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SYMBOL: QMSMEDI

Sub: Transcript of Earning Call for the Quarter and Half Year ended September 30, 2026.

Dear Sir/Ma'am,

We enclose herewith a copy of the transcript of the Earning Call for the quarter and half year ended September 30, 2026 held on November 17, 2026.

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 sincerely,
For QMS MEDICAL ALLIED SERVICES LIMITED

TORAL JAILESH BHADRA
Digitally signed by TORAL JAILESH BHADRA
Date: 2026.11.21 10:43:48 +05'30'

TORAL JAILESH BHADRA
(MEMBERSHIP NUMBER: A56927)
(COMPANY SECRETARY AND COMPLIANCE OFFICER)
DATE: NOVEMBER 21, 2026
PLACE: MUMBAI

"QMS Medical Allied Services Limited

Q2 & H1 FY27 Earnings Conference Call"

November 17, 2026

MANAGEMENT: MR. MAHESH MAKHIJA – CHAIRMAN AND MANAGING DIRECTOR – QMS MEDICAL ALLIED SERVICES LIMITED
MR. MOHIT TAMHANKAR – DIRECTOR, COMPLIANCE – QMS MEDICAL ALLIED SERVICES LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY '27 Earnings Conference Call for QMS Medical Allied Services Limited. The management will be sharing key operating and financial highlights for the quarter ended September 30, 2026, followed by a question-and-answer session.

Please note that some of the statements made in today's discussion may be forward-looking in nature and may involve risks and uncertainties. Documents relating to the company's financial performance are available on the stock exchange and the company's website. Trust, you have been able to go through the same.

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 this 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. Mahesh Makhija, Chairman and Managing Director. Thank you. And over to you, sir.

Mahesh Makhija: Thank you. Good morning, everyone. Thank you for joining us for QMS Medical Allied Services Limited Q2 and H1 FY '27 Earnings Conference Call. We appreciate your continued interest and confidence in the company.

I would like to begin by highlighting the important developments that have shaped QMS over the past few months, and we are positioning the company for its next phase of growth. QMS has evolved significantly since its inception in 1994. Over 3 decades, we have built a strong presence in the health care ecosystem, supported by established relationships with leading pharmaceutical companies, a nationwide distribution network and a deep understanding of the medical products and services landscape.

Over the last few years, we have also expanded beyond our traditional distribution business into patient support programs, health care camps and technology-enabled patient engagement program. These initiatives have enabled us to develop capabilities across multiple stages of the health care delivery value chain. As we look ahead, we see significant opportunities emerging across health care products, diagnostics, patient engagements and technology-led health care solutions.

Our strategic initiatives during the years are aimed at strengthening our presence across these opportunities while creating more focused business verticals. Our migration to the NSE Main Board in June 2026 was an important milestone in this journey, enhancing our visibility and institutional presence in the capital market. We also acquired the remaining 24% stake in Saarathi Healthcare in September 2026, making it a wholly owned subsidiary. This provides us with complete ownership and strategic control over the development of our patient support programs business. Going forward, our growth strategy will be driven by 2 focused verticals: QMS Services and QMS Products, each with distinct capabilities, operating priorities and growth opportunities.

Let me begin with our services business. Over the years, we have established a meaningful presence in the patient support programs. We have developed the expertise to conceptualize, implement and manage large-scale patient engagement programs in collaboration with leading pharmaceutical companies. Our experience includes managing programs across multiple therapeutic areas, including diabetes, hypertension, ophthalmology, orthopedics and other chronic diseases segments.

An important development in this direction was the approval of a composite scheme of arrangements by the Boards of QMS and Health Care at Home Limited or HCAH on September 25, 2026. Under the proposed engagement, the patient support program vertical of HCAH will be merged with Saarathi Healthcare through an all-share swap, approximately 1.32 crores shares will be issued to HCAH shareholders and the combined service businesses envisaged to be separately listed on the NSE, subject to the requisite regulatory and stakeholders' approvals.

The transaction also brings together an established set of investors, including Quadria Capital, a private equity firm focused on the health care, Temasek-backed ABC Impact Fund and the Burman family. We believe this is a significant strategic development for QMS. The combined platform will have a much broader service offerings covering patient screening, enrolment, downstream, treatment adherence, disease management and patient education and ongoing engagements.

