



# BLUE JET HEALTHCARE LIMITED

REGISTERED & CORPORATE : 701 & 702, BHUMIRAJ COSTARICA,  
PLOT 1 & 2, SECTOR - 18, SANPADA, NAVI MUMBAI - 400705

T : 022- 41840550 / 40037603

F : +91 22 27814204

E : sales@bluejethealthcare.com

CIN NO. : L99999MH1968PLC014154

February 17, 2026

To,

<b>BSE Limited</b> Phiroze Jeejebhoy Towers Dalal Street Mumbai - 400 001  <b>Scrip Code (BSE): 544009</b>	<b>National Stock Exchange of India Limited</b> “Exchange Plaza” Bandra-Kurla Complex, Bandra (East) Mumbai – 400051  <b>Symbol: BLUEJET</b>
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**Sub: Transcript of the Earnings Call with Analysts/Investors on Financial Results for the quarter and nine months ended December 31, 2025**

Dear Sir / Ma'am,

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015, please find enclosed the transcript of the Earnings Call with the Analysts/ Investors on the Financial Results for the quarter and nine months ended December 31, 2025 held on February 13, 2026.

The same is also available at: <https://bluejethealthcare.com/investor-presentation/>

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For **Blue Jet Healthcare Limited**

**Sweta Poddar**  
Company Secretary & Compliance Officer  
(M. No.: F12287)

Unit I

3/2, Milestone, Kalyan Murbad Road, Village Varap, P.O. Box No. 5, Shahad-421 103, Tel.: 91 251 2280283 Fax : +91 251 2280567

Unit II

Plot No. B-12, C-4, E-2, MIDC, Industrial Area, Chemical Zone, Ambarnath (W) 421501. Tel. : +91 8956363877/8956363878

Unit III

K-4/1, Additional MIDC Road, Mahad Industrial Area, Mahad- 402309, Tel.: + 91 22 2207 5307 / 6192 / 1691 Fax : +91 22 2207 0294



"Blue Jet Healthcare Limited Q3 FY26 Earnings Conference  
Call"

**February 13, 2026**

**MANAGEMENT: MR. SHIVEN AKSHAY ARORA – MANAGING DIRECTOR**

**MR. V. K. SINGH – CHIEF OPERATING OFFICER**

**MR. GANESH KARUPPANAN – CHIEF FINANCIAL OFFICER**

**MR. SANJAY SINHA – DEPUTY CHIEF FINANCIAL OFFICER**

**Moderator:** Ladies and Gentlemen, Good Day and Welcome to Blue Jet Healthcare Limited Q3 FY26 Earnings Conference Call.

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 “\*” then “0” on your touchtone phone. Please note that this conference is being recorded.

For cautionary remarks, I now hand the conference over to Mr. Advait Bhadekar from Ernst & Young. Thank you and over to you, sir.

**Advait Bhadekar:** Thank you, Bhoomi. Good evening and a warm welcome, everyone to Q3 & Nine Months FY26 Earnings Call of Blue Jet Healthcare Limited.

Please note, the “Investor Presentation and the Financial Results” are available on the company website and the stock exchanges.

Also, anything said on this call, which reflects our outlook for the future, or which could be construed as a forward-looking statement, must be reviewed in conjunction with the risks that the company faces.

The conference call is being recorded and the transcript along with the audio of the scene will be made available on the website of the company as well as on the exchanges.

Please also note that the audio of the conference call is the copyright material of Blue Jet Healthcare Limited and cannot be copied, rebroadcasted or attributed in press or media without the specific and written consent of the company.

From the management, we have with us today, Mr. Shiven Arora -- Managing Director; Mr. V. K. Singh -- Chief Operating Officer; Mr. Ganesh Karuppanan -- Chief Financial Officer, and Mr. Sanjay Sinha -- Deputy Chief Financial Officer.

Now, I request Mr. Shiven Arora, Managing Director of Blue Jet Healthcare Limited to Provide You with the update for the Quarter and Nine-Months ended, 31st December 2025. Thank you and over to you, sir.

**Shiven Arora:** Thank you, Advait. Good evening, everyone and thank you for joining us today. Let me begin with a few business and strategic updates before we hand over the discussion to our COO.

**Vizag Greenfield Project:**

We are pleased to announce that the groundbreaking ceremony for our Vizag project is scheduled for this month. This Greenfield site represents a pivotal growth platform for Blue Jet Healthcare. In Phase-1, we will be setting up a dedicated capacity for API and intermediates, focused on new products aligned with customer requirements. This project was approved by a board with a total investment plan of Rs.1,000 crores over the next three to four years. The initial capacities under development are aligned with customer demand and long-term business visibility

We believe the scale, infrastructure and the geographic advantage of Vizag, will strengthen positioning as a reliable global partner in complex chemistries.

