

## Blue Jet Healthcare Limited

December 16, 2025

| Facilities/Instruments                 | Amount (₹ crore) | Rating <sup>1</sup>        | Rating Action |
|--|------------------|----------------------------|---------------|
| Long Term / Short Term Bank Facilities | 275.00           | CARE A+; Stable / CARE A1+ | Assigned      |

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Ratings assigned to Blue Jet Healthcare Limited (BJHL) derive strength from the company's established track record of operations, experienced promoters supported by a competent management team, and its presence in niche, high-value product segments such as contrast media intermediates, pharmaceutical intermediates (including CDMO offerings), and high-intensity sweeteners. The diversified product portfolio and long-standing relationships with reputed global customers support stable order inflows.

The ratings further factor in BJHL's strong profitability profile, supported by increasing contribution from high-value pharma intermediates and CDMO services, as well as its comfortable financial risk profile, characterised by negligible external debt, strong debt coverage indicators, and healthy liquidity supported by sizeable cash and liquid investments.

The ratings, however, remain constrained by high customer and product concentration, a working capital-intensive business model marked by elevated receivables and inventory levels, exposure to regulatory compliance requirements and export-driven volatility, and execution and stabilisation risks associated with ongoing capacity expansion plans. Efficient working capital management, diversification of revenue streams, and timely stabilisation of new capacities will remain key rating sensitivities.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Significant growth in scale of operations above Rs. 1700 crore while maintaining current profitability levels and financial risk profile.

#### Negative factors

- Non-renewal/ change of terms of long-term contracts with the existing clients leading to decline in TOI below Rs. 800 crore or any significant moderation in the operating profitability.
- Any debt funded capex leading to deterioration of overall gearing above 0.25x on a sustained basis.
- Any further deterioration in working capital cycle significantly impacting liquidity of the company.

### Analytical approach: Standalone

#### Outlook: Stable

The stable outlook reflects CareEdge Rating's expectation that BJHL will maintain its established market position, supported by its diversified product portfolio and long-term relationship with its customers, while continuing to sustain its comfortable financial risk profile.

### Detailed description of key rating drivers:

#### Key strengths

##### Experienced and resourceful promoters accompanied by competent management team

BJHL benefits from an experienced promoter group led by Mr. Akshay Arora, who brings over four decades of expertise in organic chemistry and has steered the company's evolution into high-value contrast media and pharma intermediates. The management is further supported by Mr. Shiven Arora (MD), who oversees finance and strategic initiatives. The promoters' strong industry understanding, long operational track record, and demonstrated execution capability have supported BJHL's scale-up, diversification, and sustained operating performance.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Established operational track record with global compliance and diversified product capabilities**

BJHL has an established operating track record of over five decades in contrast media, high intensity sweeteners and high-value pharmaceutical intermediates, supported by 2 operating sites and eight manufacturing blocks accredited by global regulatory bodies such as ISO, WHO-GMP, SMETA and FSSAI. These approvals enable participation in regulated and semi-regulated markets, creating meaningful entry barriers. The company has a diversified global footprint, exporting to 50+ countries, with long-standing customer relationships ranging from 4 to 26 years, and derives ~87% of its revenue from international markets. BJHL is among the leading Indian manufacturers of contrast media intermediates with a portfolio of 20 commercialised molecules used across MRI, CT and X-ray diagnostics. It also manufactures Bempedoic Acid intermediates for a global innovator and produces high-intensity sweeteners (saccharin), providing product-level diversification. The company's CDMO model further enhances customer stickiness by offering end-to-end support from lab-scale development to commercial supply. In-house R&D capabilities support complex multi-step chemistry, process optimisation and scalability, facilitating timely transition of new molecules from development to commercialisation.

**Healthy profitability margins**

BJHL's profitability margins has remained stable and further improved with PBILDT margin ranging from 31% to 38% in past three years. In FY25, BJHL reported PBILDT margin of 37.78% in FY25 as against 33.34% in FY24. Also, BJHL has registered a strong ROCE of 40.35% in FY25 as against 28.62% in FY24. The improvement in the profitability is primarily due to addition of CDMO services to Global innovator.

Margin outlook remains stable, supported by (i) ramp-up of commercial CDMO molecules, (ii) product addition in contract media space (iii) continued demand visibility from global anchor clients. While concentration in select intermediates continues to remain a sensitivity, the niche chemistry positioning and CDMO pipeline provide visibility for sustainability.

**Comfortable financial risk profile**

BJHL's capital structure remained comfortable marked by overall gearing of 0.02x as on March 31, 2025 (nil as on March 31, 2024). This is on a healthy networth base of Rs. 1132.88 crore as on March 31, 2025. In June 2025, BJHL borrowed ~Rs. 265 crore in form of working capital to support peak seasonal requirements linked to export shipments, which were subsequently repaid by September 2025. Thus, going forward, the capital structure is expected to sustain with some need-based borrowings expected. With low reliance on debt, debt coverage indicators remained strong.

**Growing scale of operations**

BJHL's TOI reported a compound annual growth rate of ~20% in the past five years and TOI stood moderate at Rs. 1048.29 crore in FY25 as against Rs. 721.53 crore in FY24. The growth is primarily aided by CDMO services offered to global innovator which is a market leader in production of bempedoic acid that is used to lower the bad cholesterol. Going forward, the renewal of contract with global innovator along with growth in contrast media and sweeteners segment will remain key rating monitorable.

