NBFC FinSight

Credit to Credibility...

Business & Compliance

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DSB LawGroup

Empowering SME's and Going Beyond...

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April-June Special: A Renewed Financial Mindset

Defining Financial Year by Purpose

April-June Special: A Renewed Financial Mindset

April-June quarter marks the beginning of a new financial year a time that goes far beyond accounting resets and revised projections. It is a moment of strategic renewal, offering institutions the opportunity to reflect on past performance, recalibrate priorities, and set a clear direction for the year ahead. For financial institutions, particularly in a rapidly evolving economic and regulatory landscape, this transition is both symbolic and deeply practical.

The close of a financial year often brings valuable lessons. Market fluctuations, regulatory developments, and shifting customer expectations continuously reshape the operating environment. As we step into the new year, the ability to learn from these experiences and translate them into stronger frameworks becomes critical. Institutions must not only review what worked, but also identify gaps in governance, risk management, and customer engagement.

This new financial year calls for a sharper focus on sustainable growth. Expansion, while important, must be balanced with prudence and responsibility. Strengthening risk management practices, enhancing internal controls, and ensuring transparency in operations are no longer optional they are essential foundations for long-term success. Growth that is not supported by robust systems and ethical practices can quickly become a source of vulnerability.

Equally important is the role of technology. As digital adoption accelerates, financial institutions are increasingly relying on automation, data analytics, and AI-driven decision-making. While these tools offer efficiency and scale, they also introduce new dimensions of risk and accountability. The coming year must be about leveraging technology responsibly ensuring that innovation is aligned with fairness, explainability, and customer protection. At the heart of this transformation lies organisational culture. A new financial year is an ideal time to reinforce the values that guide everyday decisions. Culture is not defined by policies alone, but by how institutions respond to challenges, treat customers, and uphold integrity under pressure. Embedding accountability, transparency, and customer-centricity into daily operations will be key to building trust and credibility. eadership plays a pivotal role in setting this tone. Boards and senior management must go beyond oversight and actively shape the organisation's direction. Clear communication, strong governance, and a commitment to ethical conduct must flow from the top and permeate every level of the institution. The "tone at the top" must translate into consistent actions across teams and functions.

April also serves as a strategic checkpoint. It is an opportunity to ask fundamental questions: Are we aligned with our long-term vision? Are our processes resilient enough to withstand uncertainty? Are we creating value not just for the institution, but for customers and the broader financial ecosystem?

As we embark on this new financial year, the focus should be on disciplined execution, thoughtful innovation, and responsible growth. The path ahead will undoubtedly bring challenges, but it also offers immense potential. Institutions that combine strategic clarity with strong governance and a values-driven culture will be best positioned to succeed.

Let this financial year be defined not just by performance, but by purpose.

Warm regards,

Dinesh Gupta
Chief Editor- NBFC FinSight

Companies Compliance Facilitation Scheme, 2026 (CCFS-2026)
Scheme Period: 15th April 2026 to 15th July 2026

Compiled by- CS Sweety Sharma, DSB Law Group, Kolkata

Section 1: Basic Understanding

Q: What exactly is CCFS-2026 and why was it introduced?

Ans: CCFS-2026 is a one-time amnesty scheme by the Ministry of Corporate Affairs that allows companies with pending annual filings to either clear their defaults or close down -at significantly reduced fees. It is a limited-period opportunity to regularise years of non-compliance in one go.

Scheme at a Glance

Parameter	Details
Scheme Name	Companies Compliance Facilitation Scheme, 2026 (CCFS-2026)
Issued By	Ministry of Corporate Affairs (General Circular No. 01/2026)
Valid From	15th April 2026
Valid Till	15th July 2026 (3 months)
Penalty Reduction	Only 10% of total applicable additional fees payable
Immunity Granted	From further prosecution under Sections 92 & 137
Dormant Status Fee	50% of normal filing fee (via MSC-1)
Strike Off Fee	25% of normal fee i.e. INR 2,500 instead of INR 10,000 (via STK-2)

Companies Compliance Facilitation Scheme, 2026

Q: How much time do companies have to take advantage of this scheme?

Ans: Three months -from 15th April 2026 to 15th July 2026. Miss this window and normal fees and penalties apply.

Q: Under which law has this scheme been introduced?

Ans: This scheme has been introduced by the Ministry of Corporate Affairs (MCA), Government of India. It has been issued under the powers granted by Section 460 read with Section 403 of the Companies Act, 2013.

