



# 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: Information against Ms. Anuradha Sriram (M. No 004)**

**Information No: PD/IN/3/2014-15** (Prosecution Letter dated 2<sup>nd</sup> July 2014)

### THE ALLEGATION

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.	As Actuary in practice, have signed 8 reports as at 31st March, 2013 in respect of M/s. Deutsche Bank and their 6 group companies without making a reference to the previous Actuary.	Part I(5) of The Schedule to The Actuaries Act, 2006) read with PCS v3 Para 7.2 :  Accepts an assignment as actuary previously held by another actuary without first communicating with him in writing

### Defendant's Submission

Ms. Anuradha Sriram, in her written statement dated 21st July, 2014 has stated as under: *"Responsibility for the conduct of the Deutsche Bank Account was assumed by another actuary. Mr. A. V. Ganapathy and me. It was agreed that Mr. Ganapathy would have day to day control of the account and would be responsible for notifying Mrs. Seethakumari that we had been invited by Deutsche Bank to give actuarial advice. When it became apparent that Mr. Ganapathy had not served the appropriate notice upon Ms. Seethakumari, Mr. Ganapathy sought to rectify the position by serving upon her, letters dated 12th September 2013 which apologised for his oversight and asked her to let him know if there are any professional reasons that he should consider in accepting the appointment. "*

She further states:

*'I admit I signed 8 reports for Deutsche Bank. I signed the reports because at the time that they need signing, Mr. Ganapathy was not available and they needed to be signed urgently because of Deutsche's requirement. At the time that I signed the reports I was fully cognisant of all the relevant issues and the relevant circumstances regarding the reports*



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*because I was the peer reviewer. Mr. Ganapathy was fully aware of my involvement and I informed him that I would be signing the reports.*

*With regard to your enquiry regarding my employment status, I can confirm that I have been an employee of Towers Watson since November 2006."*

Prosecution Director in her letter to Ms. Anuradha Sriram dated 4th August, 2014 had asked for clarifications:

In your letter, you have stated as under:

*'Responsibility for the conduct of the Deutsche Bank account was assumed by another actuary, Mr. A. V. Ganapathy and me. It was agreed that Mr. Ganapathy would have day to day control of the account and would be responsible for notifying Mrs. Seethakumari that we had been invited by Deutsche Bank to give actuarial advice.'*

From the statement above, it appears that there is an agreement between Mr. Ganapathy and yourself relating to control of the assignment as well as the modalities of informing the previous actuary, Mrs. Seethakumari. Please furnish me a copy of the agreement/letter which depicts such an arrangement between you.

You have confirmed that you are an employee of Towers Watson since November 2006. Please let me have a copy of the letter given by Towers Watson to you engaging your services as an employee of the company."

Ms. Anuradha Sriram, in her reply dated 11th August, 2014, stated as under:

*'The agreement to which you refer was not made or recorded, in writing.*

## **PRIMA FACIE OPINION DATED 14<sup>TH</sup> AUGUST 2014:**

It is the responsibility of the Actuary signing the reports to inform the earlier actuary. She has not informed the earlier actuary herself and she has admitted as such in her written statement. Also, she has admitted that there is no agreement in writing between Mr. A. V. Ganapathy regarding information to earlier actuary. It is also confirmed from the contract of employment that she is an employee of Towers Watson.

The member, Ms. Anuradha Sriram may be held guilty in the Allegation under Part I(5) of The Schedule to The Actuaries Act, 2006) read with PCS v3 Para 7.2.

## **PROCEEDINGS AT THE MEETING 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". Further, defendant in her written statement and during the course of hearing made following points;

- 1) Ms. Anuradha Sriram was an employee of Towers Watson India Pvt. Ltd. The assignment in question related to entities of the Deutsche Bank group; One Mr. A V Ganapathy and Ms. Anuradha Sriram was/were involved in the same. However, primary responsibility for



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the assignment was assumed by Mr. Ganapathy, it being agreed that he would have day-to-day control of the assignment. Mr. Ganapathy was therefore responsible for notifying the actuary preceding him, Ms. N Seethakumari. As already stated by Mr. Ganapathy before the Disciplinary Committee in proceedings related to him, though he has not contact Ms. Seethakumari at the outset, upon becoming aware of this position, he had immediately apologized to Ms. Seethakumari and also sent her the requisite notice on 12th September 2013, requesting her to inform him if there were any professional reasons to be considered in accepting the appointment or any particular considerations which ought to be borne in mind in relation to giving of advice. As per their knowledge, Mr. Ganapathy has not received any response from Ms. Seethakumari, and it is clear that no such reasons or consideration existed.

