



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**IN THE MATTER OF MERGER OF AR CORPORATION (SMC-PRIVATE) LIMITED, KHADIJA ENTERPRISES (SMC-PRIVATE) LIMITED, KHUSHI ASSOCIATES (SMC-PRIVATE) LIMITED, FATIMA HUSSAIN ENTERPRISES (SMC-PRIVATE) LIMITED, MASSAB ENTERPRISES (SMC-PRIVATE) LIMITED, LAIBA CORPORATION (SMC-PRIVATE) LIMITED, MUHAMMAD UMER TRADERS (SMC-PRIVATE) LIMITED AND MUNAWAR HUSSAIN ASSOCIATES (SMC-PRIVATE) LIMITED WITH AND INTO STYLO (PRIVATE) LIMITED.**

**CASE: 1505/Merger-CCP/2024**



**Dr. Kabir Ahmed Sidhu  
Chairman**

## ORDER

1. On 18<sup>th</sup> December 2024, the Competition Commission of Pakistan (the “**Commission**”) received a pre-merger application (the “**Application**”) regarding AR Corporation (SMC-Private) Limited (“**Merger Party 2**”), Khadija Enterprises (SMC-Private) Limited (“**Merger Party 3**”), Khushi Associates (SMC-Private) Limited (“**Merger Party 4**”), Fatima Hussain Enterprises (SMC-Private) Limited (“**Merger Party 5**”), Massab Enterprises (SMC-Private) Limited (“**Merger Party 6**”), Laiba Corporation (SMC-Private) Limited (“**Merger Party 7**”), Muhammad Umer Traders (SMC-Private) Limited (“**Merger Party 8**”) and Munawar Hussain Associates (SMC-Private) Limited (“**Merger Party 9**”) (collectively, referred to as the “**Merger Parties**”) with and into Stylo (Private) Limited (“**Merger Party 1**”).
2. The Application was filed under Section 11 of the Competition Act, 2010 (the “**Act**”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”).

### Merger Parties

#### **Merger Party 1**

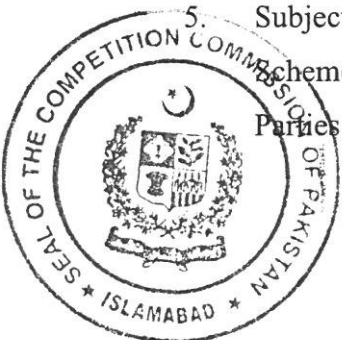
3. Stylo (Private) Limited (**Stylo**) is a private limited company duly incorporated under the laws of Pakistan on 1<sup>st</sup> April 2005. It is engaged in wholesale distribution and retail sales of footwear, apparel, bags, and allied accessories, and is active across Pakistan through company-owned outlets and online platforms.

### **Merger Parties**

4. Each of the Merging Parties is a single-member company, incorporated under the laws of Pakistan. They are engaged in the business of wholesale, retail, import and export of footwear, apparel, bags, and related accessories of Stylo as its retailers and their operations are aligned with the business model and brand of Stylo.

### Transaction

5. Subject to legal and regulatory approvals and in accordance with the Application and the Scheme of Merger, effective from 01 July 2024 (the “**Agreement**”), all the Merging Parties will be consolidated into Stylo. The merger will be implemented through the



issuance of new shares of Stylo to the shareholders of the Merging Parties, in accordance with the agreed swap ratios specified in the merger scheme (the “**Transaction**”). The agreed swap ratio for the Transaction is given below:

Shareholder	Swap Ratio (For 1 share of Stylo)	Pre-Merger (No. of Shares)	Post-Merger (No. of Shares)
Mr. Mazhar Hussain Siddique			
Mr. Javed Iqbal Siddique			
Mr. Sajid Siddique			
Mr. Muhammad Munawar Siddique			
Ms. Rozina Mazhar Siddique			
Ms. Bakhtawar Huzaifa			
Ms. Rimsha Siddique			
Ms. Shazia Siddique			
Ms. Aqsa Masab			
Ms. Saira Sajjad			
Mr. Muhammad Umar Siddique			
Ms. Saima Munawar			
<b>Total</b>			

### **Phase-I Competition Assessment**

#### **Procedural Review**

- Upon receipt of the Application, the Commission conducted a Phase-I competition assessment under the Act and Merger Regulations to determine the effects of the proposed Transaction on market structure and competition.

#### **Relevant Market**

- For the purposes of this assessment, the relevant product markets are identified as: (a) **Footwear**; (b) **Apparel**; (c) **Fragrances**; and (d) related **Accessories**. The relevant geographic market is defined as **Pakistan**, considering the nationwide footprint of Stylo and its franchisees, homogenous pricing across the country.

#### **Market Share**

Based on the information provided, the combined market shares of the Merger Parties in the identified relevant markets are: (a) Footwear: %; (b) Apparel: %; (c)



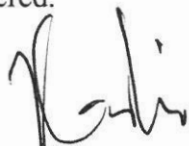
Fragrances: %; and (d) Accessories: , which will remain unchanged post Transaction.

### **Competition Analysis**

9. The proposed Transaction constitutes a horizontal merger, as all parties operate in the same relevant product markets. However, the merger is of intra-group nature and results from a consolidation of franchise operations into, Stylo, the parent undertaking. The Transaction does not involve any change in control or market dynamics, and thus raises no concerns with respect to horizontal overlaps, coordinated effects, or unilateral effects.
10. The market shares reflect a limited market presence in each segment and will remain unchanged post-transaction, as the merger does not alter the underlying commercial operations or customer base of the business. The Transaction constitutes an internal corporate restructuring within entities that are beneficially owned and controlled by members of the same family. No third-party undertakings are involved.
11. No structural barriers to entry or concerns regarding input foreclosure, customer foreclosure, or bundling practices are observed. The Transaction is unlikely to raise any impediments to effective competition or affect consumer welfare adversely.

### **Determination**

12. The Commission concludes that the proposed Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations. The Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
13. 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.
14. It is so ordered.



Dr. Kabir Ahmed Siddhu

Chairman

ISLAMABAD, 6<sup>th</sup> May, 2025.

