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November 08, 2024

To,

BSE Limited Phiroze Jeejebhoy Towers Dalal Street Mumbai - 400 001 **Scrip Code (BSE): 544009**	**National Stock Exchange of India Limited** "Exchange Plaza" Bandra-Kurla Complex, Bandra (East) Mumbai – 400051 **Symbol: BLUEJET**

Sub: Transcript of the Earnings Call with Analysts/Investors on Financial Results for the quarter/ half year ended September 30, 2024

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/ half year ended September 30, 2024 held on November 04, 2024.

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
Digitally signed by SWETA PODDAR
Date: 2024.11.08 10:42:53 +05'30'

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

"Blue Jet Healthcare Limited
Q2 & H1 FY25 Earnings Conference Call"
November 04, 2024

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

MR. VK SINGH – CHIEF OPERATING OFFICER

MR. GANESH KARUPPANNAN – CHIEF FINANCIAL OFFICER

MODERATOR: **MR. ADVAIT BHADEKAR – ERNST & YOUNG**

Moderator: Ladies and gentlemen, good day and welcome to Blue Jet Healthcare Limited Q2 FY '25 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 the conference call, please signal an operator by pressing star, then zero on your touchtone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Advait Bhadekar from Ernst & Young. Thank you, and over to you, sir.

Advait Bhadekar: Thank you, Del. Good evening and a warm welcome everyone to Q2 and H1 FY '25 Earnings Call of Blue Jet Healthcare Limited. Please note, 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 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 press or media without specific and written consent of the company.

From the management side, we have with us Mr. Shiven Arora, Managing Director, Mr. V.K. Singh, Chief Operating Officer and Mr. Ganesh Karuppanan, Chief Financial Officer. Now I would request Mr. Shiven Arora, Managing Director of Blue Jet Healthcare Limited to provide you with updates for the quarter and half-year ended 30th September 2024. Thank you and over to you, sir.

Shiven Arora: Good evening, festive greetings and thank you everyone for joining us today. I am pleased to share that we remain a leading CDMO company focusing on export regulated markets. Our esteemed customers include top players in the MedTech and FMCG sectors along with innovators in diverse therapeutic areas.

For Q2 FY '25, we achieved a turnover of INR2,071 million, marking a sequential increase of 28% and an 18% growth year-on-year. Our EBITDA stood at INR695 million, and we reported a PAT of INR583 million, our highest ever net profit for a quarter, representing 28% of our total revenues. This quarter, we proudly completed our first ever dividend payout of INR1 per share, amounting to INR173.5 million. We continue to maintain a debt-free status with healthy liquidity reflected by our cash and cash equivalents and our treasury investments totalling to INR3,233 million as on September 2024. Following up from the last quarter, we have successfully commissioned Plant 6 at Unit 2 in Ambernath, incurring a total cost of INR900 million.

This facility adds 120 KL of additional capacity which will cater to our customers in the PI and contrast media segments. Commercial production of our PI client in cardiovascular therapy commenced in mid-September.

We anticipate reaching our optimal capacity utilization in Q3 and Q4. Additionally, we initiated validation for our contrast media intermediate for an NCE molecule and expect the facility to meet surging customer demand in the second half of FY '25. The end API is showing exceptional performance, positioning us to fulfil long-term client needs.

Looking ahead, Unit 3 capabilities are projected to go commercial in FY '26. We aim to use this as an opportunity to produce a key raw material which is currently being imported. Our capital expenditure plan remains on track.

Engagement with existing and new clients continue to be promising, with strong forecasts across all three product categories, specifically PI or CDMO category. Demand remains robust, which our Plant 6 capacity will support effectively. For contrast media category, Q2 supplies were steady, and we expect the demand for customers to stabilize from Q4 '25 onwards.

Thank you. On this note, I would pass it on to Mr. V.K. to give more insights about the business.

