Date: 26/4/2024

Pg: 04

STRONG SALES GROWTH ACROSS PRODUCTS

Nestle India profit up 27%, beats estimates

Delivered double-digit growth despite challenges, says CMD

AKANKSHA NAGAR
New Delhi, April 25

FMCG MAJOR NESTLE India on Thursday beat estimates by posting a 27% year-on-year increase in net profit to ₹934 crore in the January-March quarter on the back of strong growth momentum across its product portfolio. Bloomberg estimates had pegged the profit at ₹838 crore.

Revenue from operations was also above estimates at ₹5,267 crore, up 9% y-o-y. Ebitda also beat estimates at ₹1,349 crore, up 23%, while margin expanded to 25.6% from 22.7% during the same period last year.

"We have delivered double-digit growth despite challenges posed by rising food inflation and volatile commodity prices," Nestle India chairman and MD Suresh Narayanan said. The company witnessed a strong growth momentum across its product portfolio, led by a combination of pricing and mix, he added.

"Our domestic sales crossed ₹5,000 crore this quarter, a notable milestone for us," Narayanan said.

He further said the confectionery division delivered strong performance in FY24, fuelled by KitKat, making India the second-largest market for the brand globally. "Our beverages business recorded robust performance...milk products and nutrition saw strong growth despite inflationary pressures," Narayanan said, adding India has emerged as the largest market worldwide for Maggi.

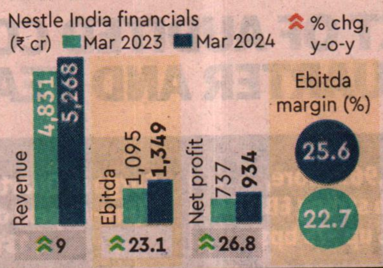
However, the company said commodity prices are seeing unprecedented headwinds in coffee and cocoa with all-time high prices and an ongoing rally. Cereals and grains are also going through a structural cost increase backed by MSP, while milk prices are expected to rise on account of expected harsh summer, it added.

On Thursday, Nestle's share closed 2.39% up at ₹2,562.70 on the BSE.

JV with Dr Reddy's

Nestle India entered into a definitive agreement to form a joint venture with Dr Reddy's Laboratories to take the health science nutraceutical portfolio to consumers. Dr Reddy's will hold 51% in the JV and Nestle 49%.

REPORT CARD



SURESH NARAYANAN, Nestle India chairman & MD

CONFECTIONERY DIVISION DELIVERED STRONG PERFORMANCE IN FY24, FUELLED BY KITKAT

Sugar content: FSSAI begins pan-India sampling of Cerelac

FOOD SAFETY REGULATOR FSSAI on Thursday said it is in the process of collecting pan-India samples of Nestle's Cerelac baby cereals, amid a global report that claimed the company was adding higher sugar content in the product. "We are collecting samples (of Nestle's Cerelac baby cereals) from across the country. It will take 15-20 days to complete the process," Food Safety and Standards Authority (FSSAI) CEO G Kamala Vardhana Rao said on the sidelines of an Assocham event on food fortification. —PTI

Date: 26/4/2024

BUSINESS LINE Pg: 12

Spices Board mandates testing of exports to Hong Kong, Singapore

Amiti Sen
New Delhi

The Spices Board will issue an advisory for exporters to raise awareness on ethylene oxide (ETO) contamination and the regulations in various countries, in addition to launching mandatory testing for the chemical in consignments bound for Hong Kong and Singapore.

The move comes after industry consultations on Wednesday pertaining to the recall of spice mixes sold by Indian brands Everest and MDH in Hong Kong and Singapore over concerns of potential ETO contamination.

TESTING LABS

Testing for ETO contamination in spice export consignments will be carried out by the board's NABL-accredited laboratories, it said in a statement.

The Spices Board, under the Commerce Department, is the regulatory authority overseeing spice export promotion.

Mandatory testing of spices for ETO, a sterilising agent that may be carcinogenic for humans, is already in place for exports to the EU and the UK. Consignments to other countries will also be strictly monitored for ETO, the board said.

QUALITY FOCUS. The Spices Board plans to educate exporters on contaminants and overseas regulations

"This proactive approach underscores the board's commitment towards ensuring consumer health and safety along with upholding the reputation of Indian spice brands worldwide," it said.

GLOBAL RULES

Recognising the importance of global food safety parameters, the board is familiarising exporters and the public with the ETO regulations in various countries.

In the wake of the spice product recall, efforts are on to gather technical information, analytical reports, and exporter data from authorities in Hong Kong and Singapore.

"The board is in touch with Indian missions in Singapore and Hong Kong to get more information and official notification. The board is working with the exporters whose consignments have been recalled to ascertain the root cause of the issue and propose corrective measures. Thorough inspections at exporter facilities are also underway to ensure adherence with regulatory standards," a source said.

Date: 26/4/2024

THE MINT Pg: 01

mint primer

How safe is the food on your child's plate?

BY SAYANTAN BERA

Prominent brands are under the scanner for selling sugary infant food, chicken fed with antibiotics, and spices peppered with cancer-causing chemicals. Naturally, experts are concerned about lax regulations. *Mint* reviews the safety and quality of our packaged food:

1 Why are some big brands in the news?

Last week, Swiss watchdog Public Eye said Nestle adds excess sugar to its infant milk and cereal products sold in low- and middle-income countries, including India, but not in developed markets. Nestle said that over the years, it has cut 'added sugar' in products sold in India. In another instance, four spice mixes sold by MDH and Everest were red-flagged by regulators in Hong Kong and Singapore, due to presence of ethylene oxide—a carcinogenic food fumigant. Finally, Venky's, a poultry brand, was found pushing antibiotics to enhance poultry production, which causes drug resistance in humans.

2 What steps did the regulator take?

The Food Safety and Standards Authority of India (FSSAI) is probing two cases—infant products and spices. It is collecting samples from manufacturing units across India which will be tested by labs. For infant products, FSSAI will test multiple brands to check if they violate local laws. Earlier in April, the commerce and industry ministry advised e-commerce firms to remove the 'health drinks' tag from popular products, citing lack of standards and definition under domestic food laws. In April last year, a controversy erupted after Bournvita, a drink marketed to children, was found to contain excess sugar.

MINT

3 What does this mean for consumers?

Food companies often mislabel packaged food, so consumers think they are healthy. Tags like 'natural,' 'healthy' and 'pure' are used to drive sales. Buyers may think fruit juices are healthier than carbonated beverages, but they often have same or even higher levels of sugar. Deceptive marketing adds to India's growing burden of diabetes and child obesity.

4 What do health experts have to say?

According to Nutrition Advocacy in Public Interest (NAPi), a think tank, India needs strict regulations to control marketing of junk food to children, easy-to-understand labels on packaged food and ban

5 What about non-packaged food?

Same story. Exports of premium rice from India have come under the scanner in Europe for high pesticide residues. Consumers in India are not aware of chemical residues in grains and pulses they