

**TATA ASSET MANAGEMENT LIMITED**  
**SEBI Risk Management Circular dated September 27, 2021**  
**Roles and Responsibilities**

## Chief Executive Officer (CEO)

### Roles and Responsibilities

- The CEO shall be responsible for all the risks at both AMC and Scheme level.
- The CEO shall
  - ❖ ensure that the outcomes of risk management function are reported to him on a monthly basis
  - ❖ define specific responsibility of CIO and CXO regarding risk management
  - ❖ define a risk appetite framework for schemes and AMC.
  - ❖ define appropriate risk metric for respective CXO, CIO, fund manager, etc.
  - ❖ 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.
- The CEO shall approve the corrective action on various findings and report to the board of AMC and trustee regarding the same and also escalate to board of AMCs and trustees, if required, any major findings being reported.

# Head- Risk Management (HRM)

## Roles and Responsibilities

- 1) The HRM shall be responsible for ensuring that there is an effective governance framework and reporting framework of risk management in line with the regulatory requirements.
- 2) Implementation of Risk management framework across the organization.
- 3) Review specific responsibility of management, including CEO, CIO, CXOs, and Fund Managers.
- 4) 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.
- 5) Independent assessment of reporting of risk to various committees and CEO, etc.
- 6) Put in place mechanism for reporting to CEO - Including outcomes for risk management function on monthly basis.
- 7) The reporting of risk as above is independent from the CIO and verified by the risk team.
- 8) Ensure that there is a DoP approved by the Board of AMC for risk management by HRM covering the following
  - Daily risk management
  - Daily risk reporting
  - Corrective actions at the level of Fund manager, CIO and CEO.
- 9) HRM shall inform to board of AMCs, trustee and risk committees regarding any major findings or corrective actions required and also update on closure or the status of various recommendations.

# Chief Investment Officer (CIO)

## Roles and Responsibilities

- Daily management of risk and necessary reporting relating to Investment risk of all schemes(s) such as market Risk, liquidity Risk, credit risk etc. and other scheme specific risks (Compliance Risk, Fraud Risk, etc.) lies on the CIO.
- In respect of all schemes CIO should 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.
  - ❖ Defining specific responsibility of Fund Managers
  - ❖ Adherence to risk appetite framework - maintain risk level for schemes
- CIO shall 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 risk-o-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
- The CIO shall escalate the corrective actions taken, if any, to the CEO and HRM

# Fund Manager (FM)

## Roles and Responsibilities

- 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.
- In respect of schemes managed by them, FMs should ensure:
  - ❖ Adherence to relevant SEBI guidelines in respect of RMF and relevant principles thereunder including risk identification, risk management, reporting and corrective actions etc.
  - ❖ Adherence to risk appetite framework to maintain appropriate risk level for schemes.
  - ❖ 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
- The FM shall take corrective action, if required, as per the approved DoP and escalate major risk related event to CIO.

# Chief Operating Officer (COO)

## Roles and Responsibilities

- The COO shall be responsible for the governance of the risks pertaining to various functions under his control/supervision.
- COO should 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.
  - ❖ Defining specific responsibility regarding risk management of key personnel reporting to them.
  - ❖ Maintaining risk level as per the risk metric.
- The COO shall take immediate corrective action for non-compliance or major finding post approval from CEO as per DoP and shall report to Head- Risk Management regarding the risk reports.
- The COO shall escalate to CEO and the Head – Risk Management any major findings reported by respective risk management function.

# Business Head (BH)

## Roles and Responsibilities

- Shall be responsible for the governance of the respective functional areas/areas under direct supervision
- In respect of respective risk types, BHs should 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.
  - ❖ Defining specific responsibility regarding risk management of key personnel reporting to them.
  - ❖ Maintaining risk level as per the risk metric.
- Shall take immediate corrective action for non-compliance or major finding post approval from CEO as per DoP and shall report to HRM regarding the risk reports.
- Shall escalate to CEO and the HRM any major findings reported by respective risk management function.

# Head - Marketing (HM)

## Roles and Responsibilities

- Shall be responsible for the governance of the respective functional areas/areas under direct supervision
- In respect of respective risk types, HM should 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.
  - ❖ Defining specific responsibility regarding risk management of key personnel reporting to them.
  - ❖ Maintaining risk level as per the risk metric.
- Shall take immediate corrective action for non-compliance or major finding post approval from CEO as per DoP and shall report to HRM regarding the risk reports.
- Shall escalate to CEO and the HRM any major findings reported by respective risk management function.



## Head - HR (HHR)

### Roles and Responsibilities

- Shall be responsible for the governance of the respective functional areas/areas under direct supervision
- In respect of respective risk types, HHR should 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.
  - ❖ Defining specific responsibility regarding risk management of key personnel reporting to them.
  - ❖ Maintaining risk level as per the risk metric.
- Shall take immediate corrective action for non-compliance or major finding post approval from CEO as per DoP and shall report to HRM regarding the risk reports.
- Shall escalate to CEO and the HRM any major findings reported by respective risk management function.

## Other CXOs

### Roles and Responsibilities

- The other CXOs shall be responsible for the governance of the respective risk types.
- In respect of respective risk type, CXO should 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.
  - ❖ Defining specific responsibility regarding risk management of key personnel reporting to them.
  - ❖ Maintaining risk level as per the risk metric.
- The CXOs shall take immediate corrective action for non-compliance or major finding post approval
- from CEO as per DoP and shall report to CRO regarding the risk reports.
- The CXO shall escalate to CEO and the CRO any major findings reported by respective risk management function.