VK Singh: Hi. Good evening, everyone. Season's greetings and a Happy Samvat 2081. For a CDMO business, there are clearly two growth enablers, manufacturing capacity and R&D. At Blue Jet, we continuously de-bottleneck and add new capacity to keep in step with the growth that we envision. Our capacities are often co-engineered and built to suit, to support our go-to-market strategy for customers who are mostly innovator and CDMO companies.

We also build capacity to complete backward integration, which is a stated goal for cost leadership and strategic independence. Our current capex cycle, as Shiven mentioned, is mostly in step with what we had indicated in the past and is also synchronized with the customer lock-ins and supply contracts. At Unit 2 Ambernath, we have added about 120 KL at a cost of about INR90 crores. This capacity went on stream in the previous quarter, and commercial supplies commenced in the last quarter upon successful completion of validation batches.

While this capacity is versatile, it's been specifically deployed for making the intermediate for the CDMO cardiovascular opportunity that we were pursuing with an innovator company. As indicated in the previous call, we are commissioning incremental capacity of about 80 KL in the same block, and as we speak, the validation batches for an advanced intermediate orientated towards the NCE in the MRI space are ongoing.

We expect commercial supplies to commence from this capacity in quarter three onward. At Unit 2, we are also building a small volume plant, which we envisage will be ready for commissioning in quarter one of FY '26. This plant will be primarily used for proof of concept, regulatory filings, and supplies of small GMP validation quantities to innovators for the clinical developments and trials.

With the small volume plant, we complete our stated objective of building robust kilogram to multi-ton capabilities. Moving to Unit 3 at Mahad, at this site, we are creating a built-to-suit capacity for backward integration for contrast media. The effluent treatment plant at this site is ready for trials, and other common infrastructure is also nearing completion.

We believe that this new capacity will get commissioned, as we had indicated in the past, in quarter one, FY '26. With regard to R&D, which is our second growth enabler, we have, in the last 12 months, doubled our R&D hardware and strengthened our scientific talent pool. However, to keep in step with the growth that we envision and the surge that we are witnessing in the CDMO RFPs, the number of R&D labs and scientific talent pool shall be further augmented.

Some new chemistry platforms, like pyrophoric chemistry, iodination, enzymatic platform, and a platform which is dealing with amino acid derivatives, have been very recently added. As far as sustainability is concerned, between our windmills and solar, we have built capability to generate about 70% of our energy from renewable sources. We are continuously striving to achieve a high level of atom efficiency in our chemistries and endeavour to make our industrial processes and plants environmentally friendly.

With this, I pass it on to my colleague, Ganesh, to take you through the financials in detail. Thank you.

Ganesh Karuppannan: Good evening, everybody. I hope you are able to hear me. Before we get into Q2 performance, I just wanted to recap our Q1 performance, which was majorly impacted by Red Sea issues, whereby we had higher goods in transit. This resulted in a lower sales recognition, and our performance in Q1 was lower compared to its sequential quarter. During Q2, despite of having higher goods in transit, higher than Q1, we were able to record a profit after tax of 583 million, highest ever quarterly profit reported.

Our reported turnover of 2,070 million for Q2 FY '25 is an increase of 28% on a sequential quarter basis and 15% on year-over-year basis. For the same quarter, we recorded a gross margin of 57%, higher by 2% sequentially, and we were able to sustain similar margin on year-over-year basis. Our reported EBITDA at 695 million is an increase of 57% sequentially and 11% year-over-year.

We ended the quarter with a profit after tax of 583 million, an increase of 54% sequentially and 22% on year-over-year basis. For the half year, we recorded a turnover of 3,711 million, an increase of 3% year-over-year basis. EBITDA reported for half year, first half is at 1,137 million, this is lower by 6.4% year-over-year basis, while profit after tax at 961 million is an increase of 4.5% year-over-year basis.