In terms of the scale, the combined platform brings together more than 160 active patient support programs, has impacted over 1.2 million patients and has a workforce of more than 2,000 health care professionals across 35-plus cities. This provides us with a strong foundation to deepen existing pharmaceutical relationships, expand into new therapeutic areas and participate in larger and more comprehensive patient support programs.

Another important benefit will come from the integration of the team's technology and operating infrastructure. We see opportunities to leverage common capabilities, reduce operational duplication and improve the efficacy of program's execution at the platform space. The Indian patient support program industry is witnessing increasing relevance as pharmaceutical companies place greater emphasis on patient education, treatment adherence and a long-term engagement, particularly in chronic and specialized therapies.

We believe this creates a meaningful opportunity for organized service providers with the technology, professional workforce and the execution capabilities to manage large patient population. The combined business -- the combined service business has reported a revenue of approximately INR109 crores in FY '26, with a revenue target of approximately INR180 crores for the FY '27.

Our ambition is to build this business at a CAGR of 20% to 25%, supported by new programs, additions, deeper pharmaceutical partnerships, expansion into additional therapeutic areas and operating leverage from increased scale. Our objective is to establish Saarathi as one of the India's leading patient support programs platforms, with the scale and capabilities to serve pharmaceutical partners and patients across the country.

Moving on to our second vertical, the QMS Products. Our products business continues to be supported by more than 3 decades of experience in medical device distribution, established relationships with international health care brands and a pan-India sales and marketing network. We currently have a portfolio of more than 900 SKUs served over 130 institutional clients, including more than 50 leading pharmaceutical companies and have a distribution reach covering over 5,000 pin codes across India.

Our strategy is to strengthen this established distribution business while progressively expanding into higher-value technology-led products and indigenous manufacturing. An important development in this direction is our recently signed 5 years exclusive agreement with HEINE Opto, a globally recognized player in primary diagnostic instruments. Under this agreement, QMS will have an exclusive marketing and distribution rights for HEINE's range of primary diagnostic instruments across India commencing 1 January 2027.

The Indian market contributed net revenues of approximately INR30 crores for HEINE in 2026. We believe our established distribution network, institutional relationship and market reach provide us with a strong opportunity to expand the presence of this portfolio in India. This partnership strengthens our distribution offerings and adds another established international brand to our product portfolio.

At the same time, we are taking steps to move further up the value chain through our proposed acquisition of BeamOptics Scientific. On September 25, 2026, we signed a binding MOU to acquire 100% of BeamOptics. BeamOptics is a technology-led company specializing in optical systems, in vitro diagnostics and analytical instruments. It has developed indigenous technologies across optical sensing and FTIR spectroscopy with product platforms such as RedCheck and QCare universal readers.

The company also brings in in-house research and development, product engineering, manufacturing and regulatory capabilities, along with 7 patents filed, of which 2 have been commercialized. The strategic rationale is to combine BeamOptics' technology and manufacturing capabilities with QMS established sales, marketing, customer relationship and nationwide distribution network. This will enable us to accelerate the commercialization of existing products, expand market penetration and develop deep new proprietary health care products.

Our broader vision is to develop a technology-led medical platform -- medical products platform with the capabilities across research and development, product engineering, manufacturing and commercializing. Therefore, we see 2 complementary growth drivers emerging within QMS products, established international partnerships which strengthen our distribution businesses and indigenous technology capabilities through BeamOptics, which provides an opportunity to develop our own products and capture a larger share of the value chain.

Let me move to our financial performance for the quarter and the first half of FY '27. We are pleased to report a continued growth in our revenue, reflecting the expansion of our business activities and the strength of our underlying market presence. For Q2 FY '27, revenue from operations increased by 17.5% year-on-year to INR52.5 crores compared to INR44.7 crores in

Q2 FY '26. For the first half FY '27, revenue from operations grew by 20% to INR109.4 crores compared to INR91.2 crores in H1 FY '26. This represents a healthy growth trajectory and reflects the continued expansion of our business.

Moving to operating profit. EBITDA for Q2 FY '27 stood at INR6.5 crores compared with INR6.9 crores in the corresponding quarter last year with an EBITDA margin of 12.4%. For H1 FY '27, EBITDA increased by 11% year-on-year to INR14.8 crores compared with INR13.4 crores in FY '26. The EBITDA margin for the first half stood at 13.6%.

