

## **Chief Executive Officer (CEO)**

### **Roles & Responsibilities**

- Monitor and manage risk at both AMC and Scheme level
- Review the outcomes of risk management function on a monthly basis.
- Approve roles and responsibility including KRA of Heads of Departments
- Define risk appetite at AMC and scheme level and place these at the risk committees for approvals.
- Review risks events across different functions and approve corrective / recommended actions highlighted by the CIO and other Heads of Departments
- Review identified fraud incidents, loss incidents along with corrective action plans and report to the risk committee
- Report and escalate corrective actions on major findings to the Board of AMC and Trustee.
- Ensure adherence to the risk management framework of SEBI.
- Approve the corrective action on various findings and report to the board of AMC and trustee regarding the same and escalate to board of AMCs and trustees, if required, any major findings being reported.
- Define risk metric for CIO, Fund Managers and the Head of the Departments

## **Chief Business Officer**

### **Roles & Responsibilities**

- Responsible for the governance of business risks including distribution risks.
- Provide inputs to RO to define risk threshold and risk appetite
- Define and delegate roles to the key personnel within the distribution / sales function for identifying and reporting risks
- Provide relevant information to RO regarding the risk reports
- Review the risk level for the functional risk is in accordance to the approved risk threshold and risk metric.
- Formulate, review and periodically provide inputs to update the Risk Register for key risks and controls
- Monitor the distribution channels and miss-selling incidents reported such as –
  - Number of mis-selling incidents
  - Negative comments in the inspection report relating to distribution
  - Analysis of the portfolio of investors e.g. nature of investments vis-à-vis risk appetite of investor
- Exceptions reported by Sales & Marketing basis reviews done for distributors.
- Identify and implement corrective actions / recommend action plans for deviations in the controls and present to RO/ CEO
- Ensure adherence to the SEBI risk management framework

## Chief Investment Officer (CIO)/ Portfolio Managers

### Roles & Responsibilities

- Ensure adherence to risk management guidelines and risk appetite framework for schemes;
- Ensure daily management of risk and necessary reporting relating to Investment risk of all scheme(s) such as market Risk, liquidity Risk, credit risk etc. and other scheme specific risks (Compliance Risk, Fraud Risk, etc.)
- Review and provide recommendations for changes to the Investment and other policies such as credit risk policy, liquidity risk policy and governance risk policy and place it with Board for approval.
- Ensure implementation of an integrated investment management system across front office, mid office and back office.
- Ensure investment policies are aligned to the investment objectives as documented in the Scheme Information Document (“SID”)
- Provide relevant information to CRO regarding the risk reports
- Monitoring risk appetite within the potential risk class of the respective schemes
- Ensuring that schemes are managed in line with regulatory requirements
- Manage and monitor investment risks by conducting –
  - Redemption analysis
  - Investor concentration analysis
  - Distributor concentration analysis
- Ensure adherence to the “Stewardship Code” and other regulatory updates prescribed by SEBI for mutual funds
- Calculate overall risk by taking in to account the weighted average of -
  - The risk-o-meter and
  - The events of defaults.
- Ensure periodic reviews and monitoring the following –
  - Activities performed by fund managers with respect to risks identification, risk management, reporting and corrective actions.
  - Review and approve the changes to the risk appetite within the potential risk class of the respective schemes
  - Exceptions / breaches to the Investment limits and identify and implement corrective actions.
  - Investment risk for new products
  - Implementation of controls around dealing room such as –
    - non usage of mobile phones
    - dedicated recorded lines
    - restricted internet access
    - handling of information
- Monitor exceptions identified on review of the regular risk management activities
- Review adequacy of disclosures made to the investors regarding significant risks such as liquidity, counterparty and credit (quality of investments made mainly debt based on the credit rating), investment, and other risk areas across all schemes. Ensure disclosures made to clients are consistent with investments and holdings
- Ensure that fund managers and dealers comply with Code of Conduct as per Schedule V B of Mutual Fund Regulations.
- Report the key risk identified and corrective actions taken to the CEO and RO.
- Define the responsibilities of the Fund Managers

## **Fund Manager (FM)**

### **Roles & Responsibilities**

- Manage investment risk of managed scheme(s). i.e., market risk, liquidity risk, credit risk and other scheme specific risks within approved limits
- Ensure adherence to Risk Management framework, SID, internal & Regulatory limits.
- Ensure adherence of applicable provisions of Mutual Funds Regulations including Code of Conduct per Schedule V B.
- Adhere to the risk appetite framework of the scheme managed by the Fund Manager.
- Suggest / provide inputs on changes required to risk appetite to the CIO
- Recommend reduction/ change in the risk level of the schemes within the Potential Risk Class (PRC) to the CIO.
- Report identified risk, risk related events and corrective actions plans to the CIO
- Measure risks in accordance with the approved internal policy and risk metric.
- Ensure disclosures made to clients are consistent with investments and holdings
- Perform due diligence at the time of buying securities through inter-scheme transfers.
- Ensure maintenance of all relevant documents and disclosures with regard to debt and money market instruments before finalizing the deal

## **Head – Finance & Accounts**

### **Roles & Responsibilities**

- Responsible for the governance of financial accounting and reporting risks.
- Formulate and implement policy for mutual fund accounting and obtain approval from the Board of AMC
- Perform periodic review and suggest changes in the policies and obtain approval from Board of AMC
- Provide inputs to RO to define risk threshold and risk appetite
- Define and delegate roles to the key personnel within the finance / accounting function for identifying and reporting risks
- Provide relevant information to RO regarding the risk reports
- Identify and implement corrective actions / recommend action plans for deviations in the controls and present to RO/ CEO
- Ensure adherence to the SEBI risk management framework
- Formulate procedure documents and implement process to perform periodic testing of internal controls over financial reporting of Mutual Fund schemes
- Review the risk level are in accordance with the approved risk threshold and risk metric.

