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May 29, 2026

To,

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Sub: Transcript of the Earnings Call with Analysts/Investors on Financial Results for the quarter and financial year ended March 31, 2026

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 financial year ended March 31, 2026 held on May 25, 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)

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“Blue Jet Healthcare Limited
Q4 and FY26 Earnings Conference Call”
May 25, 2026



**MANAGEMENT: MR. SHIVEN ARORA – MANAGING DIRECTOR – BLUE
JET HEALTHCARE LIMITED
MR. VK SINGH – CHIEF OPERATING OFFICER – BLUE
JET HEALTHCARE LIMITED
MR. GANESH KARUPPANNAN – CHIEF FINANCIAL
OFFICER – BLUE JET HEALTHCARE LIMITED
MR. SANJAY SINHA – DEPUTY CHIEF FINANCIAL
OFFICER – BLUE JET HEALTHCARE LIMITED**

Moderator: Good afternoon, and a warm welcome, everyone, to Q4 and 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 future outlook 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 same 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 the press or media without specific and written consent of the company.

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

I would now like to hand the call over to the management of Blue Jet Healthcare Limited for opening remarks. Thank you.

Shiven Arora: Good afternoon, everyone, and thank you for joining us today. FY26 has been an important year for Blue Jet Healthcare, a year in which we continued to invest in building the foundation of our next phase of growth across manufacturing, R&D, and customer engagement.

Over the last few quarters, we have remained focused on strengthening our position across our complex chemistry platforms while simultaneously expanding our operational capabilities and future growth infrastructure.

From a business perspective, FY26 reflected a mixed operating environment across segments. While the PI/API business was impacted by customer side inventory normalization, the contrast media segment continued to demonstrate strong momentum and partially offset this impact.

Importantly, despite near-term volatility, in parts of the PI segment, we continue to invest in future growth platforms, customer engagement and capacity readiness. Encouragingly, as we enter FY27, we are seeing improved visibility across several parts of the business, supported by healthy customer engagement in the CM segment and confirmed order visibility across select PI programs.

One of the key milestones during the year has been the commencement of our Vizag greenfield expansion project. With the groundbreaking ceremony completed and the project activities now underway, the project represents a significant long-term growth platform for the company and is being developed in a phased manner to support future opportunities across APIs and intermediates.

We believe the scale, infrastructure readiness and strategic location of Vizag will further strengthen Blue Jet's positioning as a reliable global partner in complex chemistry platforms. Over the last few quarters, we have also continued to strengthen our development pipeline and R&D capabilities which we believe will support the company's next phase of growth over the medium term.

While FY27 will continue to be an investment intensive year for the company, we believe underlying momentum across our core businesses remains encouraging. As validation activities convert into commercial supplies and new capabilities progressively ramp up, we expect our investments across manufacturing, R&D and pipeline development to support the company's next phase of growth.

Just to summarize, FY26 has been a year of strategic execution and platform building for Blue Jet Healthcare. As we move into FY27, we believe that the company is gradually transitioning from an investment and preparation phase into a broader commercialization and growth cycle, supported by expanding capacities, improving business visibility, and multiple emerging growth opportunities. Thank you once again for your continued support and confidence in Blue Jet Healthcare.

I now invite Mr. VK Singh to share further operational and business updates, followed by the financial review from our CFO, Mr. Ganesh.

VK Singh:

Thank you, Shiven, and good evening, everyone. While FY26 was relatively flat from a revenue standpoint, we believe that this has been a foundational year for preparing Blue Jet and catapulting it into the next phase of growth. For a credible and differentiated CDMO, two elements are critical: manufacturing capacity and strong R&D capabilities. During the year, we made significant progress on both fronts. At Mahad Unit 3 site, we are progressing well on the backward integration project for the key raw material within our contrast media portfolio.

This project is strategically important as it strengthens supply chain reliability, improves integration, and enhances resilience against global disruptions. At the same time, we have commenced development activities at our Vizag greenfield site spread across approximately 100 acres. Vizag will form an important part of Blue Jet's long-term growth road map. In Phase 1, we plan to develop dedicated manufacturing blocks across contrast media intermediates, high-intensity sweeteners, and pharma intermediates.

The total capex that we envisage for the Vizag project is approximately INR1,000 crores over a period of approximately 3 years. The investments being undertaken across the 3 sites remain closely aligned with customer engagement, future product opportunities and long-term business visibility. On the R&D and CDMO platform strengthening front, alongside our manufacturing expansion, we are also strengthening our R&D and development capabilities.

