

THE HINDU BUSINESS LINE
Business Line

Pepsi to double India investment this year

Our Bureau

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PepsiCo is doubling its investment in its Indian beverage business for calendar 2009. The company said on Monday that it will invest over \$220 million (Rs 1,000 crore) to increase the capacity of the business.

Of the proposed \$220-million investment, PepsiCo India will put in \$170 million, while the remaining \$50 million would be invested by its bottling partners.

The decision comes on the back of the substantial growth

seen by the company in the past year.

"Our beverage volume is growing around 30 per cent in the current year," said Mr Sanjeev Chadha, Chairman and Chief Executive Officer, PepsiCo India Region.

The \$220-million investment is part of Pepsi's three-year plan. Initially, Pepsi planned to invest \$110 million in its beverage business this year.

In September 2008, the company announced that it would be investing \$500 million over three



Mr Sanjeev Chadha

years. Mr Chadha said this figure needs to increase to sustain the

current growth trajectory.

According to him, the carbonated soft-drinks market is growing at over 20 per cent. PepsiCo credited its strong growth to the introduction of new products such as Nimbooz.

Mr Chadha said the company will look to expand its portfolio to meet the demands of consumers. It will also be looking to launch more products for the Indian taste palate.

However, Mr Chadha refused to comment on any of the new product launches this year.