

News monitored for: Pepsi - Corporate

PepsiCo plans largest India plant in Andhra Pradesh

Company plans investment of ₹1,230 crore; first phase to be ready by next year

BS REPORTER
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PepsiCo India will set up a new beverage plant, poised to be the largest such factory for the company in India, at Sri City industrial park, close to the Andhra Pradesh-Tamil Nadu border.

Coming up on 80 acres, the first phase of the project entails an investment of ₹450 crore and would be operational by the third or fourth quarter of the next financial year, according to D Shivakumar, the chairman and managing director who took charge 10 days ago.

This is part of a three-phase investment of ₹1,230 crore in the factory, with the final phase proposed to be completed by 2018, he said.

Chief minister N Kiran Kumar Reddy formally laid the foundation stone for the plant at a function held here



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D SHIVAKUMAR
Chairman and managing director,
PepsiCo

on Saturday.

The new plant is also part of the global beverages player's recent announcement that it was going to make a new investment of ₹33,000 crore in the country, with its partners, by 2020.

The plant would produce the full range of beverages — carbonated drinks, fruit-based drinks and sports drinks. Each of the three phases will have a production capacity of around 1.2 million

litres a day.

Shivakumar said the plan to set up a much larger plant in Andhra Pradesh signified not just the presence of a strong local market but also the growth at large in the country.

"India is a high priority market for PepsiCo and there are lot of opportunities to expand our food & beverage business in the coming years. This is the physical manifestation of our commitment

towards investment in the country," he said.

With the new investment the company is also planning to make this location as the national hub for sourcing mango pulp, given the large numbers of mango orchards in Andhra Pradesh. "We plan to increase pulp procurement from Andhra Pradesh for all our plants and the state could become a national hub for mango pulp, thus benefiting around 60,000 farmers across Chittoor, Prakasam and Nellore districts," Shivakumar said.

PepsiCo already has a beverage plant at Sangareddy near Hyderabad, which supplies to the state and neighbouring Karnataka. The company, which refused to share the revenue or the market share figures, said eight of its brands generate around ₹1,000 crore each in revenues in India.