Our upcoming R&D center in Hyderabad with a planned investment of about INR40 crores will focus on newer chemistry platforms including peptide-related intermediates, GLP-1 linked opportunities, biocatalysts and, of course, a faster turnaround of CDMO development programs.

This expansion is aimed at increasing our participation in innovator-led programs, including opportunities emerging from both the large pharma and the smaller biotech companies. Encouragingly, the PI segment, which had witnessed inventory buildup over the previous quarters, has now started normalizing and shipment trends and improving order visibility are evident.

Over the last one year, with regard to product portfolio and pipeline, we have significantly strengthened our product and development pipeline across multiple chemistry platforms. In the contrast media segment, we expect 3 to 4 new product launches during the current year, further expanding our participation across advanced intermediates within this space.

Within the PI and CDMO segment, we have been tracking approximately 20 active RFPs, primarily across chronic therapeutic areas, including intermediates linked to GLP-1 programs and peptide building blocks. Encouragingly, we believe that 2 of these opportunities are expected to move into the commercialization phase during the current year.

In addition, we are evaluating 2 high conviction commercial stage opportunities, which may potentially evolve into strategic lateral entries, for which dedicated capacity is being factored into our long-term planning at Vizag. In the high-intensity sweetener segment, one high-volume product is currently under validation and we expect trial quantities to be shipped over the coming quarters.

With regard to sustainability and operational excellence, the focus in the company is high. Today, close to 70% of our energy consumption is supported through renewables, and the company is awarded the CII National Award for Excellence in Energy Management.

With this, I pass over to my colleague, Ganesh, for the financial review.

Ganesh Karuppannan:

Good evening. I will now share financial performance for FY26. Revenues. Q4, we reported a revenue of INR235 crores, an increase of 22% on a quarter-over-quarter basis and a decline of 31% year-over-year basis. Our reported revenue from operations in FY26 of INR947 crores is a decline of 8% compared to FY25. We will analyze revenues by product category. Contrast media.

Q4, we reported a revenue of INR193 crores, an increase of 55% on a quarter-over-quarter basis and an increase of 91% year-over-year basis. Our reported revenue from operations in FY26 full year of INR495 crores is an increase of 23% compared to FY25.

Despite higher goods in transit, our flagship product has increased volumes compared to FY25. Annual forecast from the customer has a mid-single digit growth for FY27. Our intermediate for NCE molecule commercialized in FY25 saw strong offtake in FY26. Based on the customer's forecast, we expect this performance to continue in the near term. Based on the current forecast, we expect this category will continue to have a positive momentum in FY27.

Moving on to PI/API category. Q4, our reported revenue of INR2.4 crores against a revenue of INR40 crores in Q3 and against a revenue of INR196 crores in Q4 FY 2025. Our reported

revenue from operations in this category for FY26 full year of INR298 crores is a decline of 35% compared to FY25.

The decline in FY26 is predominantly attributable to intermediate for a cardiovascular drug due to destocking by the customer. Our participation in the supply network in FY27 of this innovator customer will enable us to normalize the growth and grow over the peak sale we had achieved in FY25. Artificial sweetener. Q4, we reported a revenue of INR37 crores, which is an increase of 43% quarter-on-quarter basis and a decline of 24% on year-over-year basis. Our reported revenue from operations in FY26 of INR131 crores is a decline of 2% compared to FY25.

This category faced pricing pressure from imports and we will remain opportunistic. Gross margin. Our reported Q4 gross margin is 56% compared to 52% in Q3 and 55% in Q4 '25. For the full year FY26, our reported gross margin is at 54% compared to 55% in FY25. In FY26, rupee depreciation improved realization of exports and negated raw material price increase, which happened in the last month of the financial year due to Iran war.

The discussions are encouraging with select customers on pricing and pass-through based on current geopolitical situation. Moving on to operating expense. With renewable energy source, the company has sustained electricity cost in FY26. Freight cost post March '26 have increased. While the impact is not felt in FY26, logistics costs in FY27 will have to be evaluated.

With Hyderabad R&D going live in H2 '27, we expect investment in product development to increase this current financial year. EBITDA. Reported EBITDA for FY26 is 31% against 37% for FY25. FY26 EBITDA has been muted by lower volumes in PI/API category. Moving on to other income.

