



**COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2021/12/891)**

07th February 2022

Notice under Section 6(2) of the Competition Act, 2002 jointly given by Hellman & Friedman Capital Partners X, L.P., Hellman & Friedman Capital Partners X (Parallel), L.P., HFCP X (Parallel-A), L.P., H&F Executives X, L.P., H&F Executives X-A, L.P., and H&F Associates X, L.P., Bain Capital Fund XIII, L.P., and Bain Capital Fund (Lux) XIII, SCSP, and Viggo Investment Pte. Ltd., and Minerva Holdco, Inc.

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Ms. Sangeeta Verma
Member

Mr. Bhagwant Singh Bishnoi
Member

Order under Section 31(1) of the Competition Act, 2002

1. On 20th December 2021, the Competition Commission of India (**Commission**) received a notice (**Notice**) under Section 6(2) of the Competition Act, 2002 (**Act**), jointly given by Hellman & Friedman Capital Partners X, L.P., Hellman & Friedman Capital Partners X (Parallel), L.P., HFCP X (Parallel-A), L.P., H&F Executives X, L.P., H&F Executives X-A, L.P., and H&F Associates X, L.P. (Collectively referred to as **H&F Funds**); Bain Capital Fund XIII, L.P., and Bain Capital Fund (Lux) XIII, SCSP (Collectively referred to as **Bain Funds**); Viggo Investment Pte. Ltd. (**GIC Investor**); and Minerva Holdco, Inc. (H&F Funds, Bain Funds, GIC Investor, and Minerva Holdco, Inc. are collectively referred to as **Acquirers**). The Notice was given pursuant to the Merger Agreement dated 21st November 2021 entered into between the Minerva Bidco, Inc. (**Minerva Bidco**), Minerva Merger Sub, Inc. (the Minerva Bidco's wholly owned subsidiary) (**Minerva Merger Sub**), athenahealth



Group Inc. (**Target**), and athenahealth Holdings; and Interim Investor Agreement dated 21st November 2021 entered by and among Minerva Parent, Minerva Bidco, Minerva Merger Sub, BCPE Co-Invest (A), LP, Bain Funds, H&F Funds, H&F Minerva Holdings GP, LLC, and GIC Investor.

2. The Commission, *vide* its letters dated 6th January and 25th January 2022, issued under Regulation 14(3) of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011, required the notifying parties to remove defects in the Notice and furnish certain information relevant for the purpose of assessment of the Proposed Combination. The notifying parties submitted their response *vide* their submissions dated 11th January and 31st January 2022.

Proposed Combination

3. Proposed Combination means the acquisition of athenahealth Group Inc. by Minerva Bidco, which is indirectly held by funds managed or advised by Bain, H&F, and GIC. The Acquirers agreed to participate, through equity investment in Minerva Bidco, in the indirect acquisition of the Target. Additionally, each of the Acquirers have executed and delivered Equity Financing Commitment letters in favour of Minerva Bidco, pursuant to which each Acquirer has agreed to make an equity investment in Minerva Bidco at the closing to allow Minerva Bidco to satisfy its obligations to pay the purchase price pursuant to the Merger Agreement. Each of the Acquirers has executed and delivered a Limited Guarantee Agreement in favour of the Target, pursuant to which each Acquirer has agreed, subject to certain terms and conditions, to guarantee certain payment obligations of Minerva Bidco and Merger Sub.
4. In order to pay a portion of the consideration, Minerva Holdco Inc. (a wholly owned subsidiary of the Minerva Parent and the immediate holding company of Minerva Bidco) intends to issue preferred equity to certain financial investors [REDACTED]



[REDACTED] The investors are financial investors with no controlling rights. Each of these investors would acquire less than 1% of the ordinary voting rights in Minerva Holdco Inc., and they do not have any rights of appointment of a director or observer on the Board of Minerva Holdco Inc.