**Hyderabad R&D Expansion:**

We have successfully secured lease space for R&D activities in Hyderabad. Development work is expected to commence from Q3 FY27, further strengthening our innovation pipeline and technical capabilities.

**Artificial Sweetener Pipeline:**

As a part of our focus on specialty ingredients, we are initiating a few exhibit batches of the new artificial sweetener in FY27. This will complement our existing high-intensity sweetener portfolio and address a growing segment of global demand.

**In terms of CAPEX Update of Unit 3:**

Our expansion project is nearing completion. The block is designed for key intermediates in contrast media. The facility incorporates robust safety, environmental and automation systems, and is expected to be ready for qualification in Q1 '27. It will play a key role in de-bottlenecking our supply chain and supporting future growth.

On this note, I would pass it on to my colleague, Mr. V. K.

**V. K. Singh:**

Thank you, Shiven, and good evening, everyone.

**Let me take this opportunity to expand on our Operational Progress, CAPEX Execution and CDMO Pipeline Momentum:**

At our Mahad Unit-3 site, the core block for backward integration into contrast media intermediates is nearing completion. This facility has been designed for one key side chain in our contrast media portfolio, a step that not only improves cost-competitiveness but also provides strategic independence from raw material volatility. We have embedded a very high level of automation into this facility

alongside strong safety and environmental design. The site is on track for validations in Q1 of FY27, and we have incurred a cumulative CAPEX of approximately Rs.146 crores to-date. This plant exemplifies our approach to securing supply chains and defining leadership in complex high barrier segments like iodinated contrast media.

On the R&D and CDMO platform expansion that Shiven touched very briefly, over the last 18 months we have doubled our R&D infrastructure and talent pool.

As a part of our next phase, we are investing about Rs.40 crores to build a new R&D center at Hyderabad, focused on emerging technologies including intermediates for GLP-1s and some other chronic therapies, peptide chemistry, bio-catalysis, and a faster turnaround of CDMO-tailored late phase RFPs. This expansion is designed to support a growing CDMO pipeline, particularly high conviction phase-3 and commercial stage opportunities.

Currently, we are tracking around 20 active RFPs. Of these, six are high conviction phase-3 programs, including a couple of GLP-1 candidates and one contrast media NCE. Two are commercial products that may evolve into strategic lateral entries with dedicated capacity planning.

We are also ramping up customer engagement including onboarding a senior resource in Europe.

#### **On Sustainability and Operational Excellence:**

We continue to embed sustainability into our operations. 70% of our power consumption is now met through wind and solar. Our team strives for atom efficiency in synthetic chemistry and sustainable process design.

We have been recently recognized by the CII and have been awarded the National Award for Excellence in Energy Management.

#### **On the Operations side:**

We have built a dedicated process excellence department, supported by strong additions in engineering, quality and supply chain.

As a company, we believe in building scale and you see the same happening at Vizag, Mahad, and our R&D platforms. We remain sharply focused on reliability, responsiveness, and readiness to support our customers across the life cycle from clinical intermediates to long-term commercial supplies.

With this brief, I will request Sanjay to take it forward.

**Sanjay Sinha:**

Good evening, everyone.

**So, I will first take you through Year-on-Year Performance:**

Revenue from operations has decreased from last year which was 3,184 million whereas this quarter it was 1,924 million.

So, revenue from operations decreased by 40% and EBITDA decreased by 62% and PAT decreased by 39%.

**Coming to QoQ Performance:**

The revenue from operations has increased by 16%, EBITDA decreased by 15%, and PAT decreased by 23%. The increase in revenue is mainly towards increase in contrast media and where the dispatches were much more higher last quarter and got recognized this year.

Offtake of our flagship product was very stable and will continue to be a major supplier.

Gross margin for Q3 was at 52%, slightly lower than our normal trend, mainly due to change in product mix and one-time write-off of inventory.

EBITDA stands at 24% for the quarter, lower mainly due to operating leverage of lower sales volume. One-time impact of labor code implementation and of course engagement of certain foreign consultants.

So, nine months-to-nine months year-on-year, the revenue from operations increased by 3% and EBITDA decreased by 6% and PAT decreased by 6%. The increase in revenue from operations was due to increase in sale of PI in this period.

Gross margin was at 53% compared to 50% last year. This is mainly due to product mix.

Company reported a robust other income in nine months period with 45 million revenue.

With this, we can open the floor for question and answer session.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Amlan Das from JP Morgan. Please go ahead.

**Amlan Das:**

Hi, sir. My first question is regarding the destocking impact that you have highlighted in your opening remarks. So, my question is when do you see this destocking impact going away and how do you see this year ending, especially on the 4th Quarter? So, do you expect growth to recover on your FY25 base in the next year or how should we think about the quarters ahead regarding this?