Now, let me just take you through some of our key product segment. We will first start with contrast media. In the contrast media product category, Q2, we reported a growth of 76% on a sequential basis, while it has de-grown by 11% year-over-year basis. The H1, we reported a turnover of INR1,779 million, a de-growth of 31% compared to H1 of last year. In the previous

call, we had highlighted a lower offtake by a key customer for calendar year 2024 and certain Red Sea issues impacting our goods in transit, thereby impacting our revenue recognition.

In the pharmaceutical intermediate category, we were able to sustain Q1 performance in Q2 also, while if you look at the H1 of FY '25, we reported a turnover of INR1,198 million, a growth of 282% compared to H1 of FY '24. As VK Singh mentioned, the commercialization of one of our key products in the cardiovascular therapy has started in September from the new capacity, and that's Plant 6. And we believe this new capacity is expected to drive separate growth for us in the second half of FY '25.

In the artificial sweetness phase, our turnover is more or less similar to last year. In H1 of FY '25, we reported a turnover of close to INR60 crores similar to last year. We are able to sustain our turnover this year, despite of headwinds from imports. Now, some of our key balance sheet items, we reported a return on capital employed at 33% and an asset turn of 3.39%. The new capacity addition impact, we could actually see in the second half of FY '25. Our working capital is at 140 days, down by 7 days compared to Q1.

We generated a free cash flow before Treasury investment at INR318 million. Our cash conversion, which is profit after tax as a percentage of cash generated, is at 0.76, which means that we are able to actually convert 76% of our cash this quarter. The capex during this quarter is at around INR45 crores. So, with this, we will actually take your questions.

Moderator: The first question is from the line of Sanjesh Jain from ICICI Securities. .

Sanjesh Jain: First, I will start on the contrast media. We have shown a remarkable improvement sequentially, but on a Y-o-Y basis, we are still 11% down. And if I remember in the previous call, you did mention that for the full year, we will be able to hold on to the volume of last year. Then is it fair to assume that in the next quarter, there could be a sharp jump in the volume to meet for the flattish volume versus last year. Will that be a fair assumption on the contrast media side?

Ganesh Karuppannan: There will be two parts. In H2, we are going to have a better product mix. So, one of the new products would get launched, we expect this in Q4. And we have got a strong order book on the NCE molecule also. So, we should be in a position to improve our performance in H2.

Sanjesh Jain: When you say a new product and NCE, are they two different products that we are speaking about or the same product?

Ganesh Karuppannan: It is the same product.

Sanjesh Jain: So, when you say better product mix, what do you really mean by that?

Ganesh Karuppannan: Earlier, if you look at our H2, in addition to the couple of products what we have commercialized, you will have a bracket of 5 to 6 products, including some of our old products, which are actually getting traction. So, in terms of volume, if you look at contrast media as a segment, we believe we should be in a position to come closer to our last year's numbers.

Sanjesh Jain: We still hold that we will do, because of the new product launches and traction in the existing product, we will be able to produce the same volume as the contrast media, despite the first half being slightly softer. Another related question, Ganesh, there is a INR42 crores increase in the stock in trade in the first half. This is a normal situation, would have books as a revenue?

Ganesh Karuppannan: That's actually the raw material cost. This quarter also, the sales cut-off is almost close to INR100-odd crores. So, this sale will actually flow in Q3. Predominantly, the contrast media. When you have this incoterms delivery at place, we can recognize shipment only when it reaches the customer's place. So, till then, it will be shown as book-replacement.

Sanjesh Jain: This INR42 crores otherwise would have been revenue, right? Which are because of the Red Sea issue delays the delivery, is not getting recognized as revenue, correct?

Ganesh Karuppannan: You are right.

Sanjesh Jain: In a normal course, would that be a revenue for us in the H1, correct?

Ganesh Karuppannan: We have already invoiced; it will be recognized in next quarter.

Sanjesh Jain: On the contrast media side. We were anticipating one product on the Iodination side. Where are we in the process for that product?

