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Gem India acquires 26% stake in Bakers Circle

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GURGAON: Gem India Advisors (GIA), a UK-based private equity fund with a focus on Indian domestic businesses, has picked up a 26% stake in Bakers Circle, one of the leading manufacturers of frozen baker products in India.

The Gurgaon-based Bakers Circle has also sold a significant stake to Yukti Securities, an Indian invest master franchisers of the fast food retail chain Mark Pi.

The original promoters still hold the majority stake in Bakers Circle. Though the company did not reveal the stake it has divested, according to market sources, it is in the region of 45%.

The stakes are sold to three investors — besides GIA and Yukti Securities, a Hong Kong based investo some stake. The three groups have acquired the stakes through a preferential allotment of optionally con preference shares.

Bakers Circle, a leading company in the Indian frozen bakery and confectionery products industry, suppli host of international quick service restaurant chains such as Subway, Yum (both Pizza Hut and KFC) a among others. At present, the only other significant player in the sector in India is Pillsbury.

Dev Lall, MD & CEO, Bakers Circle, told ET, "We will use part of the investments for setting up a new fa with which we will be able to increase our production capacity by over 5 times."

For the company, this is particularly important as it is looking at increasing its clientele in various other se being top on priority. For GIA, this would be the third significant investment in India.

The company has earlier picked up stakes in Sula Wines and Mark Pi. The investment company is now l exploring more investment opportunities in India, in sectors such as healthcare, FMCG, entertainment, real education.

The other investor, Yukti Securities, already has a series of strategic investments in India, across man including IT and retail.

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