

October 30, 2025

Biocon Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - term loans	205.00	-	-
Long-term/Short-term - based/ non-fund based	245.00	-	-
Long-term/Short-term – Unallocated	0.00	450.00	[ICRA]AA+ (Stable)/ [ICRA]A1+; reaffirmed
Total	450.00	450.00	

*Instrument details are provided in Annexure I

Rationale

The ratings reaffirmation considers Biocon Limited's (Biocon) diversified business model, vertically integrated operations, and global footprint across biosimilars, generics, and research services and ICRA's expectation that the company's credit profile will continue to improve over the near-to-medium term.

Biocon, through its subsidiary Biocon Biologics Limited (BBL) has received approval for 11 biosimilars across regulated and emerging markets, with growing market share in oncology, immunology, and diabetes. BBL was the largest contributor to its consolidated revenues in FY2025. ICRA notes that BBL has plans to launch five biosimilars in near future, which are expected to support the company's revenue growth and operating margins, going forward. Given the complexity, long development cycle and high costs involved, the entry barriers for the biosimilar segment are relatively higher compared to generics, giving BBL the advantage of an early mover. The company is also a reputed global player in statins and immunosuppressants in the generic space and has an established market position in the active pharmaceutical ingredients (APIs) segment. Biocon's research services segment (operating under a subsidiary, Syngene International Limited [Syngene]) has a strong presence across discovery and development research and contract manufacturing services for small and large molecules. In FY2025, Biocon reported a healthy YoY growth of 10.6% in revenues, adjusted for the sale of branded formulations (BF) segment to Eris Lifesciences, resulting in a gain of Rs. 1,057 crore.

However, the operating profit margin (OPM) improved to 26.8% in FY2025 from 22.6% in FY2024, owing to one time gain of Rs. 1,057 crore on the sale of BF segment to Eris Lifesciences Limited. ICRA also notes that the ramp-up costs associated with operationalising new facilities in generics segment, the slowdown in the US biotech funding impacted the OPM in Q1 FY2026, which was compensated by better operating leverage in the biosimilar segment. Going forward, the OPM improvement would be dependent on new product launches and expansion into new markets. Obtaining new product approvals in a timely manner and the extent of performance improvement in light of increasing competition remain key monitorables.

Further, In FY2025, BBL refinanced its borrowings through senior secured notes worth \$800 million (Rs. 6,695 crore as on March 31, 2025) and a new syndicated term loan of \$320 million (Rs. 2,697 crore as on March 31, 2025). ICRA notes that BBL earlier had sizeable repayment obligations in FY2025 and FY2026 towards the acquisition loan. However, the repayments have significantly reduced further to aforementioned refinancing exercise. Further, ICRA also notes that the company has successfully fulfilled its obligations (in the form of deferred consideration payable) to Viatrix in FY2025. Following the successful Rs. 4,500-crore equity raise through a Qualified Institutional Placement (QIP) in June 2025, Biocon has also retired the structured debt from Goldman Sachs and Kotak as well as commercial paper, thereby improving leverage metrics and

strengthening control over its biosimilars subsidiary, Biocon Biologics Limited (BBL), where Biocon now holds around 76% stake (on a fully diluted basis). The company's consolidated adjusted net debt (net debt excluding structured debt¹)/OPBDITA improved to 2.6 times (adjusting for gain of Rs. 1,057 crore from the sale of branded formulations (BF) segment to Eris Lifesciences) as on March 31, 2025 from 3.5 times as on March 31, 2024. Biocon also has a put option obligation to other investors (totalling Rs. 1,418.6 crore as on March 31, 2025), which invested in BBL over a period of time for an equity stake.

The ratings also consider the company's weak core return on capital employed (RoCE), which despite improving to 7.3% in FY2025 from 5% in FY2024 post completion of integration activities of Viatri's biosimilars portfolio, still remains relatively lower than pre-acquisition levels. Its RoCE is expected to improve gradually over the medium-to-long term with healthy accruals, supported by the launch of new products. Like other industry players, Biocon is also exposed to increasing regulatory scrutiny and uncertainties in the approval pathway for molecules under development and consequent volatility in launch timelines and revenues. Additionally, with a significant share of its revenues coming from overseas markets, the company's revenues and margins are susceptible to risks of fluctuations in foreign exchange rates. However, ICRA notes that the company enjoys significant natural hedge, supported by its prudent hedging mechanism in place.

