

December 16, 2025

Biocon Limited: Update on material event

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Long term/Short term – Unallocated	450.00	450.00	[ICRA]AA+ (Stable)/[ICRA]A1+
Total	450.00	450.00	

*Instrument details are provided in Annexure I

Rationale

Material event

On December 06, 2025, Biocon Limited (Biocon/the company), announced vide a National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) disclosure that it would be acquiring minority stake of Mylan Inc., Serum Institute Life Sciences, Tata Capital, and Activ Pine in Biocon Biologics Limited (BBL), making BBL its wholly-owned subsidiary. The transaction, valued at approximately \$1.17 billion, will be funded by Biocon through a mix of share swap (171.3 million shares of Biocon worth \$773 million or Rs. 6,950 crore) and a cash payment of \$400 million to Mylan Inc. The cash payment to Mylan will be made in two stages – \$200 million (Rs. 1,800 crore) to be paid immediately funded through commercial paper (CP) and the remaining \$200 million to be funded through a qualified institutional placement (QIP) fund. The share swap ratio has been set at 70.28 Biocon shares for every 100 BBL shares for Serum Institute Life Sciences, Tata Capital, and Activ Pine, and 61.70 Biocon shares for every 100 BBL shares for Mylan Inc., based on Biocon’s share price of Rs. 405.78. According to the company, this restructuring aims to simplify the Group’s corporate structure, eliminate the holding company discount for Biocon, and consolidate operations under Biocon. Post-integration, Biocon expects operational and commercial synergies across manufacturing, procurement, and global distribution.

Impact of material event

The proposed acquisition is expected to be strategically positive for Biocon, as it simplifies the Group structure. By making BBL its wholly-owned subsidiary, Biocon will gain full control over its largest revenue contributor (58% of consolidated revenues in FY2025), enabling better operational alignment. The integration is anticipated to deliver synergies across supply chain, procurement, and commercial operations.

From a financial perspective, the transaction values BBL at \$5.5 billion equity value (\$6.6 billion enterprise value) and involves a cash payment of \$400 million to Mylan Inc., which will be funded through a two-step mechanism: (i) interim bridge financing via commercial paper of up to Rs. 1,800 crore and (ii) a QIP of up to Rs. 4,500 crore. The proposed QIP will be utilised to repay the aforementioned CP and pay the remaining Rs. 1,800 crore to Mylan Inc. Additionally, the Edelweiss structured debt raised in FY2024 to fund BBL’s acquisition of Viatrix will be repaid by January 31, 2026, using the residual QIP proceeds.

Post-integration, while the consolidated leverage is expected to reduce as the entire structured debt gets repaid, Biocon’s adjusted net debt (excluding structured debt) is not likely to alter materially as the entire QIP proceeds will be earmarked for CP repayment and payment to Edelweiss. Key monitorable factors include the timely repayment of the CP following the successful equity raise by Biocon through a QIP. Biocon’s ability to maintain adequate liquidity and execute its deleveraging plans in a timely manner will be critical for sustaining its credit profile.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, and rating sensitivities: [Click here](#)

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 Annexure II for the list of entities considered for consolidation.

About the company

Biocon Limited was initially set up as a joint venture (JV) 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 the 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 US Food and Drug Administration (FDA) approval for lovastatin in 2001. From being a predominantly fermentation-based active pharmaceutical ingredient (API) and enzymes manufacturer, Biocon has emerged as a research & development (R&D) based biotechnology company, having developed its own proprietary products and offering research services to global pharmaceutical majors.