Q: What does a company actually save by filing under CCFS-2026?

Ans: There are two major benefits. First, companies only need to pay 10% of the total late fees that would normally apply -a significant saving. Second, companies that file under this scheme are protected from legal action under Sections 92 and 137 of the Companies Act, 2013. This is a major relief for companies that have been defaulting on their filings for a long time.

Section 2: Eligibility and Applicability

Q: Are all companies eligible or are there exceptions?

Ans: All companies registered under the Companies Act, 2013 (or Companies Act, 1956) are eligible, EXCEPT the following:

- Companies that have already received a final notice for striking off under Section 248 (or Section 560 of the 1956 Act).
- Companies that have already applied to be voluntarily struck off.
- Companies that had already applied for Dormant Status under Section 455 before 15th April 2026.
- Companies that have been dissolved as part of a merger or amalgamation.
- Vanishing companies (companies that cannot be traced).

Q: Can LLPs use this scheme?

Ans: No. This scheme is only for companies registered under the Companies Act. Limited Liability Partnerships (LLPs) are not covered under CCFS-2026.

Q: Do NBFCs qualify under this scheme?

Ans: Yes. NBFCs are included in this scheme. The specific filing forms for NBFCs -AOC-4 NBFC (Ind AS) and AOC-4 CFS NBFC (Ind AS) -are listed as applicable forms under the scheme.

Q: Can a company that has already been struck off use this scheme?

Ans: No. If a company has already been struck off, it cannot use this scheme directly. It would first need to be restored to the register through the National Company Law Tribunal (NCLT), and only then can it file its pending returns.

Q. What if a company has 5 or 6 years of pending filings -is it still eligible?

Ans: Yes. There is no restriction on the number of years of pending filings. A company can clear all its overdue annual filings under this scheme by paying just 10% of the total accumulated late fees, regardless of how many years are pending.

Q: Does the scheme cover annual filings for FY 2024–25?

Ans: Yes. Since the scheme covers all pending e-forms regardless of due date, filings for FY 2024–25 are also included.

Section 3: Forms and Fee Structure

Q: Which forms are covered under this scheme?

The following forms(called "relevant e-forms") are covered under the CCFS-2026:

Under the Companies Act, 2013:

- MGT-7 & MGT-7A -Annual Returns Forms
- AOC-4, AOC-4 CFS, AOC-4 (XBRL) -Financial Statements and Consolidated Financial Statements
- AOC-4 NBFC (Ind AS) & AOC-4 CFS NBFC (Ind AS) -Financial Statements specially for NBFCs
- ADT-1 -Forms for Appointment of Auditors
- FC-3 & FC-4 -Forms for Foreign Companies

Under the Companies Act, 1956:

- Form 20B & Form 21A -Annual Returns forms
- Form 23AC & Form 23ACA -Balance Sheet and Profit & Loss Account
- Form 23AC-XBRL & Form 23ACA-XBRL -XBRL Filings for Financial Statements fillings
- Form 66 -Compliance Certificate
- Form 23B Information submitted by Auditor to the Registrar

For Status Change:

- Web-form MSC-1 -Application to obtain Dormant Company status
- Web-form STK-2 -Application to strike off the company name from the register

Q: We file forms like INC-20A and DPT-3 regularly -are these covered too?

Ans: No. Only the specific forms listed in the MCA circular are eligible under this scheme. Forms such as INC-20A, DPT-3, or any other forms not mentioned in the list do not qualify for the scheme's benefits.

Q: Can any form be filed under this scheme?

Ans: No. Only the forms specifically listed as "relevant e-forms" in the MCA circular are covered.

Q: What fees are payable under the scheme?

Option	Form/Process	Fee Payable
Annual Filings	MGT-7, AOC-4, ADT-1, etc.	Normal prescribed fees + 10% of additional fees
Dormant Status	MSC-1 (Section 455)	50% of normal filing fee
Strike Off	STK-2	25% of filing fee (i.e., INR 2,500 instead of INR 10,000)

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Section 4: Immunity and Legal Protection

Q: What immunity or protection does CCFS-2026 offer?

Ans: For Annual Returns (Section 92) and Financial Statements (Section 137):

- No penalty will be imposed if the filings are made before the adjudicating officer issues a notice, OR
- If a notice has already been issued, the filing must be completed within 30 days of receiving that notice to be protected.
- For Other Covered Forms (ADT-1, FC-3, FC-4, Form 20B, 21A, 23AC, 23ACA, etc.):
- Protection from future legal action is granted only if both the following conditions are met:
- The forms are filed under this scheme, AND
- No prosecution or adjudication proceedings have been started for that specific default before the filing is made.

