



Institute of Actuaries of India

Statutory body established under an Act of Parliament

Unit No. F-206, 2nd Floor, F Wing, Tower II, Seawoods Grand Central,
Plot no R-1, Sector 40, Nerul Road, Navi Mumbai - 400706
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Disciplinary Proceedings

This matter is being published in accordance with the decision of the Executive Committee (now Council) in its meeting held on 4th March, 2003 applicable to all such cases and keeping in view IAI's membership requirements of the International Actuarial Association.

Reference: Complaint of Mr. N Srinivasan (M. No 144) against Mr. Liyaquat Khan (M. No 96)

Complaint No: PD/C/3/2013-14

THE ALLEGATION (PROSECUTION DIRECTOR LETTER DATED 15 JANUARY 2014)

Allegation 1:

S. No.	Particulars of Allegation	Corresponding Clause/Part of Relevant Schedules under which the alleged acts of commission or omission or both would fall
1.	Mr. L. Khan has brought disrepute to the profession as well the Institute by voluntarily violating the provisions of the Actuaries Act particularly Section 39 of the Actuaries Act	Chapter VI, Section 39. Companies not to engage in actuarial practice: 1) No Company whether incorporated in India or elsewhere shall practice as Actuaries
2.	He has signed the valuation report of Capillary Technologies Pvt. Ltd. For valuation of gratuity plan as on 31/3/2011. The said report bears the company name Numerica and Logo. In the said report, Mr. Khan does not mention the address of the Numerica. Further does not mention his membership number. In the said report, it is mentioned that "Capillary Technologies Pvt. Ltd. (the Company) has approached us, clearly meaning Numerica is not a proprietary concern. Annexure A is the copy of the report.	Chapter VI, Section 39. Companies not to engage in actuarial practice:2) Any company contravening the provisions of sub-section (1) shall be punishable on first conviction with fine which may extend to ten thousand rupees and on any subsequent conviction with fine which may extend to twenty-five thousand rupees.
3.	Numerica is a Company called Numerica Quantitative Services	Chapter VI, Section 41. Offences by companies: (1) If the person committing



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	<p>Pvt. Ltd. Which is illegally carrying on the business of actuary and having its head office at Level 15, Concorde Towers, UB City, 1, Vittal Mallya Road, Bangalore – 560001 and Branch Office at Level 9, Platina, Block G, Plot C-59, Bandra-Kurla Complex, Bandra East, Mumbai – 400051; The logo of the Company is same as the logo of the Numerica appearing on the report of Capillary Technologies Pvt. Ltd. The said Company has a website www.numerica.in, through which it is soliciting Actuarial work. Mr. Liyaquat Khan is having email address as liyaquat.khan@numerica.in. Annexure B is the web page of the company. Annexure C is the contact web page of the company.</p>	<p>an offence under this Act is a company, <u>the company as well as every person in charge of and responsible to the company for the conduct of its business at the time of the commission of the offence</u> shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly; Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the office was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence. (2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved, that the offence has been committed with the consent or connivance of or that the commission of the offence is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.</p>
4.	<p>Hence Mr. Liyaquat Khan is in charge of the company and doing actuarial work by soliciting through the said company, which is in contravention of section 39 of the Actuaries Act and thereby Mr. Liyaquat Khan is guilty of professional misconduct. Further this is an offence covered by Section 41 of the Act. Even otherwise a person cannot do indirectly what he is not permitted to do directly.</p>	<p>The Schedule (See Section 31) Part 1, sec 4: (4) secures either through the services if a person who is not an employee of such Actuary or who is not qualified to be his partner <u>or by means which are not open to an Actuary any professional business</u>; & Sec 7(7) engages in any business or occupation other than the profession of Actuaries unless permitted by the Council so to engage: THE SCHEDULE (see Section 31) Part IV, Other Misconduct in relation to the members of the Institute generally, (2), he brings disrepute to the profession or the Institute as a result of his action whether or not related to his professional work</p>



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Allegation 2:

