



AEL/PSX/12/2023

December 29, 2023

**The General Manager**

Pakistan Stock Exchange Limited  
Stock Exchange Building,  
Stock Exchange Road, Karachi – 74000

**REVISED INFORMATION MEMORANDUM**

**Merger of AEL Textiles Limited with and into Stylers International Limited**


Dear Sir,

This is with reference to our earlier letter bearing no. AEL/BOD/12/2023 dated 23 December 2023. Attached please find REVISED “**Information Memorandum**” on merger of AEL Textiles Limited with and into Stylers International Limited along with Auditors Certificate for Opening Price of the shares of Stylers International Limited upon listing attached as Annexure – I for information and records.

You may please inform the TRE Certificate Holders of the Exchange, accordingly.

Yours truly,

**AEL Textiles Limited**

  
Company Secretary



- CC:
- Executive Director/HOD, Offsite-II Department, Supervision Division SECP-ISD.
  - Head of Operations, Central Depository Company of Pakistan, Karachi.
  - Head of Operations, National Clearing Company of Pakistan Limited, Karachi.
  - Share Registrar, F.D Registrar Services Private Limited, Karachi.
  - The Company Secretary, Stylers International Limited, Lahore

**AEL Textiles Limited**

Registered Office: 19-A, Commercial Area, Izmir Town, Canal Bank Road, Lahore

Phone No. 92-42 35961974, 0333-4225449

web address: [www.aeltextiles.com](http://www.aeltextiles.com)



**Information Memorandum**  
**Merger of AEL Textiles Limited with and into Stylers International Limited**

AEL Textiles Limited (AEL)	Transferor
Stylers International Limited (SIL)	Transferee
Surviving Entity	SIL
Sanction date	December 21, 2023

**1. Proposed Issued Capital structure (of Ordinary Shares) of Stylers International Limited ('the Surviving Company')**

Shareholders	Before Merger		Additional Shares of SIL Upon Merger	After Meger SIL	
	SIL	AEL		No. of Shares	%age
Sponsors, Directors & their spouses	340,299,200	188,500	113,100	340,412,300	78.21
Automotive Plastics (Private) Ltd	-	5,899,138	3,539,483	3,539,483	00.81
<b>Sub Total</b>	<b>340,299,200</b>	<b>6,087,638</b>	<b>3,652,583</b>	<b>343,951,783</b>	<b>79.02</b>
Naimat Saleem Trust*	90,038,220	-	-	90,038,220	20.68
General Public / Other Individuals	150,000	1,912,362	1,147,417	1,297,417	00.30
<b>Sub Total</b>	<b>90,188,220</b>	<b>1,912,362</b>	<b>1,147,417</b>	<b>91,335,637</b>	<b>20.98</b>
<b>TOTAL</b>	<b>430,487,420</b>	<b>8,000,000</b>	<b>4,800,000</b>	<b>435,287,420</b>	<b>100.00</b>

\*Naimat Saleem Trust ("NST") was registered in 1998 under the Trust Act 1882 for providing diversified social services to the community including healthcare and improved education for those in need. NST is an approved trust under Tax Laws of Pakistan. Some of the trustees of NST are also the shareholders/directors of SIL, however, they are not entitled to derive any personal benefit out of NST. The dividend income, gains and sale proceeds of shares owned by NST in SIL will be used for the same purposes.

SWAP Ratio 0.60 shares of SIL against every One share of AEL i.e., a shareholder who holds 1,000 shares of AEL on the entitlement date will get 600 shares of SIL

**Free Float of Shares of SIL after Merger:**

Free float of the shares of SIL shall be provided once final list of shareholding is extracted after entitlement date.