**VK Singh:** Hi. Thank you for the question. See, there is clearly some channel inventory for which there is some de-stocking happening. But at the same time, there is a supply chain realignment that is also happening. And the reason for some subdued orders can be contributed to both of these. Now, our assessment is that it might take a couple of quarters for this to get completely realigned. But, if you would see that over the past nine months also, we have done significant volumes as far as our API, PI vertical is concerned. To further corroborate the potential and the optimism that we have for this molecule, you need to understand how the end molecule is faring. Month-on-month I would say, it is still showing good mid-level two-digit growth. And new markets are also opening up, like a very big market, that is Japan is opening up. And there are a lot of markets in the emerging geographies that are opening up. And the launch in Canada still is going to waiting traction. We are still very bullish on this product. We do not see any concern or issue.

**Amlan Das:** All right, sir. Thank you for the answer. My next question is regarding the contrast media segment. So, I just wanted to understand over the, say, past couple of years, how many launches have you done in this segment? And then how has it contributed to your revenue so far? And any product that you would like to call out, which has been a meaningful contributor to you? And how is your market share in this product fared so far?

**Shiven Arora:** Typically, in contrast media, there were two needle movers for us. One is an advanced intermediate for the existing product that we make, which is currently under validation, wherein we have the capacity ready for the next five years. And the second molecule is the NCE intermediate, which has done well for us in the past 12- months. As you recall, in December '24, we had commenced a new line for this NCE intermediate. So, I think keeping these two together, we have capacities on stream. One is getting validated. One is already scaled up. And the growth outlook in these two molecules is extremely encouraging. So, these are the two major launches. The third one, which is more of a backward integration play, and we spoke about a line which is under validation in unit-III. This also could be a significant strategic needle mover for us, both on the bottom line and also on the top line.

**Amlan Das:** So, how is the market share fared in this product? So, can we assume this market share to be sustainable, or have they gone down recently in your key products? So, how do you think about it?

**Management:** These are very sticky relations. And in most of these cases, these are backed by multi-year supply agreements. So, we feel that depending on the order flow, it is just about execution. And in terms of the development of these molecules, we have done considerable work. So, we are very confident about the qualities and the order flow to go through very soon.

**Amlan Das:** Thank you, sir. So, I just wanted to understand, in your PI, API pipeline, how do you think about it in the next couple of years? So, how many molecules do you have in, say, the late stage or phase-III assets in your PI, API pipeline right now?

**VK Singh:** So, the late stage assets are about six. And I think they will start kicking in about two years from now.

**Amlan Das:** All right, sir. Thank you. Those are my questions.

**Moderator:** Our next question is from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

**Sanjesh Jain:** Yes, thanks. Thanks for taking my question. I have got a few of them. First, on the margin, in the presentation, you mentioned that the product mix and the inventory write-off has hurt the gross profit margin. I think with increasing contribution from contrast media, the mix has only improved. And can you give us more color on the inventory write-down? What and which product and how much did it hurt? Because the gross profit volatility has really been all over the place and need to have a little more grip over that, that would be really helpful? That is number one. Number two, you did mention on the realignment of the supply chain for Bempedoic acid. Where are we in that realignment? Because one of our peers in India has also added up a lot of capacity. So in this realignment, how do we look at our contract? We were at 120 metric tons earlier. Will it positively benefit us? Will it negatively benefit us? And this de-stocking phenomenon, when should it get over and we should start looking at volumes coming back? So these are initial two questions. Thank you.

**Sanjay Sinha:** If you see gross margin on a YTD basis is around 53% compared to 55% last financial year. So, it is only a difference of 2%, out of which roughly 1% impact is on certain inventory write-offs, which are old stock, which was sitting in our inventory. 1% impact is there. And balance 1% is basically a swing because of product mix.

**Sanjesh Jain:** No, I thought product mix has improved. That 1% should have been positive. So what we are talking is much bigger impact there?

**Shiven Arora:** Just to give you some more idea, in contrast media, we have two approved vendors. And in the past quarter, we had sort of increased the offtake from the European supplier. And that could have had a marginal impact on the main product of contrast media. But at the end of the day, both contrast media and the pharma intermediates vertical is highly profitable with gross margins over 50%. And in some cases, about 55%. And on the stocking and destocking, I cannot give specific guidance. But I think with the molecule gaining new entries in new markets, and the growth outlook definitely is very encouraging, the capacities are on warm standby. And we are already discussing encouraging volumes with our target customers for FY27 and beyond.