S. No.	Particulars of Allegation	Corresponding Clause/Part of Relevant Schedules under which the alleged acts of commission or omission or both would fall
1.	In the report made by him for Capillary Technologies, he has failed to comply with sec. 119 and 120 of AS 15 (Revised 2005), Annexure D is the relevant portion of AS 15 2005 R and ASB guidelines	5. THE SCHEDULE (See Section 31), Part I, Professional misconduct in relation to members of the Institute in practice, section 13,14,15,16 & 17: (13) fails to disclose a material fact known to him in a valuation report or a financial statement, but disclosures of which is necessary to make the valuation report or the financial statement not misleading where he is concerned with such valuation report or the financial statement in a professional capacity or 6. (14) fails to report a material misstatement known to him to appear in a valuation report or financial statement with which he is concerned in a professional capacity; or 7. (15) is grossly negligent in the conduct of his professional duties; or 8.(16) fails to obtain sufficient information to warrant the formation of an opinion in regard to any matter contained in any valuation report or financial statement prepared by him or his behalf; or 9. (17) fails to invite attention to any material departure from the generally accepted procedure or professional work applicable to all circumstances in any valuation report or financial statement prepared by him or on his behalf.
2.	Under page 10 &11 of his report, the current service cost, interest cost etc. has not been worked out and the entire liability is shown as current service cost. The practice	10. THE SCHEDULE (See Section 31), Part IV, Other misconduct in relation to members of the Institute generally, (2), he brings disrepute to the profession or the Institute as a result of his action



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	is one should collect the data of 2010 and 2011 and work out interest cost, service cost etc. correctly; Then only one can comply with section 120 of AS 15	whether or not related to his professional work; 11. Further, The Schedule (See Section 31) Part I, sec(16) fails to obtain sufficient information to warrant the formation of an opinion in regard to any matter contained in any valuation report or financial statement prepared by him or his behalf
3.	Otherwise the company will not have correct ingredient for product costing which is one of the important purpose and principles of accounting	12. THE SCHEDULE (See Section 31), Part IV, Other misconduct in relation to members of the Institute generally
4.	Mr. L. Khan is one of the members in the committee which is adjudicating a professional misconduct complaint against me. On 18-5-2013, the DC decided to proceed against me. Before 18-5-2013, a company called Capillary Technologies Pvt. Ltd. with its registered office at Bangalore approached me for gratuity valuation report. The said company was a client of Mr. L. Khan before it approached me. Further in the last six months two more companies, namely Simmetric Development Services and Design Tree service consultancy which were handled by Mr. L. Khan are now my clients. Vide Annexure E	
5.	Both me and Mr. Khan are catering to companies having their operations/offices in Bangalore. By professional standards of integrity and honesty Mr. Liyaquat Khan must not have become part of the DC adjudicating complaint of professional misconduct against me as he has a grudge against me as well as bad motive of ruining my career as his clients are turning to me for actuarial records.	1. THE SCHEDULE (See Section 31), Part IV, Other misconduct in relation to members of the Institute generally, (2), he brings disrepute to the profession or the Institute as a result of his action whether or not related to his professional work
6.	By continuing as member of the DC, he has ensured to make roving	2. THE SCHEDULE (See Section 31), Part III, Professional Misconduct in



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	enquiries by issuing summons to my clients to tarnish my image	relation to members of the Institute generally. A member of the Institute, whether in practice or not, shall be deemed to be guilty of Professional Misconduct, if he – (4) contravenes any provisions of this act or the regulations made there under or any guidelines issued by the council under clause (i) of sub section (2) of section 19 or 3. Part IV, Other misconduct in relation to members of the Institute generally, (2), he brings disrepute to the profession or the Institute as a result of his action whether or not related to his professional work
7.	Hence Mr. Liyaquat Khan has turned the DC into a theatre of the absurd and brought down the reputation of the actuarial profession and the Institute by demonstrating lowest standards of professionalism, integrity, morality and honesty	4. THE SCHEDULE (See Section 31), Part III, Professional Misconduct in relation to members of the Institute generally. A member of the Institute, whether in practice or not, shall be deemed to be guilty of Professional Misconduct, if he – (4) contravenes any provisions of this act or the regulations made there under or any guidelines issued by the council under clause (i) of sub section (2) of section 19
8.	He has not intimated the other members of the DC that 3 of his clients has left him and are now my clients. He has displayed his intention of victimizing me which is unbecoming of the member if the Institute which is a professional body.	5. THE SCHEDULE (See Section 31), Part I, Professional misconduct in relation to members of the Institute in practice, section 4 (by means not open to an actuary)

Prosecution Director's Opinion dated 6th May 2014

Allegation 1:

Complaint against Mr. Khan and M/s. Numerica Quantitative Services Pvt. Ltd. (Numerica) is based on Sections 39 and 41 of The Actuaries Act, 2006 and hence cannot be dealt with by the office of the Prosecution Director. This conclusion is based on Rule 8 of The Actuaries

(Procedure for Enquiry of Professional and Other Misconduct) Rules, 2008 which specifically states (a) the procedure to be followed by the Prosecution Director if the complaint is received against an individual member (b) the procedure to be followed by the Prosecution Director if the complaint is received against a firm (as entered in the Register of Offices of Firms maintained by the Institute). Since Numerica is a company, it is not an individual under Rule 8(a) and since it is not a firm as per the Register of Offices of Firms maintained by the Institute of Actuaries of India, no further action can be taken by the Prosecution Director in this allegation.

