Annexure B

Summary of the public comments on 'Consultation paper on Flexibility to AIFs in winding up the scheme and surrendering the registration'

Proposals		**No. of people/entities agreeing to the proposal**					
S. No.	**Proposal Description**	**Strongly Agree**	**Agree**	**Partially Agree**	**Disagree**	**Strongly Disagree**	**Total Count**
1	Do you agree that AIF schemes may be permitted to retain funds beyond permissible fund life subject to the following conditions: 1.a. Demonstrable receipt of litigation or demand notice from tax authorities or any other regulatory authority / law enforcement agency; 1.b. Consent from at least 75% of the investors by value in case of anticipated liabilities arising due to litigation or tax demand; and 1.c. Substantiation of retained amounts towards operational expenses through invoices, supporting documents or comparable expenses incurred in previous years.	7	10	6	0	0	23
2	Do you agree that the heads of specific operational expenses be prescribed (ref: Proposal 1.c)? If yes, public comments are sought on different heads of operational	5	5	2	8	1	21

	expense that may be specified for this purpose.						
3	Do you agree that AIFs intending to surrender registration and having one or more such schemes as mentioned at Proposal 1, may be tagged as inoperative?	5	11	3	0	0	19
4	Do you agree that AIFs that have not retained monies beyond permissible fund life may also apply for inoperative status?	7	10	1	0	0	18
5	Do you agree with the following regulatory framework which will be applicable for inoperative funds?	8	5	8	0	0	21

For each proposal in the consultation paper, a summary of proposal wise comments and SEBI's views are given as under –

Proposal 1: Do you agree that AIF schemes may be permitted to retain funds beyond permissible fund life subject to the following conditions:

1.a. Demonstrable receipt of litigation or demand notice from tax authorities or any other regulatory authority / law enforcement agency;

1.b. Consent from at least 75% of the investors by value in case of anticipated liabilities arising due to litigation or tax demand; and

1.c. Substantiation of retained amounts towards operational expenses through invoices, supporting documents or comparable expenses incurred in previous years.

S. No.	Comments received	SEBI's views
1.	With regard to sub-proposal 1(a), commenters have agreed in principle but have suggested that the definition of 'demonstrable receipt' of a litigation or demand notice must be pragmatic. It has been highlighted that tax proceedings in India frequently commence with preliminary inquiries, show-cause notices (SCNs), or investigation summons well before a formalized demand notice is crystallized. Accordingly, it has been suggested that the definition of 'demonstrable receipt' be expanded to explicitly include any official written communication from Tax Authorities or regulatory bodies — including electronic communications, preliminary assessments, SCNs, and investigation summons — that threatens or anticipates a tax demand. Retained monies for litigation and or tax demands should be supported by detailed workings demonstrating reasonableness and certified by an independent professional.	The rationale for modifying the definition of 'demonstrable receipt' merits consideration. Accordingly, the definition has been modified suitably in the present proposal. Since the retention is based on 'demonstrable receipt', no independent professional certification is deemed necessary.
2.	With respect to sub-proposal 1(a), the provision currently requires "demonstrating receipt" but does not specify the authority, format, or evidentiary standards, creating ambiguity and potential for inconsistent implementation. Further, it has been suggested that the framework should permit retention not just	The AIFs applying for tagging as 'inoperative fund' or submitted the details of retention would be required to demonstrate the same to SEBI by submitting adequate details and documents. The proposed framework permits retention of

S. No.	Comments received	SEBI's views
	for the principal demand but also for ongoing operational and litigation costs including legal fees, consultant fees, audit fees, and RTA charges.	operational expenses incidental to managing ongoing litigations which could include legal and advisory fees and accordingly, no specific limit has been specified for such retention on account of pending litigation or tax demand.
3.	A segment of commenters has suggested that conditions 1(a) and 1(b) be dispensed with entirely. The rationale offered is that income tax authorities retain the statutory power to reopen assessments for several years after the end of the relevant financial year. These commenters are of the view that a Fund which has reasonable grounds to believe an assessment may be reopened should be permitted to retain monies even in the absence of a formal demand notice, subject to providing periodic disclosures to investors.	Retention of funds on account anticipated tax or litigation demand has already been provided under scenario 2. Further, the requirement for investor consent is a necessary safeguard since this involves retention of proceeds based on anticipated liabilities, unsupported by demonstrable claims and based on assumption.
4.	The anticipated liabilities due to tax demand should be directly linked to the response in 1a above meaning a threatened tax demand via a preliminary notice should be valid grounds to seek this 75 percent investor consent for fund retention.	The definition of 'demonstrable receipt' has been proposed to be modified to include such preliminary notices and in that case no investor consent would be required.
5.	Explaining about each anticipated litigation to majority of investors and taking their consent will not be feasible.	No requirement of investor consent has been prescribed in cases where monies are