**Ganesh Karuppannan:** Maybe I will just explain a little bit more on the gross margin. Remember, last quarter, we actually talked about change in finished goods and WIP where goods in transit was pretty high. I was actually talking about overhead getting inventorized. So, to that extent, our gross margin in that particular quarter went up to 65%, because we had a very huge goods in transit, which did not reach the customer destination as of the end of the quarter. Now that, whatever overhead which gets

inventorized actually gets released into this quarter, when you actually like book the revenue, that is how the accounting works. So, to that extent, you would actually see a slight dip in the gross margin. The way Sanjay put it, if you look at cumulatively for nine quarters, whatever number we were actually like committing, we are in that similar range; 50% to 53% of gross margin. And if you look at products like Saccharin, there is a little bit of price erosion. So, that would have actually contributed marginally to reduction in the gross margin.

**Sanjesh Jain:** That is very helpful, Ganesh. I think that is clear. On the realignment on the Bempedoic value chain, can you help us understand what exactly is happening? And how is it going to benefit us?

**VK Singh:** Sanjesh, I think it is a little premature on our part to comment on it. But all that I can say is that it will work in our favor. And it is not that supplies from Blue Jet are not going and somebody else is supplying. Or the end molecule is not doing well. So it is neither the case. So I think it is just about some realignment and channel de-stocking. And you must also understand that these are advanced intermediates. So, any change will have a regulatory pathway. And we were the primary suppliers in the past. And we believe that we will continue to be the primary suppliers.

**Sanjesh Jain:** That is clear. FY26 has been quite subdued on the growth side. What gives us the confidence that FY27 should be better than FY26 in terms of revenue growth and on the operating leverage helping to regain the margins?

**Shiven Arora:** I will answer this question by giving you some perspective about the capacity utilizations. And the two major lines that we have created – one, for the cardiovascular molecule and the other one, was for the NCE intermediate on contrast media. Both of them would be positively contributing for FY27, which is backed by some customer orders. And you have seen in the past year, we have been able to scale up both the molecules well. So there is one thing that you add capacities, but at the same time, successfully scaling up with the right efficiencies. I think there is a proven track record. The third incremental aspect would be the backward integration play for the contrast media intermediates in Unit-III. While the top line growth will happen after certain customer audits, validations, but as soon as the line is commenced, we ourselves are a customer for this critical raw material. And this will gradually impact the bottom line in the next coming years and some marginal top line growth. So these three molecules we discussed. And the fourth one is the iodinated contrast media, which the validation took longer than expected. But, the forecasts are very encouraging. And this keeps us very positive in terms of the FY27 outlook.

**Sanjesh Jain:** And from the API, PI basket, we are not looking at any new product to come in FY27?

**Shiven Arora:** We are. But I think we would be giving a positive update in the next quarter for that. There is something very encouraging cooking, but I think we would be in a position to share that in the next quarter.

- Sanjesh Jain:** That is clear. Thanks for answering all those questions and best of luck for the coming quarters. Thank you.
- Moderator:** Our next question comes from the line of Shyam Sampat from MSE Capital Partners. Please go ahead.
- Shyam Sampat:** Hello, sir. Good evening. I just wanted to understand firstly on the Vizag land that you mentioned that we have taken possession. Keeping that in mind, will our CAPEX deployment schedule look like for the next FY27 given the current volatility that we have with pharma intermediates, how will you be facing this CAPEX?
- Shiven Arora:** So, I think as per the board approval, we have committed a CAPEX of Rs.1,000 crores over the next three to four years. And specific targets for FY27, we will give you in the next quarter. But having said that, the CAPEX that we are doing in Vizag is for specific projects which have customer demand. This is not capacity creation in anticipation of a particular order. These are products, candidates that have been discussed for many years with our end-customers. And this has no correlation to the specific product in pharma intermediates we spoke about.
- Shyam Sampat:** Alright, understood. Sir, the next question that I have is regarding contrast media. In the presentation, you mentioned that the top four players hold 75% of the share. So, will our strategy be looking like gaining more wallet share now with those players?
- Shiven Arora:** Yes, those three, four needle movers that we spoke about in terms of the portfolio, will definitely contribute to the increase in the wallet share. Because again, our target is to be a small partner to these large innovators and be a part of their growth story.
- Shyam Sampat:** Alright, sir, understood. Sir, regarding the presentation on page #6, we had a line mentioning that EBITDA was impacted by engagement of a foreign consultant. I just wanted to understand the nature of this engagement -- is it one-off or recurring?
- Shiven Arora:** This would be a recurring expense. And it is more strategic in nature.
- Sanjay Sinha:** These are all European-based consultants who will be helping the company in strategizing and transforming. They will add a lot of value to the idea.
- Shyam Sampat:** Okay, sir. Thank you, sir. My last question that I have is regarding EBITDA margins, we have been seeing negative operating leverage. So, I just wanted to understand what kind of revenue threshold do we think we should expect to get back to the 30%-plus margin mark?
- Ganesh Karuppannan:** That is a combination of product gross margin. Unfortunately, we cannot guide on those numbers.
- Shyam Sampat:** Alright, sir. That is all from me. Thank you so much and all the best to you.