Allegation 2:

In support of Allegation 2 Part 1-3, Mr. N. Srinivasan has submitted the following as evidences:

Sr. No.	Annexure No.	Particulars
1.	A	Photocopy of Actuarial Valuation of Gratuity Plan as at 31 st March 2011 done by Numerica for Capillary Technologies Pvt. Ltd.
2.	D	Photocopy of relevant sections 119 and 120 of the Actuaries Act, 2006 and relevant extract Regulation 18 of the ASB Guidelines

Part 1 of Allegation 2: states that section 119 and 120 of AS 15 is not complied with. The evidence given for this Part of the Allegation is Annexure A which is a photocopy of the Actuarial Valuation of Gratuity Plan and Annexure D which is a photocopy of relevant sections of the Actuaries Act and ASB Guidelines. Section 119 and 120 is quoted herewith for ready reference:

Disclosure

119. An enterprise should disclose information that enables users of financial statements to evaluate the nature of its defined benefit plans and the financial effects of changes in those plans during the period.

120. An enterprise should disclose the following information about defined benefit plans:

- (a) the enterprise's accounting policy for recognising actuarial gains and losses.*
- (b) a general description of the type of plan.*
- (c) a reconciliation of opening and closing balances of the present value of the defined benefit obligation showing separately, if applicable, the effects during the period attributable to each of the following:*

- (i) current service cost,*
- (ii) interest cost,*
- (iii) contributions by plan participants,*
- (iv) actuarial gains and losses,*
- (v) foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency,*
- (vi) benefits paid,*



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- (vii) past service cost,*
- (viii) amalgamations,*
- (ix) curtailments, and*
- (x) settlements.*

(d) an analysis of the defined benefit obligation into amounts arising from plans that are wholly unfunded and amounts arising from plans that are wholly or partly funded.

(e) a reconciliation of the opening and closing balances of the fair value of plan assets and of the opening and closing balances of any reimbursement right recognised as an asset in accordance with paragraph 103 showing separately, if applicable, the effects during the period attributable to each of the following:

- (i) expected return on plan assets,*
- (ii) actuarial gains and losses,*
- (iii) foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency,*
- (iv) contributions by the employer,*
- (v) contributions by plan participants,*
- (vi) benefits paid,*
- (vii) amalgamations, and*
- (viii) settlements.*

(f) a reconciliation of the present value of the defined benefit obligation in (c) and the fair value of the plan assets in (e) to the assets and liabilities recognised in the balance sheet, showing at least:

- (i) the past service cost not yet recognised in the balance sheet (see paragraph 94);*
- (ii) any amount not recognised as an asset, because of the limit in paragraph 59(b);*
- (iii) the fair value at the balance sheet date of any reimbursement right recognised as an asset in accordance with paragraph 103 (with a brief description of the link between the reimbursement right and the related obligation); and*
- (iv) the other amounts recognised in the balance sheet.*

(g) the total expense recognised in the statement of profit and loss for each of the following, and the line item(s) of the statement of profit and loss in which they are included:

- (i) current service cost;*
- (ii) interest cost;*
- (iii) expected return on plan assets;*
- (iv) expected return on any reimbursement right recognised as an asset in accordance with paragraph 103;*
- (v) actuarial gains and losses;*
- (vi) past service cost;*
- (vii) the effect of any curtailment or settlement; and*
- (viii) the effect of the limit in paragraph 59 (b), i.e., the extent to which the amount determined in accordance with paragraph 55 (if negative) exceeds the amount determined in accordance with paragraph 59 (b).*

(h) for each major category of plan assets, which should include, but is not limited to, equity instruments, debt instruments, property, and all other assets, the percentage

or amount that each major category constitutes of the fair value of the total plan assets.

(i) the amounts included in the fair value of plan assets for:

- (i) each category of the enterprise's own financial instruments; and
- (ii) any property occupied by, or other assets used by, the enterprise.

(j) a narrative description of the basis used to determine the overall expected rate of return on assets, including the effect of the major categories of plan assets.

