'am. Because currently, online, we are working with a limited product range. As I said, we are adding to the mix. And once the mix is significant, the online portion will have a much larger contribution to the overall basket.

Yashwanti: Okay. Thank you so much.

Moderator: Thank you. Our next question is from the line of Riya Sen from Suraj Enterprises. Please go ahead.

Riya Sen: Sir, good afternoon. Thank you for the opportunity.

Mahesh Makhija: Yes, good afternoon.

Riya Sen: Any new [escalation] on cost?

Mahesh Makhija: We are in the discussions, due diligence are going on. We'll be announcing it soon, ma'am.

Riya Sen: Okay, sir. And what is your working capital cycle?

Mahesh Makhija: 70 to 80 days, ma'am.

Riya Sen: Okay, sir. And what are your revenue targets for five years down the line?

Mahesh Makhija: Not worked out to tell you, honestly speaking. Five years, we've not done any major project. We are just talking about three years projection at this moment because the business dynamics keep changing. It's not right to have, you know, just for the sake of putting a figure across on the board for five years. I'll be very honest and upfront on that. We work two, three years projections and then we keep working on that.

Riya Sen: Okay. No issues. Thank you very much, sir. All the best, sir.

Mahesh Makhija: Thank you.

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

Prateek Chaudhary: Is it in the patient services...

Mahesh Makhija: I'm sorry. We couldn't hear that. Could you just repeat that, please?

Prateek Chaudhary: Okay. So this acquisition you're talking about, will this be in the patient services business?

Mahesh Makhija: Yes.

Prateek Chaudhary: Okay. And roughly what could be the size of, I mean, size in terms of revenues of the company that you would be acquiring? Potential rough range?

Mahesh Makhija: I need to get back to you. I don't know whether I'm allowed to say this at this moment. So can I have your number, name, and all? I can just mail it to you, sir. Whatever news is there is already uploaded on the NSE, but I don't know whether I'm allowed to answer this.

Prateek Chaudhary: Okay, sir.

Mahesh Makhija: Can you give me your mail ID so I will confirm with the team and just forward it to you. I'll mail it to you.

Prateek Chaudhary: Yes. What I'll do is I'll get in touch with the IR. Kiran is our IR, right?

Mahesh Makhija: Yes, sir.

Prateek Chaudhary: I'll get in touch with them and probably ask them to...

Mahesh Makhija: Sure.

Prateek Chaudhary: And also, sir, you said you're working on two-year projections for your business. So what are those predictions as far as patient services business is concerned?

Mahesh Makhija: The patient service program model, which we are looking at, actually, in these next three years, we want to make it INR100 crores business actually.

Prateek Chaudhary: Okay. And right now, it's around INR15 crores to INR20 crores per annum, right?

Mahesh Makhija: Yes. And plus the company that we are acquiring is also almost at the same level only. So once with them actually coming into the picture, actually, for the next three years, we want to do it as INR100 crores business model.

Prateek Chaudhary: Okay. So the company you are acquiring, you said is of the same level as...?

Mahesh Makhija: Same size what we are doing.

Prateek Chaudhary: Same size that you are currently?

Mahesh Makhija: Yes.

Prateek Chaudhary: Okay. And if you could broadly talk about, because you must be working with a few pharma corporates in this segment.

Mahesh Makhija: Yes.

- Prateek Chaudhary:** Yes. So, in terms of new business opportunities that are coming to you, are they coming from these corporates itself or you're seeing, many other corporates approaching you to do something similar?
- Mahesh Makhija:** See, the current corporates that we are there also, there is enough scope in this current corporate itself also. I mean, there's a new market we are seeing, but within the corporate itself only, within the pharma companies also, there are divisions which are opening up. I mean, I'll give you an example.
- 20 years back, companies' turnovers were around INR200 crores. Right now, a single brand turnover is INR200 crores. There are 30 odd divisions in a company right now, which are almost equivalent to like 30 odd companies right now.
- So, there is enough scope coming from the current market itself also, as well as there are a lot of new other opportunities like the insurance and all which are there. But the current itself is, will be more than enough to keep our plates full, to tell you honestly.
- Prateek Chaudhary:** Right. And what sort of, so in terms of preparing your organization to be able to handle such a large scope of business, one is the hiring of the technicians, as you spoke about, which will have, so you have around 150 people right now, correct?
- Mahesh Makhija:** 130 to be precisely, 130 technicians across the country, some foremost around 50 odd dietitians across the country.
- Prateek Chaudhary:** And these are conducting, as you said, around 100 camps every day.
- Mahesh Makhija:** Yes, yes.
- Prateek Chaudhary:** So, I just want, I'm wanting to understand how the business model operates on ground. So, these people are stationed at Doctor. clinics almost on a daily basis. Is that how it works?
- Mahesh Makhija:** No, it's like almost on a daily basis, but different doctors, different time, different places. We have different, we have almost around 75 cities. We have our people right now working almost around 78 different cities across the country, actually. And like in Bombay, we have 12 people. In Pune, we have three. Bangalore, we have around six.
- Based like that, all India, we have almost around 130 people plus 40 odd dietitians, as I said. So, these are basically doing camps on behalf of the companies. We get the bookings from the companies.
- We get the notifications on our app, which doctor, which area, where to go. Our guys go and does the camps actually out there, as simple as that, sir.
- Prateek Chaudhary:** And how many, roughly, what is the reason these, a number of technicians and dietitians that you're expected to see in the next six to eight months post this capital raise that you've done?
- Mahesh Makhija:** See, we probably, there are already a team which will be coming to us from there, that side, almost. So, there's a team, actually, when we complete our acquisition, there will be enough

