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ED books gynaecologist under foreign exchange act

Money-Laundering Angle Being Probed

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Bengaluru: The directorate of enforcement (ED) has filed a case against city gynaecologist Dr Kamini Rao under the Foreign Exchange Management Act (FEMA) on charges of stashing foreign currency and other violations of foreign exchange laws. ED sleuths are also investigating possible money laundering — a far more serious charge.

Should they find evidence of money laundering, Rao could be booked on criminal charges under the Prevention of Money Laundering Act (PMLA). FEMA violations are a compoundable offence and the accused is liable to be fined three times the amount of contravention. The PMLA case includes a jail term.

Rao refused to comment, saying: "It is not proper to talk about the income tax raids at this point of time. I have not been informed about the ED case either."

However, a source privy to the investigation claimed ED officials have enough evidence to prove FEMA vio-

Income tax officials had carried out searches on two fertility clinics owned by Rao, who is the founder and medical director of Milann IVF Centre. A source claimed income tax officials had seized illegal foreign currency worth Rs 40 lakh from Rao's IVF centre



lations. "Investigations are on and the ED may prosecute the accused if there is a case for money laundering as well," the source claimed.

Income tax officials had carried out searches on two fertility clinics owned by Rao, who is the founder and medical director of Milann IVF Centre. Searches were also conducted on five other medical diagnostic centres in Bengaluru. During the searches — over three days from November 30 — I-T sleuths claimed to have unearthed a racket in which doctors were making crores of rupees through illegal commission by recommending various tests from the diagnostic centres.

A source claimed income tax offi-

cials had seized illegal foreign currency worth Rs 40 lakh from Rao's IVF (in vitro-fertilisation) centre. Sleuths also claim to have found about 10 foreign bank accounts with deposits running to hundreds of crores in terms of Indian rupee.

"The investigators from ED are in touch with banks spread across the UK and US," the source said.

"We suspect money laundering could have been done just after the demonetisation of Rs 500 and Rs 1,000 notes and are focusing our investigations on that," he said.

A senior I-T official said the department had referred the foreign exchange aspect of the case to the ED, while a separate investigation on the issue of the unaccounted money seized during the searches is on. "While the investigations by the I-T department and ED will look into two different issues, we will exchange notes if needed," said the I-T official.

I-T officials claimed to have seized about Rs. 1.4 crore in cash and jewellery and bullion exceeding 3.5 kg during the raid on the IVF centres. They say the labs searched yielded an undisclosed income of over Rs 100 crore, while the amount of referral fee in case of a single lab was more than Rs 200 crore.

Adequate medical colleges, manpower make hospitalization cheaper in state

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Bengaluru: It's home to a high number of doctors, nurses and government-run tertiary and super-specialty hospitals; many charitable hospitals and medical colleges-cum-hospitals and government health schemes. All this has ensured that hospitalization cost in Karnataka is the lowest among South Indian states, say private and government hospital doctors in Bengaluru.

The National Health Profile 2017 by the Central Bureau of Health Intelligence (CBHI) recently showed that hospitalization cost in Karnataka, both in urban and rural areas, is lowest compared to neighbours Tamil Nadu, Goa, Andhra Pradesh, Kerala, Maharashtra and Telangana. The average household expenditure, both medical and non-medical, per hospitalization case is Rs 12,578 in rural Karnataka and Rs 15,011 in urban Karnataka. In Goa, it's a whopping Rs 32,211 in rural areas and Rs 37,409 in urban, double that of Karnataka's.

Dr Sudarshan H Ballal, chairman, Manipal Hospital, said: "The state has been able to achieve such low hospitalization cost mostly because we have a large number of medical colleges-cum-hospitals, which are man-

PERFECT PUBLIC-PRIVATE PARTNERSHIP

Karnataka having the lowest cost of hospitalization compared to neighbouring states is the best example of a positive impact of a perfect public-private-partnership. In Karnataka, 70%-80% of tertiary care is provided by private hospitals and a recent study conducted by the Karnataka government, IIM-Bangalore and National Accreditation Board for Hospitals and Healthcare Providers showed that both government-run and private hospitals have subsidized 70% cost. While the government reimburses 40% to 50% of the cost, the rest is taken care of by hospitals and donations by eminent personalities, companies, clubs and non-profit organizations

Dr Alexander Thomas | PRESIDENT, ASSOCIATION OF HEALTHCARE PROVIDERS INDIA (AHPPI)



Photo for representation only

dated by the Medical Council of India to treat a large number of patients in general wards at discounted rates. Also, several government health schemes have reduced the cost."

"The universal healthcare scheme, envisioned in the Karnataka Private Medical Establishment (KPME) Act, if implemented appropriately for all stakeholders, will further lower the cost," he added.

Dr C N Manjunath, director,

Sri Jayadeva Institute of Cardiology, said: "Karnataka has a large number of tertiary care and super-specialty government-run hospitals apart from private ones, giving patients the option to avail of quality treatment at low cost. Premier institutes like Nimbhans, Jayadeva and others at the district level have enabled the state to have low hospitalization cost."

Doctors pointed out that market forces have reduced the cost too. "Not only do we have large

TIMES VIEW

It is flattering that hospitalization costs in the state are far lower than most other states in the country. But then, statistics can be deceiving. There's no doubt that cheaper medical care is welcome, but it doesn't change the widely-held perception that long-term hospitalization can cause bankruptcy. The demand for cheap, yet quality, medical care far outstrips supply. People are still postponing visits to doctors, putting off scans, screenings and tests and delaying diagnosis. A universal medical care system that ensures quality treatment for all, regardless of the size of their purse, is the need of the hour.

number of medical and nursing colleges but also majority of graduating doctors and nurses prefer to work in this state," Dr Devi Sheffy, chairman and founder, Narayana Health, explained.

"The value of land in Karnataka is not as high as that in Delhi or Maharashtra. This leads to a large number of gynaecologists and paediatricians moving to tier 3 and tier 2 cities and opening new hospitals there," he pointed out.