Shiven Arora: We had very encouraging discussions during the customer meets and the trade shows recently. As indicated in our last call, the validation is successfully completed.

Sanjesh Jain: The validation is completed?

Shiven Arora: We are expecting to scale up in Q4 this year.

Sanjesh Jain: So, that supply also will start up in Q4? We said NCE in Q4 and this one also in Q4, Shiven, right?

Shiven Arora: That's right.

Sanjesh Jain: For NCE, there is a proper PU. But for the Iodinated product, we still don't have a PU. We are through with the validation. Is that the right understanding?

Shiven Arora: That is absolutely the right understanding. And it's a matter of time when we communicate this properly in the next call.

Sanjesh Jain: One on the pharma intermediate side. We said that we have started production in the Unit plant in September. But revenue appears to be flattish. The shifting has not happened and hence the production and revenue recognition, there is a lag. Is that the way to look at it? And the second related question is that, I think, Shiven, you mentioned in your opening remarks that by Q3, Q4, we expect to completely seek out the utilization. That means this 120 kl will reach a peak utilization and the revenue recognition in the two quarters?

Shiven Arora: Yes, that would be the aspiration. I think we are inching towards it. Month-on-month, we see improved efficiencies and better experience when it comes from a scale-up standpoint. So, in the next two quarters, I think we should ramp up to our customers' expectations.

Sanjesh Jain: Basically, there is an order book for the full plant. It's just a process we have to complete. And once we start producing it at an optimal level, we are good to go. There is no problem with the demand side or the book side?

Shiven Arora: Absolutely, we have confirmed orders on this particular candidate.

Sanjesh Jain: And the last question is on the two other products in the pharma intermediate would aspiring, one was for oncology, one was for parkinsons. Any update you want to share on those two products?

Shiven Arora: So, the discussions with the customers are very encouraging. I think in the next call, we will have better feedback around these aspects.

Moderator: The next question is from the line of Sudarshan Padmanabhan from JM Financial PMS.

Sudarshan Padmanabhan: Hi, thank you for taking my question. Just taking from the earlier participant on the contrast media side, if my understanding is correct, apart from the new product, the NCE, our existing client was also expected to expand the capacity? I mean, which is also the reason why we had seen the first quarter and some of the earlier quarters, some kind of a shutdown where they were expanding the capacity, etcetera. Can you give some color with respect to whether the expanded capacity is in place? When is it expected to start supplying?

Shiven Arora: I'm not in the right position to answer on behalf of my customer, but I feel the overall traction in the market is extremely positive. The usage of contrast media and especially with these market leaders is increasing. So overall, I feel that we are well poised for a positive future going forward.

Sudarshan Padmanabhan: On the pharma intermediate side, if you can give some color because you have talked a lot about the scale-up which is going to be visible from the existing products and also the pipeline. I mean, we understand that oncology product, Parkinson's product, which is yet to hit the commercial in a visible way, the cardiovascular is of course going to be the driver.

But beyond this, if you can give some color with respect to the pipeline, I mean, you should not necessarily give a number as such, but how many molecules are in the Phase 3? How many molecules are in Phase 2? How do you expect the progression to happen in that way? Can you give some color with respect to the next 2 to 3 years?

VK Singh: So, in this segment, as we mentioned in the last call also, we were tracking about 8-10 opportunities. Two of them are currently commercial, but the full scale, for them to evolve, perhaps quarter 4 will be the right time to speak about it. But we are tracking those opportunities and after the conference that we had in Europe last month, I think we have some more very credible opportunities with very high conviction. So, I think in all, we are looking at 12-15 very high conviction opportunities in the space that you spoke about.

Sudarshan Padmanabhan: So, one final question before I join back the queue is, when I looked at this cardiovascular molecule, I mean, it would be probably the only non-stacking product to reduce cholesterol. I mean, I understand that we have set up the plant and it is expected to ramp-up. But if you can give some color with respect to the next 2 to 3 years, are we having enough land, enough space for us to add additional units if it is required? Do we see potential of this product being substantially bigger than what currently we are seeing in the next few months?