- Moderator:** Our next question is from the line of Nikhil Upadhaya from SIMPL. Please go ahead.
- Nikhil Upadhaya:** Yes, hi. Good evening. My question was on this API, PI product. See, last quarter when we had the discussion during the same call, you mentioned that we are bound by the order and we see visibility on the amount of uptick. I understand the innovator is renegotiating the orders and all, but when the renegotiation happens or a new supplier comes in, how does the business breakup happen between the two suppliers, because as you said, we would be part of the filing of the innovator and all. So, is it like, do you see a risk that from what we have done historically, there could be some or substantial drop, or is it like a minimum commitment that this will be maintained and incremental will go like just some sense because we do not know how these things happen, so just some sense how the contracts get renegotiated?
- Shiven Arora:** So I think, a very, very fair point. And I think I would want to give more clarity on this aspect because it is a considerable part of the overall revenues at this point in time. See, any new supplier entering has a regulatory pathway. That is #1. #2, we have spoken about the end molecule growing and entering new markets. So, this is, if you read about the molecule, the indicators are very positive. And if at all, there had to be a need to be cautioned at this point in time, from an FY27 perspective, it would be our duty to highlight it. But we do not see those indicators at this point in time. So we are still positive around this molecule, and we just have to be a bit patient around it.
- Nikhil Upadhaya:** I appreciate that fact. But what I am trying to understand is that if you look at FY27, the volume or the amount of business which the innovator would be taking from you, are these firm orders which are signed or is it like it will be more closer to starting of like financial year '27 and these would be signed? Are these signed orders that okay, this much we will be getting, just to get some confidence, that is all?
- Shiven Arora:** No. So there are binding forecast. And there are confirmed purchase orders. But at this point in time, it is very difficult to give specifics around that. And hence, there is no need to be worried about the outlook for '27.
- Nikhil Upadhaya:** Okay. And secondly, if we look at the incremental pipeline from here, there are two contrast media products, and one more API, PI product, which you mentioned. By the time '27 ends or we get into '28, would you see that the business would become more diversified versus what we have today or would you say that concentration to a few molecules will still remain very high?
- Shiven Arora:** A bit of both. Because the new launches that we spoke about in contrast media, I think they are large molecules at the end of day. So, when we set up capacities, we look at an incremental growth year-on-year for the next five years wherein we are ready for that requirement. And with the new launches in pharma intermediates, yes, there would be some lumpiness, because that is the nature of CDMO. So you should have a two, three-year outlook. But, yes, the idea and the endeavor is to definitely add

more molecules, and that is one of the reasons the Vizag CAPEX has been announced and we are looking at it very positively.

**VK Singh:** But, if you would see the numbers two years back and now, you would see that both product and client concentrations have significantly improved. So, I would imagine that we are on the right track and it should stay the same, I mean, it should improve further.

**Nikhil Upadhaya:** Okay, sir.

**Moderator:** Our next question comes from the line of Avneesh Burman from Vaikarya. Please go ahead.

**Avneesh Burman:** Hi, good evening. Thanks for taking my question. I had a question on this new PCSK9 inhibitor. I do not know whether this was answered or not. But my question is about this new Amsterdam product called Obicetrapib. And how do you think, when it gets launched in the two years hence, how does it compete with bempedoic acid, given the fact that the results and the trials have been pretty encouraging for this product?

**V. K. Singh:** I mean, of course, the molecule is very potent and it has strong USPs around it. It is very difficult to make such predictions as to how it will fare because what matters is the phase-IV data. Phase-IV means that post-launch marketing surveillance data. That is also very critical. There is a pathway for getting to the prescriptions on the physician table. By that, I mean that you need endorsement from certain, cardiologists and you need phase-IV and you need outcome trials. So while, even if this is a great opportunity, it will take a while for it to gain traction. And regardless of that, I think, it is a new molecule. So you have to wait and watch just in case there are any adverse reactions or whatever. So, I think as far as our opportunity is concerned, we are in a very, very safe zone. That is what we believe. And that is what the indication is that we have. Beyond this, I do not think I am capable to comment.

**Avneesh Burman:** Okay, thanks. That helps. Just one question is regarding the contrast media. I mean, I know that second quarter was marred by some transit issues. But if you look at the nine-months revenue and compare it, the growth is flat. So, when do we expect like a material double-digit growth here, if that is possible?

