

News monitored for: Pepsi - Corporate

# PepsiCo to set up Rs 1,200-crore plant in AP

## Our Bureau

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Beverages and snacks maker PepsiCo will set up a Rs 1,200-crore beverages plant at Sri City in Chittoor district of Andhra Pradesh.

This is the first investment committed by the company as part of its recently announced Rs 33,000-crore expansion plan. Pepsi will invest the funds in three phases in this project, which will give it a manufacturing capacity of about 3.6 million litres a day.

In the first phase, it will invest Rs 450 crore and Rs 400 crore in 2015 for the second phase. The remaining funds will be spent in the third phase that begins in 2017.

The project will provide 8,000 direct and indirect jobs when fully functional.

This is the company's second plant after its Sangareddy unit. PepsiCo India Chairman

and CEO D. Shivakumar, who earlier headed Nokia India, said the Sri City facility will be the company's biggest in India.

Keeping in view the backlash beverage makers face from local communities over the sourcing of water, PepsiCo said it is not going to draw ground water for the project.

Instead it will use water from the Telugu Ganga (the canal that provides water to Chennai) project, from which the SEZ draws water. At a later point, it plans to tap the desalinisation project planned in the area.

Andhra Pradesh Chief Minister N. Kiran Kumar Reddy, who laid the foundation stone for the project here on Saturday, said the plant will benefit farmers in the area as Pepsi intends to make Andhra Pradesh the principal source for its mango needs.

kurmanath.kanchi@thehindu.co.in



**Biggest facility:** Andhra Pradesh Chief Minister N. Kiran Kumar Reddy lays the foundation for PepsiCo's beverage plant at Sri City in Chittoor district on Saturday. D. Shivakumar (second left), Chairman and CEO, PepsiCo India, and J. Geeta Reddy, Minister for Major Industries, look on. — P.V. Sivakumar