The Stable outlook on the long-term rating reflects ICRA's expectation that Biocon is likely to sustain its operating metrics even as its revenue growth may moderate. Further, the outlook underlines ICRA's expectation that the entity will continue with its deleveraging efforts and incremental capex, if any, to further expand the capacity. The same will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Integrated global pharmaceutical major with capabilities across the value chain and diversified business mix – Biocon is present across the pharmaceutical value chain. It is engaged in research and development (R&D), manufacturing, and marketing activities. The company is also geographically diversified with revenues coming from the US, the EU, India, and most of the world (MoW) markets. In terms of its business profile, the company's revenues are diversified across generics – APIs, and formulations (19% of revenues in FY2025), biosimilars (58%), and research services (23%). Presence across various businesses and geographies mitigates revenue risks arising from competition and slowdown in a segment/region and lends stability to revenues.

Established R&D capabilities; relatively high entry barriers in biosimilars space – Biocon periodically invests in R&D for clinical trials and development. Its R&D expenses (generics and biosimilars) stood at 10% of its revenues in FY2024 and 7% in FY2025. The company is expected to incur R&D expenses of 7-10% of its generics and biosimilar revenues in FY2026 to support its product pipeline. Further, given the complexity, long development cycle and high costs involved, the entry barriers for biosimilars are relatively higher compared to generics, providing BBL with the advantage of an early mover.

Healthy market position, new product launches, development pipeline and research contracts provide revenue visibility over medium term – Biocon has a healthy biosimilar portfolio within oncology, diabetes, and autoimmune segments. Three oncology biosimilars (biosimilars Trastuzumab, Pegfilgrastim, Bevacizumab), three immunology biosimilars (biosimilar Etanercept, Ustekinumab and Adalimumab) and three diabetes biosimilars (insulin Glargine, insulin Aspart and insulin rHI) and one ophthalmology biosimilar (biosimilar Aflibercept) have been commercialised as on date. In April 2025, Biocon also received the USFDA² approval for Bevacizumab (Jobevine) (biosimilar Avastin) for treating various forms of cancer. Further, the company has biosimilars Pertuzumab and Denosumab for oncology and bone health and six other undisclosed biosimilars are under various stages of development. Moreover, the company is a reputed global player in statins and immunosuppressants in the generics space with an established market position/client relationships for more than 50 APIs, which it supplies to over

¹ Structured debt as of March 31, 2025, included debentures issued to Goldman Sachs India AIF Scheme and Kotak Special Situations Fund of \$300 million. In addition, \$98 million in May 2024 has been raised from Edelweiss Alternative Asset Advisors and ESOF III Investment Fund

² USFDA: The United States Food and Drug Administration is a federal agency of the Department of Health and Human Services

750 pharma companies across 100+ countries. It also has an improving presence in the finished dosage formulations segment in the US and other markets. The company is expanding its global footprint beyond its direct presence in the US into other geographies including the UK, Europe, Latin America, Asia and Australia either through a direct presence or strategic partnerships. Biocon, in its generic segment, is actively working on glucagon like peptide (GLP-1) portfolio along with other products in oral solid dosages (OSD) portfolio, which is expected to contribute to the overall revenues, going forward.

Further, the company through its subsidiary, Syngene, has a strong presence across discovery and development research and contract manufacturing services for small and large molecules with established clients. The company has long-term research contracts with reputed clients. SIL also collaborates with major industry players in the consumer products industry and animal health industry. The company has made periodic additions to its customer base, and, at present, has more than 400 active clients. Given the healthy growth prospects for biosimilars, strong demand for services from contract research, CDMO and Biocon's formulations/ API pipeline, ICRA expects the company to witness a healthy consolidated revenue growth over the medium term.

Healthy revenue growth and margins – In FY2025, Biocon's revenue rose 10.6% to Rs. 16,319 crore from Rs. 14,755 crore in FY2024. The generics segment revenue grew by 8% in FY2025, with increase in generic formulations and a volume-led recovery in the API business in H2 FY2025. The research services witnessed a modest 4.4% YoY revenue growth in FY2025 as its discovery services segment revenues was impacted on account of subdued US biotech funding in H1 FY2025. In FY2025, BBL's revenues rose by 14.2%, supported by sale of its branded formulations business to Eris Lifesciences Ltd., resulting in a gain of Rs. 1,057 crore. Overall, the consolidated revenues in FY2025 grew by 10.6% on a YoY basis. Consequently, the OPM also improved to 26.8% in FY2025 from 22.6% in FY2024. ICRA expects the company's revenue to grow modestly while maintaining healthy operating profit margins, going forward.