Q: A show cause notice has already been issued to our company - can we still file?

Ans: It depends on the stage of the proceedings. If a final adjudication order has already been passed and has become binding, the scheme cannot be used for that specific default. However, if only an adjudication notice has been received (and no final order has been passed), the company can still file within 30 days of receiving that notice -but this applies only if the notice was issued on or after 15th March 2026.

Q:Does filing under CCFS-2026 also resolve our AGM non-compliance?

Ans: No. The scope of CCFS-2026 is strictly limited to condoning delays in the filing of Annual Returns and Financial Statements with the Registrar of Companies. Non-conduct of the Annual General Meeting constitutes a distinct and independent default under the Companies Act, 2013, and falls outside the purview of this scheme. Companies facing such defaults are advised to address the same separately through the compounding mechanism prescribed under the Companies Act, 2013, before the appropriate authority

Section 5: Practical Scenarios and Strategy

Q: Is winding up cheaper if done during the scheme period?

Ans: Yes, it is strongly advisable to do so. During the scheme period, the statutory fee for filing Form STK-2 (Application for Strike-Off) stands reduced to INR 2,500, as against the normal fee of INR 10,000 -resulting in a direct saving of INR 7,500. Furthermore, upon filing of Form STK-2 during the scheme period, the company is immediately deemed to have entered the strike-off process. Consequently, the obligation to file statutory forms with the Registrar of Companies (ROC) ceases from that point.

Q: Is it mandatory for a company to complete all pending annual filings prior to filing Form STK-2?

Ans: A company is required to ensure that all its statutory filings are current and up-to-date up to the date of cessation of operations or the date of making the strike-off application, whichever is applicable. However, once Form STK-2 is duly filed, the obligation to submit Annual Returns and Financial Statements with the ROC stands extinguished.

Q: Do we need to submit a separate application to claim immunity under the scheme?

Ans: No separate immunity application is required to be filed. The immunity and relief contemplated under the scheme are granted automatically upon successful submission of the relevant e-forms and payment of the applicable reduced fees -comprising the normal statutory fee plus 10% of the total additional fee.

Q: If additional fees have already been paid in respect of a filing, can the company avail the benefits of the scheme for such filing?

Ans: No. The CCFS-2026 scheme is designed exclusively to facilitate the completion of pending statutory filings. Companies that have already completed their filings -irrespective of the additional fees paid at the time are not eligible to claim any benefit, concession, or refund under this scheme in respect of such completed filings.

Section 6: AGM and Balance Sheet Special Cases Examples

Q: We skipped our AGM entirely and our financials are unsigned -is CCFS-2026 still an option for us?

Ans: Not directly. CCFS-2026 helps companies that completed internal governance but missed ROC filings. If the AGM was never held and financials remain unsigned, the AGM default must first be compounded -only then can CCFS-2026 be utilised.

Q: Is it possible for the auditor to backdate the balance sheet to match an AGM that never happened?

Ans: Absolutely not. Every audit sign-off requires a UDIN, which can only be generated for the current date -backdating is technically impossible. More importantly, it would independently constitute a statutory violation under the Companies Act, 2013.

Q: What is the prescribed legal course of action for a company that has never convened its Annual General Meeting?

Ans: We need to follow the paths mentioned:

Step	Action Required
Step 1	Convene the AGM and prepare the financials with UDIN bearing the current date.
Step 2	File a compounding application -before the RD (up to INR 25 Lakhs) or NCLT (above INR 25 Lakhs).
Step 3	Payment of Compounding Fee
Step 4	Filing of Pending Statutory Forms

Section 7: UDIN - Common Questions

Q: Does CCFS-2026 relax the UDIN requirement for audit documents?

Ans: Not at all. CCFS-2026 only provides relief on fees and penalties -it does not dilute any substantive compliance requirement. Every audit document must carry a valid UDIN as mandated by the ICAI, without exception.

Q: The audit report for a prior year was never issued -how should the auditor approach this now?

Ans: The auditor must issue the financial statements and audit report as of the current date, generating a fresh UDIN accordingly. Since ICAI does not permit backdated UDINs, the practical and legally consistent approach is:

- Treat the audit as completed today
- Convene the AGM on or around the same date to adopt the accounts
- Obtain Board approval before the audit sign-off

Q: What is the remedy if a UDIN was not generated by 30th September of the relevant year?