## **Head- Human Resources**

### **Roles & Responsibilities**

- Responsible for the governance of Human Resource risks
- Formulate and implement Human Resources and remuneration policy and obtain approval from the Board of AMC
- Review and suggest changes in the policies and obtain approval from Board of AMC
- Provide inputs to RO to define risk threshold and risk appetite

- Define and delegate roles to the key personnel within the human resource function for identifying and reporting risks
- Provide relevant information to RO regarding the risk reports
- Ensure escalation of such incidents as per the escalation matrix approved by RO.
- Review the risk level for the functional risk is in accordance to the approved risk threshold and risk metric.
- Formulate, review and periodically provide inputs to update the Risk Register for key risks and controls
- Perform and report outcomes of periodic testing of the Risk Register to RO
- Identify and implement corrective actions / recommend action plans for deviations in the controls and present to RO/ CEO
- Ensure a well-defined succession planning process for KMP and other key positions in the AMC
- Adequate backup and succession plan for key positions and key people are present at all times to ensure that at no point of time the AMC is deprived of the services of any Key Managerial Person (KMP).
- Ensure adherence to the SEBI risk management framework
- Ensure that risk related KRAs are defined for Heads of Departments and one level below as required by the SEBI RMF

## Head - Compliance

### Roles & Responsibilities

- Responsible for the governance of compliance risks.
- Formulate and implement compliance and other policies such as prevention of front running, outside business activity, commercial bribes and kickbacks, whistle blowing policy, record retention policy, outsourcing arrangements etc. in accordance with SEBI risk management framework and approved by the Board of AMC and Trustee
- Review and suggest changes in the policies and obtain approval from Board of AMC and Trustee
- Ensure identification and communication of regulatory updates to the respective functions and Heads of Departments and monitor implementation.
- Provide inputs to CRO to define risk threshold and risk appetite of Compliance
- Provide relevant information to RO (Risk Officer) regarding monthly / quarterly risk reporting to the Committees
- Formulate, review and update the Risk Register for key Compliance risks and controls
- Perform and report outcomes of periodic testing of the Risk Register to RO
- Ensure adherence to the SEBI risk management framework
- Ensure timely submission of regulatory reports to the Regulator and Board of AMC and Trustee as prescribed by the SEBI Mutual Funds Regulations.
- Implement process for prevention or detection of possible insider trading at the personnel or portfolio levels
- Identify and implement corrective actions / recommend action plans for deviations in the controls and present to CRO/ CEO
- Define and delegate roles to the key personnel within the compliance function for identifying and reporting risks
- Review the risk level for the functional risk is in accordance with the approved risk threshold and risk metric

## Other Heads of Departments

### Roles & Responsibilities

- Responsible for the governance of operational risks.
- Provide inputs to RO to define risk threshold and risk appetite
- Define and delegate roles to the key personnel within the operations function for identifying and reporting risks
- Provide relevant information to RO regarding the risk reports  
Ensure escalation of such incidents as per the escalation matrix approved by RO.
- Perform adequate due diligence of outsourced vendors prior to onboarding
- Ensure periodic assessment of outsourced vendors considering following elements:
  - Review of vendors' people, systems and processes
  - Documentation and communication of error tolerance and code of conduct and monitoring breaches
  - Monitor fraud vulnerabilities in the outsourced process
- Ensure risk level are in accordance to the approved risk threshold and risk metric.
- Formulate, review and periodically provide inputs to update the Risk Register for key risks and controls
- Perform and report outcomes of periodic testing of the Risk Register to RO
- Identify and implement corrective actions / recommend action plans for deviations in the controls and present to RO/ CEO
- Ensure adherence to the SEBI risk management framework

## Risk Officer (RO)

### Roles & Responsibilities

- Ensure all risk related policies are defined, reviewed, and updated periodically and placed at the relevant risk management committee for approval.
- Responsible for implementation and governance of Risk Management Framework (“RMF”) across Asset Management Company (“AMC”) and Mutual Fund Schemes
- Responsible for overall risk management related activities of the AMC and Mutual Fund Schemes
- Establishing an organization wide risk conscious culture-
- Formulate and implement structured reporting process for risk monitoring and reporting to CEO, Risk Committees and Board of AMC and Trustee
- Monitor and ensure adherence and compliance to RMF across AMC and Mutual Fund Operations.
- Perform periodic review and update the RMF defined by the AMC and place the same to the Risk Management Committee (“RMC”) for approval.
- Formulate and recommend changes to roles and responsibilities including KRAs relating to risk management activities and place these at the RMCs for approval.
- Review and report the following to the ERM and Board Risk Committee of AMC and Trustee –
  - Monitor control breaches as a result of periodic Risk Register review and mitigating actions put in place by the management and risk function.
- Independently assess reporting of risks to various committees and CEO.
- Report outcomes of the risk management function to the management atleast once a month.
- Report existing and emerging risks associated with the MF and AMC activities in a structured manner to the Board Risk Management Committee of the AMC and Trustee