Reported other income for FY26 is at INR69 crores compared to INR46 crores for FY25. This increase is due to exchange gain of INR36 crores recognized this year. In addition, an income of INR5 crores on account of insurance claim has been recognized. Note, the entire loss on account of the fire incident was booked as an expense in the year of incident. Profit after tax.

Reported profit after tax continue to be healthy at 26% for FY26 against 30% in FY25. Moving on to capex. The total CWIP as on March '26 stood at INR301 crores. This predominantly includes capital work in progress at Mahad and investments what we have made in Vizag in terms of land acquisition. Mahad facility is in the final stages of completion and is expected to start commencement of production in H2 FY27.

We propose to spend approximately INR400 crores in FY27 towards Vizag greenfield, completion of Mahad and other additions in Ambernath. Moving on to cash in bank. We ended FY26 with liquid financial assets of INR400 crores as against INR306 crores in FY25. As on year-end, we are a debt-free company. Cash flow from operating activities stood at INR334 crores. ROCE and asset turn continues to remain strong in FY26.

With this summary, I open the floor for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sanjesh from ICICI Securities.

Sanjesh: I've got 2, all of them from the observation...

Moderator: I'm sorry to interrupt, Sanjesh. Can you use your handset mode, please?

Sanjesh: I'm on handset mode. Can you hear me?

Moderator: Yes, right now.

Sanjesh: Okay. A couple of observations from the opening remarks. First, on the existing product. We said that in the PI section, we are expecting to cross the previous peak of FY25 with the destocking behind. Now what's giving us this confidence? And have we got a confirmed order for it? How are we looking at PI section?

And is this all led by the same product or you're also expecting PI to have more products to come in, which VK mentioned in his opening remark, in peptides and 2 lateral product which we are looking to enter? And number two, on the contrast media, what is driving the strong growth? Does this also include the shipment of iodinated ABA HCL, which we were anticipating? These are my initial questions.

VK Singh: Sanjesh, I think great set of questions. On the PI part, Sanjesh, we are gaining confidence because whatever inventory had been built up, so that inventory, the destocking has happened. So if you recall, last time we said that the orders were already in our hand, but the supplies were deferred. So that was one part.

Subsequent to the supply chain realignment, we have some more orders with us. So we are quite confident that in the PI segment, we are getting to a very good set of numbers in the coming year. And we also believe that there'll be some new products which will get launched. But then to gain traction and to get some critical scale, those products will take time because they are completely new products.

So we are not factoring much from that side. But then there will be new product launches on the PI side and there will be new product launches on the contrast media side, both. So I think as far as the product portfolio and pipeline is concerned, I think over the last 6 quarters, the work that has been happening, very intensive work has been happening, and we are getting to a stage when that will all start fructifying.

Shiven Arora: And just to add on to that, on the contrast media side, thematically, we believe there are some select partnerships that we have on key molecules is just translating into deeper partnerships. So we feel their offtake requirements also increasing, and that's a combination of the existing molecules plus the launch of new molecules in FY26.

Sanjesh: Then this quarter growth was all led by the existing customer investing product or a 90% growth? I know that we did mention about supply starting NCE. What about the other product, the iodinated ABA HCL, has that started? Or this is all coming from the 2 products?

