



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**MERGER OF M/S. AEL TEXTILES LIMITED WITH AND INTO M/S. STYLERS  
INTERNATIONAL LIMITED.**

**CASE: 1381/Merger-CCP/2023**



**Dr. Kabir Ahmed Sidhu  
Chairman**

## ORDER

1. On 15<sup>th</sup> June, 2023 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") from M/s. Stylers International Limited ("**SIL**" or "**Merger Party 1**"). The Application was made pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**").
2. The proposed transaction entails merger of M/s. AEL Textiles Limited ("**AEL**" or "**Merger Party 2**") within into SIL as per the Scheme of Arrangement. All requisite information/documentation pertaining to the Application was completed on 22<sup>nd</sup> August, 2023.
3. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Phase I competition assessment of the intended transaction has revealed the following facts:
  - 3.1. The business activities of the undertakings concerned are:
    - a) Merger Party 1: Public unlisted company incorporated in Pakistan and is engaged in the manufacturing and export of ready-made garments and related products.
    - b) Merger Party 2: Public listed company formerly known as M/s. Arshad Energy Limited and is now engaged in dealing and trading of textile related products.
  - 3.2. As submitted in the Application and set out in the Scheme of Arrangement, SIL shall allot and issue an aggregate of \_\_\_\_\_ SIL shares, credited as fully paid up shares of the face value of PKR \_\_\_\_\_/- each, to the AEL Shareholders on the basis of a swap ratio of \_\_\_\_\_ SIL share for every 1 share of AEL held by each of AEL shareholders. The total estimated value amounts to PKR \_\_\_\_\_.
  - 3.3. On completion of the merger and after issuance of the shares of SIL, AEL will be dissolved by the Order of the High Court. Without winding up, AEL shall stand delisted from PSX on the date of allotment of shares of SIL to the member of AEL and on the same date SIL shall stand listed on PSX in place of AEL.
  - 3.4. The relevant product market in this case has been identified as "**Apparel-Manufacturing and Selling**" and the relevant geographic market is "**Pakistan**".
  - 3.5. As per the Application, majority shareholding and management control in both SIL and AEL rests with the same individual shareholders. The market share of SIL is estimated to be \_\_\_\_\_ % and \_\_\_\_\_ % for AEL. Although there are overlaps between the merging entities, however, post-transaction the combined market share of the merging parties is expected to be less than \_\_\_\_\_ % in the relevant market.

The proposed transaction will not result in dominance of the Acquirer in the relevant market, post-transaction, as determined under Section 2(1)(e) read with Section 3 of the Act. Therefore, it is hereby authorized under Section 31(1)(d)(i) of the Act.



5. In the subject transaction, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.

6. It is so ordered.



(Dr. Kabir Ahmed Sidhu)  
**Chairman**



Islamabad the September 22<sup>nd</sup>, 2023.