S. No.	Comments received	SEBI's views
	Further, commenters have opined that since the payment of litigation or tax demands is mandatory in nature, the requirement of obtaining 75 percent investor consent should be dispensed with in respect of such statutory obligations.	retained on account of 'demonstrable receipt'. The requirement of investor consent is a necessary safeguard since retention of proceeds based on anticipated liabilities are unsupported by demonstrable claims and based on assumption.
6.	With regard to sub-proposal 1(b), commenters have broadly agreed with the 75 percent threshold by value as a safeguard. However, modifications have been suggested on the consent mechanism. Commenters have suggested that SEBI may permit a deemed consent mechanism whereby, where the Investment Manager has undertaken bona fide and demonstrable efforts to obtain investor approval but has not received responses within a specified notice period (e.g., 30 to 45 days), consent may be treated as received, subject to adequate disclosures having been made to investors. commenters have suggested that SEBI consider a 'present and voting' standard, whereby 75 percent of investors who participate in a vote would be sufficient, in lieu of requiring affirmative consent from 75 percent of all investors by value. It has been noted that obtaining such affirmative consent is operationally	SEBI is in consultation with the industry to streamline the consent mechanism under AIF Regulations. Accordingly, the suggestions have been noted for taking a final view in the matter.

S. No.	Comments received	SEBI's views
	difficult, particularly for funds with a large number of investors or with investors who are unresponsive after the conclusion of the fund's life. It has further been suggested that, where the Private Placement Memorandum (PPM) or Contribution Agreement already provides for deemed approval or pre-authorized retention thresholds for such contingencies, no further investor approval should be required.	
7.	Commenters have also sought clarification on the consequences where 75 percent investor consent is not received — specifically, the mechanism by which the Fund may meet the anticipated litigation or tax demand in such an eventuality. On the relationship between the proposed retention mechanism and giveback provisions, it has been suggested that SEBI clarify that the retention mechanism under 1(b) operates in addition to, and not as a substitute for, giveback arrangements, since additional liabilities may arise after the end of the scheme's life necessitating invocation of giveback provisions.	This issue has already been addressed in the consultation paper. 'Giveback' provisions specified in the PPM template enable recovery of amounts from investors in the event of liabilities arising post-distribution. Therefore, AIFs may include relevant flexibility in their fund document and exercise the same.
8.	On the linkage between 1(a) and 1(b), commenters have suggested that anticipated liabilities for the purposes of 1(b) be directly linked to the expanded	There is no requirement of investor consent in cases where monies are retained on account of 'demonstrable

S. No.	Comments received	SEBI's views
	definition of 'demonstrable receipt' in 1(a), such that a preliminary notice or SCN would constitute valid grounds to seek the 75 percent consent for fund retention.	receipt'. Only in case of anticipated liabilities, AIFs would be required to take investor consent.
9.	As regards Fund of AIFs, commenters have opined that where an underlying AIF retains funds with 75 percent consent of its own investors, the Fund of AIFs investing in such underlying AIF should not be separately required to obtain 75 percent consent from its investors in respect of the same underlying retention or to provide its own consent to the underlying AIF for the said purpose.	Since Fund of AIFs that invest in other AIFs are essentially investors, no requirement to obtain 75 percent consent from its investors in respect of the retention of monies by underlying fund is necessary. However, such Fund of AIFs would be required to participate in the voting process as an investor in that AIF.
10.	With regard to sub-proposal 1(c), commenters have agreed that retained amounts must be substantiated. However, it has been suggested that, since supporting documents or invoices may not always be available in advance, 75 percent investor consent by value on the basis of estimates made by the Investment Manager should be sufficient, in lieu of requiring documentary proof for each expense at the time of retention. It has further been suggested that where the PPM or Contribution Agreement already provides for creation of reserves, no further investor approval should be required. It has also been noted that	Since operational expenses tend to be recurring in nature, the submission that supporting documents may not be available is not tenable. As regards the standing consent by way of incorporation of provisions in the contribution agreement or PPM, SEBI is in consultation with the industry to streamline the consent mechanism under AIF Regulations. Accordingly, the suggestions have been noted for taking a final view in the matter.