VK Singh: See, we have currently in our plant 6, we have put up huge capacity. So, I think we have capacity to take care of the current demand and any uptick in demand for the next couple of years. So, we are in a very good space as far as this molecule is concerned. As far as the outlook for the product is concerned, I mean, I would encourage you to go to, a lot of data and public domain. I think the molecule is very well poised to be a blockbuster.

Sudarshan Padmanabhan: Yes, sure. And one final, I mean, if I am looking at the margins in this quarter, I mean, of course, the mix was very favourable on the gross margin side and operating leverage. I mean, from a longer-term perspective, I mean, what should we be looking at as a steady state margin as the molecule kind of scales up? Some color if you can give.

Management: See, based on the current portfolio, I would believe the margin would be in a similar range, maybe plus or minus 2%. So, this quarter, because of a higher goods in transit, normally the overhead gets capitalized. So, the margin is marginally higher. So, I would actually take it somewhere around 53% to 55%. And that should be a reasonable estimate for the current product mix.

Moderator: The next question is from the line of Sanjesh Jain from ICICI Securities.

Sanjesh Jain: I have a couple of them. Sorry, I had to follow up. First, on the chemistries, which you spoke, VK sir, on the enzymatic process and few other process. I think enzymatic process is something which is becoming very popular in China, and they are significantly reducing the cost of some of the molecules.

Are these, in the exploratory stage, are we developing any serious capabilities here? And have we got people who have experience in the R&D for this? So, how are we looking at these new chemistries and what are we doing to scale them up?

VK Singh: Sanjesh, our reason for looking at these chemistries, particularly this enzymatic chemistry, are two. One is that whenever there is a chemistry where there is chiral selection involved, then the enzymatic process is significantly more effective than a regular chemical synthesis process. And the way we see business move, the direction in which the RFQs and inquiries are going, there will be a lot of molecules in that chiral selection space where we believe that enzymatic chemistry is going to be better.

The second thing is that as you know, the type of business that we are in, sometimes the effluent is very high. And when we use enzymatic process, then sometimes, the effluent in the enzymatic is significantly lower. I mean, the ratios could be as high as 1 is to 50. So, if we were generating

50 in the regular chemical process, in the enzymatic, it becomes 1 litre or whatever per kg of output.

So, these are two reasons for which there is a propensity in our R&D to move towards the enzymatic processes. As far as capability is concerned, then we have built up that capability. We have further strengthened that capability. And if you would see the IP space, we have filed a couple of patents also which are leaning on the enzymatic chemistry. So, we are in a good space as far as that part is concerned.

Sanjesh Jain: I am telling there is no commercialized product as of now, which is just this process.

VK Singh: As of now, no. But, maybe next year, yes.

Sanjesh Jain: We are very close to commercializing this work.

VK Singh: We are close to commercializing, yes.

Sanjesh Jain: And will it be for a general product, import substitution or again working as a CDMO?

VK Singh: Are you speaking about this particular chemistry?

Sanjesh Jain: Yes, this particular chemistry.

VK Singh: It will be both.

Sanjesh Jain: Okay. We are planning for more than one product.

VK Singh: Yes. I mean, this is just a platform that we have developed, and we will be evaluating, this opportunity in many, many places because one thing that I forgot to mention was that sometimes the enzymatic is far more cost effective also.

Ganesh Karuppannan: Cost effective is well taken, because I think the costs have drastically reduced and some of these processes and that is what is disrupting a lot of pharma intermediate space.

Sanjesh Jain: So, I was speaking on GLP-1 in context to our cardiovascular product. Do you see in a medium term any redress because when public reduces their weight, it ultimately reduces their cholesterol level that means the requirement for these preventive cholesterol measures become less in demand. Do you see the GLP-1 having the entire impact in the medium term on the demand for our cardiovascular product?