5. The Target is currently jointly controlled by Laran Aggregator L.P. (**Laran**) and Veritas Capital Fund Management, LLC. (**Veritas**). Laran and Veritas are expected to rollover a portion of their investment but will not be able to exercise control over the Target post the Proposed Combination in terms of the Act.
6. H&F Funds, Bain Funds, and GIC Investor are funds managed by Hellman & Friedman LLC (**H&F**), Bain Capital Investors LLC (**Bain**), and GIC Special Investments Pte. Ltd. (**GICSI**), respectively. They will indirectly and jointly acquire control of the Target through Minerva Bidco.
7. Bain Funds are managed and advised by Bain. They have been established as parallel special purpose vehicles, collectively referred to as **Funds XIII**. Their primary business activity is to invest funds with the objective of achieving appreciation of the invested capital. Beyond this, Bain Funds do not undertake any business activities and do not have any physical presence in India.
8. Bain is a private equity investment firm that invests, through its family of funds, in companies across several industries, including information technology, healthcare, retail and consumer products, communications, financial, and industrial/manufacturing sectors.
9. H&F Funds are special purpose vehicles managed by H&F. Their primary business activity is to invest funds with the objective of achieving appreciation of the invested capital. Beyond this, H&F Funds do not undertake any business activities and do not have any physical presence in India.



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10. H&F is a private equity firm focused on making large-scale private equity related investments in growing businesses in developed markets. It has offices in San Francisco, New York, and London.
11. GIC Investor is wholly owned by Enterprise Holding Pte. Ltd., an entity which is, in turn, wholly owned by GIC Ventures, a Singapore private limited company. GIC Investor was incorporated on 17th June 2014 and is an investment holding vehicle organised as a private limited company in Singapore that is part of a group of investment holding companies holding investments managed by GICSI.
12. GICSI manages investments in private equity, venture capital, and infrastructure. It was set up as the private equity and infrastructure investment arm of GIC and is wholly owned by GIC. Both GIC Ventures and GICSI are wholly owned by the Minister for Finance, a body corporate established under Section 2(1) of the Minister for Finance (Incorporation) Act, Chapter 183 of Singapore. Since GIC Ventures is owned (100%) by the Minister for Finance, it has been considered to be the ultimate parent entity of GIC Investor.
13. athenahealth Group Inc., headquartered in Massachusetts, USA, is a cloud-based provider of medical records, revenue cycle, patient engagement, care coordination, and population health services, as well as point-of-care mobile applications. These products and services are designed for the healthcare industry, specifically serving medical practices, hospitals and health systems, and health plans. athenahealth Group Inc. does not generate any turnover from customers outside the USA. In the USA, athenahealth Group Inc. offers solutions related to electronic health records, revenue cycle services, patient engagement, advisory services, care coordination, and telehealth.
14. It has been submitted that athenahealth Group Inc. does not provide services to any



customers located in India but provides services to its holding company (situated in the USA) from subsidiaries located in India and generates certain limited inter-company revenue in India from a sub-lease. However, the Target holds certain shareholding in Access Healthcare Services Private Limited (**Access**), which provides services related to revenue cycle management in health segments located in India. The Target also has the right to appoint director on the Board of Access.

15. The Target has physical presence in India through its subsidiaries, namely:
- a) *Virence VVC India LLP*: It is a wholly owned subsidiary of Target, which is not operational as of date.
 - b) *Praxify Technologies India Private Limited*: It is a wholly owned subsidiary of Target which provides software development services to holding company Praxify Technology Inc. Praxify India provides services for establishing Management Information Systems, software maintenance of existing computer applications, contract development resources, training and certification of software engineers, contract development of new products, design, and preparing and training to use by customers.
 - c) *RazorInsights Technology Private Limited*: It is a wholly owned subsidiary of Target, which is not operational as of date of notification.
 - d) *athenahealth Technology Private Limited*: It is a wholly owned subsidiary of Target, which provides software development services to the holding company only.
 - e) *Access Healthcare Services Private Ltd.*: athenahealth Inc. (indirect subsidiary of Target) holds certain shareholding and the right to appoint director(s). The



company provides services related to revenue cycle management in the health segments and servicing clients, primarily in the USA and India.

16. Notifying parties clarified that while athenahealth India and Praxify India are operational in India, they only provide services to their holding companies, viz., athenahealth Inc. and Praxify Technologies Inc. respectively. The holding companies are part of the Target and are located in the USA.
17. It has been submitted that based on the scope of services and limited nexus to India, the GIC Group has not considered those investee companies for the overlaps analysis, which meet the criteria mentioned in the Notes to Form I (referred to as **Materiality Thresholds**) and which:
 - a) do not identify as IT companies¹ but may have some activities in the technology space (such as companies that happen to have some software development/SaaS) or the telecom sector (such as data centre services); or
 - b) have small/incidental IT services revenue (such as revenue from IT services, being less than 5% of total revenue of the company); or
 - c) generate sales into India or revenue from India of less than a certain *de minimis* amount of INR 2 crores in the previous financial year, i.e., FY ending 31st March 2021; or
 - d) are purely debt investments and LP-GP structures, where the fund is managed and controlled by third-party general partners and not GIC Private Limited Investments, wherein GIC Private Limited does not control the GP nor has a board seat in the LP-GP structure.