- Shiven Arora:** As far as this quarter is concerned, I think that excludes the sale. But in FY26, there was some contribution by the select molecule you spoke about.
- Sanjesh:** Got it. And you talked about the lateral entry and VK also mentioned that we are looking to put up a dedicated block in the Vizag for 2 lateral product. Where are we in the process? When we are talking about dedicated, they must be really large in size. Can you give more detail or an understanding? I know we can't reveal the product but therapeutic area, how large the opportunity could be, some of those details will be helpful.
- VK Singh:** So Sanjesh, I think all that we can say right now is that we have very high conviction on those lateral entries, and that's the reason that we are mentioning specifically only 2. And they will take a while to fructify. Then as and when they happen, there will be significant opportunities. And that's the reason that we are looking at putting -- deploying dedicated capacity at Vizag for that.
- But then, as you know, that Vizag is completely greenfield. And we envisage 24 to 30 months for that capacity to get online. But then what's more critical is that our portfolio is growing, and we are tracking some very large opportunities in that portfolio. So our portfolio is growing on the NCE side. Our portfolio is growing on the lateral entry side. And the lateral entry, clearly, the commercialization -- I mean, the peaking will happen faster. But then we have to wait for Vizag to come up.
- Sanjesh:** Got it. And what about the peptides, VK? Where are we there in peptides? We thought that -- sorry, you mentioned in your opening remarks some of the opportunities in GLP-1 and peptide. Where are we there in the process?
- VK Singh:** So we are with a couple of these GLP innovators, but not for the end peptide, but for the building blocks, for the intermediates of the peptides.
- Sanjesh:** But have you started lab supplies, pilot supplies?
- VK Singh:** Yes. We have started lab supplies to some innovators and we have also started some lab supplies to some very large peptide CDMOs.
- Sanjesh:** Got it. One last question...
- Moderator:** I'm sorry to interrupt, Sanjesh. You may please rejoin the queue for more questions. We will take our next question from the line of Pritesh Chheda from Lucky Investments.
- Pritesh Chheda:** Sir, your comments on contrast media was not clear. One, this growth that we see in the quarter 4, so was iodinated contrast media product started being a part of it or the new products that you were supposed to supply, is it? And what were your exit comments for FY27? So should we look at the quarter 4 number? Or was it somewhere different that we had to look at the '27 growth? The comments were not clear, if you could reiterate them please.
- Ganesh Karuppannan:** See, if you look at Q4, majority of the turnover is from the existing customer, existing product, okay? When you look at FY27, whatever we have marketed, we have got -- the forecast is quite

encouraging. And we should be in a position to -- with a couple of new launches we are expecting, we do expect 1 or 2 validations and 1 commercial launch, which should actually like ensure that we will actually get into a sort of double-digit growth. That's what we are expecting.

Pritesh Chheda: And then validation is the iodinated contrast media product validation or it is some other product?

Ganesh Karuppannan: It will be a combination of both gadolinium and iodinated.

Pritesh Chheda: Okay. And the commercial launch is -- okay, the validation is for those 2. And then there is a completely new commercial launch?

Ganesh Karuppannan: Yes, we are looking at.

Pritesh Chheda: Okay. And what explains this 22% growth? Because in the past con calls that you've mentioned, the growth is not -- market growth is not so significant on the existing product. So is it something on the market share that we need to understand or any other comment that you have?

Ganesh Karuppannan: Generally, like in contrast media, the volumes or forecast, we get it couple of quarters ahead. What you need really like appreciate is the customer offtake. It is generally not uniform across all months. So based on customer need, there could be variations within the year.

But generally, like if you look at a 12-month period, normally, the customers meet their commitment. Whatever they had actually like agreed to pick up, they take it on. So in this particular CDMO activity, one should not look at monthly or a quarterly. I think as long as we get that annual number right, I think that would be a better way to forecast.

Pritesh Chheda: But sir, you never guided for the growth in the beginning of the year?

Ganesh Karuppannan: No, we actually talk about what the annual numbers are. Like we talk about how we can look at the forecast because these things are all not confirmed. Like it is a forecast. So based on that, we actually like to talk about what could be the likely trend in that particular category.

Pritesh Chheda: Okay. Just last one is contrast media, backward integration, where are we? Will it click this year in contrast media?

Shiven Arora: Yes, we will -- the plant will go onstream this year, and we will start consuming the quantities that we produce, but we plan a slow ramp-up. So the full impact maybe will come after a year.

Pritesh Chheda: And iodinated contrast media, the revenues will flow this year or there is just validation?

Shiven Arora: We'll try to be a bit more general in terms of the overall guidance for the segment. I think as far as the offtake requirements for this particular specific molecules are a bit confidential at this point in time. But things look encouraging so far.

Moderator: Next question is from the line of Samitinjoy Basak from Kotak Institutional Equities.

