FOREX KITTY CROSSES \$440 BILLION

New Delhi: Continuing its northward surge, India's foreign exchange reserves have swelled by \$1.039 billion to a new life-time high of \$440.751 billion for the week ended October 18, the Reserve Bank of India said on Friday. PTI

ASSOCIATION OF HOSPITALS PLANS TO HOLD MEETINGS ACROSS FOUR CITIES

CGHS: Empanelled hospitals claim unpaid dues, may reassess cashless services

29) ... in Bangalore, Hyderabad,

not followed, and this surmount-

ing of arrears puts hospitals in a fi-

nancial unviability. In the process,

the people who are beneficiaries

are treated by hospitals as second

or third grade citizens, because

they don't like them to come as

payments for treating them do

PRABHARAGHAVAN& **AANCHAL MAGAZINE** NEW DELHI. OCTOBER 26

A NUMBER of private hospitals empanelled under the Central Government Health Scheme (CGHS) are considering a move to stop providing cashless services to beneficiaries of the healthcare programme, citing frustration

with delays in payment of dues

from the government. An association of hospitals plans to hold meetings next week across four cities to thrash out a consensus, going forward, on their participation in the scheme, even as one Delhi-based hospital has decided to entirely end its association with the scheme.

The Health Ministry, at the same time, is learnt to have sent a request for additional funds of over Rs 1,000 crore for CGHS in the next Budget. A majority of these funds are expected to be used "towards payment of hospital bills and procurement of medicines", senior Health Ministry officials close to the development told *The* Indian Express. Delhi-based Pushpawati Singhania Hospital and Research Institute (PSRI) said it will no longer be on the CGHS panel starting October 26.

The scheme promises comprehensive medical care to nearly 35 lakh central government employees and pensioners. Pensioners, ex- and sitting Members of Parliament, freedom fighters and employees serving at CGHS. Directorate General of Health Services and the Health

HOSPITALS EMPANELLED UNDER CGHS

Region	2014	2018/2019
Delhi & NCR	94	177
Maharashtra (Mumbai, Pune, Nagpur)	83	95
Uttar Pradesh (Allahabad, Kanpur and Meerut)*	65	84
Telangana (Hyderabad)	20	51
West Bengal (Kolkata)	4	8
Karnataka (Bengaluru)	5	20
Tamil Nadu (Chennai)	10	16
Madhya Pradesh (Bhopal and Jabalpur)*	30	37
Gujarat (Ahmedabad)	10	15
Empanelled hospitals, excluding exc	lusive eye care a	and dental-focussed

Ministry are entitled to cashless

services at empanelled providers. Pune and Ahmedabad. They will Pensioners and their dependtake a decision on whether they want to continue with the ents account for around 11 lakh of registered beneficiaries, said govscheme, whether they want to withdraw from it completely or if ernment sources. It is not clear how many beneficiaries fall under they want to only stop providing cashless services under the the other categories eligible for cashless services. The government scheme," said Girdhar Gyani, dimight be mulling a revamp of the rector general, Association of scheme and has reportedly Healthcare Providers (India). "The main issue is the governsought suggestions from beneficiaries and stakeholders on this ment has entered into agreements with hospitals which it has until November 30.

facilities and diagnostic centres; Source: CGHS website;

*Data for Lucknow and Indore unavailable for 2014

Private hospitals currently servicing patients under the scheme argue that operations are becoming unsustainable.

"CGHS has been defaulting on payments to us, and they have not revised the rates, so hospitals will be meeting next week (October AHPI represents hundreds of private hospitals across India, including Apollo, which withdrew its participation in the scheme in Delhi several years ago, as well as Max and Fortis, which still have hospitals empanelled under

It is unclear whether hospitals in Delhi, which has the most beneficiaries, will also be holding a similar meeting, but some have said unpaid dues are making it difficult to treat CGHS patients.

"We told CGHS that we are unable to service the requirements of patients ... because there are huge payments outstanding. ECHS is still better (in terms of payment) this year, but unpaid CGHS dues have been growing," Max Healthcare chairman Abhay Soi told The Indian Express.