**Shiven Arora:** In terms of providing an outlook would be difficult. But I think when I was trying to say that there is a scale-up around three molecules, and molecules are of large volume, high-value products.

**Avneesh Burman:** Yes. You talked about this one, the NCE product. Can you also talk a little bit about the iodinated CM product, I mean, what could be the realizations here? And what are the target volumes here and timelines, I mean, when can we see commercial launch for this product?

- V. K. Singh:** So in FY27, you will see the commercial launch. And the ramp-up will happen from Q1 itself, is our understanding. The value per Kg, it would be higher than our main molecule because it is a forward integration thing.
- Avneesh Burman:** Okay. And what kind of volumes can we get from here, let us say in the second year, FY28?
- V. K. Singh:** That is difficult to comment right now.
- Avneesh Burman:** Okay, no problem. I will get back in the queue.
- Moderator:** Our next question comes from the line of Sujit Lodha from ICICI Lombard. Please go ahead.
- Sujit Lodha:** Hi, sir. Just one thing is on the pharma industry, while all the other questions are being answered. So on numbers, while I understand that the contracts are fluid and we do not have quarterly numbers and it is very difficult to guide on that. Just a small number here that last quarter same year, we did a pharma intermediates revenue of about Rs.146-odd crores, which is roughly about Rs.40-odd crores in this quarter, right? Sir, what is the quarterly number one should look at for FY27 or what is the annual number one should look at -- is Rs.145 crores the right number or is that exaggerated or is Rs.40 crores a very underestimated number, should it be somewhere in between, what is the right number one should look at in terms of normalcy of the supply chain and inventory if that happens?
- VK Singh:** See, one is that we normally do not like to give a guidance like this. The second is that it all depends as to how the orders they pan out. I think just wait for a quarter. And then the run rate that you will see from that run rate, you can extrapolate.
- Sujit Lodha:** Okay. So a quarter is what you are saying more will take for the things to normalize is what your understanding is?
- VK Singh:** I think that is a fair assessment to make.
- Sujit Lodha:** Okay. Got it. That is it from my side.
- Moderator:** Our next question comes from the line of Ankush Mahajan from Sanctum Wealth. Please go ahead.
- Ankush Mahajan:** So, thanks for the opportunity. I just try to understand sir, that if the end product is giving a growth of mid-double digit growth, that is showing strong prescription on their side also. New markets are also expected to grow in Japan. So, just trying to understand the nature of this supply chain, how this stocking and destocking happening actually, so would you throw some more light actually? Because the end product is doing very well, growth is there, then they stock it at the earlier level. Can we say before two, three quarters, they stock up raw material earlier at two, three quarters before the launch and something like that?

- VK Singh:** We supply the advanced intermediate and this gets converted to the API and which gets converted to the formulations. So from the point of supply to the point of purchase, there is about nine to ten months. And when the molecule is new, then you -
- Ankush Mahajan:** So, this is the lag of three quarters?
- VK Singh:** Yes, it is so difficult to give some sort of a number, I mean, if you are trying to create a model, but then broadly, yes, that is the type of guidance that you can work with.
- Ankush Mahajan:** But still whatever the number they are releasing, the growth is there.
- VK Singh:** Yes, growth is there, and that is why we have been saying that there is channel inventory and there is some destocking happening and you will see the numbers revive very soon. Just be a bit patient.
- Shiven Arora:** I think there are from a stocking scenario to a limited product. I think we are at the end of the transition.
- Ankush Mahajan:** From the last two quarters, we can say that there is destocking.
- V. K. Singh:** Not from the last two quarters, but yes, last quarter we did. But maybe, we could take it offline if you have more concerns and queries on this. We can explain more about the end molecule and there are some reports available on line about the end molecule in terms of how it is entering the market, that could be a good indicator for absorption.
- Ankush Mahajan:** Thank you very much.
- Moderator:** Our next question comes from the line of Shashank Krishnakumar from Emkay Global Financial Services. Please go ahead.
- Shashank Krishnakumar:** Yes. Hi, thanks for taking my question. So, my first one was on the six late stage assets. I think in the last call we did indicate that we have seen some RFPs for one phase-III and two commercialized products. So anything incremental in terms of updates that you might have to share, whether we can see some of these getting converted into orders say sometime next year, FY28, any update there?
- V. K. Singh:** Just wait for some more time. I think they are moving very fast and in the right direction. Last time we spoke about two lateral entries. Very advanced conversations are on both of them. And to some extent, the capacities that are envisaged at Vizag, will be also catering to these opportunities. So, just give us a little more time and we will make some announcements soon. But all that I can say is that they are moving in the right direction, both the opportunities that we spoke about.
- Shashank Krishnakumar:** Thank you. That is helpful. And the second one on the new sweetener that we are looking to commercialize. Can we sort of expect it to start contributing meaningfully from FY27 or will this

largely be contingent on the Vizag capacity coming in and then we will probably start seeing this contributing to the sweetener revenue, how should we think about it?