Credit challenges

Moderate coverage metrics and low RoCE; refinancing and recent equity raise have supported improvement debt metrics and liquidity to a certain extent – Biocon's consolidated debt increased significantly following the debt-funded acquisition of Viatri's biosimilar assets in November 2022. The total debt as on March 31, 2025 remained high at Rs. 19,780.6 crore against Rs. 18,078.5 crore as on March 31, 2024. While Biocon's consolidated adjusted net debt (net debt excluding structured debt)/OPBDITA improved to 2.6 times (adjusting for gain of Rs. 1,057 crore from the sale of branded formulations (BF) segment to Eris Lifesciences) as on March 31, 2025 from 3.5 times as on March 31, 2024, the same remains moderately stretched. ICRA notes that the company refinanced debt of \$800 million through senior secured notes, \$320 million through syndicated term loan and completely fulfilled the deferred consideration payout to Viatri in FY2025. This led to a significant reduction in Biocon's consolidated debt repayment obligations, going forward. ICRA also notes that Biocon has raised equity of Rs. 4,500 crore via QIP (June 2025), which was partly utilised to repay structured debt of Kotak, commercial paper and purchase of outstanding optionally convertible debentures (OCDs) from Goldman Sachs, reducing the structured debt. Further, the company's core RoCE improved to 7.3% in FY2025 from 5% in FY2024 and the same is expected to improve gradually over the medium-to-long term with healthy accruals, supported by the launch of new products and limited capex of \$200-250 million per annum.

High competition in generics and growing competition in the biosimilars space – The pharmaceutical generics segment encounters high competition and pricing pressure due to the presence of a large number of players in the field. However, periodic product launches, expansion into new geographies and sizeable revenues from other segments where competitive intensity is relatively low, mitigate the risk to a large extent. With the biosimilar industry poised for healthy growth over the next few years, several players are expanding their presence in this space. This is likely to increase competition and pricing pressure for Biocon, going forward. However, its robust biosimilar product portfolio and global footprint are likely to mitigate competitive threats to an extent.

Regulatory risks and vulnerability to unfavourable forex movement – Like other industry players, Biocon is also exposed to increasing regulatory scrutiny and uncertainties in the approval pathway for molecules under development and consequent

volatility in launch timelines and revenues. Also, Syngene is bound by strict regulations for clinical trials for regulated markets. As a significant portion of its revenues comes from overseas markets, the company's revenues and margins are susceptible to risks arising from adverse forex movements. However, the partial hedging mechanisms adopted by the company mitigate the risk to an extent.

Environmental and social risks

Environmental considerations – The company does not face material physical climate risk, however, it remains exposed to industry-wide regulatory risks related to environmental compliance. Breaches in waste management or pollution norms could lead to increased operating costs, mandatory capital expenditure for infrastructure upgrades, and potential delays in capacity expansion. These factors may affect cash flows and capital allocation, impacting the company's credit metrics.

Social considerations – The company faces high industry-wide social risks related to product safety and associated litigation, access to qualified personnel for R&D and process engineering, and maintenance of high manufacturing compliance standards. Further, Government intervention related to price caps/controls also remains a social risk faced by entities in the pharmaceutical industry.

Liquidity position: Adequate

Biocon had consolidated free cash and bank balance and liquid investments of Rs. 4,922.7 crore as on March 31, 2025. Biocon, at the consolidated level, has capex plans of \$200-250 million annually in FY2026 and FY2027, which is expected to be mainly funded by internal accruals and existing reserves, coupled with some portion of debt, if required. Also, Biocon has consolidated repayment obligations of Rs. 287 crore and Rs. 678 crore in FY2026 and FY2027, respectively, on its existing loans (excluding lease liabilities), which does not include the expected payment to equity-linked liabilities of the company. ICRA notes that BBL has successfully fulfilled its obligations towards all deferred milestones, which were agreed under the acquisition agreement with Viatrix Inc. ICRA also notes that Biocon has raised equity of Rs. 4,500 crore via QIP which is partly utilised to repay structured debt of Kotak, commercial paper and purchase of outstanding OCDs from Goldman Sachs. ICRA expects the capital commitments and debt obligations for the next two years to be funded through a mix of internal accruals and existing cash reserves. Overall, Biocon's liquidity position is expected to remain adequate over the medium term, supported by its healthy accruals, exceptional financial flexibility, and lender/investor comfort.

Rating sensitivities

Positive factors – ICRA could upgrade the long-term rating if Biocon demonstrates significantly higher-than-expected deleveraging, coupled with improvement in profitability and liquidity position, on a sustained basis.