At the profit after tax level, Q2 FY '27 PAT stood at INR2.4 crores compared with INR3.6 crores in quarter 2 FY '26, while H1 FY '27 PAT stood at INR6.4 crores compared with INR6.7 crores in the corresponding period last year. Our PAT margins for Q2 FY '27 was 4.6%, while H1 FY '27 PAT margin stood at 5.8%.

On the cost front, employee expenses increased to INR12.6 crores during the quarter compared with INR3 crores in Q2 FY '26. These costs reflect the expanding operating structure and the investments being made in strengthening our people, technology, service delivery infrastructure and business platform. Our focus is on building the capabilities required to support the next phase of growth while progressively improving operating efficiency and productivity as the business scales.

We believe it's important to view our current financial performance alongside the investments and strategic initiatives being undertaken to strengthen the business. Our priority is to establish a more scalable operating platform across both the verticals, which can support sustainable revenue growth and improved profitability over the medium term.

To conclude, we believe QMS is entering an important phase in its evolution. Our strategy is becoming increasingly focused with 2 distinct business verticals that offer complementary opportunities for the growth. In services, the proposed combination of Saarathi Healthcare and HCAH patient support program business provides an opportunity to build a larger, more integrated patient support program platform with greater scale, wider service capabilities and deeper pharmaceutical relationships.

In products, we are strengthening our established distribution while the proposed acquisition of BeamOptics will help us develop indigenous technology product development and manufacturing capabilities. We recognize that the successful integration of these initiatives will be important in translating the strategic opportunities in sustainable business performance.

With over 3 decades of health care experience, established customer relationship, a strong nationwide network and an increasingly differentiated portfolio of products and services, we believe QMS is well positioned to participate in evolving the opportunities across India's health care ecosystem.

With this, I now hand over the call to the moderator to open the floor for questions. Thank you.

Moderator: Thank you very much. First question is from the line of Reena Shah, Individual Investor.

Reena Shah: So, I just wanted to ask like the proposed merger of HCAH patient support program business with QMS is expected to create a platform with over 160 active programs and more than 1.2 million patients. Could you elaborate on the financial contribution of HCAH's PSP business, including its revenue, EBITDA profile and expected profitability?

Finance Team: So while -- so in FY 2026, the year that passed by HCAH patient service program division had about INR55 crores in revenue and about a little less than INR8 crores in EBITDA. While this division sits in the larger entity within HCAH, so we don't have precise PAT level numbers. The revenue of INR55 crores is expected to touch about INR80 crores in FY '27. And this is the clarity that we can give you. Going ahead, the businesses will integrate. They will have cross synergies, and that's the plan to together grow this business in a much more leaner manner. I hope this answers the questions that you have.

Reena Shah: Just a follow-up on this same line. Like the combined platform is targeting approximately INR180 crores of top line in FY '27 and 20% to 25% CAGR growth. So, what are the key assumptions behind this target? And how much of the growth is expected to come from existing program versus the new client additions?

Mahesh Makhija: See, over a period of experience, we have always able to maintain 95% of the programs, which we have got, I mean, which are running from Saarathi as well as in QMS also. And the same thing is happening in HCAH. So, we have contracts already signed up for these number of years, plus our existing camps business, which is growing rapidly. So, that's been more of a focus area also on the camps business actually. So, that's where we are going to focus also more aggressively within the patient service programs verticals actually.

And also looking out at the revenue other than the pharma segments actually is looking up the insurance segments also and the other non-pharma accounts basically where our patient support programs can be done in the corporate level also. That's an opportunity which we are still looking out.

Finance Team: Just to add more operationally, while we maintain -- we have most of our -- most of the pharma companies, major pharma companies as customers, the patient service programs and camps that QMS conducts is a very small percentage of the overall wallet that the pharma company spends. So, we expect significant growth to come from increasing the wallet share towards spending on these PSPs. At the same time, within each customer, within each division, there is scope for growth.

So for example, a customer who is -- or a division of a pharma company who's doing camps with us this year is a very good candidate for a higher ticket size, small PSP the year after that and a much larger PSP the year after that. So that way, organically, we are tapping more wallet share of our existing customers. At the same time, like Mahesh mentioned, exploring new sectors where the capabilities that we've developed by working with pharma companies can be replicated for servicing the insurance company in the corporate sector.

Reena Shah: Okay. Okay. Understood. And what would be the key operational and financial synergies expected from bringing the 2 business -- the 2 PSP businesses under Saarathi? Specifically,

where do you see the greatest opportunity for cost optimization, technology manpower or administrative infrastructure?