**Shiven Arora:** I think between FY27 and FY28, there are certain milestones that we are working towards. I think in terms of the target capacity that we are targeting is about 10% or \$1 billion. So, for a large molecule, there has to be some work at piloting in terms of proving ourselves to the target customers. So, I think in terms of the development, we are very confident. In terms of the pilot quantities in FY27, this will give us some very valid indicators in terms of continuous engineering. In the backward integration in Mahad is a very continuous plan. That is why the CAPEX is optimized. And that would be the endeavor for this large sweetener as well.

**Shashank Krishnakumar:** Got it, sir. Thanks. That is it from my side.

**Moderator:** Our next question comes from the line of Vinay Shah from The Corporate Daily. Please go ahead.

**Vinay Shah:** Good evening, sir. My question is that management has attributed that the recent revenue decline is due to the customer de-stocking. However, during the high growth period of H2 FY25 to Q1 FY26, we observed a nearly 100% spike in trade receivables, rising from Rs.177 crores to Rs.350 crores. Could you please explain this period of significant credit-led sales and why it was immediately followed by two consecutive quarters of a sharp revenue slump?

**Shiven Arora:** I did not get your question. Can you repeat that, please?

**Vinay Shah:** We observed three good quarters, H2 FY25 and Q1 FY26, with a spike of 100% trade receivables from Rs.177 crores to Rs.350 crores. And after that, OFS happens and there are two slump quarters, back to back, wherein customer de-stocking is happening. And so the previous three quarters sales were led by credit. So can you please explain this?

**VK Singh:** See, this is normal when a new product is getting launched. I mean, if you track any new launches, then filling up the channel is very critical, because, getting the product to the patient and ensuring that any prescription that is written gets filled up, this is something, which is very normal in the pharmaceutical world. So, I mean, usually that is how it happens. I am not able to get your concern.

**Shiven Arora:** See, I think if you see in the numbers also, my friend, I think in 2024, the PAT was around Rs.160 crores, in 2025, it became Rs.300 crores. So after listing, we have been able to double the profits. So, the endeavor of us is to definitely grow the company. And going forward also, the target launches that we are looking at, I think the outlook should remain positive.

**Vinay Shah:** Okay. Can we expect the next quarter to be better normalized?

**VK Singh:** Again, as we said, we do not really give a guidance, but like we already mentioned, it may take a quarter or two for this particular opportunity to get back to normal, in fact, be better than the past.

- Vinay Shah:** Thank you.
- Moderator:** Our next question comes from the line of Alankar Garude from Kotak Institutional Equities. Please go ahead.
- Alankar Garude:** Hi, good evening, every one. Sir, if we adjust for the Rs.50-60 crores of goods in transit, which you had called out in the second quarter, the contrast media sales have actually declined on a sequential basis. And we also would have had the ramp-up of the gadolinium-based NCE and possibly some validation supplies of the iodinated product. So in this context, just trying to reconcile the low contrast media sales, was there any pricing pressure or any specific volume impact which you would like to call out?
- Sanjay Sinha:** First of all, there are no volume or pricing pressure as such. And as you rightly said, there was a huge, what you call, sales cut-off this last quarter. Cut-off essentially means dispatches have happened. So, those dispatches now got recognized. We spoke about it in last quarter also.
- Ganesh Karuppannan:** Alankar, just to clarify, the closing cut-off for this quarter is also similar to the opening cut-off. So you did not see the impact. But actually our dispatches, if you actually see from a production front, we have a pretty strong production of contrast media this quarter. And the cut-off for December is also similar to the opening cut-off. So, that is a pretty positive news as far as contrast media is concerned, and we should be recognizing that in Q4.
- Alankar Garude:** Okay. If I understood this correctly, sir, the goods in transit were higher in the second quarter. Was that the issue in the third quarter as well? And you expect it to be better in the fourth quarter?
- Ganesh Karuppannan:** It is a similar number. So, maybe if I go back to Q2, the opening of the quarter, we did not have too much of goods in transit. It was actually more in the closing. So, that is why you had a significant impact in Q2. But in Q3, both opening and closing are more or less similar. So, the business is as usual. There is a very steady-state of dispatches. So, like it is not that there is a one-off in Q2 which is not there in Q3. I think that assessment is not correct. You would actually see whatever cut-off we have in Q3, getting recognized in Q4.
- Alankar Garude:** Okay. Sorry to persist on this, sir. Just trying to understand the numbers. If you look at Rs.81 crores of contrast media sales in the second quarter, you had said about Rs.51 crores of goods in transit. And we have reported Rs.124 crores in this quarter. So, if I add that say Rs.51 crores to Rs.81 crores, the number is actually higher than the Rs.124 crores that we have reported. And we are expecting at least some ramp-up after the commercialization of the gadolinium-based NCE and possibly some validation supplies of the iodinated product as well. So, just trying to reconcile these numbers, sir?
- Ganesh Karuppannan:** See, as far as the gadolinium category, the sale is constant. It is almost reaching some sort of a steady-state, although the product is not comparable to the iodinated product. When you look at the key

