



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**IN THE MATTER OF**

**FIRST PHASE REVIEW**

**AMALGAMATION OF BUNNY'S LIMITED WITH AND INTO  
MOONLITE PAK LIMITED**

**CASE: 826/MERGER-CCP/16**

Commission

Ms. Vadiyya Khalil  
Chairperson



Mr. Mueen Batlay  
Member

# ORDER

## I Background

- 1 M/S Cornelius, Lane & Mufti Advocates submitted a pre-merger application (the "application") dated 30 July, 2016 (received on 3 August, 2016) on behalf of their client to the Commission, notifying the merger of Bunny's Limited (Target "BPL") with and into Moonlite PAK Limited (Acquirer "MPL"), along with bank draft of Rs. \_\_\_\_\_ processing fee applicable under Regulation 5 (6) of the Regulations of the Competition (Merger Control) Regulation, 2007.

The case is examined as under.

## II Merger Parties

### Acquirer

- 2 MPL was incorporated in Pakistan on 10 April, 1964 as public limited company, under the Companies Act 1913 (now Companies Ordinance 1984). Line of business of MPL is manufacturing of Woolen Yarn. MPL does not have any turnover as it is in the process of winding up since 2014.

### Target

- 3 BPL was incorporated in Pakistan as a private Limited Company on October 27, 1980 under the Companies Act 1913. BPL is primarily engaged in the manufacturing of bakery and other food products. Its total turnover for the financial year ending on 30 June, 2015 was PKR \_\_\_\_\_ and value of total assets remained PKR \_\_\_\_\_ for the corresponding period.

## III Transaction

- 4 The transaction involves amalgamation of BPL with and into MPL, MPL will meet the transaction cost which is approximately upto PKR \_\_\_\_\_. Post merger MPL will be the surviving entity and takes over all the assets and liabilities of BPL, BPL will be dissolved without any windup and upon amalgamation the name of MPL will be changed to Bunny's Limited.
- 5 The transaction meets the notification thresholds prescribed in Regulation 4(2)(a)(b)(c)&(d) of the competition (Merger Control) Regulations, as acquirer's assets valuing more than PKR 300 Million and combined assets of the merging entities being more than PKR 1.0 Billion rupees. Turnover of acquirer more than PKR 500 million and combined turnover being more than PKR 1.0 billion. The transaction value also exceeds PKR 100 million and percentage of the voting shares to be acquired exceeds 10% of the total shareholding of the target.

## IV Relevant Market:

- 6 -The relevant market in this case is Bakery and allied products.

- 7 The Relevant Geographic market is Pakistan.



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V Findings of the Phase I investigation on the competition assessment

9 The competition assessment in Phase I has resulted in the following finding:

- MPL is in voluntary winding up since March 2014, prior to which it was engaged in the business of yarn while BPL is engaged in the business of bakery and allied products. The parties are engaged in the business of two different markets beside this acquirer does not have any market share since 2014, therefore this merger will not impact any consumer market but help the acquirer by which it shall survive voluntary winding up. Thus, post merger the market share of both the merging parties will remain the same.
- Post-merger the transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Competition Act 2010 (the "Act").

VI Conclusion

In conclusion, there is no evidence that suggests a substantial lessening of competition by creating or strengthening of dominant position in the relevant market. The proposed transaction may therefore be authorized under Section 31(1)(d)(i) of the Act.

10 It is so ordered.

*Vadiya Khalil*

(Vadiyya Khalil)  
Chairperson

*Mueen Batlay*

(Mueen Batlay)  
Member



Islamabad, the 31<sup>st</sup>, August 2016.