

December 16, 2025

Biocon Biologics Limited: Update on material event

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Long-term term loans	350.00	350.00	[ICRA]AA+ (Stable)
Short-term working capital facilities	1,901.00	1,901.00	[ICRA]A1+
Long-term/Short-term unallocated limits	349.00	349.00	[ICRA]AA+ (Stable)/[ICRA]A1+
Total	2,600.00	2,600.00	

*Instrument details are provided in Annexure I

Rationale

Material event

On December 06, 2025, Biocon Limited (Biocon/the company), the parent entity of Biocon Biologics Limited (BBL), 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 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 raised by March 31, 2026. 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 by March 31, 2026. 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 Viatris will be repaid by January 31, 2026, using the residual QIP proceeds. ICRA notes that the leverage at the BBL level is not expected to alter materially as the majority of the structured debt is on Biocon's balance sheet.

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 in Q4 FY2026. 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	The ratings assigned to BBL factor in the high likelihood of its parent, Biocon, (rated [ICRA]AA+ (Stable)/[ICRA]A1+) extending financial support to it because of close business linkages between them. ICRA also expects Biocon to be willing to extend financial support to BBL to protect its reputation from the consequences of a Group entity’s distress.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of BBL. Refer to Annexure II for the list of entities considered for consolidation.

About the company

Biocon Biologics Limited (BBL; formerly Biocon Biologics India Limited), a subsidiary of Biocon, was incorporated on June 8, 2016. It acquired the business related to the manufacturing and commercialisation of biosimilars, insulins and drug substances on a going concern basis by way of a slump sale from Biocon as on May 01, 2019. The company also acquired the branded formulations Indian business on a going concern basis via a slump sale from Biocon on August 01, 2019. BBL acquired the biosimilar assets of Viatrix Inc. in November 2022, and the operations were fully integrated by December 2023.

Key financial indicators (audited)

BBL consolidated	FY2024	FY2025
Operating income	8,824.2	10,074.7
PAT	218.2	889.6
OPBDIT/OI	22.8%	30.8%
PAT/OI	2.5%	8.8%
Total outside liabilities/Tangible net worth (times)	1.3	1.2
Total debt/OPBDIT (times)	7.0	5.2
Interest coverage (times)	2.3	3.8

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, and taxes

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								
			FY2026		FY2025		FY2024		FY2023		
Instrument	Type	Amount rated (Rs. crore)	Dec 16, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Unallocated limits	Long term/ Short term	349.00	[ICRA]AA+ (Stable)/ [ICRA]A1+	Oct 30, 2025	[ICRA]AA+ (Stable)/ [ICRA]A1+	Aug 30, 2024	[ICRA]AA+ (Stable)/ [ICRA]A1+	Aug 04, 2023	[ICRA]AA+ (Stable)/ [ICRA]A1+	Jun 30, 2022	[ICRA]AA+&/ [ICRA]A1+&
				-	-	-	-	Oct 09, 2023	[ICRA]AA+ (Stable)/ [ICRA]A1+	Nov 17, 2022	[ICRA]AA+&/ [ICRA]A1+
Fund based – Term loan	Long term	350.00	[ICRA]AA+ (Stable)	Oct 30, 2025	[ICRA]AA+ (Stable)	Aug 30, 2024	[ICRA]AA+ (Stable)	Aug 04, 2023	[ICRA]AA+ (Stable)	Jun 30, 2022	[ICRA]AA+&
				-	-	-	-	Oct 09, 2023	[ICRA]AA+ (Stable)	Nov 17, 2022	[ICRA]AA+&
Fund based – Working capital term loan	Short term	1,901.00	[ICRA]A1+	Oct 30, 2025	[ICRA]A1+	Aug 30, 2024	[ICRA]A1+	Aug 04, 2023	[ICRA]A1+	Jun 30, 2022	[ICRA]A1+&
				-	-	-	-	Oct 09, 2023	[ICRA]A1+	Nov 17, 2022	[ICRA]A1+

&: Under Rating Watch with Developing Implications

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term term loans	Simple
Short-term working capital facilities	Simple
Unallocated limits	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	Term loans*	FY2019	NA	Apr-2026	350.00	[ICRA]AA+ (Stable)
NA	Working capital facilities	NA	NA	-	1,901.00	[ICRA]A1+
NA	Unallocated limits	NA	NA	-	349.00	[ICRA]AA+ (Stable)/[ICRA]A1+

