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Tatas, Pepsi in beverage JV

TIMES NEWS NETWORK

New Delhi: Global beverage major PepsiCo and Tata Tea, part of the Tata conglomerate, signed a preliminary agreement for a joint venture to foray into non-carbonated ready-to-drink (RTD) beverages, with focus on health and wellness.

The memorandum of understanding (MoU) was signed in Mumbai, on Friday, between PepsiCo AMEA (Africa, Middle East and Asia) CEO Saad Abdul-Latif, Tata group chairman Ratan Tata, and the respective heads of the two companies — Tata Tea vice chairman R K Krishna Kumar and PepsiCo India chairman Sanjeev Chadha.



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A PepsiCo India official told TOI that the joint venture would be looking at a particular segment within non-carbonated beverages. To start with, the JV will foray into the domestic market, and may expand later to global markets. The Tata Tea board has approved the MoU with PepsiCo.

R K Krishnakumar, vice-chairman, Tata Tea, told TOI,

“When it begins functioning, hopefully, in July, the JV will meet with spectacular success because the fundamental logic of both companies is identical and so well aligned. There will be some very interesting products in the portfolio of the new company. It will be a brand new force in India, and eventually elsewhere as well with equal partners. It promises to be transformational for both companies.”

The country's \$800 million (Rs 3,600 crore) non-carbonated ready-to-drink market includes juices, juice drinks (brands like Maaza and Slice), packaged water, sports drinks, blended tea (including iced-tea) and coffee, growing at a robust 25%.