

DOING WELL AND DOING GOOD

NANDINI PIRAMAL ON SCALING INNOVATION RESPONSIBLY

Piramal Pharma's Chairperson Nandini Piramal believes in fewer, sharper bets: in FY2026, the company launched fewer new products but nearly doubled their revenue share. In this conversation with ET Edge Insights, she talks about scaling AI responsibly, where it's allowed to flag a problem, but never to release a batch, and how "global backbone, local execution" is helping Piramal Pharma balance scale with agility across markets.

BY ALKA KAUR

As you look at the organisation today, what do you see as its biggest strengths, and where do you see the greatest opportunities for growth and transformation?

Our biggest strength is the discipline behind our diversification. Piramal Pharma operates a three-pronged model across CDMO, Complex Hospital Generics and Consumer Healthcare, and each business is anchored in deep scientific and manufacturing capability. In our CDMO business alone, we operate a global network of 15 development and manufacturing sites across India, the UK/Europe and North America, serving 500+ customers,

and innovation-related work now accounts for 47% of CDMO revenue.

The greatest opportunity ahead is deepening that innovation-led growth. Further, we are strengthening our Complex Hospital Generics portfolio by maintaining leadership in key therapies. Our Consumer Healthcare business delivered substantial growth driven by our Power Brands, e-commerce and disciplined brand investments.

Beyond scale, the transformation I care most about is operational – deepening our quality systems, our digital backbone and our talent, so that growth is sustainable and not just top line.

Which trends do you believe will have the greatest impact on the global pharmaceutical industry over the next five to ten years?

The most consequential shift is the move from cost-driven outsourcing to risk-adjusted supply strategy. Geopolitical turbulence — trade tensions, tariff regimes and regulatory shifts like the BIOSECURE Act — has decisively pushed the industry toward onshoring and regional supply diversification. Sponsors are now actively seeking regulatory-grade, geographically diversified manufacturing partners, which is rewarding companies like ours that can offer supply resilience alongside cost competitiveness.

Second, the CDMO market itself is expected to grow at a 7–8% CAGR to roughly US\$250 billion, driven by rising R&D investment in advanced therapeutics and pharmaceutical companies adopting more asset-light models.

How do you foster a culture where teams are encouraged to experiment, challenge conventional thinking and translate ideas into meaningful outcomes?

Quality and accountability are the operating philosophy that innovation sits on top of at Piramal Pharma — we're focused on fostering a culture of accountability and ownership at every level of the organisation, so that a good idea is judged on merit rather than where it originates in the hierarchy. That culture is reinforced through structured programmes like Project RESOLVE, launched in FY2026 to strengthen investigation rigour and root-cause thinking across sites.

We also try to translate that openness into discipline — we refined our innovation strategy to prioritise fewer but more impactful launches, introducing 31 new launches in FY2026; even with fewer launches, their revenue share rose from 8% to 17%, which tells us the culture of focused, high-conviction experimentation is working better than simply doing more.

Where would you place the pharmaceutical industry, and Piramal Pharma specifically, on the AI journey today?

FY2026 marked our transition in AI, ML and advanced analytics from pilots to scaled and embedded



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use cases, moving beyond isolated experimentation toward enterprise-wide impact. That's been anchored by Project Catalyst NxGen, our flagship ERP-led digital transformation programme, wherein we have moved from foundational digitisation into what we internally call a scale and institutionalise phase.

I'd characterise the industry overall as still mid-journey — plenty of pilots, uneven scaling. What I'm proud of is that we've been deliberate rather than opportunistic: AI adoption at Piramal Pharma follows structured usage policies, frameworks, lifecycle management and capability building, so that scaling responsibly and scaling fast aren't treated as trade-offs.

Where do you see AI creating the most meaningful impact for Piramal Pharma?

The impact is genuinely spread across the value chain. In manufacturing, AI-driven predictive maintenance models using sensor data have helped reduce unplanned equipment downtime by approximately 15–25%. In quality, we've introduced AI-assisted investigation and root-cause analysis, which has cut deviation investigation cycle time by roughly 20–30%. In supply chain, advanced analytics and AI have improved demand forecasting accuracy by approximately 10–15%, enabling tighter inventory control and better service levels.

In R&D, AI is helping unlock process insights and enable faster troubleshooting, while more broadly we're deploying GenAI-based assistants to streamline knowledge access and accelerate query resolution across the

organisation. Underlying all of this is our expanding cloud and data infrastructure, which we see as the foundation for scaling analytics and AI further.

As AI becomes embedded into core business processes, how should leaders think about the balance between automation and human judgement?

Our own approach has been to build a “human-in-the-loop” framework — we've introduced AI-enabled assistive tools within quality processes specifically designed to augment expertise and improve decision-making, while maintaining strict human oversight for all critical quality decisions. That distinction matters: an AI model can flag a deviation trend faster than a person can; it does not get to decide whether a batch is released.

Governance has to be foundational to that balance. Our digital and AI transformation is underpinned by an expanding security and data-governance frameworks, built on security- and privacy-by-design principles. We see compliance and security as core operating principles, not an afterthought — because protecting the integrity of the data feeding these systems is inseparable from trusting the judgement they help inform.

As technology changes the nature of work, what capabilities and qualities do you believe future leaders in pharma will need to develop?

Comfort with data and digital tools is now table stakes — leaders don't need to be data scientists, but they do need enough fluency to know when to trust an AI-generated insight and when to question it. We're building that capability deliberately through structured cross-cultural and cross-geography collaboration efforts, including community immersion experiences for management trainees that build practical tools to work effectively across diverse teams.

Beyond technical fluency, the qualities that matter most haven't changed: sound judgement, integrity and the ability to bring diverse teams along rather than simply direct them. As we scale AI/ML and GenAI use cases further across functions, leaders will increasingly need the judgement to know where automation should be extended and where human accountability must stay firmly in place.

How do you balance global scale with the need to remain agile and responsive to local market realities?

We operate in 100+ markets and have offices in 30+ countries, and our approach is “global backbone, local execution.” Our quality and digital systems are consistent globally — we completed 38 regulatory inspections in FY2026, including 3 USFDA inspections, with zero Official Action Indicated (OAI) outcomes, across our entire network — but how we go to market is calibrated locally. Our CDMO revenue mix spans the US, Europe, Japan and India, and our US\$90 million Lexington and Riverview investments were made specifically in response to sponsors seeking geographically diversified, regulatory-grade manufacturing partners in North America.

In India, our Consumer Healthcare business took the opposite approach to the same principle — deepening reach into smaller towns and modern trade formats, while our Power Brands grew revenue 24% and contributed 52% of PCH revenue, and e-commerce grew 48%. Scale gives us the balance sheet and systems to invest; agility is what lets each business win in its own market.

As a healthcare company, how do you think about building growth while ensuring that innovation remains anchored in responsibility, trust and long-term impact?

In an industry where innovation can directly influence lives, being a successful pharmaceutical company goes beyond business performance. This is at the heart of what it means to build a purpose-led organisation.

For Piramal Pharma, purpose is captured in a simple philosophy: Doing Well and Doing Good. It reflects the belief that sustainable business success and positive social impact can go hand in hand. From how teams collaborate and make decisions to how the organisation approaches sustainability and CSR, purpose is intended to translate into everyday action — visible this year in outcomes like zero fatalities across our operations for five consecutive years, zero cases of human rights violations, and continued community programmes delivered in partnership with the Piramal Foundation, including community immersion initiatives across several locations. ●

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