**2. Authorized capital structure of Stylers International Limited ('the Surviving Company')**

		Before Merger SIL	Before Merger AEL	After Merger SIL
Ordinary Shares	Nos	550,000,000	10,000,000	560,000,000
Par Value	PKR/ Share	10	10	10
Ordinary Shares	PKR	5,500,000,000	100,000,000	5,600,000,000



### 3. Structure of Boards of Directors

SIL BEFORE MERGER		AEL BEFORE MERGER	
Mr. Javed Arshad Bhatti	Chairman/Director	Mr. Mustanser Ahmed	Chairman/Director
Mr. Mian Muhammad Ahsan	Director	Mr. Awais Tariq	CEO/ Director
Mr. Mustanser Ahmed	CEO/Director	Mr. Muhammad Nafees Khan	Director
Mr. Muhammad Umer	Director	Mr. Aziz Ur Rehman	Director
Mr. Muhammad Asif Malik	Director	Mr. Abdul Wahab	Director
Mr. Muhammad Saqib	Director	Mrs. Ayesha Naweed	Independent Director
		Mr. Abdul Rehman	Independent Director

SIL AFTER MERGER	
Mr. Javed Arshad Bhatti	Chairman / Director
Mr. Mian Muhammad Ahsan	Director
Mr. Mustanser Ahmed	CEO/Director
Mr. Muhammad Umer	Director
Mr. Muhammad Saqib	Director
Mr. Khurram Shahzad	Independent Director
Ms. Salma Bashir	Independent Director

### 4. Tentative Schedule of Listing of Share of SIL

Action	Date	Day
Last Trading Date of AEL	09-01-24	Tuesday
Book Closure – From	10-01-24	Wednesday
Book Closure – To	18-01-24	Thursday
Listing Date for shares of SIL on PSX	19-01-24	Friday
Allotment of shares of SIL as per SWAP Ratio in CDC and cancelation of AEL shares	18-01-24	Thursday
AEL will be dissolved by the Order of the Honorable Lahore High Court, without winding up	18-01-24	Thursday
Commencement of Trading of SIL	19-01-23	Friday
Date of dispatch of physical shares certificates	19-01-23	Friday

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## 5. Opening Price of SIL Shares Upon Listing

The Auditors of the Company Messers. Riaz Ahmad and Company, Chartered Accountants have issued a certificate dated 27 December 2023 (copy attached) for Opening Price of the shares of SIL in accordance with the Article 9.10 of the Scheme of Arrangement sanctioned by The Honourable Lahore Court, Lahore.

According to the above-mentioned Auditors Certificate the opening price of SIL shares upon listing shall be PKR 43.87 per share. For details, please refer to the Auditors Certificate attached as Annexure – I.

On the Scheme sanction date, 21 December 2023, the closing share price of AEL was PKR 28.00 per share whereas the AEL shareholders shall get 0.6 share of SIL against surrender of their 1 share of AEL. Based on these factors, the grossed-up value of SIL share would be PKR 46.67 ( $\text{PKR } 28.00 \div 0.6 = \text{PKR } 46.67$ ).

## 6. Business and Other Matters

STYLERS INTERNATIONAL LIMITED, (SIL) a public limited company, incorporated and existing under the laws of Pakistan and having its registered office at 20-KM, Ferozepur Road, Glaxo Town, Lahore and is principally engaged in the manufacturing and export of readymade garments and has vast experience in the export, sales and marketing of readymade garments and related products. The company's major revenue comes from the export of denim jeans and other readymade garments.

### 6.1. General Description

- (i) As of the Effective Date, AEL, as a going concern, shall be amalgamated with and vest in SIL upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) Upon sanction of the Scheme, SIL shall be able to carry out all the business of AEL and shall be entitled to all the rights and the benefits thereof.
- (iii) As of the Allotment Date, SIL Shares shall be allotted to the AEL Shareholders in consideration of the Amalgamation, AEL shall be de-listed from the PSX and dissolved without winding up, and SIL Shares shall be listed on the PSX, each in accordance with Article 9 below.

### 6.2. Transfer of the Assets

As of the Effective Date, all the Assets of AEL, shall immediately without any conveyance or transfer and without any further act or deed, be vested in and become the undertaking and Assets of SIL, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by AEL prior to the Amalgamation. However, the vesting / transfer of the Assets shall be subject to all mortgages, charges or other encumbrances subsisting thereon (if any).