Finance Team: Yes. So, technology is a big part of this business, and that's on 2 fronts. One is from the requirement of heavy investment in technology for the patient data management. The stronger we invest in technology for our patient data capturing and the compliances, the easier it is for the pharma companies to trust us and work with us. So instead of 3 different entities, QMS, Saarathi and HCAH developing their own systems, having a single platform will support us and a single tech team will support us. So, technology is one very important part.

From the synergies from the customer side, the major customers or the key clients, anchor customers of each 3 entities are different. So, there's a lot of opportunity for cross-selling. At the same time, the optimization of manpower will kick in because all the administrative part plus certain repetitive -- I might -- QMS might have certain staff who is, say, 60% occupied and HCAH has someone who's 40% occupied. So, all of these teams together can do much more work without adding staff.

So, all of these synergies will kick in, which is what we are targeting towards. However, beyond just cost optimization, while cost optimizations will happen, the rationale behind this synergy, the reason we've come together is not just to optimize cost, but to become far ahead of any other competitor, get the scale, which is needed for us to be the first choice for any pharma company or any customer to give their patient service program or a patient camp to.

Reena Shah: Okay. Understood. And just a follow-up on the same question. Like when should the investors expect these synergies to start reflecting in the EBITDA margins of the combined entity? And is there any defined time line or a definite time line for achieving the targeted operating efficiencies?

Finance Team: So as we are sitting in right now in the month of November, together, the plan right now is to -- we are talking to our customers and rolling in orders for the next year. So, FY '27-'28 is when we will start seeing the synergies. However, the legal approval from NSE, SEBI and NCLT is expected to take 12 to 13 months. So while operationally, these synergies will start coming in '27-'28, on our post corporate action consolidated numbers, you will be able to really see this from quarter 4 in '27-'28 and the year after that is when it will start coming in balance sheet.

Reena Shah: Okay. Understood. And just a last question. The proposed 100% acquisition of BeamOptics is an important step towards building R&D and product development and manufacturing capabilities. Could you provide more clarity on the proposed transaction valuation or the consideration structure in the current financial scale of BeamOptics?

Finance Team: Okay. So because of the way this transaction is structured, since QMS will undergo a demerger as a part of the corporate scheme with HCAH and BeamOptics is specifically a transaction on our product side, so we have signed an MOU. And after the corporate action takes into effect, say, for example, after 12 to 13 months from today that both of us will jointly appoint a valuer to do -- multiple valuers to do the valuation in a professional manner, and we will execute the transaction.

While I don't -- that's why because of this time lag, I cannot give you a number as to what the valuation would be, but this might be a sort of a share exchange or a part share exchange and a part monetary consideration. But we are more leaning towards doing this as a share exchange so that there's no cash outflow in this transaction. That's the clarity I have for now.

Moderator: Next question is from the line of Deepak Karva Individual Investor.

Deepak Karva: Sir, I have 2 questions on balance sheet and the revenue side. So in September '26, we have seen growth in our receivable inventory, total borrowings and even the cash flow. So, what would be the reason for increase in our receivable and borrowings?

Finance Team: So the increase in borrowings is a little extra utilization of our working capital because we had to complete the acquisition of Saarathi Healthcare. While we've not diverted funds from working capital for this acquisition, but some of the internal accruals got assigned -- got allocated towards finishing the final tranche of payment for Saarathi, which was an essential step before doing the transaction with HCAH.

So, that is the reason you're seeing a little temporary increase in debt, which will pare down as and when our -- now that our internal accruals will come in, we'll totally be assigned towards reducing our borrowings since we don't have any other monetary capital commitments which we have to execute.

Deepak Karva: Okay. So, what are our capital requirement in 2 business verticals, working capital requirements?

Finance Team: The service vertical requires very minimal inventory. The major capital that we require is towards our payments to our manpower, plus our billing. The corporates take 90 to 100 days to make payments. So, that is a major capital that we require. However, our product division is a division where we stock. We purchase inventory upfront in cash, stock it and then sell it to our customers who then take credit.

So the credit requirement there is a little larger. And we are undergoing these processes now to reduce this working capital cycle in our product business because that's a strain on the -- that could be potential strain on the financials. And I hope that you will see results of that in the coming year.