S. No.	Comments received	SEBI's views
	industry bodies, namely IVCA and PEVCCFOA, have committed to providing Standard Operating Procedures (SOPs) and a Best Practices framework in consultation with each other to standardize the substantiation of such expenses, which would reduce the micro-regulatory burden on SEBI.	
11.	With respect to untraceability of investors, it has been suggested that SEBI explicitly permit retention where investors are untraceable or where payment cannot be effected due to regulatory or operational constraints, and that unclaimed amounts be permitted to be transferred to the SEBI Investor Protection and Education Fund (IPEF).	SEBI is in consultation with the industry on the possible solutions for addressing this issue. Accordingly, this issue and suggestions have been noted for taking a final view in this matter.
12.	It has also been suggested that similar amendments be introduced to Regulation 29B of the AIF Regulations, which governs schemes in the dissolution period, as such schemes face identical issues. Additionally, it has been suggested that the proposed framework be extended to cover Venture Capital Funds (VCFs) registered under the erstwhile SEBI (Venture Capital Funds) Regulations, 1996, which face similar challenges.	The tagging as 'inoperative fund' covers funds which retain funds beyond the permissible fund life which could be after the liquidation or dissolution period. Further, Regulation 29B (1) of the AIF regulations, which deals with dissolution period, already has the enabling provision, "subject to conditions as may be specified by the Board". Therefore, no further amendment is necessary.

S. No.	Comments received	SEBI's views
		Since the VCF Regulations were repealed in 2012, accordingly, necessary policy/ procedural changes shall be facilitated by SEBI for similarly placed VCFs.
13.	It has been suggested to include situations where a fund exists solely due to an on-going litigation involving a portfolio company that directly affects the Fund's ability to liquidate its investment in such portfolio entity.	In such cases, the securities related to investment in a portfolio company remains with the AIF. Since, the fund has not completed liquidating its investments, tagging such funds as 'inoperative' may not be appropriate.
14.	Additional governance measures with respect to anticipated liabilities has been suggested with the following safeguards: Mandatory Consent Disclosure requirements that defines the legal basis, probability bands, and hard caps on retained capital, prompt fund releases as risks diminish, strict expense governance and event-based reporting.	Considering that the retention of anticipated tax or litigation demand is subject to investor consent, appropriate level of disclosure and the modalities governing the usage of the retained funds will get covered through the investor consent mechanism.

Proposal 2: Do you agree that the heads of specific operational expenses be prescribed (ref: Proposal 1.c)? If yes, public comments are sought on different heads of operational expense that may be specified for this purpose.

S. No.	Comments received	SEBI's views
15.	The primary view is that SEBI need not prescribe specific heads of operational	Considering that the majority of the comments

S. No.	Comments received	SEBI's views
	expenses. The existing regulatory architecture — particularly Para 21 (types, estimates, and caps of operating expenses) and Para 22 (expenses to be borne by the Manager) of Schedule VII of the SEBI Model PPM circular dated February 5, 2020 — already mandates comprehensive disclosures and ensures granular transparency and investor protection.	received have disagreed and that AIFs have to, in any case, substantiate that the reserve for operational expenses is in line with previous year expenses, specific heads for operational expenses has not be prescribed in the revised proposal.
16.	AIF investors are sophisticated institutional and High Net Worth Individuals who extensively negotiate PPMs and Contribution Agreements. Restricting operational expenses to SEBI-prescribed heads would arbitrarily infringe upon the commercial flexibility necessary to manage bespoke fund structures.	
17.	All expense scenarios that may arise during wind-down (including defaults by investee companies) cannot be anticipated in advance and so flexibility should rest with the Investment Manager.	
18.	Expenses are already specified in fund documents, and once investment activity ceases, only relevant expenses are incurred — a separate SEBI specification is therefore redundant.	
19.	Discretion to retain monies for operational expenses without clearly prescribed heads may create scope for ambiguity. In the absence of clearly defined categories managers may retain excess amounts as precaution which may delay timely	

S. No.	Comments received	SEBI's views
	distributions to investors. A prescribed exhaustive list of permissible heads as suggested in the column above would reduce the risk of misuse and provide greater comfort to investors regarding the intended use of the retained amounts.	