Senior Health Ministry officials told The Indian Express on condition of anonymity that the ministry has not received such representations from the group, but that payments of dues to empanelled providers have already been stepped up. There are also no plans to revise the 2014 CGHS rates, as they are already "reasonable," they said.

"There is a gap between the submission of bills and the release of payments and, sometimes, this gap increases. But it is not like the dues are going unpaid," said one of the officials, adding that around Rs 1,400 crore was released towards payment of dues at the beginning of this financial year.

"We have increased manpower so that bills are paid at a

higher rate," said another official, adding, "If CGHS system rates are so poor, why is there such a huge demand (from healthcare providers) to get empanelled?"

AHPI in July sent a letter to Finance Minister Nirmala Sitharaman saying reimbursements to hospitals was a major concern, as none of the payments for the services offered under CGHS had been made to them within the time stipulated in their agreement.

Queries sent to the finance ministry about the pending dues under CGHS remained unanswered by press time Saturday.

According to Gyani, AHPI members are yet to recover a total of over Rs 400 crore from the government for cashless services provided to CGHS beneficiaries.

A 2017 Parliamentary Standing Committee on Health and Family Welfare report on demands for grants observed that funds allocated to the government under CGHS were under-utilised and that several hospitals had deempanelled themselves mainly due to non-settlement of dues. "The Committee is of the view that the de-empanelment of some very good CGHS approved hospitals is a major cause of concern and inconvenience to the CGHS patients."

The government has allocated Rs 1,350 crore for CGHS in the Union Budget for 2019-20, Rs 30.45 crore higher from Rs 1,319.55 crore allocated in 2018-19. In 2017-18, the government's allocation for the CGHS scheme had stood at Rs 1,182.43 crore.

Q2 PERFORMANCE: NET INTEREST INCOME RISES 25.5% Y-O-Y

EXPLAINED

ICICI Bank standalone profit falls 66% on one-time hit of ₹3,021 cr

ENS ECONOMIC BUREAU MUMBAI, OCTOBER 26

PRIVATE SECTOR lender ICICI Bank on Saturday reported a 66 per cent year-on-year (y-o-y) drop in standalone net profit to Rs 655 crore in the September quarter of financial year 2019-20, as the bank took a one-time hit of Rs 3,021 crore to account for a lower deferred tax asset benefit as a result of a cut in the tax rate.

The bank's net interest income (NII) rose 25.5 per cent yo-y to Rs 8,057 crore. NII is the difference between interest earned and interest expended. Net interest margin (NIM) —

a key measure of profitability stood at 3.64 per cent, up three basis points (bps) from 3.61 per cent in the previous quarter.

Additions to gross non-performing assets (NPAs) decreased to Rs 2,482 crore in the September quarter from Rs 2,779 crore in the June quarter. ICICI Bank's gross NPA ratio at the end of September stood at 6.37 per cent, 12 bps lower than 6.49 per cent at the end of June, while the net NPA ratio decreased 17 bps sequentially to 1.6 per cent from 1.77 per cent as on June 30. On September 30, 2019, the fund-based and non-fund based outstanding to borrowers rated BB and below was Rs 16,074 crore, up from Rs 15,355 crore on September 30, 2018. They constituted 2.62 per cent of the bank's loan book.

Sandeep Batra, ED-designate, ICICI Bank, said that the rise in the BB and below book was a result of the slowdown in the economy. "Our portfolio will capture any risk. Many names in Rise in stressed retail loans a cause

WHILE THE bank has said that it has no "material exposure" to a mortgage major in distress, the rise in stressed retail loans could be a cause for con-

of concern

The bank has attributed this to an increase in the proportion of the low-ticket loans in the loan book. The surge in low grade loans of the bank is also reflective of the overall economic environment.

public would be covered in our list too," he said.

The bank is unsure about the impact of the recent court ruling on telecom companies' adjusted gross revenue (AGR). "Banks will have to assess it and see how specific telcos assess it. Telecom sector exposure is 1.8 per cent of our total book and it is mostly to the two top names," Batra said.

non-banking finance company (NBFC) sector is Rs 26,000 crore and to housing finance companies (HFCs) is Rs 15,000 crore.