### 6.3. Transfer of Liabilities and Obligations

As of the Effective Date, all the Liabilities and Obligations of AEL shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of SIL, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

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#### 6.4. SIL's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities and Obligation of AEL may, if required at any time, may be executed by officers of SIL authorized in this regard.

#### 6.5. References to Assets and Liabilities and Obligations

Any reference in this Scheme to Assets or Liabilities and Obligations of AEL is a reference to Assets or Liabilities and Obligations to which AEL is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Obligations and Liabilities are situated or arise and whether or not such Assets or Obligations and Liabilities are capable of being transferred or assigned to or by AEL under any applicable law or instrument.

#### 6.6. Assets held in Trust, etc.

Any Asset comprised or vested in AEL which immediately before the Effective Date was held by AEL as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by SIL in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

#### 6.7. Contracts

Every Contract to which AEL is a party shall have effect as of the Effective Date as if:

- (i) SIL had been a party thereto instead of AEL; and
- (ii) Any reference (however worded and whether express or implied) to AEL therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to SIL.

#### 6.8. Bank Accounts

Any account(s) maintained by AEL with any bank or financial institution shall, as of the Effective Date, become account(s) between SIL and such bank or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of SIL to vary the conditions or incidents subject to which any account is kept.

#### 6.9. Instructions

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to AEL in writing shall have effect, as of the Effective Date, as if given to SIL.

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#### 6.10. Negotiable Instruments

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, AEL, or payable at any place of business of AEL, whether so drawn, given, accepted or endorsed before, as of the Effective Date, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by SIL, or were payable at the same place of business of SIL.

#### 6.11. Custody of Documents

The custody of any document, record or goods held by AEL as bailee and duly recorded in their books that pass to AEL under any Contract of bailment relating to any such document, record or goods shall on that day become rights and obligations of SIL.

#### 6.12. Securities:

- (i) Any Security held immediately before the Effective Date by AEL or by a nominee or agent of or trustee for AEL, as security for the payment or discharge of any liability and obligation of a Customer shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for SIL and be available to SIL (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.
- (ii) In relation to any Security vested in SIL, pursuant to and in accordance with the provisions of this Scheme, and any liabilities and obligations thereby secured, SIL shall be entitled to the rights and priorities to which AEL would have been entitled if they had continued to hold the Security.
- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities shall, as of the Effective Date, be available to SIL (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, AEL or, as the case may be, SIL were secured thereby immediately before that time.
- (iv) All Securities granted / created by AEL in favour of any secured creditors immediately before the Scheme Completion Date (if any), will continue to remain operative and effective as Securities granted and created by SIL in favour of its own creditors. To the extent that AEL has granted any pari passu charge over the Assets or any class of Assets of AEL in favour of such creditors, upon the Amalgamation, the same shall be treated as a pari passu charge over the combined Assets (or relevant class of Assets) of AEL and SIL (which stand transferred to and vested in SIL in accordance with the provisions of this Scheme), ranking pari passu with the charge(s) created / existing in favour of the Creditors of SIL holding charges over similar Assets or class of Assets as the case may be. Furthermore, any charge or security interest granted to a secured creditor of AEL, by AEL, over specific assets will continue to remain restricted to such specific assets upon the Amalgamation.

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#### 6.13. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of AEL, becomes a right, Claim or Liability of SIL as of the Effective Date, SIL shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of SIL, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against AEL may be continued by or against SIL.

#### 6.14. Judgments

Any judgment or award obtained by or against AEL, and not fully satisfied before the Effective Date shall at that time, become enforceable by or against SIL.

#### 6.15. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against AEL, shall be admissible in evidence in respect of the same matter for or against SIL.

#### 6.16. Clarification

The provisions contained in Articles 6.2. to 6.15. above are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.