Proposal 3: Do you agree that AIFs intending to surrender registration and having one or more such schemes as mentioned at Proposal 1, may be tagged as inoperative?
Note - Such inoperative AIFs will be able to apply for surrender only after all liabilities are settled and a NIL bank balance is achieved.

S. No.	Comments received	SEBI's views
20.	Commenters have broadly agreed with the proposal to tag as 'inoperative' those AIFs that intend to surrender their registration and have one or more schemes retaining funds beyond the permissible fund life. However, commenters have suggested that the inoperative tag should apply at the scheme level and not at the level of the entire AIF trust, particularly in a multi-scheme AIF structure. It has been suggested that inoperative schemes be accorded compliance exemptions similar to those proposed for inoperative AIFs.	The proposal for tagging as an 'inoperative fund' has been designed specifically to address concerns relating to the surrender of AIF registration on account of scenarios detailed above. The intent of such tagging is to provide flexibility at the time of exit and to prevent misuse of AIF registration where no active fund management activity is being undertaken. Therefore, it may not be appropriate to tag 'inoperative' status at the scheme level.

S. No.	Comments received	SEBI's views
21.	Since Income Tax assessments can be reopened till 8 years from the end of Assessment year in which the fund is closed. In the backdrop of this regulation, the Fund should be classified as "inoperative" till the time as decided by the Investment Manager.	Provision to retain monies in case of anticipated tax or litigation demand has already been provided under scenario 2 after obtaining the requisite investor consent and no maximum period of retention has been mandated.
22.	Commenters have requested SEBI to clarify that the compliance filing and reporting obligations shall continue only in respect of live schemes and permit surrender of registration certificate only upon end of tenure of all scheme.	Since the compliance relaxations have been provided only to 'inoperative funds', compliance obligations would continue on AIF with at least 1 active scheme. Therefore, no separate clarification is necessary.
23.	Commenters have also suggested that the proposed framework for inoperative AIFs and inoperative schemes be extended to cover Venture Capital Funds (VCFs) registered under the erstwhile SEBI (Venture Capital Funds) Regulations, 1996, which continue to retain liquidation proceeds for similar reasons, including pending or potential tax litigation.	These comments merit consideration. Accordingly, necessary policy/ procedural changes shall be facilitated by SEBI for similarly placed VCFs.

Proposal 4 - Do you agree that AIFs that have not retained monies beyond permissible fund life may also apply for 'inoperative' status?

S. No.	Comments received	SEBI's views
24.	Commenters have agreed with the proposal and are of the view that AIFs which have distributed all capital to investors but continue to exist purely for contingent reasons — such as maintaining a legal persona to receive potential future proceeds from favorable litigation or tax outcomes — should be eligible for inoperative status. It has been submitted that subjecting such funds to comprehensive ongoing compliance requirements, including PPM audit reports, compliance test reports, and quarterly filings, creates a disproportionate burden without commensurate regulatory benefit, given that no fund management activity is being conducted and no investor capital is at risk.	Commenters have agreed with SEBI's views.
25.	Commenters have further suggested that the scope of inoperative status be expanded to cover additional situations. As regards untraceable or deceased investors, it has been suggested that the inoperative classification be extended to AIF schemes that retain monies solely for the purpose of effecting distributions to untraceable or deceased investors, where contact information is outdated or legal heir documentation is pending. It has been submitted that investor consent should not be required for this category of retention, since the retained amounts	SEBI is in consultation with the industry on the possible solutions for addressing this issue. Accordingly, this issue and suggestions have been noted for taking a final view in this matter.

S. No.	Comments received	SEBI's views
	relate solely to the entitlements of those specific investors and not to all investors in the fund.	
26.	As regards schemes that have not achieved first close, it has been suggested that schemes which have not achieved first close and have not onboarded any investors also be accorded inoperative status, given that they face a full compliance burden despite no activity having commenced. It has been further suggested that SEBI consider permitting revival of such schemes upon filing of an application and payment of prescribed fees.	It is pertinent to note that the 'inoperative fund' tag is intended to provide compliance relief to such funds which have completed their investment activity and are forced to continue with the registration due to unforeseen circumstances. It is intended that these funds will close down and surrender their registration upon satisfying the pending liabilities and liquidating the reserves. These inoperative funds are restricted from making any new investment and charging management fees from their schemes, considering there is no active fund management. Thus, AIFs which are in the process of attempting to raise capital before first close to achieve the minimum corpus within 12 months from the date SEBI takes PPM on record are not 'inoperative' per se. Extending this tagging to such funds does not align with the intent of the tagging.