(k) the actual return on plan assets, as well as the actual return on any reimbursement right recognised as an asset in accordance with paragraph 103.

(l) the principal actuarial assumptions used as at the balance sheet date, including, where applicable:

- (i) the discount rates;
- (ii) the expected rates of return on any plan assets for the periods presented in the financial statements;
- (iii) the expected rates of return for the periods presented in the financial statements on any reimbursement right recognized as an asset in accordance with paragraph 103;
- (iv) medical cost trend rates; and
- (v) any other material actuarial assumptions used.

An enterprise should disclose each actuarial assumption in absolute terms (for example, as an absolute percentage) and not just as a margin between different percentages or other variables.

Apart from the above actuarial assumptions, an enterprise should include an assertion under the actuarial assumptions to the effect that estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(m) the effect of an increase of one percentage point and the effect of a decrease of one percentage point in the assumed medical cost trend rates on:

- (i) the aggregate of the current service cost and interest cost components of net periodic post-employment medical costs; and
- (ii) the accumulated post-employment benefit obligation for medical costs.

For the purposes of this disclosure, all other assumptions should be held constant. For plans operating in a high inflation environment, the disclosure should be the effect of a percentage increase or decrease in the assumed medical cost trend rate of a significance similar to one percentage point in a low inflation environment.

(n) the amounts for the current annual period and previous four annual periods of:

- (i) the present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan; and
- (ii) the experience adjustments arising on:

- (A) the plan liabilities expressed either as (1) an amount or (2) a percentage of the plan liabilities at the balance sheet date, and
- (B) the plan assets expressed either as (1) an amount or (2) a percentage of the plan assets at the balance sheet date.

(o) the employer's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the annual period beginning after the balance sheet date.



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The relevant extract of the ASB Guidance on Implementing AS 15, Employee Benefits (revised 2005) given in Annexure D in support of this allegation is given below:

18. Where an enterprise does an early application of the revised Accounting Standard 15, can it comply with the measurement principles of the Standard prematurely without complying with the disclosure requirements of the Standards?

No. The revised Standard has to be implemented in its entirety including disclosure requirements specified in the Standard

Mr. Liyaquat Khan, in his written statement has stated in page 4 point no. 6 as under:

“Contents of an Actuarial Report per se cannot be subject matter of Professional Misconduct at the most and in an extreme case scenario, it can at the best be a case of incompetence, poor knowledge or just a mistake. Such cases do not get dealt with at Actuary and Client Level Interaction including interaction with the Auditors of the client and the AS 15 (rev. 2005) provisions are the subject matter of the jurisdiction of the Auditor of the client. In practice and in most of the cases clients do interact with the Actuary and discuss such matters including the manner in which the Actuarial Practice Standards of the IAI have been complied with.”

Comments:

- *The AS – 15 Statement requires an **enterprise** to recognise:*
 - (a) a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and*
 - (b) an expense when the enterprise consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.*
- *Scope of the Statement states as under:*
 - 1. This Statement should be **applied by an employer** in accounting for all employee benefits, except employee share-based payments*
- *As per AS-15 (relevant extracts given above), the Standard is required to be followed by the employer (enterprise) and not by an Actuary.*
- *There is nothing specifically stated by the Complainant, as to how section 119 and 120 is not complied with.*
- *There is no specific rejoinder to the point mentioned by Mr. Liyaquat Khan in his written statement highlighted in italics (extract given above).*

Hence, it is concluded that there is no merit in the Allegation made.

Part 2 of Allegation 2 states that ‘under page 10 and 11 of the report, the current service cost, interest cost etc. has not been worked out and the entire liability is shown as current service cost’. Mr. Liyaquat Khan, in his written statement – page 4, point no.6 has stated: “In the case of Capillary Technologies – Data was gathered to carry out beginning of year valuation as this was the first time valuation. However as the first employee joined their organization in December, 2009, the resultant liability as at 31st March, 2010 was calculated to be zero. Since BOY is zero, interest cost is zero as well, and most of the increase in DBO is attributed to service cost.”