Sustained offtake from Global innovator, upscaling of a new iodinated intermediate, and planned expansion through plant at Mahad provide medium-term revenue growth visibility. Renewal terms with anchor CDMO clients, diversification beyond Bempedoic Acid, and scale-up in contrast media will remain key factors for further upward rating momentum.

**Key weaknesses****High customer and product concentration**

BJHL remains exposed to concentration risk, with ~79% of revenue contributed by top 5 customers in FY25, and a significant share linked to a single product Bempedoic Acid intermediate (~45% of TOI) supplied to Global innovator. Also, contrast media segment consists of ~40% of TOI with major sales to Contrast media global innovator. While relationships are long-standing, any moderation in demand, pricing renegotiation, or regulatory delay impacting the innovator drug could materially affect revenue visibility and margins.

**Exposure to regulatory compliance and export-driven volatility**

BJHL's revenue is predominantly export-oriented (~87% of sales). While operations remain subject to periodic customer audits, quality validations, and compliance checks, the company's long track-record and established regulatory accreditations mitigate the risk of major disruptions. Nevertheless, the high export mix exposes profitability to currency volatility and geopolitical/logistics risks — sharp forex movements or trade disruptions could impact cash flows despite hedging practices and partial natural offsets through imports.

### Working capital intensive operations

The business model remains working-capital intensive, reflected in high gross current asset days of ~333 days (exclusive of cash and investments) in FY25, driven by longer export receivables (~92 days) and inventory holding requirements (~114 days; including goods in transit) for qualification and batchwise scheduling. Credit terms for Contrast media global innovator extend up to ~190 days, while other debtors are for 60-120 days, contributing to an operating cycle of ~167 days in FY25, with limited support from creditors (39 days).

While the company currently funds this through internal accruals without reliance on external debt, continued elongation in receivable ageing, particularly from large customers, will remain a key monitorable from a rating standpoint.

### Execution and stabilisation risk associated with capex plans

BJHL has outlined a capex of ~Rs. 1,300 crore over the next 3–4 years towards capacity expansion, product development, backward integration and establishing an R&D centre. Although the capex is expected to be primarily funded through internal accruals, timely execution within the envisaged cost and achieving the planned capacity utilisation remain critical. Any delay in project commissioning, cost escalation, or slower ramp-up of volumes from the expanded capacities could weaken return indicators and cash flows. Accordingly, execution risk remains a key rating monitorable.

### Liquidity: Strong

Liquidity of BJHL remains strong marked by nil schedule debt repayment as against GCA of Rs. 327 crore in FY25. Also, BJHL has liquid investments of Rs. 269.81 crore including cash and bank balances of Rs. 98.12 crore and debt mutual funds of Rs. 171.69 crore. Furthermore, BJHL has a strong current ratio of 2.46x in FY25 and company has demonstrated a track record of positive cash flow from operations over the past few years with CFO of Rs. 39.08 crore in FY25 as against Rs. 232.84 crore in FY24. The moderation in CFO is primarily due to higher receivables and inventory o/s at the year end. The liquidity, however, remains constrained due to high GCA days (exclusive of cash and investments) of 333 days in FY25 as against 277 days in FY24. The liquidity profile is expected to remain comfortable, with short-term funding requirements, if any, being met through internal resources and available banking lines.

### Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

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### About the company and industry

#### Industry classification

| Macroeconomic indicator | Sector     | Industry                        | Basic industry  |
|-------------------------|------------|---------------------------------|-----------------|
| Healthcare              | Healthcare | Pharmaceuticals & Biotechnology | Pharmaceuticals |

Incorporated in 1968, Blue Jet Healthcare Limited is a Pharmaceutical and healthcare ingredient & intermediate company and first manufacturer of saccharin and salts in India. Product portfolio of BJHL includes contrast media intermediate, High intensity sweeteners and Pharma intermediates and APIs. BJHL has 87% of FY25 sales in export markets with presence in 50+ countries and has customers base over 400+ clients.

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) | H1FY26 (UA)  |
|----------------------------|--------------------|--------------------|--------------|
| Total operating income     | 721.53             | 1,048.29           | 520.24       |
| PBILDT                     | 240.55             | 396.03             | 160.19       |
| PAT                        | 163.75             | 305.20             | 143.31       |
| Overall gearing (times)    | 0.00               | 0.02               | <b>0.21</b>  |
| Interest coverage (times)  | 1,494.08           | 4,041.15           | <b>30.11</b> |

A: Audited UA: Unaudited; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

| Name of the Instrument          | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---------------------------------|------|-------------------------------|-----------------|----------------------------|-----------------------------|------------------------------------|
| Fund-based/Non-fund-based-LT/ST |      | -                             | -               | -                          | 275.00                      | CARE A+;<br>Stable / CARE A1+      |

#### Annexure-2: Rating history for last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings |                              |                               | Rating History                              |   |   |   |
|---------|--|-----------------|------------------------------|-------------------------------|---|---|---|---|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating                        | Date(s) and Rating(s) assigned in 2025-2026 | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 |
| 1       | Fund-based/Non-fund-based-LT/ST        | LT/ST           | 275.00                       | CARE A+;<br>Stable / CARE A1+ |   |   |   |   |

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

#### Annexure-4: Complexity level of instruments rated

| Sr. No. | Name of the Instrument          | Complexity Level |
|---------|---------------------------------|------------------|
| 1       | Fund-based/Non-fund-based-LT/ST | Simple           |

#### Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

## Contact Us

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