Deepak Karva: Okay. Understood. Also, like we are pursuing multiple initiatives simultaneously like HCAH-Saarathi merger, BeamOptics acquisition, HEINE distribution partnership and all these partnerships, so investment in technology and infrastructure are there. So, how we are, like, prioritizing our capital allocation in these opportunities?

Finance Team: Okay. So, let me explain the capital allocation. Most of the strategies that we are following, which we are pursuing, we want to get the maximum benefit out of the minimal capital allocation. So, you named 3 opportunities that we are working on. The transaction with HCAH and Saarathi is a totally non-cash transaction. And eventually, that is going to lead to reduction in our overall debt, at the same time growing with minimal capital. So definitely, that's a very fantastic opportunity.

We were able to capture growth without significant incremental capital deployment. The HEINE optics transaction where we have taken distribution is a strategic shift where QMS will use this opportunity to develop all-India distribution network and we do get credit from HEINE optics also. So definitely, there would be little capital, which is allocated, but that is within our existing capital, which is being deployed in the product portfolio.

The reason we want to do this is because of the third opportunity, which is BeamOptics. BeamOptics is an R&D-led company. Just taking a minute to explain the BeamOptics' rationale. All medical -- a lot of medical -- newly developing medical technology companies are creating fantastic devices. They have superb R&D and capabilities and technical expertise, but they lack market access, whereas companies like QMS have a lot of market access, but don't have the R&D capabilities.

So with BeamOptics on board, we are creating a platform where the whole cycle from the development of the product, testing it in the market, getting market feedback and actually producing it and distributing it, everything is under one roof. So, we will be developing only those products which have got a market validation, which we can immediately push to the market.

Now this -- while pharma companies will be the testing ground where they will give us validation on products, but the real potential of the sales is also beyond pharma companies when we go to the trade. So the HEINE optics will develop a distribution network, which will work to distribute the products that we develop with BeamOptics and manufacture with BeamOptics.

So it's more strategic here to -- since we are fully integrated, the working capital requirement otherwise, which would have -- which we have. So right now, the medical devices that we distribute, we do have to invest more because we don't get the credit, plus we give out margins to the manufacturers.

Now since we keep those margins in-house, we will have a much better control over the process as well as capital. So, this is the rationale. Each of these opportunities is at its infancy right now, with '27-'28 being the year where we will start realizing the benefits. And over the next 3 to 4 years, you will see a complete transformation where all of these companies will -- all of these opportunities will start kicking out, playing out and the vision that we have for QMS, you will actually be seeing it happen.

Deepak Karva: Understood. Understood. And apart from that, like we are moving service business towards separate listing. So, how we are ensuring, like, operational coordination, strategic alignment and governance between these 2 business?

Finance Team: Okay. So, these will be 2 distinct businesses. So as a first step, QMS, the existing listed company will get demerged and a mirror shareholding will be created. And then as a next step, the service entity, which will include Saarathi will issue shares to HCAH shareholders. So, we will have 2 distinct listed entities. Mr. Mahesh Makhija will be the Chairman and Managing Director. And over a period of time, the service entity will go towards ensuring that there is professional management. And there's a lot of talent, the CEO coming in from HCAH and a lot of talent

coming in, and it will be a Board-operated company and existing QMS Medical Allied Services Limited will keep running as it is with the current structure since the entity is going to remain the same.

Deepak Karva: Understood. Like on revenue front, what is our segmental revenue breakup between product and service in H1 FY '27?

Finance Team: So in H1 '25, let me just give that number to you. So in H1 FY '27, out of the -- I will give you the consolidated number. Just one second. Out of the consolidated INR109 crores of revenue that you see, our products division on a consolidated business got in INR61 crores of revenue and INR48 crores came from services.

Deepak Karva: INR48 crores from services and INR61 crores from products?

Finance Team: Yes.

Deepak Karva: Okay. And in this like what is -- if you can specify from pharma, from hospital, POC, PSPs and camps. How much revenue came from this?

Finance Team: Okay. I can give a brief breakup on that. Our point-of-care division contributed about INR9 crores. That's in the quarter. If I want to -- for half yearly numbers if you talk, about INR15.5 crores is coming from our point-of-care business. Patient service program, educational, B2B, all of those have got in approximately about INR37 crores, about -- and balance is coming from the other segments.

Deepak Karva: So out of these 5, which is the highest revenue, pharma?