Negative factors – Pressure on Biocon's ratings could emerge if the company is unable to achieve material deleveraging and/or is unable to scale up earnings, leading to net debt (excluding structured debt) / OPBDITA exceeding 3.5 times on a sustained basis. The impact of adverse regulatory developments, if any, would be evaluated on a case-to-case basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Pharmaceuticals
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Biocon. Refer to the Annexure II for the list of entities considered for consolidation.

About the company

Biocon Limited was initially set up as a joint venture between Biocon Biochemicals Limited of Ireland and Indian entrepreneur Ms. Kiran Mazumdar Shaw in 1978 to manufacture and export enzymes. After the JV partner was acquired by Unilever and businesses were restructured, Biocon became an independent entity, and the Indian promoters bought the entire stake in 1998. In 2000, the company commissioned its first fully automated submerged fermentation plant to produce speciality biopharmaceuticals and received the USFDA approval for lovastatin in 2001. From being a predominantly fermentation-based APIs and enzymes manufacturer, the company has emerged as an R&D-based biotechnology company, having developed its own proprietary products as well as offering research services to global pharmaceutical majors.

Key financial indicators (audited)

Biocon Consolidated	FY2024	FY2025
Operating income	14,755.7	16,319.0
PAT	1,382.0	1,429.4
OPBDIT*/OI	22.6%	26.8%
PAT/OI	9.4%	8.8%
Total outside liabilities/Tangible net worth (times)	1.2	1.1
Total debt/OPBDIT (times)	5.4	4.5
Interest coverage (times)	3.4	4.9

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; * includes gain of Rs. 1,057 crore from the sale of branded formulations (BF) segment to Eris Lifesciences in FY2025.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2026)				Chronology of rating history for the past 3 years					
FY2026				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs crore)	Oct 30, 2025	Date	Rating	Date	Rating	Date	Rating
Fund Based/ Non Fund Based- Others	Long Tem/ Short Term	-	-	Aug 30, 2024	[ICRA]AA+ (Stable)/ [ICRA]A1+	Aug 04, 2023	[ICRA]AA+ (Stable)/ [ICRA]A1+	Jun 30, 2022	[ICRA]AA+&/ [ICRA]A1+&
				-	-	-	-	Nov 17, 2022	[ICRA]AA+&/ [ICRA]A1+
Fund Based- Term Loan	Long Term	-	-	Aug 30, 2024	[ICRA]AA+ (Stable)	Aug 04, 2023	[ICRA]AA+ (Stable)	Jun 30, 2022	[ICRA]AA+&
				-	-	-	-	Nov 17, 2022	[ICRA]AA+&
Unallocated	Long Term			-	-	-	-	Jun 30, 2022	[ICRA]AA+&
Commercial Paper	Short Term			Aug 30, 2024	[ICRA]A1+; withdrawn	Aug 04, 2023	[ICRA]A1+	Nov 17, 2022	[ICRA]A1+
Unallocated	Long Tem/ Short Term	450.00	[ICRA]AA+ (Stable)/ [ICRA]A1+	-	-	-	-	-	-

&:Under Watch with Developing Implications

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/short-term – Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term/short-term – unallocated	NA	NA	NA	450.00	[ICRA]AA+ (Stable)/ [ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Biocon Ownership	Consolidation Approach
Syngene International Limited	52.5%	Full Consolidation
Biocon Pharma Limited ("BPL")	100.0%	Full Consolidation
Biocon Biologics Limited	76.8%	Full Consolidation
Biocon Biosphere Limited	100.0%	Full Consolidation
Biocon Academy	100.0%	Full Consolidation
Syngene Scientific Solutions Limited	52.5%	Full Consolidation
Syngene Manufacturing Solutions Limited	52.5%	Full Consolidation
Biocon SA	100.0%	Full Consolidation
Biocon Sdn Bhd	76.8%	Full Consolidation
Biocon Biologics Healthcare Malaysia SDN BHD	76.8%	Full Consolidation
Biocon Biologics UK Limited	76.8%	Full Consolidation
Biocon Pharma UK Limited	100.0%	Full Consolidation
Biosimilars Newco Limited	76.8%	Full Consolidation
Biocon Biologics Inc	76.8%	Full Consolidation
Biocon Pharma Inc	100.0%	Full Consolidation
Syngene USA Inc	52.5%	Full Consolidation
Biocon Biologics do Brasil Ltda	76.8%	Full Consolidation
Biocon Biologics FZ-LLC	76.8%	Full Consolidation
Biocon FZ LLC	100.0%	Full Consolidation
Biocon Pharma Ireland Limited	100.0%	Full Consolidation
Biosimilars Collaborations Ireland Limited	76.8%	Full Consolidation
Biocon Pharma Malta Limited	100.0%	Full Consolidation
Biocon Pharma Malta I Limited	100.0%	Full Consolidation
Biocon Biologics Canada Inc	76.8%	Full Consolidation
Biocon Biologics Germany GmbH	76.8%	Full Consolidation
Biocon Biologics France S.A.S	76.8%	Full Consolidation
Biocon Biologics Spain S.L.	76.8%	Full Consolidation
Biocon Biologics Switzerland AG	76.8%	Full Consolidation
Biocon Biologics Belgium BV	76.8%	Full Consolidation
Biocon Biologics Finland OY	76.8%	Full Consolidation
Biocon Generics Inc	100.0%	Full Consolidation
Biocon Biologics Morocco S.A.R.L.A.U	76.8%	Full Consolidation
Biocon Biologics Greece SINGLE MEMBER P.C	76.8%	Full Consolidation
Biocon Biologics South Africa (PTY) Ltd	76.8%	Full Consolidation
Biocon Biologics (Thailand) Co Ltd	76.8%	Full Consolidation