numbers of people will be coming. I will be announcing that soon, actually, after right now on that.

Prateek Chaudhary: Okay. And, sir, what is this insurance piece you were talking about, which is also very lucrative?

Mahesh Makhija: Insurance is, see, we are looking at, like, okay, there are companies, basically, who are giving insurances on diabetes products, even for diabetic patients and all also. So, these guys actually want to help the patient in helping them, maintain these diabetes better, so that they get their premium less, actually. And they give these schemes to the patients, actually, on maintaining.

So, this is an area where we can enter around this, insurance segment, actually, in a big way. The early diagnosis and maintaining the patients, help maintaining the disease, actually.

Prateek Chaudhary: So, that those patients don't end up coming for treatment.

Mahesh Makhija: Coming and spending more money on the healthcare, actually. Right.

Prateek Chaudhary: And is this, is the insurance segment equal or would you call it larger than the corporate pharma segment?

Mahesh Makhija: I would say, because, see, the numbers are not tabbed, but on face value, corporate pharma is tried, established, stable, we know it is there. Insurance, for us, it is a wild guess, to tell you honestly, speaking at this moment. The numbers, I cannot quantify, but the, once we get into the system, I'm sure it will be as big as the pharma itself also.

Prateek Chaudhary: And have other companies already been doing this, this sort of thing in insurance?

Mahesh Makhija: See, it is a very fragmented market. I wouldn't say any guys who are probably doing it in a very professional way. One of type of a thing, activities here and there, it might be going around, but not in a full-fledged professional way, absolutely. There are companies which are looking into this. A lot of other guys have come in into this segment, actually. But not in a, an organized way, actually, I would say.

Prateek Chaudhary: And how would you talk about the, your competitors in the corporate pharma space?

Mahesh Makhija: See, competitors in the corporate pharma space pertaining to the product-wise or the service side you're talking about?

Prateek Chaudhary: The service side, the patient service.

Mahesh Makhija: Patient service model, sir, there are only two things which we could do. The competition always increases the market size. We are always happy to have good competitors. We have certain advantages that we are there in this space for over 30 years. We understand the space much more better. We have products, we have exclusive people working for us. It's not that we are dependent on some third parties to go and do these sPatient Service Camps.

We have our own machines, we have our own, we are capable to handle all the things. We are not dependent on anything. These are the slight advantages which we have with the workers right now. I mean, if not slight, I would say a major advantage, actually.

Prateek Chaudhary: And as you scale, say, within a particular corporate pharma client when the corporate sees you moving from, say, INR10 crores per annum to, say, INR30-INR40 crores per annum, do you see your margins getting squeezed by them in a way that 50% might reduce?

Mahesh Makhija: I see there maybe you can definitely say that it's the law of the rule, actually like, obviously, if a company gives you almost 40% of business right now, they definitely will obviously ask for some special discounts and all those other things. We will see it case by case, actually.

Prateek Chaudhary: Are you reasonably confident of sustaining a 50% margin in this segment?

Mahesh Makhija: Yes, I am, honestly speaking, at this moment.

Prateek Chaudhary: Okay, sir. Thanks. Thanks a lot. And I'll get in touch with the IR to probably meet you.

Mahesh Makhija: Sure. Please. Anytime, sir. Welcome.

Prateek Chaudhary: Okay. Thanks a lot, sir. Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Ms. Vaishnavi Ambokar for closing comments.

Vaishnavi Ambokar: Thank you, everyone, for joining the conference call of QMS Medical Alliance Service Limited. If you have any queries, you can write us at research@kirinadvisors.com. Once again, thank you, everyone, for joining the conference call. Thank you.

Mahesh Makhija: Thank you.

Moderator: Thank you. On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.