- Samitinjoy Basak:** So my first question is, VK sir, during the opening remarks, you spoke about 2 commercial opportunities in the PI and API segment. Could you just elaborate on these 2 opportunities? Like what kind of products these are and what kind of an opportunity are you talking about?
- VK Singh:** So I guess you're speaking about the 2 lateral entries that we spoke in the narrative, right?
- Samitinjoy Basak:** Yes, yes.
- VK Singh:** Yes. So there, as I said in my answer to a question earlier, that the best that we could disclose for the time being is what we have said. But being lateral entries, the peak volumes will come much faster because it's not an NCE. But then let's just wait and see how they pan out. We will not be able to disclose much about the therapeutic category anything because then it becomes very obvious and we have very strict NDAs at this point of time.
- Samitinjoy Basak:** In terms of peak potential, can we expect it in FY28?
- VK Singh:** See, Vizag will take -- so while some quantities may go from our existing capacity, the main volumes will start going from Vizag. And Vizag, we envisage anything between 24 to 30 months for the blocks to come up and go onstream.
- Samitinjoy Basak:** Okay, sir. Secondly, on the contrast media part. So this INR190 crores top line compared to the INR125 crores in the previous quarter, how much of this incremental INR65 crores is due to the revenue booking of goods which were shipped in the previous quarter and how much was actually due to the demand in this quarter? Could you quantify that, please?
- Ganesh Karuppannan:** Now actually, this goods in transit has normalized. There is no significant variance.
- Samitinjoy Basak:** So this entire INR190 crores, does this belong to the fourth quarter order book?
- Ganesh Karuppannan:** Yes.
- Moderator:** I'm sorry to interrupt, Mr. Basak. You may please rejoin the queue for more questions.
- Samitinjoy Basak:** Yes, I have just one last question. My third question is what kind of a margin outlook are you expecting for the next fiscal given the geopolitical scenario and the pressures on logistics and freight costs? So could you elaborate on that?
- Ganesh Karuppannan:** Actually, the cost structures are evolving. We need to actually watch how the Q1 cost structures pan out. We will be in a better position to talk about it during the Q1 results.
- Samitinjoy Basak:** But do you expect any margin expansion because we are also guiding for some incremental sales from that cardiovascular intermediate, which is an innovative product? So due to that?
- Ganesh Karuppannan:** See, you know the impact of crude oil price, which has actually impacted most of the chemicals, logistics cost, and there is also going to be a domino effect, okay? Today, whatever we saw in the month of March '26 was very limited. The impact was not fully seen for many of these companies.

So you have to give us a quarter time. So Q1 would be the -- could actually give you a good representation of how the cost structures have evolved and how the margins are. Today, it will be too early to talk about the impact.

Moderator: Next question is from the line of Sajal Kapoor from Antifragile Thinking.

Sajal Kapoor: I've only got 2 questions. First is are we at a stage where Blue Jet is deliberately optimizing more for future strategic positioning and embedded customer relevance rather than near-term operating efficiency?

VK Singh: If you look at our leading financial metrics and indicators, I think they are one of the best in the industry. So I don't see why you should be asking that we are not optimizing for the near term. But as a CDMO, we always say that the gestation is 3 to 4 years. So any CDMO will have to have the type of time horizon and plan for the future.

And that is exactly what Blue Jet is doing, and that's the reason that we said that while FY26 might have been flattish, the year was foundational because we are sowing the seeds for doubling our capacity and doubling our chemistry platforms in R&D. So we are very clearly planning or bracing up for a bright future because we see tailwinds for the country, and we see a lot of opportunities for us as a company.

Sajal Kapoor: That's helpful, VK. And second, with Mahad backward integration block expected to go live this fiscal, should we think of initial impact more through gross margin improvement and supply chain control with the top line benefits perhaps becoming visible only after customer validations and the scale up? Or how do you see that?

VK Singh: I think you are spot on. When we started the project, it was -- the primary objective was to gain strategic independence and avoid the volatility that we were seeing in the pricing of the product because of very sketchy and choppy energy prices and, as you know, that we were importing from Europe as well as China.

And that was the primary reason for the vertical integration, that we should be able to insulate ourselves from such choppiness. But then when we made the 2 products that are a part of the vertical integration, then we realized that there is a market for these products as well. But then that is supplementary and that will be just an add-on.

We are not talking of any numbers as far as those products are concerned for vertical integration. But it's clear that when we will make them, and we will make them at a scale at which we plan to, there will be incremental top line opportunities as well where we will sell to third parties and not just consumer.

Moderator: Next question is from the line of Ritika from ValueQuest.

Ritika Agarwal: I've just one question. So one of your customer has seen warning letter for their sole formulation plant. Wanted to understand if we are seeing any kind of risk from this warning letter that they've

received in October, and yes, going ahead, what's our plan of action? Or is there any communication if this escalates to import alert or anything on that, if you can help us understand?