ICICI Bank's exposure to the

Recoveries and upgrades of NPAs were to the tune of Rs 1,263

crore, while loans worth Rs 1,328 crore were written off. The provision coverage ratio on NPAs, excluding cumulative technical write-offs, increased to 76 per cent in September 2019 from 59 per cent in September 2018.

Total advances at the bank grew 13 per cent y-o-y to Rs 6.13 lakh crore. Retail assets saw a 22 per cent y-o-y growth, with 50 per cent of the bank's total loan book being made up of retail loans. Excluding non-performing and restructured loans, the growth in domestic corporate loans was about 7 per cent.

While the lender had earlier this month participated in the loan outreach programmes conceptualised by the government it refused to share details of sanctions made through this route.

Total deposits increased by 25 per cent y-o-y to Rs 6.96 lakh crore and the bank's current account savings account (CASA) ratio stood at 42.2 per cent, down from 47.1 per cent a year ago.

Average CASA deposits rose 11 per cent y-o-y in Q2FY20. Term deposits increased 35 per cent to Rs 3.71 lakh crore. Batra said the bank's CASA ratio could come down further. "For us term deposits is going to be the focus,' he said.

The bank's total capital adequacy ratio (CAR) as per RBI guidelines on Basel III norms was 16.14 per cent and its tier-1 capital adequacy (CET-1) ratio stood at 14.62 per cent on September 30, as compared to the minimum regulatory requirements of 11.08 per cent and 9.08 per cent, respectively. Shares of ICIC Bank on the BSE closed at Rs 469.10 on Friday, up 3.18 per cent from their previous close. **FE**

'PE investments in realty up 19% to \$3.8 bn in Jan-Sept'

Private equity investments in the domestic real estate sector rose by 19 per cent to \$3.8 billion during January-September 2019, mostly in commercial properties, according to Anarock.

\$3.2 billion The

amount of private equity investments in the year ago period

\$3 billion Funds received by the commercial real estate sector, in the first three quarters of calendar year 2019, as against \$2.1 billion received in the corresponding period of the previous year

\$295 million

Funding received by residential segment this year as against \$210 million last year, thus seeing nearly 40 per cent gain

\$260 million Funds

BRIEFLY



attracted by retail segment during January-September 2019 as against \$355 million in the year-ago period

27% Decline witnessed by logistics and warehousing in total PE

inflows in 2019 at nearly \$200 million as against \$275 million earlier

MUMBAI METROPOLITAN REGION Among cities, MMR witnessed maximum inflows at \$1.59 billion till

per cent from the same period of 2018 17% Gain witnessed by

September this year, up 3

Bengaluru from \$420 million to nearly \$490 million till September \$390 million Jump

in investment seen by Pune in 2019 from \$125 million in 2018

76% Decline witnessed by Hyderabad from over \$790 million last year to just \$190 million in 2019

\$230 million

Investments seen by Chennai as against \$160 million a year ago

'\$5 tn economy goal will be assisted by innovation in financial sector'

ENS ECONOMIC BUREAU NEW DELHI, OCTOBER 26

WORLD BANK President David Malpass Saturday said that reduction in corporate tax rates in India should aid growth and suggested more reforms in the financial sector to boost economic expansion. India can make further progress in areas including land permits, enforcement of contracts and deepening of corporate bond markets, he said.

"Encourage progress in three primary areas. One is to allow growth of the banking sector itself including private sector. Second is deepening of corporate bond market and mortgage market. And third is regulation of nonbank financial companies which have grown with the Indian financial system but entails some risks," he said at a press conference.

"There can be more progress in land permits and in enforcement of contracts," he said. India has improved its score in the World Bank's global Ease of Doing Business rankings, rising 14 notches to be placed 63rd out of 190 countries on the back of "sustained business reforms". India. along with other top improvers, implemented a total of 59 regulatory reforms in 2018-19, accounting for a fifth of all reforms recorded worldwide. Contract enforcement is among the key areas monitored in the Ease of Doing Business report.

