



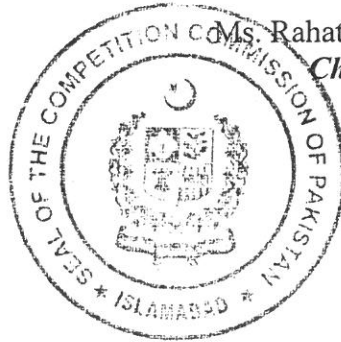
BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

MERGER OF M/S. K5 EDUCATION (PRIVATE) LIMITED WITH AND INTO M/S.
EDUCATIONAL SERVICES (PRIVATE) LIMITED

CASE: 1338/Merger-CCP/2022



Commission



Ms. Rahat Kaunain Hassan
Chairperson

ORDER

1. On 11th November, 2022, the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") whereby, M/s. K5 Education (Private) Limited ("**K5EL**" or "**Merger Party 1**") is merging with and into M/s. Educational Services (Private) Limited ("**ESL**" or "**Merger Party 2**"). All requisite information/documentation pertaining to the Application was completed on 26th January, 2023.
2. 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:
 - i. The business activities of the undertakings concerned are:
 - a. For Merger Party 1: K5EL is registered in Pakistan and its primary activity is to promote, establish run manage and maintain educational institutions, colleges of art, research, sciences, information technology and business administration. It currently has not commenced commercial operations yet. Furthermore, K5EL currently owns % shareholding of ESL.
 - b. For Merger Party 2: ESL is registered in Pakistan and is active in providing education facilities through a network of managed schools and franchises. It is operating under the names of Beaconhouse School System, The Educators, The Early Years and United Charter Schools.
 - ii. As per the Agreement, the transaction involves merger of K5EL with and into ESL via allotment of shares of ESL to the shareholders of K5EL. The agreed swap ratio for the transaction is whereby, for every share of K5EL, ESL will issue share to the shareholders of K5EL. Value of the transaction can be estimated to be PKR /-. K5EL will cease to exist and ESL will be the surviving entity.
 - iii. We note that, shareholders of ESL and K5EL are same and post-transaction one entity i.e. K5EL would cease to exist. Further % shareholding of ESL previously held by K5EL shall also stand cancelled.
 - iv. The relevant service market in this case has been identified as "**Educational Services**" and the relevant geographic market is "**Pakistan**".
 - v. The transaction relates to the merger of K5EL with and into ESL whereby, K5EL has not commenced commercial operations yet, therefore, post-transaction, market share of ESL will remain unchanged.
3. The proposed transaction does not strengthen dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.
4. In the subject transaction, matters which may fall outside the scope of the Commission's purview remain subject to the applicable laws.
5. It is so ordered.


Ms. Bahat Kaunain Hassan
Chairperson

Islamabad the 9th FEB, 2023.