



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S.
AGRITECH LIMITED BY M/S. FAUJI FERTILIZER COMPANY LIMITED FROM
SELLERS THROUGH STOCK EXCHANGE.**

(EX-POST FACTO)

CASE: 1515/Merger-CCP/2025



**Dr. Kabir Ahmed Sidhu
Chairman**

ORDER

1. On 20th January, 2025, the Competition Commission of Pakistan (the “**Commission**”) received an application (the “**Application**”) from Fauji Fertilizer Company Limited (the “**Acquirer**”), seeking post-facto approval of acquisition of % shareholding in the Agritech Limited (the “**Target**”) (hereafter collectively, the “**Merger Parties**”) from the National Bank of Pakistan (the “**Seller 1**”), Bank of Punjab (the “**Seller 2**”), Fatima Fertilizer Company Limited (the “**Seller 3**”) and other shareholders.
2. The Application was submitted pursuant to Section 11 of the Competition Act, 2010 (the “**Act**”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”).
3. It has been noted that the subject transaction was consummated through the negotiated deal market through a broker on with Seller 1, with Seller 2, and with Seller 3. The remaining transaction also took place on stock market on onwards.

Merger Parties

Acquirer

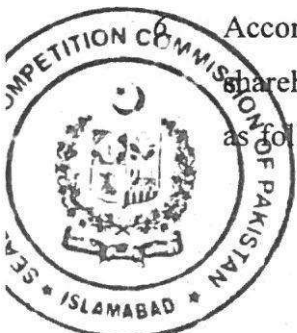
4. Fauji Fertilizer Company Limited (FFCL) is a publicly listed company incorporated under the laws of Pakistan on 8th May 1978. It is engaged in the business of manufacturing, purchasing and marketing of fertilizers and chemicals, along with investment in other sectors such as cement, energy generation, food processing and banking.

Target

5. Agritech Limited (ATL) is a publicly listed company incorporated under the laws of Pakistan on 15 December 1959. Its principal activities include the production and sale of Urea and granulated Single Super Phosphate (SSP).

Transaction

According to the Application, FFCL acquired shares (representing % shareholding) in the Target from the Sellers and others. The share acquisition details are as follows: (i) Seller 1 sold shares (), (ii) Seller 2 sold



shares (iii) Seller 3 sold shares (%), and shares were acquired from stock exchange, for a total consideration of PKR (the "Transaction").

Phase-I Competition Assessment

Procedural Review

7. Based on the Application, the Commission conducted a Phase-I competition assessment of the Application, including supporting documentation, to evaluate compliance with the Act and Merger Regulations, particularly focusing on potential competition concerns, including post-merger market dominance.
8. Under Regulation 4(1A) of the Merger Regulations, the time period to seek regulatory approval from the Commission for capital market transactions is 15 days after the transaction, however, the subject Application was not submitted within the specified time.

Relevant Market

9. The relevant product market for the purposes of this assessment comprises **Urea and SSP** fertilizers. The relevant geographic market is **Pakistan**, considering supply conditions and consumer preferences in the country.

Market Share

10. The Applicant has submitted that, as per the National Fertilizer Development Centre, the estimated market share of the Acquirer in the Urea market stands at %, while the Target has an estimated market share in Urea and an estimated market share of % in SSP.

Competition Analysis

11. The Acquirer has also informed that the and which is another group company, holds and shareholding of the Target respectively.
12. As a result of this transaction, the combined estimated market share of the Acquirer and the Target in the Urea market will increase from to Meanwhile, Target's market share in the SSP market will remain unchanged at This reflects the Acquirer's significant consolidation of market share in the Urea market, as well as its



acquisition of a stake in the SSP market, where the Target already holds a dominant position.

13. Accordingly, the Transaction raises potential competition concerns that warrant further assessment in light of the possible effects on market structure and competition dynamics.

Determination

14. The Commission concludes that the Transaction meets the presumption of dominant position under Section 2(1)(e) read with Section 11 of the Act. Accordingly, a Phase II review is hereby initiated under Section 11 (6) of the Act to assess the compatibility of the proposed merger with Chapter II of the Act.
15. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.
16. It is so ordered.



(Dr. Kabir Ahmed Sidhu)
Chairman



ISLAMABAD, April 17th, 2025.