



# 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  
+91 22 6243 3333 +91 22 6243 3322

## 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: Information against Mr. Saket Singhal (M. No 175)**

**Information No: PD/IN/4/2014-15**

**THE ALLEGATION (Prosecution Director's (PD) letter dated 4<sup>th</sup> July 2014)**

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.	Have done actuarial work relating to retiral benefits of Credit Suisse & its 6 group Companies in 2012 without making reference to the previous actuary	Part I(5) of The Schedule to The Actuaries Act, 2006 and PCS v3 Para 7.2 read with Part III (4) of The Schedule to the Actuaries Act, 2006

### Defendant's Submission:

Mr. Saket Singhal, in his written statement dated 23<sup>rd</sup> July 2014 has stated as under:

"At the outset, I express my deepest apology for non-receipt of my letter by Ms. N. Seethkumari. In fact I am surprised to know that the letter had not reached Ms. N. Seethakumari despite it was duly written, signed and handed over to my then employer Hewitt Associates India (P) Ltd. In order to courier the same.

I agree with Hewitt Associates India (P) Ltd. submission that I was the concerned actuary and therefore I was responsible for all the actuarial work. I do agree that it was my responsibility not only to write the letter but also to ensure that the letter should have reached Ms. N. Seethkumari. I apologise to Ms. N. Seethakumari for this unintentional error. I also apologise to the Institute for this unintentional error.

I consider it my misfortune that the courier related operations had been handled by Hewitt Associates India (P) Ltd. and somehow it seems the letter was not couriered. In fact I had the habit of checking and getting confirmation of delivery. In this particular case, now I don't remember, if I had done the same or not during the period April 2010 – May 2013, I must have sent more than 50 letters."



# 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  
+91 22 6243 3333 +91 22 6243 3322

## **Prima Facie Opinion of Prosecution Director dated 6<sup>th</sup> August 2014**

Mr. Saket Singhal has apologized for non-receipt of the letter by Ms. N. Seethakumari and agreed that it was his responsibility to ensure that the letter reached Ms. N. Seethakumari and that it was an unintentional error.

The member, Mr. Saket Singhal may be held guilty.

## **PROCEEDINGS IN THE MEETINGS OF DISCIPLINARY COMMITTEE**

The Disciplinary Committee in its meeting dated 31<sup>st</sup> August 2014 agreed with the prima facie opinion of Prosecution Director and decided to proceed further under Chapter IV of the Actuaries (Procedure of enquiry of Professional and Other Misconduct) Rules, 2008.

Defendant during the hearing pleaded "Not Guilty" of the charges levelled against him. Further, defendant in his written statement and during the course of hearing made following points;

- 1) There is no direct complaint or information against me and also there is no direct 'informant'
- 2) There is no evidence to link him to the said client 'Credit Suisse' particularly in the form of a service contract between him and 'Credit Suisse', invoice from him to the client and collection of service tax by him.
- 3) Para 7.2 of the PCS ver 3.0 prescribes reference to other actuary before accepting the appointment to provide actuarial advice. In this particular case, the appointment of the actuary was to calculate actuarial liabilities and prepare disclosures as per the Accounting Standard. The work involved calculation based on the 'salary escalation rate', 'attrition rate/s', employee and asset data-sets provided by the client, discount rate prescribed by the accounting standard and other decrement rates as per the Institute's guidance. The work involved was not advisory in nature but to run the program to calculate liabilities based on data and assumptions provided by the client or prescribed by the Accounting standard or the Institute and subsequently issue the certificate.
- 4) PD has not looked into the system of Certificate of Practice in the Institute and overlooked the fact that the employee benefits practice doesn't require CoP and hence Part 1 of the Schedule under which I am charged is not applicable to all to him. Part 1 of the Schedule is only applicable to the Actuaries in Practice.
- 5) PD has charged him under para 7.3 of PCS Ver 3.00 without looking into the fact that the said paragraph mentions the need to contact the 'other actuary' in case the 'other actuary' is acting or has recently provided advice on the same or a related matter. Did the PD has any documentary evidence to suggest that Ms. Seethakumari had provided advice to 'Credit Suisse' actuary in March 2012?



# 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  
+91 22 6243 3333 +91 22 6243 3322

- 6) Even the advisory group, which is an expert on the subject matter is not clear on the definition of assignment and had asked the Institute for clarification.
- 7) Since Hewitt Associate India (P) Ltd had taken the assignment and could be considered as "actuary in practice", primarily it was Hewitt Associate India (P) Ltd's responsibility to make reference to the previous actuary.