- 2) It was further informed that Ms. Anuradha Sriram has signed the eight Actuarial reports in question on 6th and 8th May 2013 because Mr. Ganapathy was not available in office on those days. Mr. Ganapathy was aware at that time that Ms. Sriram was signing the reports. Ms. Sriram was fully cognizant of all the necessary information and data required to assume responsibility for signing the report. However, it was reasonable, under these circumstances, for Ms. Sriram to proceed on the bonafide belief that Mr. Ganapathy had contacted the actuary preceding him as contemplated under the Professional Conduct Standards V.3.00
- 3) It was further informed that Mr. Ganapathy had on 2nd May 2013, signed actuarial reports for all of the six entities for whom Ms. Sriram had signed reports on 6th and 8th May 2013. This being so, the actuary preceding Ms. Sriram was Mr. Ganapathy. The contention that Ms. Sriram has not contacted Ms. Seethakumari as the preceding actuary is untenable.
- 4) Further Ms. Anuradha Sriram Counsel submitted various case laws to support their argument. They informed that from the judgement it can be inferred that Misconduct arises from ill-motive and mere acts of negligence, innocent mistake or errors of judgement do not constitute the misconduct. Even if there is any negligence in performance of duties or errors of judgement in discharging of such duties, the same cannot constitute misconduct unless ill-motive in the aforesaid acts are established. They further informed that every lapse even if it may be stipulated, does not necessarily lead to the inference of misconduct.

## **Prosecution Director during the final submission made following points;**

She mentioned that in the arguments given by the defendant in her letter dated 3rd February 2015 Ms. Anuradha Sriram presumed that Mr. A.V. Ganapathy had contacted Mrs. Seethakumari so it was implied from the statement that she felt the previous actuary was Mrs. Seethakumari. The letter further stated that since Mr. A. V. Ganapathy had signed for all 6 entities earlier than Ms. Anuradha Sriram, he was the earlier actuary and therefore no intimation was required. This she thought was a very contradictory stand. Further she mentioned that the point which needed to be addressed was who is the real earlier actuary and for the purposes of any report typically it is the entity plus the scheme that we need to look at because we'll be putting in the previous year's figures in a particular report and the previous year's figures would have been given by a particular actuary and in this case the



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previous actuary in contention was Mrs. Seethakumari and not Mr. Ganapathy so the person who should have been intimated was Mrs. Seethakumari and not Mr. Ganapathy. In view of this, she mentioned that she will hold to her earlier opinion that Ms. Anuradha Sriram should be held guilty.

The Disciplinary Committee in its meeting held on 24 August 2015 considered the written statement and documents relating thereto, and oral submission made by Defendant and the Prosecution Director. Disciplinary Committee observed that the previous year's figure in reports signed by Ms. Anuradha Sriram is of Ms. Seethakumari and not of Mr. A V Ganapathy. Hence the previous actuary is Ms. Seethakumari who has recently provided advice to the client. The defendant made a plea that this assignment was initially taken by another actuary, Mr A V Ganapathy, but Mr Ganapathy did not do this assignment and later on her employer has given the assignment to her. She has given statement that she was of the impression that Mr Ganapathy would have informed the previous actuary and hence the communication gap of not informing the previous actuary has happened.

Based on the evidences, oral and written submissions by the defendant, it is clear that Ms. Anuradha Sriram was the actuary who has given advice to the client and she has accepted an assignment without making a reference to the previous actuary.

Hence, it was 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.

## **CONCLUSION OF DISCIPLINARY COMMITTEE**

Defendant, Ms. Anuradha Sriram 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 15 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 3 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;



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- 1) Ms. Anuradha Sriram has written to other clients on similar assignment during that period.
- 2) Ms. Anuradha Sriram was an employee of Towers Watson India Pvt. Ltd. The assignment in question related to entities of the Deutsche Bank group; Mr. A V Ganapathy and Ms. Anuradha Sriram was/were involved in the same. However, it was noted that primary responsibility for the assignment was assumed by Mr. Ganapathy, it being agreed that he would have day-to-day control of the assignment. Mr. Ganapathy has stated before the Disciplinary Committee in proceedings related to him, though he has not contacted Ms. Seethakumari at the outset, upon becoming aware of this position, he had immediately apologized to Ms. Seethakumari and also sent her the requisite notice on 12th September 2013, requesting her to inform him if there were any professional reasons to be considered in accepting the appointment or any particular considerations which ought to be borne in mind in relation to giving of advice. Mr. Ganapathy has not received any response from Ms. Seethakumari, and it is clear that no such reasons or consideration existed.
- 3) It was noted that Prosecution Director vide her letter dated 25 March 2014 has written to Ms. Seethakumari that "on perusal of the prima facie opinion of the Prosecution Director, the Disciplinary Committee observed that Mr. A V Ganapathy (M. No 56) has signed 20 reports and Ms. Anuradha Sriram (M. No 4) has signed 8 reports as at 31st March 2013 in respect of M/s Deutsche Bank and their 6 group companies" and "..whether you would prefer to file a complaint in form as per the Rules against respective actuaries...." 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).

## **CONCLUSION**

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 dated 18<sup>th</sup> February 2017 was sent to the Council.

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

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, Ms. Anuradha Sriram on 12<sup>th</sup> August 2017.

## **BY ORDER**



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**EXECUTIVE DIRECTOR**