S. No.	Comments received	SEBI's views
27.	There are instances where an entity may like to keep the AIF license dormant and would like to revive the business at a later date. Ability to keep the license in inoperative status will help lower the cost and burden of compliance during the period.	AIFs are intended to be limited life investment vehicles and the proposal in this note are to address the issues at the time of exit and not designed as a mechanism for maintaining a dormant registration pending future fund management activity.
28.	SEBI should consider extending the option to apply for 'inoperative' status even to AIFs that have not retained monies beyond the permissible fund life, particularly in situations where certain investors, such as sovereign wealth funds or multilateral development banks (MDBs), cannot accept in-specie distributions due to internal or regulatory restrictions, requiring the AIF to hold securities until a cash exit is achieved.	In such cases, AIF would continue in its efforts to divest its remaining holding and therefore, such funds are not 'inoperative' per se.
29.	In case of anticipated tax or litigation demand, commenters have suggested AIF should be permitted to obtain NOC from Income Tax Department and where NOC is refused or not granted, AIFs should be permitted to retain funds subject to investor approval and appropriate disclosure along with option to retain operational expenses up to a maximum of 5% of the corpus.	The discretion to apply for NOC from Income Tax Department is with the AIF and SEBI does not have any role to play. In any case, AIFs can retain funds on account of anticipated tax or litigation demand, provided requisite investor approval is obtained. The proposed framework already permits retention of operational expenses

S. No.	Comments received	SEBI's views
		incidental to managing such anticipated litigations.

Proposal 5- Do you agree with the following regulatory framework which will be applicable for inoperative funds?

5.a. Rationalised compliances – discontinuation of PPM audit report, CTR report and quarterly filing to SEBI;

5.b. AIFs to intimate annual status report of retained money to SEBI and investors

5.c. Investment of retained monies strictly in accordance with Regulation 15(f) of the AIF Regulations;

5.d. Prohibition on launch of new schemes;

5.e. Prohibition on charging management fees; and

5.f. A maximum retention period of three years for amounts retained towards operational expenses.

S. No.	Comments received	SEBI's views
30.	With regard to sub-proposal 5(a), commenters have strongly supported the discontinuation of PPM audit reports, Compliance Test Reports (CTR), and quarterly filings to SEBI for inoperative AIFs and schemes. It has, however, been suggested that the list of rationalized compliances be expanded to include additional requirements that serve no regulatory purpose where no active fund management activity is being undertaken. In this regard, it has been suggested that the following additional compliances also be discontinued for inoperative funds: annual updation of the PPM with SEBI; half-yearly and annual performance benchmarking	Considering that no fund management activity is being carried out in the scenarios detailed in the proposal, additional compliance requirements as found appropriate may be discontinued for 'inoperative funds'.

S. No.	Comments received	SEBI's views
	submissions; STPI filings; compliance with the cybersecurity and cyber resilience framework as prescribed under the SEBI circular dated August 20, 2024; periodic reporting to investors in terms of Regulation 22(a) of the AIF Regulations, including disclosure of financials, risk management information, and portfolio information; the annual report to investors under Regulation 22(g) of the AIF Regulations; consolidated reporting of changes to the PPM during the financial year; and annual digital accessibility audits of digital platforms.	
31.	With regard to sub-proposal 5(b), commenters have agreed with the requirement for an annual status report of retained monies to SEBI and investors. It has been suggested that SEBI prescribe a standardized format for such reports to ensure uniformity and consistency of disclosure across all inoperative funds, and that a clear submission timeline be specified to avoid ambiguity and administrative delays. Commenters have further suggested that the scope of the annual status report be limited to the status of retained liabilities, bank balance position, the quantum retained and its utilization, the expected timeline for resolution of pending matters, and a confirmation of the absence of active	Given that all relevant details related to retention of monies in the scenarios detailed in the proposal are required to be submitted to SEBI at the time of application for tagging as 'inoperative funds' based on the circumstance specific to the AIF, AIFs would be required to submit the said details as an annual status report as well. Therefore, a common format may not be appropriate or necessary. Further, investors have the ability to negotiate information rights with the fund and no