Ans: A missed UDIN deadline from a prior year is not a permanent obstacle. The auditor should generate a fresh UDIN on the current date and certify the financials accordingly. The AGM adoption date, audit date, and UDIN date must all align to the present -this is the only legally permissible approach. Once done, ROC filings can proceed under CCFS-2026.

Q: Is there any provision under CCFS-2026 that permits a backdated UDIN for delayed filings?

Ans: No -and there never will be. The ICAI's UDIN portal operates strictly on a real-time basis. No mechanism exists -under CCFS-2026 or otherwise -that allows issuance of a UDIN for a past date. Any filing strategy built around a backdated UDIN is both technically impermissible and a professional misconduct under ICAI standards.

Section 8: What Happens After the Scheme Closes?

Q: What risks does a company face if it fails to utilise CCFS-2026?

Ans: Three significant consequences:

- Uncapped late fees resume at INR 100 per day with no concessional rate
- Adjudication & Prosecution of officers in default
- Compulsory Strike-Off by the ROC under Section 248 -restoration requires a costly NCLT petition

Q: Once CCFS-2026 closes, is there any alternative for penalty relief?

Ans: Only compounding under Section 441 -a lengthier, costlier process with no across-the-board fee reduction. CCFS-2026 is a rare opportunity. Do not let it lapse.

The CCFS-2026 window is open only until 15th July 2026. Companies that fail to act within this period will revert to the full statutory late fee regime -with no concessional rate, no immunity from prosecution, and no protection against compulsory strike-off proceedings initiated by the Registrar of Companies.

Quick Reference: What Should Your Company Do?

Company's Current Situation	Recommended Course of Action
AGM conducted, financials signed, but annual forms remain unfiled with the ROC	File all pending forms under CCFS-2026 from 15th April 2026. Pay only 10% of accumulated late fees -a significant saving over normal rates.
Company is dormant and closure is intended	File Form STK-2 from 15th April 2026 at a concessional fee of INR 2,500. No obligation to prepare or file FY 2025–26 accounts once STK-2 is submitted.
Company is inactive but you wish to retain it with minimal compliance burden	File Form MSC-1 during the scheme period to obtain Dormant Company status at 50% of the normal filing fee.
AGM was never convened and financial statements remain unsigned	Act immediately. Hold the AGM, get financials audited with a current UDIN, and file a compounding application before the RD or NCLT. File ROC forms only after the compounding order is received. Consult DSB Law Group for tailored alternatives.
A final adjudication order has already been passed	CCFS-2026 does not extend to concluded adjudication proceedings. Consult a US at the earliest to evaluate available remedies.

CGSMFI-2.0
2026

Strengthening Microfinance Sector

Driving Grassroots Economic Development

Credit Guarantee Scheme for Microfinance Institutions -2.0 (CGSMFI-2.0)

By Dinesh Gupta, Founder & Chief Consultant- DSB Law Group

The Credit Guarantee Scheme for Microfinance Institutions-2.0 (CGSMFI-2.0), launched in March 2026, represents a significant step by the government toward strengthening the microfinance sector and deepening financial inclusion in India. Building on the earlier version of the scheme, CGSMFI-2.0 aims to enhance the flow of institutional credit to underserved and vulnerable segments by providing guarantee coverage to Member Lending Institutions (MLIs) that extend financial assistance to NBFC-MFIs and other Microfinance Institutions (MFIs). At its core, the scheme seeks to address one of the biggest challenges in microfinance limited access to affordable and adequate funding. Many microfinance institutions face constraints in raising funds from formal financial systems due to perceived high risks associated with lending to low-income borrowers. CGSMFI-2.0 mitigates this concern by offering a credit guarantee, thereby encouraging banks and financial institutions to increase their exposure to the microfinance sector without fear of substantial losses.

A major objective of CGSMFI-2.0 is to expand financial inclusion. A large segment of India's population, particularly in rural and semi-urban areas, continues to rely on informal sources of credit. Through this scheme, funds are routed via MFIs, which have strong grassroots presence and last-mile connectivity. This ensures that small borrowers including women entrepreneurs, self-help groups, marginal farmers, and informal workers gain access to timely and affordable credit. Another important aspect of the scheme is its emphasis on supporting livelihood generation and economic empowerment. The loans extended under CGSMFI-2.0 are typically used for micro-enterprises, small businesses, agriculture, and allied activities. By facilitating such economic opportunities, the scheme contributes to job creation, poverty alleviation, and improved living standards. It also promotes entrepreneurship among marginalized communities, fostering self-reliance.