product, our production and dispatches were higher in Q3 actually. The amount we recognized is even considering the opening cut-off, is a bit on the lower side actually. Because we still have the goods in transit for December-end. It is actually slightly more than what we have as opening. This point I can explain offline in terms of this reconciliation.

**Alankar Garude:** Got it. Okay. So, basically you are saying the gadolinium-based NCE was flat sequentially. And you mentioned about flattening out. I mean, are we expecting any growth here in FY27?

**Ganesh Karuppannan:** I would say it is a steady-state. And whatever purchase order we have received, the numbers are reasonably stable and sustainable. I think instead of a quarterly, maybe you will have to look at from a yearly perspective. From a yearly perspective, these numbers would be more sustainable.

**Shiven Arora:** I think just to give you an additional data point on this NCE molecule, I think I was just reading some reports. It is growing by high-teens. So, that is definitely encouraging from the future capacity utilization standpoint.

**Alankar Garude:** Okay. So, eventually there could be some growth? Okay. Fair enough. The other question was VK, you said Blue Jet will continue to be the primary supplier for the PI, API molecule. What is giving us that confidence? You mentioned about being in discussions and there being some binding forecast, some purchase orders. But this point about being the primary supplier, especially given the realignment in the supply chain, which you alluded to earlier, just trying to understand this and if you could provide us some comfort as to what is giving us that confidence?

**V. K. Singh:** One is the sheer momentum. Two is the quality. I cannot elaborate more.

**Alankar Garude:** Momentum of what, sir?

**V. K. Singh:** We have supplied large quantities in the past. You can see the data. Huge quantities have been supplied by us in the past. So, that is the momentum that I am talking about. And two, I think our quality is extremely consistent, because we are giving it from a very high-tech, automated and dedicated facility.

**Alankar Garude:** Okay. Understood, sir. That is it from my side. Thank you.

**Moderator:** Next, we have a follow-up question from Shashank Krishnakumar from Emkay Global Financial Services. Please go ahead.

**Shashank Krishnakumar:** Hi. Thanks for the follow-up. I just wanted to check, so from a normalized gross margin standpoint, should we take this quarter's figures as the normalized margin, or is it likely to be closer to the nine-months figure, how should we think about it?

**Sanjay Sinha:** It should be between 50% to 55% depending on the product mix.

**Shashank Krishnakumar:** Okay. Got it. And just a last one is on the Vizag facility, what is the incremental P&L impact that we should try and build in, say, for FY27, because obviously, this will get fully commercialized after a point, but what is the incremental P&L hit in the near term which we should sort of expect?

**Ganesh Karuppannan:** Mostly, most of the Vizag expenses will be capitalized and we need to just see the portion of expenses that cannot be capitalized, because it is going to be a Greenfield and I do not expect any significant P&L impact.

**Shashank Krishnakumar:** Perfect. Thank you. That is helpful. That is all from my side.

**Moderator:** Our next question comes from the line of Andy from Rave Ventures. Please go ahead.

**Andy:** Hi, good evening. Thank you for taking my question. I have just one question. So, given the recent moderation in operating cash flow and the announced Rs.1,000 crores CAPEX program, could you elaborate on how management is thinking about funding this investment - is it like specifically how do you expect to balance, say, internal accruals versus existing cash and investments and let us say, potential for external financing such as debt or equity? If yes, then what could be the guardrails around leverage or dilution as we execute on this CAPEX?

**Ganesh Karuppannan:** Right now, we have Rs.410 crores cash as of December. We will continue to use internal accrual for the initial phase of CAPEX. We have both opportunities open. We could actually tap the debt market or we could also like use the capital market. Anyhow, we have certain headroom to be offloaded to meet the minimum promoter stake of 75%. So, we have all options. And as we get into long-term contracts with the customer, we are also evaluating co-investment options. So, for us, being a debt-free company, we have all options available.

**Andy:** Thank you so much.

**Moderator:** Thank you. Ladies and gentlemen, we take that as the last question for today. I would now like to hand the conference over to management for closing comments. Over to you, sir.

**Ganesh Karuppannan:** We thank you, all the participants, and we will meet you in the next quarter. Thank you.

**Moderator:** Thank you. On behalf of Blue Jet Healthcare Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.