Comments: There is no specific rejoinder by the complainant to this point. Also, the complainant has asked us to delve into further reports wherein he has calculated current service costs and if the same is found incorrect, which is beyond the scope of this complaint. **Hence, it is concluded that there is no merit in this Part of the Allegation**

Part 3 of Allegation 2 – company will not have correct ingredient for product costing. **Since the above part 1 and part 2 of the Allegation is not substantiated, there is no merit in this Part of the Allegation**

Part 4-8 of Allegation 2 is referring to the earlier case of Mr. K. Subrahmanyam against Mr. N. Srinivasan which is being heard by the Disciplinary Committee. This part of the Allegation has been handed over to the Presiding Officer vide letter dated 15th January, 2014 by the erstwhile Prosecution Director, Mr. Narasimhan . **Hence, it is not being dealt with in this opinion.**

PRIMA FACIE OPINION:

- 1. With respect to Allegation 1, we may refer the case to the Council to consider possible violations of Section 39 and Section 41 of the Actuaries Act, 2006 by M/s. Numerica Quantitative Services Pvt. Ltd.**
- 2. There is no merit in the Allegation 2 – Parts 1 to 3 and hence the member, Mr. Liyaquat Khan may be held not guilty to these parts of the Allegation 2.**
- 3. Parts 4-8 of Allegation 2: has been handed over to the Presiding Officer by the erstwhile Prosecution Director and hence it cannot be a subject matter of my opinion. [Earlier PD, Mr. Narasimhan vide his letter dated 15 January 2014 has written to Presiding Officer that “Mr. N Srinivasan in the above complaint, further alleges bias on the part of Mr. Liyaquat Khan under para 4 to para 8 of his allegation 2, in the discharge of his duties as a Member of Disciplinary Committee, in the case of Mr. K Subrahmanyam against Mr. N Srinivasan (PD/C/2/2012-13). As this allegation refers to the case currently being heard. I am forwarding the complaint with all the annexures to the Disciplinary Committee in terms of Rule 5(4) (b) of the Actuaries (Procedure for Enquiry of Professional and Other Misconduct) Rules 2008 for their consideration if any.**

PROCEEDINGS AT THE MEETING OF DISCIPLINARY COMMITTEE HELD ON 20TH JUNE 2014

Allegation 1:

The members deliberated on the prima facie opinion of the Prosecution Director and agreed with the prima facie opinion of the Prosecution Director that this does not come under the purview of Disciplinary Committee and decided to refer this allegation to the Council to consider possible violations of Section 39 and Section 41 of the Actuaries Act, 2006 by M/s. Numerica Quantitative Services Pvt. Ltd.

Allegation 2:



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The members deliberated on the prima facie opinion of the Prosecution Director on Allegation 2

Allegation 2 - Parts 1 to 3

Part 1 of Allegation 2 refers to alleged non compliance with sec 119 and 120 of Accounting Standards 15 (Revised 2005). The Committee deliberated and noted that the report of the Defendant under question has the disclosures in line with requirements of the relevant Actuarial Practice Standards (APS 26) of the IAI. The Committee further noted that sections 119 and 120 of AS15(R) are disclosures that are the responsibility of the enterprise (client of the Defendant).

In relation to **Part 2 of Allegation 2**, it was noted that defendant in his written statement has adequately explained about the working of the current service cost and there is no specific rejoinder by the complainant on this point.

In relation to **Part 3 of Allegation 2**, it was noted that as part 1 and part 2 of the Allegation is not substantiated, there is no merit in this Part of the Allegation

Hence, Disciplinary Committee agreed with the prima facie opinion of the Prosecution Director under Rule 9(6) and referred Part 1 to 3 of Allegation 2 to the Council for its closure.

Allegation 2 - Parts 4 to 8

The erstwhile Prosecution Director, Mr. RL Narasimhan vide his letter dated 15th January 2014 has written to Presiding Officer as under;

“Mr N.Srinivasan in the above Complaint, further alleges bias on the part of Mr Liyaquat Khan under para 4 to para 8 of his Allegation 2, in the discharge of his duties as a Member of the Disciplinary Committee, in the case of K.Subrahmanyam against Mr N.Srinivasan (PD/C/2/2012-13). As this allegation refers to the case currently being heard. I am forwarding the Complaint with all the annexures to the Disciplinary Committee in terms of Rule 5 (4) (b) of the Actuaries (Procedure for Enquiry of Professional and Other Misconduct) Rules 2008 for their consideration if any.”

