



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**ACQUISITION OF % SHAREHOLDING OF M/S. MANDVIWALLA MAUSER
PLASTIC INDUSTRIES LIMITED BY M/S. MESKAY & FEMTEE TRADING
COMPANY (PRIVATE) LIMITED FROM MR. AZEEM H. MANDVIWALLA.**

CASE: 1484/Merger-CCP/2024



Commission:

A handwritten signature in black ink, appearing to read "Kabir".

Dr. Kabir Ahmed Sidhu

Chairman

ORDER

1. On 20th September 2024, the Competition Commission of Pakistan (the “**Commission**”) received a pre-merger notification (the “**Application**”) from Meskay & Femtee Trading Company (Private) Limited (the “**Acquirer**”) seeking approval for the acquisition of a % shareholding in Mandviwalla Mauser Plastic Industries Limited (the “**Target**”) from Mr. Azeem H. Mandviwalla (the “**Seller**”).
2. The Application was filed under the provisions of the Competition Act, 2010 (the “**Act**”) and the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”), which regulate the merger review process in Pakistan.

Merger Parties

Acquirer

3. Meskay & Femtee Trading Company (Private) Limited (**MFTCPL**) is engaged in the business of the grain trading, milling, and processing sector. It specializes in the export of rice, wheat, and various other grains in domestic and international agricultural markets.

Target

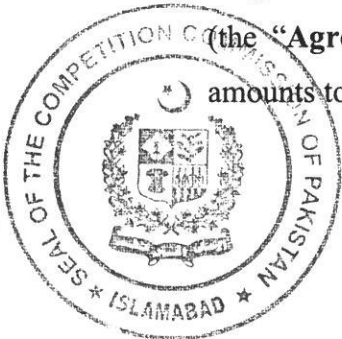
4. Mandviwalla Mauser Plastic Industries Limited (**MMPIL**) is involved in manufacture of plastic-based products such as barrels, drums, chairs, and handling crates, commonly used in industries, including but limited to packaging, storage, and transportation.

Seller

5. Mr. Azeem H. Mandviwalla is an individual holding % of the Target.

Transaction

6. The proposed transaction involves the Acquirer acquiring % of the shareholding in Target from the Seller. The transaction is formalized under a Share Purchase Agreement (the “**Agreement**”) dated 24th June 2024. The total consideration for the acquisition amounts to PKR (the “**Transaction**”).



Phase-I Competition Assessment

Procedural Review

7. The Commission reviewed the Application, supporting documentation, and submissions made by the parties to the proposed Transaction. A Phase-I competition assessment was conducted to evaluate the proposed Transaction's compliance with the Act and Merger Regulations and its impact on the competition in the relevant market identified below.

Market Definition

8. Based on the information submitted by the Applicant in Part 3B of the Application, the relevant product market is defined as the manufacturing and sale of industrial plastic products, including but not limited to plastic barrels, drums, chairs, and handling crates, commonly used in packaging, storage, and transportation. MMPIL has stated that its business activities are across all product categories of **Blow Moldings** of various capacities from . The geographic market is limited to **Pakistan**.

Market Share

9. Based on internal sales data, MMPIL reports an annual demand of plastic drums across key sectors, with the food and lubricant industries as the largest consumers. MMPIL holds an estimated % market share, equating to approximately units per year. Major competitors include CML Plastic Industries, RKF Plastic, Chem Containers, Thermosole Industries, ALKA Industries, Synergy Packaging, and Esquire Industries. These companies are key players in a sector lacking centralized data.

Type of Merger

10. The Acquirer and the Target operate in entirely separate sectors, with no direct overlap in their product or service markets, classifying this as a merger between distinct industries rather than a horizontal or vertical merger. This is a conglomerate merger, with the Acquirer, a leading entity in the grain trading, milling, and processing industry, acquiring the Target, which focuses on manufacturing a variety of plastic products. Following the transaction, the Acquirer will hold a controlling stake in the Target, effectively making it a subsidiary.



Competition Impact

11. There appear to be no immediate concerns about direct competition between the Acquirer and the Target. While there may be potential indirect competition concerns if the Acquirer leverages its market position in the grain sector to gain an undue advantage in the plastic market, no immediate competition risks are identified. Further, a substitution analysis indicates that there are sufficient alternative products available in the Target's market, ensuring consumer choice remains available.

Ancillary Restrictions

12. The Applicant has stated that no ancillary restrictions or similar obligations have been imposed on either party in relation to the proposed Transaction.

Determination

13. Pursuant to Section 11 of the Act, the proposed Transaction does not appear to substantially lessen competition in the relevant market identified above. The Commission determines that the Transaction does not raise substantive competition concerns and complies with Section 11 of the Act and the Merger Regulations. The Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
14. This authorization is granted pursuant to the Act and the Merger Regulations. Matters beyond the Commission's jurisdiction remain subject to applicable laws, judicial orders, and regulatory oversight.

15. It is so ordered.



Dr. Kabir Ahmed Sidhu

(Chairman)



ISLAMABAD, February 04, 2025