

Chief Executive Officer (CEO)

Roles & Responsibilities

- i. The CEO shall be responsible for all the risks at both AMC and Scheme level.
- ii. The CEO shall
 - a. ensure that the outcomes of risk management function are reported to him on a monthly basis
 - b. define specific responsibility of HODs regarding risk management
 - c. define a risk appetite framework for schemes and AMC.
 - d. define appropriate risk metric for respective CIO, fund manager, etc.
 - e. ensure adherence to the guidelines pertinent to SEBI in respect of RMF and relevant principles thereunder including risk identification, risk management, risk reporting (both periodic and escalation of material incident) and corrective actions taken, if any.
 - f. The CEO shall 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. The CEO shall authorize respective Heads of Department for the effective day to day functioning including risk management.

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
 - For the relevant functional risks, identify, analyze and report the following to the RO and CEO along with recommended action plan for:
 - Early warning signals
 - Emerging risks
 - Major findings
 - Near miss and loss events
 - Fraud incidents
- 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 adherence to the SEBI risk management framework
 - Exceptions reported by Sales & Marketing basis reviews done for distributors
 - 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

Chief Investment Officer (CIO)/ Fund Managers

Roles & Responsibilities

- i. Respective fund managers of each scheme shall be the CIO for their schemes.
- ii. 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.) lies on the CIO/respective Fund Managers.
- iii. In respect of all schemes CIO/respective Fund Managers should ensure:
 - a. Adherence to the guidelines pertinent to SEBI in respect of RMF and relevant principles thereunder including risk identification, risk management, risk reporting (both periodic and escalation of material incident) and corrective actions taken, if any.
 - b. Defining specific responsibility of Fund Managers
 - c. Adherence to risk appetite framework - maintain risk level for schemes. CIO/respective Fund Managers will calculate the overall risk by taking in to account the weighted average of (i) the risk-o-meter and (ii) the events of defaults. Both (i) and (ii) are to be calculated in terms of a number taking into account the risko-meter and events of defaults or early mortality of investments which may inter alia include credit default, change in yield, change in NAV, external shock or unusual redemptions, etc. to quantify the overall risk.
 - iv. The CIO/respective Fund Managers shall escalate the corrective actions taken, if any, to the CEO and the RO.
- iv. The FM shall be responsible for daily management of investment risk of managed scheme(s) such as market Risk, liquidity Risk, credit risk and other scheme specific risks and appropriate risk reporting of any risk related event to CIO/respective Fund Managers.
- v. In respect of schemes managed by them, CIO/respective Fund Managers should ensure:
 - a. Adherence to relevant SEBI guidelines in respect of RMF and relevant principles thereunder including risk identification, risk management, reporting and corrective actions etc.
 - b. Adherence to risk appetite framework to maintain appropriate risk level for schemes.
 - c. If there is any need of change in the risk appetite of the scheme within the PRC of that particular scheme, the same is to be with the approval of the CIO/respective Fund Managers.
- vi. The respective scheme CIO/Fund manager shall present their risk reports based on the risk framework and risk appetite statements to the Investment committee and the Risk Management committees of AMC and Trustees.

Chief Financial Officer (CFO)

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
- For the relevant functional risks, identify, analyze and report the following to the RO and CEO along with recommended action plan for:
 - Early warning signals
 - Emerging risks
 - Major findings
 - Near miss and loss events
 - Fraud incidents
- Ensure escalation of such incidents as per the escalation matrix approved by RO.
- Ensure adequate segregation of duties within the finance function for accounting related activities for scheme and AMC
- Review the risk level are in accordance with 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
- Formulate procedure documents and implement process to perform periodic testing of internal controls over financial reporting of Mutual Fund schemes

1.1. Human Resources Officer (HRO)

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
- For the relevant functional risks, identify, analyze and report the following to the RO and CEO along with recommended action plan for:
 - Early warning signals
 - Emerging risks
 - Major findings
 - Near miss and loss events
 - Fraud incidents
 - 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

Other Heads of Departments

Roles & Responsibilities

- i. The respective head of the departments (HODs) shall be the CXO/COO of their respective functions.
- ii. The HODs shall be responsible for the governance of the risks of their respective departments.
- iii. In respect of respective risk type, HOD should ensure:
 - a. Adherence to the guidelines pertinent to SEBI in respect of RMF and relevant principles thereunder including risk identification, risk management, risk reporting (both periodic and escalation of material incident) and corrective actions taken.
 - b. Defining specific responsibility regarding risk management of key personnel reporting to them.
 - c. Maintaining risk level as per the risk metric.
- iv. The HOD shall escalate to CEO and the RO any major findings.

Risk Officer (RO)

Roles & Responsibilities

- i. The RO shall be responsible for ensuring that there is an effective governance framework and reporting framework of risk management in line with the regulatory requirements.
- ii. The risk management roles of the RO are as under:
 - a. Implementation of Risk management framework across the organization.
 - b. Put in place mechanism for risk reporting at least on a quarterly basis to the board of AMC, trustees, and RMCs, covering all risks including risk metrics, escalation of material risk related incidents, timely and corrective actions taken, if any.
 - c. Independent assessment of reporting of risk to various committees and CEO, etc.
 - d. Put in place mechanism for reporting to CEO - Including outcomes for risk management function on monthly basis.

- e. The RO shall inform to board of AMCs, trustee and risk committees regarding any major findings or corrective actions required and update on closure or the status of various recommendations.
- iii. The Risk officer or the risk management function of the RO shall not be entrusted with day-to-day functioning, the responsibility for which shall lie with the respective Head of Departments (CXOs). RO shall also ensure that investment decisions and the other functions of CIO are not encroached upon and the risk-taking ability of CIO in accordance of the scheme objective is not hindered.