VK Singh: See, Ritika, we know only as much is there in the public domain. And even if we would have more information, let us say, just in case we did, it's a very sensitive matter and we will not be able to talk about these things on this open call. But then as you have yourself very rightly said that they yet do not have an import alert, so which means that the commercial impact should not be there till the time there's an import alert.

Shiven Arora: I think it's also not reflecting in our production schedules or their offtake requirements, not a particular customer, but in general, in this particular vertical.

Ritika Agarwal: Sorry. So as of now, currently, there is no supply disruption to this. Is that what you mean? Going ahead, obviously, we do not know. But up till now, we've not seen any supply disruption from this?

Shiven Arora: From my side, I think it's business as usual in this particular segment. And we don't see -- foresee any disruption in the coming quarters also.

Moderator: Next question is from the line of Shashank Krishnakumar from Emkay Global.

Shashank Krishnakumar: I think in one of our earlier responses, we mentioned double-digit growth in contrast media in FY27. So does that imply we'll potentially exceed our FY23 peak in terms of revenue in FY27? And a related question is whether this trial order from a Japanese customer which you mentioned in the presentation, whether that will also contribute. And also wanted to check which product are we referring to for this new customer? Is this iodinated APA? Or is it some new product? Just wanted to check that.

Shiven Arora: I think our endeavor to meet this double-digit growth, I think, is backed by certain visibility by our customers. Now it's more about execution. So I think we'll be more comfortable limiting this indication as of now.

Shashank Krishnakumar: Got it. Any comment on this new product which you are shipping to a Japanese customer, which one is it?

Shiven Arora: It is a trial quantity. It is a trial quantity, but I think the clinical indications are extremely encouraging from a future growth perspective.

Shashank Krishnakumar: Perfect. And just the second one on the artificial sweetener, which we have been referring to. So will we see any meaningful commercial volumes in FY27? Or will it largely come onstream once the Vizag facility gets commercialized?

Shiven Arora: I think it would be the most significant milestone if we are able to deliver this key validation. I think our objective would be to meet our quality targets, our efficiencies and yields from this particular milestone. Once this is completed, we'll be more happy to share the future updates around it.

- Moderator:** Next question is from the line of Ahmed Madha from Unifi Capital.
- Ahmed Madha:** A similar question on the contrast media business. If I look at our commentary, say, a year ago or 2 years ago, we were speaking about having a step jump in contrast media business. So I'd like to understand, do you see FY27 as a step jump year in terms of growth? Or it will be a steady growth? If you can elaborate a little bit, please.
- Shiven Arora:** I think when we look at step jump, I think it's most important to understand how the company is looking at new launches, and from our perspective, a double-digit growth at the back of certain launches, and I think it's quite encouraging to start with.
- Moderator:** Next question is from the line of Dheeraj Kumar Reddy from Alpha Square.
- Dheeraj Kumar Reddy:** Am I audible?
- Moderator:** Yes, you are audible.
- Dheeraj Kumar Reddy:** Sir, I have a couple of questions. The first one being, I know that we make Bempedoic Acid intermediate. I just wanted to understand like from your sense, how many competitors are there across the globe? And typically, even if someone wants to supply, what is the typical timeline for these innovator intermediates? And typically, how many players end up actually getting the supplies, right?
- Ganesh Karuppannan:** Are you referring to contrast media?
- Shiven Arora:** No, Bempedoic.
- VK Singh:** See, the critical thing to understand is that the molecule is still under patent. So there will not be any great number of suppliers or people who are selling the product in the market. Once the patent expires, then, of course, there will be -- the market will get inundated by suppliers. So at the moment, it's protected.
- Dheeraj Kumar Reddy:** Got it. So, sir, my question is basically what stops like another South player who is actually doing an API into getting -- in getting into this intermediate? Like what gives us that competitive edge in actually supplying this intermediate?
- VK Singh:** Competitive edge. Firstly, this is a very advanced intermediate. And anybody, everybody cannot supply because of the complexities and because of the regulatory pathway, right? And what gives us a competitive edge are the chemistry and the fact that we have a dedicated plant which is highly automated and the fact that the unit operations, we are extremely good. So that gives us a competitive edge. And of course, to add to that, the scale.
- Dheeraj Kumar Reddy:** Got it, sir. Sir, my next question is, basically, I know that we'll be entering into peptides, which will be the next phase of growth probably in Vizag. Sir, I just wanted to again understand here like how much time has the company or organization invested into this particular category? What is the sort of capability building you are currently going through?

