

Financial Chronicle



Pepsi to invest Rs 1,000cr

Soft drink maker to invest Rs 790cr in its operations, with bottling partners bringing in the rest, reports **Jayashree Maji** ■P6

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PepsiCo ups spend to Rs 1,000 crore in India

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GLOBAL soft drink company PepsiCo on Monday said it would invest more than Rs 1,000 crore in its beverage operations in India during 2009 calendar. The company has doubled its investment in India during the year. PepsiCo global chief Indra Nooyi, during her visit to India in 2008, had announced an investment of Rs 2,300 crore till 2011 here.

"Of this, Rs 1,000 crore, we will invest over Rs 790 crore, and our bottling partners will invest Rs 235 core. This is by far the largest investment made by PepsiCo in its beverage business since its entry into India in 1989", said Sanjeev Chadha, chairman and chief executive officer, PepsiCo, India. Pepsi started its India operations about 20 years ago and has invested close to \$700 million since then.

Since, its entry in the domestic market, the company has been operating its beverage business through 41 bottling plants in India, of which 13 are



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company-owned and 28 are franchisee-owned.

Chadha said that the latest investment of Rs 1,000 crore would be spent across upgrading manufacturing facilities, research and development, market infrastructure and supply chain. The proposed investment is part of the company's Rs

2,300 crore investment plan, which was to be invested over a three-year period with the purpose of doubling the company's business in the domestic market. As per the earlier plan, PepsiCo was to make an investment of around Rs 516.67 crore on its beverages business.

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"2008 was an outstanding year in terms of our beverage business and this year, too, we aim to grow by 30%"

Sanjeev Chadha
Chairman & CEO,
PepsiCo, India

ing year in terms of our beverage business and this year, too, we aim to grow by 30 per cent in this business. Seeing the potential of the Indian market, we have decided to double the investment in the beverage business", said Chadha.

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