Finance Team: The pharma right now is the highest revenue because that's a B2B sales. However, the share of B2B sales -- product sales is reducing. While the division itself is growing, services are growing faster. So, that's why as a percentage mix, the service mix is increasing.

Deepak Karva: Okay. And one last on Q-Devices. From Q-Devices, how much revenue we are generating?

Mahesh Makhija: Q-Devices, see, from the -- we have been doing online business of approximately around INR1.8 crores per annum technically, say, on that. And from the B2B platform, last year, we did around INR14-odd crores from Q-Devices. And this year itself also in the first half of the products that we have sold, around INR4.5 crores have come from the Q-Devices product factory.

Moderator: Next question is from the line of Ruthvi, Individual Investor.

Ruthvi: So, I had a question that company -- so under the 5-year exclusive business...

Moderator: Ruthvi, sorry to interrupt. Your voice is breaking. Can you come in a better reception area, please?

Ruthvi: Is it better now?

Mahesh Makhija: Yes.

Ruthvi: So under the 5-year exclusive distribution agreement, so the company will market HEINE's diagnostic products in India from January '27. So the presentation indicates that HEINE generated approximately INR30 crores in revenue from India in '26. So, how should we look at the revenue opportunity for QMS from this partnership?

Mahesh Makhija: See, we have been looking at scaling this business at least double the thing in the next 5 years at least. So, that's INR30 crores is what HEINE has been doing right now in India. This financial year, they will cross actually. And that's -- and we start from at least with a base of INR30 crores. That's what it is next year for that. So it's in the next 5 years, we expect approximately doubling the revenue from that.

Moderator: Next question is from the line of Saket Saurav from Sagari Capital.

Saket Saurav: Am I audible?

Mahesh Makhija: Yes.

Saket Saurav: Sir, if I heard you correctly, I think the PSP segment that we acquired for HCAH, it did INR55 crores last year or it is guided to do INR55 crores this year?

Mahesh Makhija: Last year. And we've not acquired. HCAH is merging with us.

Saket Saurav: Okay. Yes. Fair point, sir. Now was that a growing business? So for example, what was the revenue, say, in the subsequent year, what was the, say, last 3 years CAGR for this INR55 crores business for HCAH?

Finance Team: So it is a growing business. While the earlier year was around INR52 crores, they were a little flat. In current year, in FY '26-'27, they are projected to do about INR75 crores to INR80 crores in revenue as the market is growing.

Saket Saurav: And the cumulative, we are projecting INR180 crores for this PSP business, right, between the 2 entities?

Finance Team: That means INR100 crores to INR110 crores from QMS and INR70 crores to INR80 crores from HCAH.

Saket Saurav: So basically -- so we have already done INR48 crores this year, right, in the first half. So, we are projected to do some around, let's say, INR60-odd crores in the second half.

Finance Team: Yes. INR50 crores to INR60 crores in the second half will come, yes.

Saket Saurav: Okay. Now if I look at, say, the kind of employee ramp-up that we have done, right, the employee expenses, if you look at, it's gone from almost INR3 crores now INR12 crores, right, on a Y-o-Y. And even Q-o-Q, it is up. But there has not been subsequent -- I think the revenue ramp up, right? But that's why the margin has diluted, come down quite a bit. So do we see -- where do we see first this revenue, say, employee expense to settle down? Is like INR12.8 crores a stable state or we still look to hire more people, I think, probably for that weight loss thing?

And then second, how does the margin trajectory look like for this segment? Because I think that has really diluted quite a bit. The operating leverage is not really coming through, if I look at for the last couple of quarters now.

Finance Team: Okay. So if you look at the numbers, the full-year FY '26, our services revenue was INR54 crores. And just in these 6 months, we've achieved INR48 crores. So, there is definitely a lot of growth in the service segment. While the company has taken a hit on margins, there are certain challenges on margins on the product front. And that is why you might not see the whole result coming in and translating to margins.

On a consolidated service business level, we do operate at an EBITDA of 20% plus. And on -- beyond EBITDA, the interest and depreciation cost is something -- depreciation, company can't work on, but interest cost is definitely something that the company is striving to use the internal accruals to reduce debt so that the interest cost comes down.

I will just add one more aspect. The services that -- the service growth that happened has been on back of increasing the employee strength. Now, these are not those employees that we hire without any visibility of revenue. So, every incremental employee cost that the company incurs is backed by a contract from the pharma company to cover that employee cost and a profit that QMS gets on it.