Key financial indicators (audited)

Biocon consolidated	FY2024	FY2025	H1 FY2026**
Operating income	14,755.7	16,319.0	8,237.4
PAT	1,382.0	1,429.4	222.0
OPBDIT*/OI	22.6%	26.8%	19.4%
PAT/OI	9.4%	8.8%	2.7%
Total outside liabilities/Tangible net worth (times)	1.2	1.1	0.9
Total debt/OPBDIT (times)	5.4	4.5	5.2
Interest coverage (times)	3.4	4.9	2.9

Source: Company, ICRA Research; **Results; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, and taxes; * 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 (FY2026)				Chronology of rating history for the past 3 years							
Instrument	Type	FY2026		FY2026		FY2025		FY2024		FY2023	
		Amount rated (Rs. crore)	Dec 16, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Unallocated	Long term/ Short term	450.00	[ICRA]AA+ (Stable)/ [ICRA]A1+	Oct 30, 2025	[ICRA]AA+ (Stable)/ [ICRA]A1+	-	-	-	-	-	-
Fund based/ Non-fund based – Others	Long term/ 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+

&: 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 International Limited (Formerly Biocon Biologics UK Limited)	76.8%	Full consolidation
Biocon Pharma UK Limited	100.0%	Full consolidation
Biocon Biologics UK PLC (Formerly 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

Company name	Biocon ownership	Consolidation approach
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
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



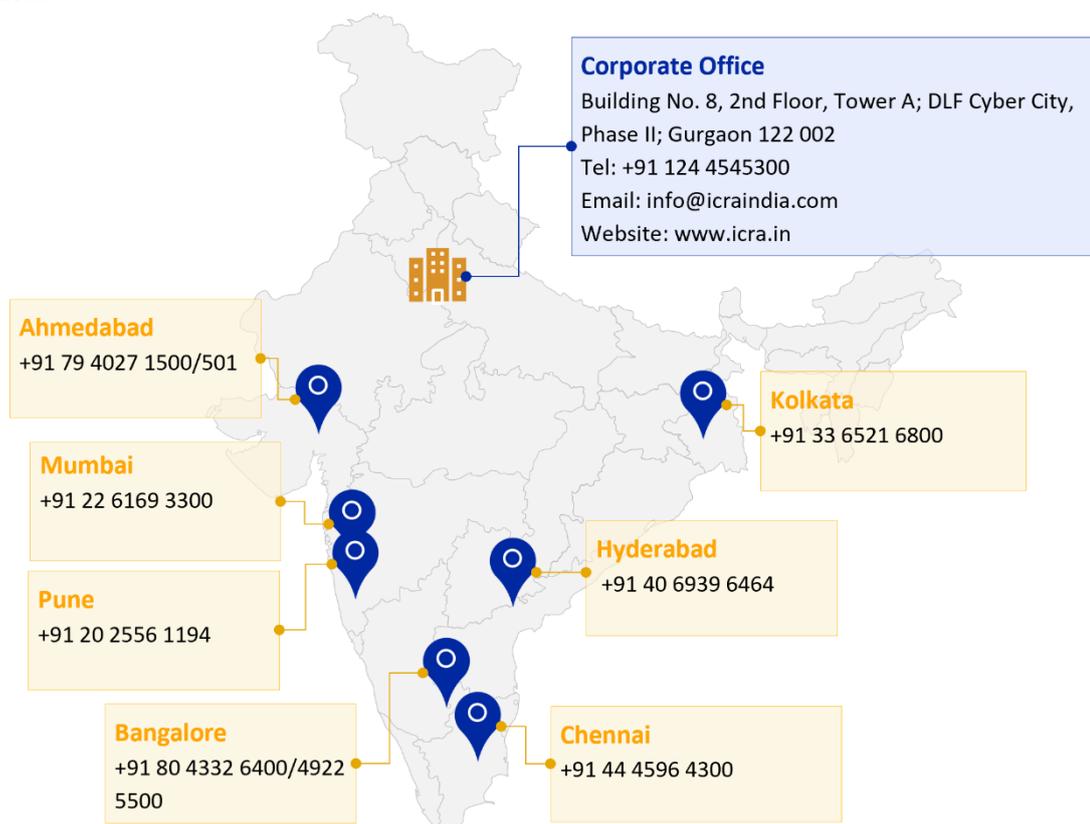
Registered Office

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.