Company Name	Biocon Ownership	Consolidation Approach
Biocon Biologics Philippines Inc	76.8%	Full Consolidation
Biocon Biologics Italy S.R.L	76.8%	Full Consolidation
Biocon Biologics Croatia LLC	76.8%	Full Consolidation
Biocon Biologics Global PLC	76.8%	Full Consolidation

Note: Company Annual Report FY2025

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 300

jitinm@icraindia.com

Kinjal Shah

+91 22 6114 3400

kinjal.shah@icraindia.com

Mythri Macherla

+91 22 6114 3435

mythri.macherla@icraindia.com

Aman Mundhada

+91 22 6114 3471

aman.mundhada@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



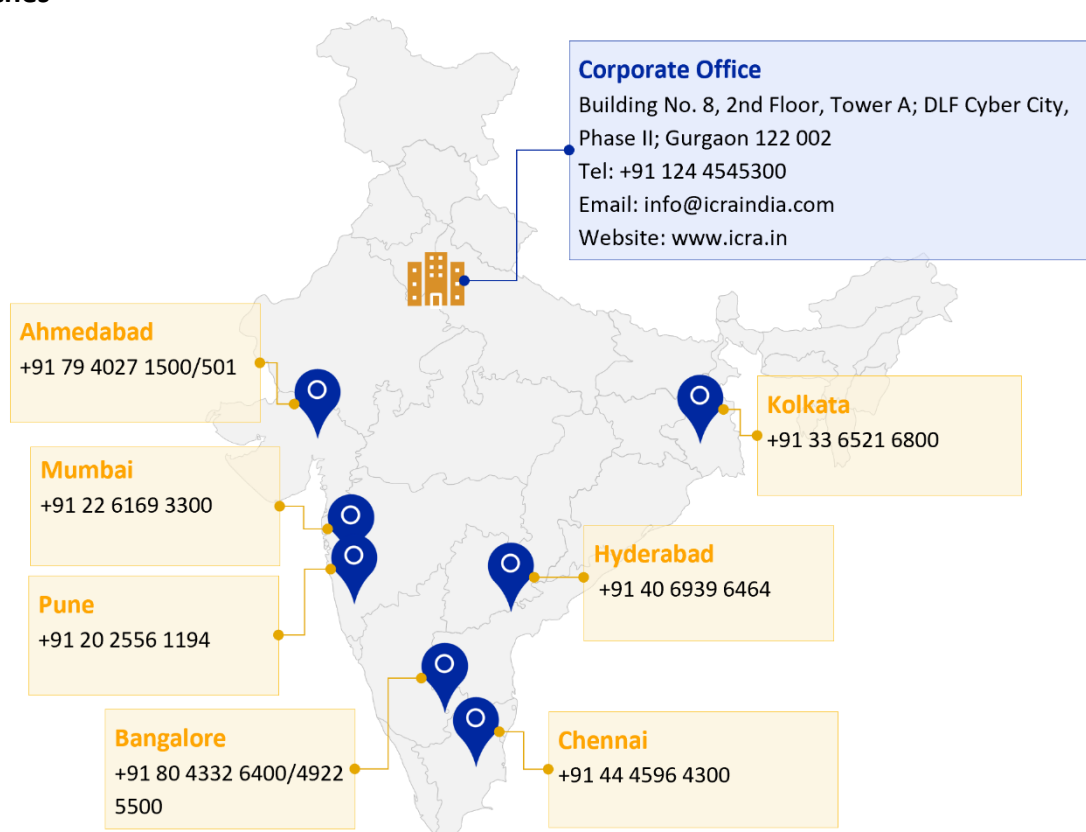
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.