So while stand-alone employee cost will -- stand-alone increase in employee cost might look alarming, however, from the company, it's part of the business model where we are employing these resources, dedicating them to a particular program for the pharma company and charging the pharma company with our margins.

Saket Saurav: Got it. So if I look at, say, the employee expense right now, it comes around, say, around 20-odd percent of the H1, right?

Finance Team: Correct.

Saket Saurav: So, now how does that stack up for services business like services business, employee expenses a lot lower as a percentage of revenue. So, bulk of it, it might mean that the product segment right now is almost very thin, EBITDA margin, single high digit or something like that, if you are saying that it is on the higher margin side?

Finance Team: For this quarter, yes.

Mahesh Makhija: For this quarter, yes.

Saket Saurav: Okay. And do we see that improvement coming in for the product business, the margin...

Mahesh Makhija: Yes. Definitely. That's exactly where our own indigenous products coming into our Beam strategy with BeamOptics will work on that. That is definitely going. It's a cycle which is always there, sometimes up, sometimes down. But yes, we need to manage that. That's how business is.

Saket Saurav: And sir, when the -- now that we are demerging, so it's important that both these entities when they are stand-alone are self-sufficient. So the merged entities, HCAH plus QMS PSP, will it be

PAT positive? Or say -- why I'm asking is, is PSP carrying some debt or say, below EBITDA losses?

Mahesh Makhija: Both the divisions will be positive that we can assure you at this moment. Both the divisions are positive, PAT positive.

Saket Saurav: Okay, sir. And sir, my final question would be that you said that maybe after end of H1, we would be in a position to update with the updated guidance for this year, right? So, what is the updated guidance for the stand-alone entity? For now, I think merger will -- is still some time away. So, I'm only focusing on the QMS, the current shape and form. So what is the projected, say, final year revenue and EBITDA margin?

Mahesh Makhija: See, revenue point of view, we are expected to cross around INR200-plus crores -- I mean, INR200 crores plus, we are going to do that. We have already done INR109 crores. And definitely, we're going to maintain that decent. So it will be in the range of INR210 crores to INR220 crores we'll be doing this financial year.

Saket Saurav: Okay. So H1, H2 are likely to be similar, right?

Mahesh Makhija: Almost, almost.

Saket Saurav: Okay. And bulk of that would be -- because the top line would be slightly softer on the product, is it safe to assume? Because I think the employee hiring that we have done on PSP, we were told that it is yet to bring in revenue. But the revenue ramp-up is -- H1 is going to H2, so that there is minimal ramp-up happening in the second half?

Mahesh Makhija: Yes, exactly. Exactly.

Saket Saurav: Okay. So, product will come down kind of, right?

Mahesh Makhija: The product revenue will not -- I mean, see, product revenue, we are trying to maintain that way. But yes, the transition of the type of business models that we are -- see our agreement with HEINE is going to start from 1st January, okay? So the existing distribution business is right now slow because the old distribution channel is having certain of their -- they need to flush out their stocks and all that.

So, that is also impacting us. So, that business model will start impacting from 1st January. Maybe in the last quarter, we can show certain results. So, we are not talking much on the product numbers at this moment because we know that from next financial year, everything is going to fall in place actually.

The production online that we have already worked with BeamOptics actually, that also is going to play a big role in this, right, the products which are going to come in from there. So, all these things are going to play in the last quarter, last quarter -- last 2 months actually, technically speaking right now. So, what major impact on the product side if we see, we're going to see that in the next year business model actually.

Saket Saurav: Got it. And sir, what is the final year guidance for the EBITDA full year?

Mahesh Makhija: EBITDA?

Finance Team: Considering how the things are going on, we would want to wait out one more quarter before giving the full-year guidance. Our quarter 1 was much better and quarter 2, there were certain hits on the product side. So, I wouldn't want to give a guidance on EBITDA on this call.

Moderator: As there are no further questions, I'll now hand the conference over to the management for closing comments.

Mahesh Makhija: Thank you, everyone, for all the support and taking out the time to be a part of our Q2 and H1 FY '27 earning call. I hope we have been able to do justice to your questions. Should you have any further questions, please do write to us or Stellar, who are our IR advisors. We shall respond as best as we can. Thank you. Have a nice day.

Moderator: Thank you very much. On behalf of QMS Medical Allied Services Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines. Thank you.