And if possible, even in terms of R&D, how many scientists are being allocated? And how do you see this entire vertical probably? If not, say, like 3 years, maybe 5 years out, how do you see which kind of categories are you focusing on? What is the kind of the peptides you are currently working on, etcetera?

VK Singh:

Peptides have been on the market for decades now. But then because of certain new indications for which peptides are getting qualified, the market has grown exponentially. At Blue Jet, if you see our trajectory, we are a company which has always focused, grown and built ourselves on building blocks.

On the peptide side also, our starting point is doing the building blocks for the peptides or doing the peptide fragments. There could be pentamers or decamers or whatever, but peptide fragments, which will get joined to make the peptide. As we advance and we get clientele and we get experience in doing the peptide blocks, doing the final peptide will be the natural corollary. But that will come after some time. And at Vizag, we do plan to create a capacity that will be -- that can be deployed for peptide manufacture and production.

Dheeraj Kumar Reddy:

Understood. Sir, will the initial peptide molecules be margin accretive? Or do you think they'll have slightly lower margin in general, because, again, these are very starting intermediates?

VK Singh:

The margins will be very good, in line or better than what we have. But then you must understand that as compared to the other segments, there could be faster, higher price erosion in this segment. In contrast media and the patented CDMO segment, we don't have that type of price erosion, which perhaps we may see in the peptide segment.

Moderator:

Next question is from the line of Ravi Purohit from Securities Investment Management.

Ravi Purohit:

Just 2 things. And if you look at contrast media production -- I'm sorry, revenues for the current year, it's INR190 crores. Would it fair to assume that's like peak capacity for our contrast media division? Like if I refer to earlier calls, I mean, typically, I think we have mentioned about INR600 crores to INR800 crores kind of range for our peak capacity. So if you could just kind of help us understand whether that is the case here as well.

And second was on the pharma intermediate. I think we had mentioned that we are talking of growing above the levels of FY25. So FY25, I think our revenues are some INR460-odd crores. So have you already started shipping to the customers as in from -- or it's still like orders that are in hand and shipping will kind of happen during the year?

Shiven Arora:

I think we are -- as far as contrast media is concerned, we are far away from the peak utilization levels because of the ongoing works from the company side in terms of capacity creation, debottlenecking across products. And you also see a large capacity being built in Unit 3.

So I think all the capacity creation is in sync with the customer needs from a 5- to 10-year perspective. I think we are very well positioned as far as contrast media is concerned. In terms of pharma intermediates, I think the outlook as a segment is very encouraging. And we just have

to execute our plans well despite what we are seeing geopolitically in terms of the raw material prices and everything.

I think as a segment or as a vertical as a whole, it's quite resilient. So we've been able to, in some cases, pass on -- have a pass-through mechanism on the pricing and the margin security standpoint. So both from a top line and a margin sustainability standpoint, I think we should be well positioned in the PI vertical.

Ravi Purohit: Okay. And in contrast media, how is the pricing arrangement like? Because, I mean, so is this INR192 crores revenue in this current quarter, does it also reflect some sort of higher prices? Or is it normal prices? Is it entirely volume growth?

And if price escalations do happen because contrast media is a very large -- sorry, long period contracts that we have from our customers, right, our largest customers. So if you could just help us explain how this pricing works on the contrast media side.

Shiven Arora: I think without going into other specifics, but I think in the past few quarters, we've seen a volume growth. I think that should answer quite a few aspects around this vertical.

Ravi Purohit: And the optimism for the current year FY27 also is on higher volume growth this year as well, right?

Shiven Arora: Partially due to some volume growth, but also due to the new launches that we are expecting.

Moderator: Next question is from the line of Sachin Mhasvekar from Global Consilient Research.

Sachin Mhasvekar: Am I audible?

Moderator: Yes, you are.

Sachin Mhasvekar: I had a question regarding the demand trends. So how is the inventory destocking trend shaping up from the global innovators? And what is the overall demand outlook for your key molecules going forward?

VK Singh: I think the end market in all our 3 verticals, they are growing. And I would say all 3 of them are sunrise segments. And if you are talking of the CDMO PI vertical, then there one of the key molecules is showing a fantastic growth at the final formulation level. So I guess Blue Jet as being -- in all the 3 segments with our key customers being as a primary and main supplier and a supplier with scale, I think we are very well poised to capture the upside that we will have in these opportunities.