Malpass said innovation in the financial sector, especially the banking sector and sound regulation of non-bank financial com-

JEDI CONTRACT PART OF BROADER DIGITAL MODERNISATION OF PENTAGON MEANT TO MAKE IT MORE TECHNOLOGICALLY AGILE



World Bank Group President David Malpass (left) with Prime Minister Narendra Modi at the fifth edition of Niti Aayog Lecture Series, in New Delhi, Saturday. PTI

panies, will be crucial in turning India into a \$5 trillion economy. "Prime Minister (Narendra) Modi has a goal of \$5 trillion economy. It will be assisted by innovation in financial sector," he said.

Earlier in the day, Malpass delivered the keynote address on the role of financial sector in development at NITI Aayog's fifth lecture series. The lecture was attended by the PM along with ministers and senior government officials.

Malpass is visiting India from October 25-28, his first trip to India since taking over as President of the World Bank on April 9. Between July 2018 and June 2019, the World Bank Group provided \$5.17 billion in financing to India. This includes \$3.02 billion from the International Bank for Reconstruction and Development, \$0.25 billion from the International Development Association and \$1.9 billion from International Finance Corporation.

Malpass, who met Modi during the day, said reduction in corporate tax rates should help spur growth. The cut in corporate tax rate has been the biggest change; inclusive of cesses and surcharges, the rate has come down from roughly 35 per cent to 25 per cent, and without the cesses and surcharges, to 22 per cent from around 30 per cent.

"I think what is to be done is better growth programmes country by country. India has taken a good step on the corporate tax rate. That should add to more growth," Malpass said.

Indian economy has been affected by global environment and trade uncertainty is a drag on global growth, along with other factors like Brexit, he added.

Weak manufacturing and consumption numbers dragged the country's GDP growth to a 25quarter low of 5 per cent in the first quarter (April-June) of the current fiscal. The GDP growth rate slowed

for the fifth consecutive quarter, with the previous low recorded at 4.3 per cent in March 2013. Apart from the tax cut, the Centre has announced a series of other measures to boost growth.

GM workers ratify contract, ending contentious

ASSOCIATED PRESS ROMULUS, MICHIGAN, OCTOBER 26

40-day strike

A CONTENTIOUS 40-day strike

that crippled General Motors' US production came to an end Friday as workers approved a new contract with the company. The four-year deal will now

be used as a template in bargaining with crosstown rival Ford Motor Co., the union's choice for the next round of bargaining, followed by Fiat Chrysler.

GM workers voted 57.2 per cent in favor of the pact, passing it with a vote of 23,389 to 17,501, the union said in a statement.

Picket lines came down al most immediately after the vote was announced, and some of the 49,000 striking workers were expected to return to their jobs as early as Friday night. Some skilled trades employees such as electricians and machinists were to enter the plants to get machinery restarted in preparation for production workers to return as early as Saturday.

"It was a good vacation, but I guess I've got to go back," joked Paul Daru, a 42-year worker at GM's engine and transmission plant in Romulus, Michigan, near

"I miss the socializing and stuff like that, seeing the guys, going out on the job and figuring out what the problem is."

61%to ₹154.25 crore New Delhi: Pharma firm

Pfizer Q2 up

Pfizer Ltd Saturday posted a 61.01 per cent rise in net profit to Rs 154.25 crore for the July-September quarter compared to that of Rs 95.80 crore in the year-ago quarter. Revenue from operations was at Rs 567.06 crore in the quarter, up 9.10 per cent compared to Rs 519.74 crore a year ago, Pfizer said in a filing. Its total expenses were at Rs 430.63 crore during the period under review as against Rs 407.92 crore, up 5.56 per cent. **PTI**

Trump calls out Apple CEO on iPhone design

Washington: President Donald Trump took a swipe at Apple chief Tim Cook with a Tweet lamenting the removal of the iPhone home button. "To Tim: The Button on the IPhone was FAR better than the Swipe!" he tweeted Friday. Trump switched from an Android mobile to an iPhone in March 2017, the same year Apple dropped the physical home button from its top models. AFP

India to spend \$1.4 trillion over 5 yrs to develop infrastructure: Pradhan

PRESSTRUSTOFINDIA NEW DELHI, OCTOBER 26

INDIA WILL spend about \$1.4 trillion on its infrastructure development in the next five years. Union Steel Minister Dharmendra Pradhan said on Saturday.