VK Singh: So I would say that what you are saying is clearly one line of thinking today, because now we are not looking at cardiovascular and all that. We look at it as one big picture which is cardiometabolic. So to an extent you are right, but then the molecules in pharmaceutical it is not common to see obsolescence.

The second point is that the product that we are talking about is actually the first line of treatment. It is quite possible that these GLP-1s may not for several indications be the first line of treatments. Besides most of these GLP-1s will be injectables.

And then even if there is a GLP-1 which can be positioned head on with this molecule, it is a category. So this molecule will be competing more with -- the statins will be competing more with ezetimibe which is a non-statin lipid lowering product. So I don't really see why anything should change from the projections that we are talking about. Besides anything to gain traction.

Right now, the type of GLP that you are speaking about that can go head on with the product is not there on the market. Let us say in two years, something is in Phase 3 it comes, then the outcome trials will be needed which means that we are at least four years away.

So I would say that for the molecule that we are speaking about without taking any names, the generic competition will be more credible than the competition from anything of the sort that you are mentioning. But you bring out a very, very valid point and we completely appreciate that.

Moderator: The next question is from the line of Amish Kanani from Knowise Investment Managers .

Amish Kanani: Question is if you can remind us of the capex that we have already done in the first half and the remaining capex that we are likely to do in the second half and next year. And a related question will be, given that we are seeing it in the opportunities looking at any incremental capex beyond what is already budgeted?

Shiven Arora: Yes, so I think we are on track for our capex plans. I think our initial guidance was, on a base case, INR200 crores annually. But we are also exploring other options from a manufacturing footprint standpoint. So we maintain our guidance.

Amish Kanani: Okay. And sir, looking at the scale-up in the revenue and plan scale-up in the second half, what should we pencil in directionally as an EBITDA margin? We have kind of done 30%-odd in the first half as blended, but second quarter was 33%. Given that there is a scale-up, any indication of what kind of EBITDA margin should we be looking at directionally, if not a precise number?

Ganesh Karuppannan: We don't give guidance on the future. You can actually look at our historical numbers.

Moderator: The next question is from the line of Tanya Kothari from AUM Capital Markets. Please go ahead.

Tanya Kothari: I have just two questions, and that is with the contrast media. There is an increase of 25% seen this quarter, and there were certain factors that there was a transit-based resolution that contributed in the last quarter. So the revenue -- how much of the component is due to transit delay, and how much was the jump due to some other factors in the contrast media?

Ganesh Karuppannan: This goods in transit is an ongoing topic. Normally, we used to have 30, 35 days of transit, but because of the Red Sea issues, now it has become 55, 60 days. So you can almost say that our transit time has doubled after the war situation. So what we try to do is ensure that we are able

to maintain transit stock at similar levels, but last quarter was higher, and in fact, this quarter, it is much higher. So it all depends on customer offtake, and in terms of transit period, we consider somewhere around 55 to 60 days. So this all depends on the offtake from the customer, and this cannot be predicted in advance.

Tanya Kothari: Okay, sir. Sir, does the company anticipate a normalization in the growth rate for this particular segment, including whatever issues with the transit is? What is the kind of growth rate we are expecting in the couple of years, if the same situation persists?

Ganesh Karuppannan: See, like, the transit is not actually a, one should not really worry about the transit issues when you look at the long term, because you have an opening and a closing goods in transit, so generally, it should iron out. So technically, that to me is not a concern. What you should be actually like looking at is more on the product launches and the opportunities what we have on each of these molecules.

Tanya Kothari: Just one question, that is regarding the margins with each segment, like product mix, we know, like 55% from contrast media, sweeteners around 16%, but what is the kind of margins each segment is, can I have those data sets?