¹ IT companies refers to the companies which are engaged in the provision of BPO, Information Technology Operations (ITO), Consulting and Implementation Services.



(Collectively referred to by the notifying parties as **Additional Materiality Thresholds**).

18. In this regard, it is to be noted that the Commission does not recognise any additional thresholds as such for the purpose of overlap analysis. The assessment would be carried on for likely appreciable adverse effect on competition in any and all overlapping products and services in India. However, depending on the relevance and facts in relation to the present case, in view of, *inter alia*, the nature of the IT & ITeS industry, the extent of the presence of the Parties and their portfolio entities in the market of IT & ITeS and its segment/sub-segments in India, and the submission that Target primarily caters to requirements of its holding entities outside India, there may not be any competition concerns as a result of overlaps, if any.
19. The Commission observed that the Acquirers, including *inter alia* their affiliates, portfolio entities etc., and the Target provide similar services in India, which may be categorised broadly as: a) provision of IT and ITeS services; and narrowly as a) provision of BPO services and b) provision of ITO services; and at the narrowest level as the provision of healthcare technology services. Regarding the relevant market, the notifying party has alluded to the BPO services as relevant product. It has been submitted that further segmentation of BPO services on the basis of the sector being served is not warranted. However, the Commission observed that entities in the IT/BPO industry may serve customers from other industries such as financial services, healthcare, education, etc. Conversely, it is also true that entities in the said other industries may use IT/BPO services as a function, situations of which may not be aggregated under IT/BPO services. The activities and nature of services provided by the Target appears to be specifically related to the healthcare industry, which differentiates it from other entities in IT and/or BPO services that are primarily information technology companies serving customers in multiple domains.



20. Further, the activities undertaken within the healthcare BPO segment are specialised services, such as medical coding and billing, claims processing, and data processing services. These services require expertise and domain knowledge related to the healthcare industry inasmuch as that they may be categorised as part of niche areas, i.e., Knowledge Process Outsourcing (**KPO**). This is also reflected through the human resources involved and input costs incurred to deliver such services. Thus, these services are different from the services of other BPOs. Therefore, services such as the Healthcare BPO Services activity, a sub-segment of KPO services, may deserve separate assessment. In view of the foregoing, the Commission is of the view that, at the narrowest level, Parties have similar activity of provision of healthcare technology services. However, the Commission decided to leave the precise delineation of the relevant market open as it was observed that the Proposed Combination is not likely to cause any appreciable adverse effect on competition in any of the plausible relevant markets in India.
21. The combined market share of the parties, and incremental market share in the provision of IT and ITeS services in India, and the provision of BPO and ITO services in India are not significant to raise any competition concern in India. The competitors in the provision of IT and ITeS services in India include TCS, IBM, Wipro, etc., while there are players such as FIS, Hitachi, TCS, Concentrix, Startek, etc. in the provision of BPO and ITO services in India.
22. With regard to the provision of healthcare technology services in India, the notifying parties submitted that the Target does not provide services to customers located in India. At present, the Target has physical presence in India through two operational subsidiaries and through Access. The two operational subsidiaries do not provide products/services to any customers located in India and only provide services to their holding companies located outside India. There are other players such as GE



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Healthcare, Change Healthcare, Optum, WNS (Holdings) Limited, etc., in the market for provision of healthcare technology services in India. Thus, activities of the Parties in this market segment are not such as to raise any competition concern in India.

23. With regard to vertical overlaps, given the nature of IT & ITeS industry and its segments/sub-segments, and keeping in view the extent of the presence of Parties in India, the vertical overlaps, if any, are not likely to cause any foreclosure concerns.
24. Considering the facts on record, including details provided in the Notice given under Section 6(2) of the Act and assessment of the Proposed Combination based on the factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have any appreciable adverse effect on competition in India in any of the relevant market(s), and therefore, the Commission hereby approves the same under Section 31(1) of the Act.
25. This order may be revoked if, at any time, the information provided by the notifying parties is found to be incorrect.
26. The information provided by the notifying parties is confidential at this stage in terms of and subject to the provisions of Section 57 of the Act.
27. The Secretary is directed to communicate to the notifying parties accordingly.