S. No.	Comments received	SEBI's views
	investment activity. It has also been suggested that investors be given the right to request interim status reports as may be required for their internal or statutory compliance purposes.	specific right needs to be provided in this regard.
32.	With regard to sub-proposal 5(c), commenters have agreed with the proposal to require that retained monies be invested in instruments in terms of Regulation 15(f) of the AIF Regulations. One commenter has additionally suggested that retained monies be permitted to be invested in Exchange Traded Funds (ETFs) alongside other currently permissible instruments, given that ETFs provide superior liquidity.	The regulatory intent behind Regulation 15(f) is to preserve capital and invest in less risky and high quality liquid assets. The said regulations provide only an indicative list of High quality liquid assets in which the divestment proceeds can be invested. Therefore, Mangers have the flexibility to divestment proceeds in ETFs of the same nature.
33.	With regard to sub-proposal 5(d), commenters have agreed with the prohibition on launch of new schemes where the entire AIF is classified as inoperative. However, it has been submitted that in a multi-scheme AIF structure, such prohibition should not apply at the AIF level merely because one scheme is inoperative; the restriction should operate only at the level of the inoperative scheme. Commenters have further submitted that a blanket prohibition on new scheme launches may disincentivize fund managers who are genuinely committed to maximizing investor recoveries over a prolonged	Prohibition on launch of new schemes is only applicable in case of AIF is tagged as 'inoperative'. Therefore, no such prohibition applies to multi-scheme AIFs with one or more active schemes.

S. No.	Comments received	SEBI's views
	wind-down period, and that such managers should be encouraged rather than discouraged. Clarification has also been sought as to whether the prohibition applies only to the inoperative AIF trust or extends to the Investment Manager across all its registrations.	
34.	In cases where long-pending tax litigation — extending for five to ten years or more — prevents a scheme from achieving closure, a mechanism be provided for the scheme to surrender its registration, with monies kept on hold against the demand being transferred to the Asset Management Company or Investment Manager.	Acceptance of surrender of registration pending distribution of proceeds of liquidation may have post-facto implications, with investors possibly making a claim on the retained amount in future.
35.	With regard to sub-proposal 5(e), commenters have partially agreed with the prohibition on charging management fees in respect of inoperative schemes. Commenters are of the view that recovery of reasonable administrative and oversight costs incurred during the inoperative period should continue to be permissible. It has further been suggested that, in cases where the retained amounts relate to active tax or litigation matters being defended or pursued for the benefit of unitholders, charging of a management fee on the claim or litigation value should be permissible subject to investor consent,	The proposed framework permits retention of operational expenses incidental to managing ongoing litigations. The 'inoperative fund' tag is intended for funds that have completed their investment and distribution activity, and the charging of a management fee in this context is not considered appropriate.

S. No.	Comments received	SEBI's views
	which may be obtained as standing consent.	
36.	With regard to sub-proposal 5(f), commenters have broadly disagreed with the proposal to prescribe a maximum retention period of three years for amounts retained towards operational expenses. Commenters are of the view that a hard-coded three-year cap is not feasible, particularly for AIFs involved in complex tax proceedings, regulatory adjudications, or contractual disputes, which routinely extend well beyond three years in India. It has been noted that tax litigation in India proceeds through multiple levels of appeal — assessment, first appeal before the Commissioner of Income Tax (Appeals), the Income Tax Appellate Tribunal (ITAT), the High Court, and the Supreme Court — each of which can take one to three years or more. It has further been noted that income tax assessments may be reopened for up to eight years from the end of the relevant assessment year, making a three-year cap operationally unworkable.	It is pertinent to note that the three-year maximum retention period has been proposed specifically for amounts retained towards operational expenses — that is, amounts retained to keep the fund operative for the purpose of winding up, such as consultant fees, retainership costs, legal fees, RTA charges, and similar expenses. Amounts retained on account of pending or anticipated litigation or tax demands are not subject to this three-year cap and may be retained for such period as is required to resolve the relevant liability.
37.	Clarification should be provided on Statutory audit of these schemes.	Relaxations have been proposed only for compliance requirements mandated by SEBI. All other statutory requirements would continue to apply.