Ganesh Karuppannan: Based on the current product mix, I had already mentioned that plus or minus couple of percentage, we should be able to maintain this margin for the current product mix.

Tanya Kothari: Okay. The blended margin should be between say 35% to 40% or 38% for the annual if you look at this?

Ganesh Karuppannan: No, we cannot give a guidance, but you could actually evaluate based on your historical performance.

Moderator: The next question is from the line of Himanshu Dugar from SafeGainz Advisors.

Himanshu Dugar: I want to understand a bit about the timing on this, the volume and revenue recording for the contrast media business because I understand in the last quarter as well as we had some kind of lag in that there was a delay and then something would have accounted this quarter. And similarly, I think last year also there were some similar issues. Could you just help us understand how the accounting works?

Ganesh Karuppannan: See it's driven by the Incoterms like whatever contract we have, the contractual term if it says the delivery at place which means you cannot recognize a shipment till it reaches the customer destination. So this is the first part. And the transit time has actually like significantly gone up subsequent to this war situation. So what used to be a 35-day timeline has now become 55 days to 60 days.

And so like if you're familiar with the commercial terms, when you say delivery at place, only when it reaches the customer destination, we can actually recognize it as sale. And most of the contrast media customers would like to have delivery at place as their contractual terms for delivery.

Himanshu Dugar: Understood. So just as a follow-up like if you go back to the last quarter's comments on some amounts, could you just broadly highlight what was the revenue impact which shifted from last quarter to this quarter?

Ganesh Karuppannan: It will be around INR60 crores to INR70 crores.

Himanshu Dugar: And when we think on a like-for-like basis versus the last year that is FY '24 second quarter, how is it like are we input increased on.

Ganesh Karuppannan: I don't have that info readily now because that's a last year number. I think what you should worry about is the sequential number.

Himanshu Dugar: On the margins. So I think previously couple of times you commented that because of the plan in the volatility and the raw material prices also have significantly contributed in the overall margin volatility. In this quarter, how was it like, was again the raw material prices going up and hence that somewhat on a Y-o-Y-basis I'm asking this question. Did it impact the margins or there are other factors at play?

Ganesh Karuppannan: No, margin raw material prices for our key raw materials were more or less consistent. We didn't see any high volatility. The top two, three raw materials remained more or less stable.

Himanshu Dugar: So what would you call it attribute the margin decline to them?

Ganesh Karuppannan: No, compared to on a year-on-year basis, the margins were same 55% and during this quarter, it went up by 2%. So currently it is at 57%.

Moderator: The next question is from the line of Aditya Chheda from InCred Asset Management.

Aditya Chheda: Can you help us understand the degrowth that we've seen in contrast media for H1 to break it down between volume and realization and what are the factors that drive realization in this segment that would be helpful?

Ganesh Karuppannan: There is no significant price variance. It's purely volume variance. We have actually talked about two reasons. One of our customer off-take during this year is lower than the previous year because of certain reasons which we had already highlighted in the earlier calls. The second impact is on the transit. So these two impacted. I think one should not really worry about the transit delays because it's just a delay of a quarter.

What you ship this month gets actually like recognized as turnover in the subsequent month. In terms of off-take from the key customer, we had already indicated the calendar year '24 is going to be a little bit subdued and we believe this the off-take from this customer in the next calendar year, we should actually get back to the old levels.

Aditya Chheda: Got it, sir. And any comments on what drives the realization? Is it purely on product mix incrementally for us or the realization is usually stable for you or volatile if you can help us understand that in this contrast media?

Ganesh Karuppannan: In contrast media, technically, we have not seen any significant price erosion. So generally whenever there is a volume discount, it is generally offset by rupee depreciation. So we have actually not seen any meaningful price erosion in contrast media. So you can actually attribute everything to volume variance.

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

Ganesh Karuppannan: I think we would like to thank all the participants, and we will look forward to hearing from you in the next call. Thank you very much.

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.

(This document was edited for readability purpose.)