### 7. Other Corporate Information

Particulars	Stylers International Limited
Registered Office	20-KM, Ferozepur Road, Glaxo Town, Lahore, Pakistan
Statutory Auditors	M/s Riaz Ahmad & Company Chartered Accountants
Legal Advisors	M/s Hassan & Hassan (Advocates), Lahore
Share Registrar	F.D Registrar Services Private Limited, Karachi
Chief Executive Officer	Mr. Mustanser Ahmed
Chief Financial Officer	Mr. Ghulam Mohioudin
Company Secretary	Mr. Tariq Majeed
Website	<a href="http://www.stylersintl.com">www.stylersintl.com</a>

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The Board of Directors  
Stylers International Limited  
20-KM, Ferozpur Road  
Anum Road, Glaxo Town  
LAHORE

27 December 2023  
Our ref: G-1-992

Lady and Gentlemen

**SCHEME OF ARRANGEMENT UNDER SECTIONS 279 TO 283 AND 285 OF THE COMPANIES ACT, 2017 INVOLVING AEL TEXTILES LIMITED (AEL) AND STYLERS INTERNATIONAL LIMITED (SIL) [THE SCHEME] - OPENING PRICE OF SIL SHARES**

We understand the Scheme of Arrangement under sections 279 to 283 and 285 of the Companies Act, 2017 involving AEL Textiles Limited (AEL) and Stylers International Limited (SIL) [the Scheme] has duly been sanctioned by Honorable Lahore High Court, Lahore vide order dated 21 December 2023.

02. Article 9.10 of the duly approved Scheme states as under:

**9.10.** As part of the Amalgamation and as of the Allotment Date, the SIL Shares shall be listed on the PSX, by filing of requisite documents/information with the PSX, at the opening price based on a price-to-earning-ratio determined on the basis of market equivalent shares of peer group and earning potential of the merged balance sheet of AEL and SIL after taking the impact of Swap Ratio as determined by the auditors, provided that the opening price of the SIL Shares shall not be less than the par value of the SIL Shares. It being clarified that till such time SIL Shares are not listed on the PSX, the listed status of AEL shall not be changed.

03. Indicative calculation of the opening price of SIL Shares, as of the date of aforesaid order of Honorable Lahore High Court, Lahore i.e. 21 December 2023, using audited financial statements of respective companies and share prices as quoted on Pakistan Stock Exchange Limited (PSX) is as follows:

	AEL	SIL	Share SWAP Ratio	Merged
Total number of issued ordinary shares of Rupees 10 each	8,000,000	430,487,420	0.60	435,287,420
Profit after taxation for the year ended 30 June 2023 (Rupees)	2,438,087	2,516,806,798		2,519,244,885
Earnings Per Share (EPS) for the year ended 30 June 2023 – Rupees	0.30	5.85		
<b>Merged EPS (Rupees)</b>	<b>A</b>			<b>5.79</b>



# Riaz Ahmad & Company

Chartered Accountants

## Average Earnings Multiple of Peer Group

		EPS	Closing Share
		(Rupees)	Price
		30 June	21 December
		2023	2023
Sapphire Textile Mills Limited		151.74	1,330.00
Feroze 1888 Mills Limited		22.46	87.51
Interloop Limited		14.39	69.99
Artistic Denim Mills Limited		12.63	52.16
Azgard Nine Limited		2.99	8.29
<b>Average</b>		40.84	309.59
<b>Average Multiple</b>	<b>B</b>		<b>7.58</b>
<b>Merged EPS (Rupees)</b>	<b>A</b>	5.79	
<b>Average Multiple of Peer Group</b>	<b>B</b>	7.58	
<b>Opening Price of SIL Shares (Merged EPS x P/E multiple)</b>			
<b>– Rupees per share</b>	<b>AxB</b>		<b>43.87</b>

04. This letter is being issued on the specific request of the management of SIL, solely for the purpose of inclusion of opening price in the Information Memorandum to be submitted to PSX for the listing of the shares of SIL on PSX in accordance with the Scheme. Accordingly, this letter should not be distributed to any other third party except PSX without our prior written consent. This letter is solely for the aforesaid purpose and is not to be used or distributed for any other purpose. This letter is restricted to the facts stated herein.

Very truly yours