Moderator: Next question is from the line of Ashwin Patil from Intelligence Limited.

Ashwin Patil: Already answered my question. Thank you.

Moderator: Next question is from the line of Keshav Bagdi from Vedhant Fashion Family Office.

- Keshav Bagdi:** About the pharma intermediaries and the API segment...
- Moderator:** I'm sorry to interrupt, Keshav. Can you repeat your question, please?
- Keshav Bagdi:** Am I audible?
- Moderator:** Yes. Right now we can hear you.
- Keshav Bagdi:** Okay. I just had one question. I joined the call a little late. So please excuse me if my question is repetitive in nature. I just wanted to check on the pharma intermediaries and the API outlook for this segment for the coming fiscal year.
- VK Singh:** Keshav, we don't really give guidances. But then all that we will say is that whatever destocking had to happen has happened, and the plant has been now running to optimum capacity and the shipments have started rolling out. And you will soon see that in the data.
- Keshav Bagdi:** So the worst is behind for this particular segment?
- Shiven Arora:** Absolutely. That's a good summary.
- Moderator:** Next question is from the line of Saket Saurabh from Sagari Capital.
- Saket Saurabh:** Am I audible?
- Shiven Arora:** Yes.
- Saket Saurabh:** So sir, the question was pertaining to one of the private equities acquiring our innovator company. In the past, there have been cases that while a change of hands of stand-alone companies is a normal phenomena, but those change of hands sometimes also leads to supplier consolidation or vendor consolidation. So any thoughts that you have had or any interaction that you've had with the private equity folks or the new owners as to -- regarding this continuity of supply? Or any thoughts that you may have on this front?
- Shiven Arora:** I think given the product, where it is in its life cycle, it's patent protected. So typically, any change has a regulatory pathway. So I think from our standpoint, we feel that the end molecule is growing. So there is definitely some merits from a medium to long-term perspective. So we are in the right game. And it's quite encouraging to know that it's acquired by a stronger partner. So from our standpoint, business as usual. There are certain positive growth levers around it as well.
- Saket Saurabh:** Okay, sir. That's encouraging. Sir, coming to the lateral opportunity that you talked about. So is it safe to assume these are more like lifestyle and life cycle management products who are on the verge of going patent? Is that a fair way to describe those lateral opportunities? Or these are the recently commercialized, are yet to hit their peak market?

- Shiven Arora:** These are CDMO opportunities, which are backed by -- which have some sensitivities around CDA. But I think from a next decade perspective, we feel that it's worthwhile investing in capacity buildup.
- VK Singh:** But yes, they are all in mature phase.
- Saket Saurabh:** Okay, sir. Got it. No, that was what I was referring to. Yes, sir. Now specifically to the peptides one. Now you talked about GLP. So these are weight loss opportunities or more like metabolic disorders? And also in some of the cases, especially semaglutide, we have seen a fair amount of price erosion given the increasing competition that is getting into that space. So any thoughts on is that a risk in our opportunity as well or this price erosion thing? And are they pertaining to weight loss or non-weight loss area as well, which is still an emerging space, sir?
- VK Singh:** I think they are in both categories. As far as the price erosion part is concerned, I mean, it's too premature for us to comment. We have just about started selling some small validation quantities. So just let's wait and watch. Let's see.
- Saket Saurabh:** And is it safe to assume this is non-semaglutide?
- VK Singh:** We wouldn't comment.
- Moderator:** Next question is from the line of Hitansh Shah from Neo Alternative Asset Managers.
- Hitansh Shah:** Am I audible?
- Moderator:** Yes, you are audible.
- Hitansh Shah:** I just have one question pertaining to the fundraise. Are we looking to raise funds in particular to the Vizag investment? Or any sort of plans that we would want to raise?
- Shiven Arora:** We are actually like...
- Ganesh Karuppannan:** I think the situation is dynamic right now. I think we'll be able to update you in the coming quarters. But I think from a company standpoint, given the liquidity it has, I think we are going -- rather accelerating our capex plan. So we are well positioned as a debt-free company.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference back to the management for closing comments.
- Shiven Arora:** Yes. We thank all the participants, and we will see you in Q1 call. Thank you.
- Moderator:** Thank you very much. On behalf of Blue Jet Healthcare Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.