Prosecution Director during the final submission made following points;

- 1) As per his written statement dated 23rd July 2014, defendant has apologized that the letter has inadvertently not reached Mrs. Seethakumari which meant that he was accepting that he had accepted this assignment.
- 2) As per defendant's written statement dated 19th November 2014, in point 5A, defendant had mentioned that he was in employment with Hewitt Associates India Pvt. Ltd, in good faith and also because he always believed in the healthy professional relationships, he prepared a letter addressed to Mrs. Seethakumari, intimating her regarding Credit Suisse and also asking her if there was any professional reason for him not to accept the assignment.
- 3) the only question which needed to be asked was whether "Mr. Saket Singhal is actuary in practice." Prosecution Director mentioned that Mr. Saket Singhal had himself admitted that he was actuary in practice in the statement given on 23rd July 2014 and therefore it was his sole responsibility to ensure that the earlier actuary should be intimated. In view of this, she stood by her earlier opinion that "Mr. Saket Singhal should be held guilty"

Disciplinary Committee during the course of hearing decided to write to Ms. Seethakumari to provide evidence to suggest that she was the actuary who has done the actuarial work relating to retiral work with respect to Credit Suisse and its 6 group companies in the year 2012. Further, it was decided to write to M/s Aon Hewitt to submit documentary proof to suggest that Mr. Saket Singhal was the Actuary who has signed the actuarial work relating to retiral work with respect to Credit Suisse and its 6 group companies in the year 2012.

Ms. N Seethakumari in her letter dated 22nd June 2015 has sent copies of the relevant signature pages specifying the report date of her valuation reports of Credit Suisse and its group companies for the year 2010-11 thereby confirming that she was previous actuary who has recently provided advice to the client.

M/s Aon Hewitt in its letter dated 26th June 2015 has enclosed copy of signed valuation report showcasing the same being signed by Mr. Saket Singhal with respect to benefits of M/s Credit Suisse and group companies for the year 2011-12 thereby confirming that he was actuary invited to give advice to the client.

In view of above, it is clear that Mr. Saket Singhal was actuary invited to give advice to the client and he has accepted an assignment without making a reference to the previous actuary.



# 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  
+91 22 6243 3333 +91 22 6243 3322

Hence, Disciplinary Committee in its meeting held on 24 August 2015 decided that Defendant is guilty of Misconduct under PCS version 3.00 Para 7.2 read with Part III (4) of the schedule to the Actuaries Act, 2006.

**Accordingly, Report of Disciplinary Committee dated 26<sup>th</sup> November 2015 was sent to Council.**

## **PROCEEDINGS IN THE COUNCIL MEETING HELD ON 15TH OCTOBER 2016**

The Council after carefully going through the DC Report, decided to refer it back to the Disciplinary Committee for further inquiry as per section 29(2) of Actuaries Act, 2006 in the context of section 4.3.3 of PCS (version 3.00) and examine whether the breach of section 7.2 of PCS (version 3.00) and examine whether the breach of section 7.2 of PCS (version 3.00) is material enough to conclude the same as Professional Misconduct. Accordingly, Order of the Council (under section 29(2) of Actuaries Act 2006) dated 27<sup>th</sup> December 2016 was sent to Disciplinary Committee

## **PROCEEDINGS IN THE DISCIPLINARY COMMITTEE MEETING HELD ON 3RD FEBRUARY 2017**

The Committee discussed the Order of the Council dated 27<sup>th</sup> December 2016 in detail in the context of section 4.3.3 and section 7.2 of PCS (version 3.00) and decided as under;

- 1) Mr. Saket Singhal had written to other clients on similar assignment during that period.
- 2) He has expressed his deepest apology for non-receipt of his letter to Ms. N Seethakumari which he has claimed that he has duly written, signed and handed over to his then employer, Hewitt Associates (P) Ltd in order to courier the same. However, this has not reached Ms. Seethakumari.
- 3) It was noted that Prosecution Director vide her letter dated 13 May 2014 has written to Ms. Seethakumari that "it is observed that Mr. Saket Singhal has signed the reports in the year 2012 in respect of M/s Credit Suisse and their 6 group companies" and "...whether you would prefer to file a complaint in form as per the Rules against Mr. Saket Singhal...." However, Ms. Seethakumari has not reverted on the letter.
- 4) There was no adverse impact in this case.

In view of this it was concluded that breach is not material enough to conclude that the same as Professional Misconduct as per section 4.3.3 of PCS (version 3.00). Accordingly, report of Disciplinary Committee 18<sup>th</sup> February 2017 was sent to the Council.

## **DECISION IN THE COUNCIL MEETING HELD ON 3RD JUNE 2017**



# 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  
+91 22 6243 3333 +91 22 6243 3322

The Council accepted the Disciplinary Committee report dated 18<sup>th</sup> February 2017 and agreed on the conclusion that the breach is not material enough to conclude the same as Professional Misconduct as per section 4.3.3 of PCS version 3.00. However, the Council has observed some procedural lapses by the defendant and expressed that the defendant shall be advised not to repeat the same in future.

Accordingly, as per Council decision, letter was sent to defendant, Mr. Saket Singhal on 12<sup>th</sup> August 2017.

**BY ORDER**

**EXECUTIVE DIRECTOR**