



Tata Tea, Pepsi strike deal for beverages joint venture

HT Correspondent

■ letters@hindustantimes.com

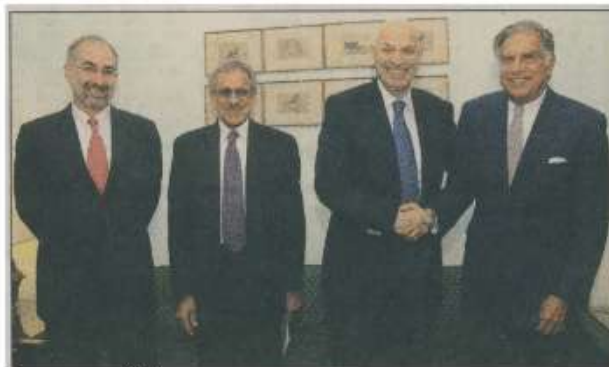
NEW DELHI: Tata Tea and world No. 2 cola maker PepsiCo on Friday said they had signed a preliminary agreement to form a joint venture for non-carbonated beverages focused on health and wellness.

The companies did not divulge investment details or specific products planned for the category.

"More details will only be available once the definitive agreements for the joint venture are finalised and executed, which is expected to be done over the next few months," PepsiCo India said.

The companies have signed a non-binding memorandum of understanding that could be converted into a joint venture.

The proposed joint venture would not conflict with existing



■ From left: Sanjeev Chadha, PepsiCo's chairman, India region, R.K. Krishna Kumar, vice-chairman, Tata Tea, Saad Abdul-Latif, CEO, AMEA division, PepsiCo and Ratan Tata, chairman, Tata Group

arrangements of either company, the statement said. Both companies have products in the health and wellness category like PepsiCo's Nimbooz and Tropicana and Tata Tea's fruit drink TON.

Tata Tea, which owns the

UK-based Tetley brand, is the world's second-biggest packaged tea maker.

Industry sources estimate the non-carbonated beverage market in India to be around Rs 3,500 crore, with a 25 per cent annual growth rate.