The minister was speaking at the Global Forum on Excess Capacity (GFEC) Tokyo, which was attended by representatives several other countries.

PHILSTEWART

Amazon.com Inc.

Jeff Bezos.

WASHINGTON, OCTOBER 26

MICROSOFT CORP. Microsoft

Corp. has won the Pentagon's \$10

billion cloud computing contract, the Defense Department said on

Friday, beating out favorite

long been mired in conflict of in-

terest allegations, even drawing

the attention of President Donald

Trump, who has publicly taken

swipes at Amazon and its founder

ministration was reviewing

Amazon's bid after complaints

Trump in August said his ad-

The contracting process had

"I wish to emphasize that with rapid economic and infrastruc-

tural development in India, the demand of steel has seen substantial increase and is expected to increase further in the future as embarks to become a \$5 trillion economy by 2024," he said while addressing the forum.

He said that the country is committed to spending about \$1.4 trillion on its infrastructure devel-

from other companies.

The Joint Enterprise Defense

Infrastructure Cloud (JEDI) con-

tract is part of a broader digital

modernisation of the Pentagon

meant to make it more technolog-

ically agile. Specifically, a goal of

IEDI is to give the military better

access to data and the cloud from

battlefields and other remote lo-

concerns about the award process

for the contract, including the role

of a former Amazon employee

who worked on the project at the

Defense Department but recused

himself, then later left the Defense

Department and returned to

Amazon Web Services.

Oracle Corp had expressed

cations.

opment in the next five years. All this. Pradhan said, augurs well for the steel demand in the country.

India is determined to raise the per capita consumption of steel from its current low of 72 kg per capita to 160 kg per capita by 2030, he informed. Pradhan is on a two-day visit to Japan.

The minister met senior management of Japanese steel majors JFE Steel Corporation, Nippon Steel and Daido Steel on Friday and invited them to invest in the growing Indian steel sector.

Microsoft beats Amazon for Pentagon's \$10 bn cloud computing contract

'COMPETITION CONDUCTED FAIRLY, LEGALLY'

IN A statement announcing Microsoft as the winner, the Pentagon underscored its view that the competition for the JEDI contract was conducted fairly and legally

about this conclusion."



"clearly lead to a different conclu-In a statement, an Amazon Web Services (AWS) spokesman sion," according to the statement. AWS is considering options for

said the company was "surprised protesting the award, a person fa-The company said that a "demiliar with the matter told tailed assessment purely on the comparative offerings" would

Although the Pentagon boasts

force, its information technology remains woefully inadequate, according to many officials. Officials have complained of

the world's most potent fighting

having outdated computer systems and being unable to access files or share information as quickly as they might be able to in the private sector. "If I am a warfighter, I want as

much data as you could possibly give me," Lieutenant General Jack Shanahan, the director of the Joint Artificial Intelligence Center, told reporters in August describing the importance of the contract.

Some companies were concerned that a single award would give the winner an unfair advantage in follow-on work. The Pentagon has said it planned to award future cloud deals to multiple contractors.

This week, US Defense Secretary Mark Esper removed himself from reviewing the deal due to his adult son's employment with one of the original contract applicants, IBM Corp.

IBM had previously bid for the contract but had already been eliminated from the competition. Microsoft said it was working on a comment. IBM and Oracle did not immediately return requests for comment.

In a book slated for publication October 29, retired Navy commander Guy Snodgrass, who

mer Defense Secretary Jim Mattis, said Trump called Mattis and directed him to "screw Amazon" by preventing it from bidding on the JEDI contract, according to an excerpt of the book seen by Reuters ahead of its release. "We're not going to do that,"

served as a speech writer to for-

Mattis later told other Pentagon officials, according to the excerpt "This will be done by the book both legally and ethically. Snodgrass declined to comment pending the release of his book. In a statement announcing

Microsoft as the winner, Pentagon underscored its view that the competition was conducted fairly and legally. **REUTERS**