Disciplinary Committee noted the same and decided to club Parts 4 to 8 of Allegation 2 with earlier case of Mr. K Subrahmanyam against Mr. N Srinivasan (PD/C/2/2012-13) as per Rule 5(4b) of the Actuaries (Procedure for Enquiry of Professional and Other Misconduct) Rules, 2008

CONCLUSION

In view of the above, the Disciplinary Committee:

- 1) Allegation 1** - refers this allegation to the Council to consider possible violations of Section 39 and Section 41 of the Actuaries Act, 2006 by M/s. Numerica Quantitative Services Pvt. Ltd.
- 2) Allegation 2 (Part 1 to 3)** - refers Part 1 to Part 3 of Allegation 2 to the Council for its closure

3) Allegation 2 (Part 4 to 8) - decided to club Para 4 to Para 8 of Allegation 2 with earlier case of Mr. K Subrahmanyam against Mr. N Srinivasan (PD/C/2/2012-13) as per Rule 5(4b) of the Actuaries (Procedure for Enquiry of Professional and Other Misconduct) Rules, 2008

Accordingly, report of Disciplinary Committee dated 8th August 2014 was sent to Council

DECISION AT THE MEETING OF COUNCIL HELD ON 29TH NOVEMBER 2014

Allegation 1:-

The members deliberated on the prima facie opinion of the Prosecution Director and findings of the Disciplinary Committee report. It was also discussed that allegation 1 refers to possible violations of Section 39 and Section 41 of the Actuaries Act, 2006 by M/s. Numerica Quantitative Services Pvt. Ltd and thus does not come under the purview of Disciplinary Committee.

The Council authorized President to take appropriate steps in this case.

Allegation 2 (Part 1 to 3):-

The members deliberated on the prima facie opinion of the Prosecution Director and findings of the Disciplinary Committee report. It unanimously agreed with the findings of the Disciplinary Committee and decided to close the matter with immediate effect.

Allegation 2 – (Part 4 to 8)

Council noted that the Disciplinary Committee has decided to club Para 4 to Para 8 of Allegation 2 with earlier case of Mr. K Subrahmanyam against Mr. N Srinivasan (PD/C/2/2012-13) as per Rule 5(4b) of the Actuaries (Procedure for Enquiry of Professional and Other Misconduct) Rules, 2008.

Accordingly, decision was communicated to both the parties along with Order of Council on 27th February 2015

PROCEEDING AT THE MEETING OF DISCIPLINARY COMMITTEE HELD ON 18TH DECEMBER 2015 ON ALLEGATION 2 (PART 4 TO 8)

It was noted that allegation 2 (para 4 to 8) has been clubbed with earlier case of Mr. K Subrahmanyam against Mr. N Srinivasan (PD/C/2/2012-13) as per Rule 5(4b) of the Actuaries (Procedure for Enquiry of Professional and Other Misconduct) Rules, 2008. Prosecution Director was requested to submit Prima Facie Opinion in the case as per the procedure.

PRIMA FACIE OPINION OF PROSECUTION DIRECTOR DATED 20TH FEBRUARY 2016

There is no merit in the Allegation 2 – Parts 4 to 8 since the member, Mr. Liyaquat Khan is not a member (as on date) of the Disciplinary Committee hearing the case of Mr. K. Subrahmanyam against Mr. N. Srinivasan referred to. Hence, Mr. Khan may be held not guilty to these Part 4 to Part 8 of the Allegation 2.



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PROCEEDING AT THE MEETING OF DISCIPLINARY COMMITTEE HELD ON 26TH MARCH 2016

It was noted that there was no evidence provided by the complainant to support the charges as mentioned in allegation 2 (part 4 to 8). The Disciplinary Committee followed its due process as per Actuaries (Procedure for enquiry of professional and other misconduct) Rules, 2008. Disciplinary Committee, therefore, decided to recommend to Council to close the matter under Rule 9(6) of the Actuaries (Procedure for Enquiry of Professional and Other misconduct) Rules, 2008 since it was decision of DC and not Mr. Liyaquat Khan who was the then DC member in his individual capacity.

Conclusion:

Defendant, Mr. Liyaquat Khan is held not guilty of part 4 to 8 of the allegation 2.

Accordingly, report of Disciplinary Committee dated 5th June 2016 was sent to the Council.

DECISION AT THE MEETING OF COUNCIL HELD ON 15TH OCTOBER 2016

The aforesaid report was deliberated by Council as per S. 29 of the Actuaries Act, 2006 in its meeting dated 15th October 2016. The Council agreed with the findings of Disciplinary Committee and held Defendant, Mr. Liyaquat Khan not guilty of Part 4 to Part 8 of the Allegation 2 and decided to close the matter as per the recommendation of Disciplinary Committee under Sub Rule 6 of Rule 9 of the Actuaries (Procedure for Enquiry of Professional and Other Misconduct) Rules, 2008.

Accordingly, Order of the Council dated 28th January 2017 was sent to both the parties accordingly.

By Order

Executive Director