Source: Company; * In the form of external commercial borrowings

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

Annexure II: List of entities considered for consolidated analysis

Company name	BBL ownership	Consolidation approach
Biocon Biologics International Limited (Formerly Biocon Biologics UK Limited)	100%	Full consolidation
Biocon Biologics UK PLC (Formerly Biosimilars Newco Limited)	100% by Biocon Biologics Limited and Biocon Biologics UK Limited	Full consolidation
Biosimilar Collaborations Ireland Limited		Full consolidation
Biocon SDN BHD		Full consolidation
Biocon Biologics Inc.		Full consolidation
Biocon Biologics Healthcare Malaysia SDN BHD		Full consolidation
Biocon Biologics Do Brasil Ltd, Brazil		Full consolidation
Biocon Biologics FZ LLC		Full consolidation
Biocon Biologics Canada Inc.		Full consolidation
Biocon Biologics Germany GmbH		Full consolidation
Biocon Biologics Spain S L U		Full consolidation
Biocon Biologics Finland O.Y.		Full consolidation
Biocon Biologics Belgium BV	100% by Biocon Biologics UK Limited	Full consolidation
Biocon Biologics France S.A.S		Full consolidation
Biocon Biologics Switzerland A.G.		Full consolidation
Biocon Biologics Morocco, S.A.R.L.A.U. Morocco		Full consolidation
Biocon Biologics Greece SINGLE MEMBER P.C		Full consolidation
Biocon Biologics South Africa (PTY) Ltd.		Full consolidation
Biocon Biologics Global Plc ,UK		
Biocon Biologics (Thailand) Co. Ltd.		Full consolidation
Biocon Biologics Philippines Inc.		Full consolidation
Biocon Biologics Italy SRL		Full consolidation
Biocon Biologics Croatia LLC		Full consolidation

Note: Company Annual Report FY2025

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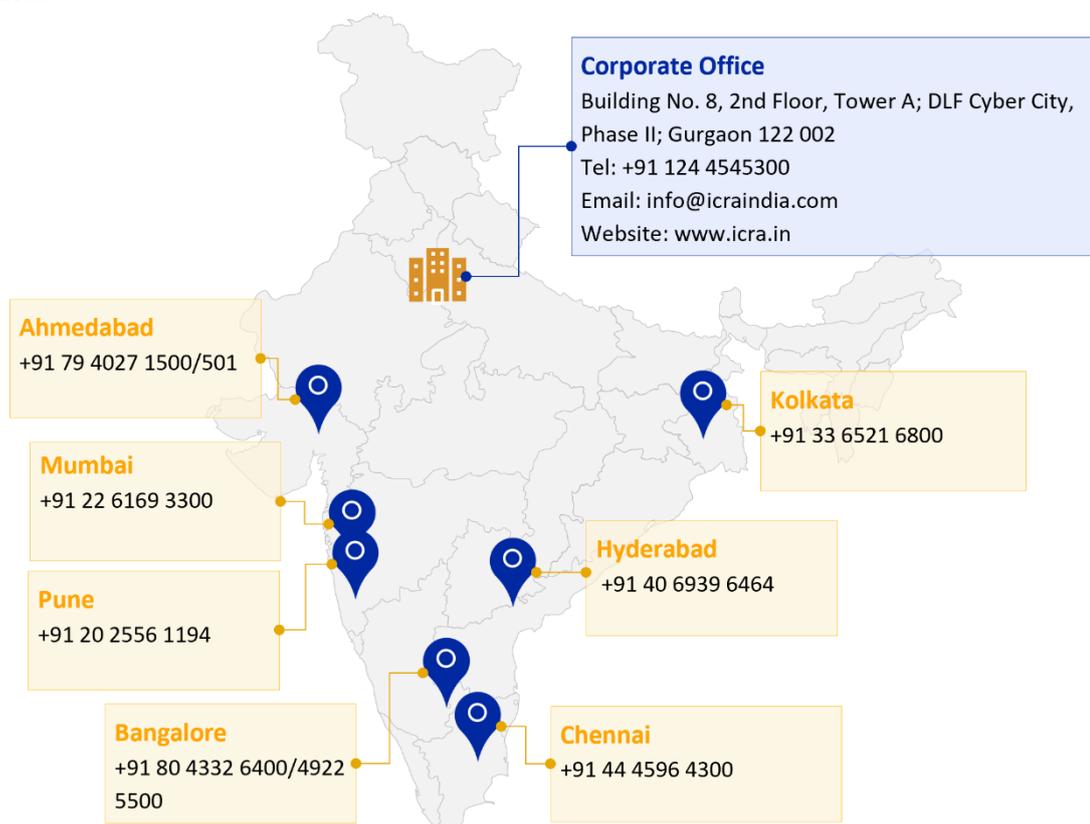
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