CGSMFI-2.0 also focuses on strengthening the resilience and sustainability of the microfinance ecosystem. By ensuring a steady and reliable flow of funds to NBFC-MFIs and MFIs, the scheme enhances their operational capacity and enables them to scale up their outreach. This is particularly important in the post-pandemic economic environment, where many microfinance institutions faced liquidity constraints and rising credit risks. A key highlight of the scheme is its risk-sharing mechanism, which reduces the burden on lending institutions. The guarantee coverage protects MLIs against a portion of potential defaults, thereby boosting their confidence to lend more aggressively to the sector. At the same time, the scheme promotes responsible lending practices, ensuring that credit is extended based on sound appraisal and monitoring systems. Furthermore, CGSMFI-2.0 aligns with the broader national objective of inclusive and sustainable economic growth. By integrating vulnerable populations into the formal financial system, the scheme helps reduce dependency on informal and often exploitative sources of credit. It also complements other government initiatives aimed at financial inclusion, digital payments, and rural development. In conclusion, the Credit Guarantee Scheme for Microfinance Institutions-2.0 (CGSMFI-2.0) is a forward-looking initiative designed to create a robust, inclusive, and risk-mitigated credit ecosystem. Through its focus on credit guarantee support, financial inclusion, livelihood promotion, and institutional strengthening, the scheme plays a crucial role in empowering small borrowers and driving grassroots economic development across the country.

CGSMFI-2.0

₹20,000 crore → Total Guarantee Corpus

Till 30 June 2026 OR Corpus Exhausted → Validity

≈ 36 lakh Borrowers Expected Beneficiaries

CGSMFI-2.0
2026

Overall Crux CGSMFI

Boost to Self-Employment & Livelihoods

Launched: 2026
Objective: Boost Microfinance Lending & Financial Inclusion

Objective
- Improve credit flow to MFIs
- Reduce risk for lenders (banks/FIs)
- Support low-income borrowers & small businesses
- Strengthen microfinance sector stability

Interest & Fees
- 0.50% p.a. → Guarantee fee
- MCLR / EBLR + 2% → Max lending rate to MFIs
- 1% lower than last 6-month avg → On-lending cap to borrowers

Key Numbers
- ₹20,000 crore → Total corpus
- ~36 lakh borrowers → Expected coverage
- Valid till: 30 June 2026 (or till corpus exhausted)

Allocation Rules
- Minimum allocation:
  - 5% → Small MFIs
  - 10% → Medium MFIs
- Exposure cap:
  - ⩽ 20% of lender's loan book

Guarantee Coverage
- 80% → Small MFIs
- 75% → Medium MFIs
- 70% → Large MFIs

Higher protection = more lending confidence

Target Beneficiaries
- Low-income households
- Women borrowers (major share in MFIs)
- Micro-entrepreneurs
- Rural & semi-urban population

Loan Limits (per MFI)
- ₹100 crore → Small MFIs
- ₹200 crore → Medium MFIs
- ₹300 crore → Large MFIs

Ensures fair distribution across MFI sizes

Tenure
- 2-year repayment period
- Maximum: 3 years
- 1-year moratorium

Expected Impact
- Increased credit access at grassroots level
- Boost to self-employment & livelihoods
- Improved financial inclusion
- Stabilization of microfinance sector

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India’s Credit Landscape at a Crossroads

NBFCs and Fintechs Expands Credit Access

Geographic Growth must be accompanied by Governance Maturity

India’s Credit Landscape at a Crossroads: Growth, Resilience, and Emerging Risks

By Dr. Wishey Kataria, Senior Consultant, DSB Law Group

India’s latest Financial Stability Report (FSR) offers a compelling look into a credit ecosystem that is both resilient and undergoing rapid transformation. The report highlights how India’s financial system led by well-capitalized banks and supported by steady economic growth continues to remain stable despite evolving domestic and global challenges. At the same time, it brings attention to emerging risks that could shape the future trajectory of credit in the country. One of the most notable developments is the strengthened position of the banking sector. Asset quality has improved significantly, with non-performing assets (NPAs) declining to some of the lowest levels seen in years. This reflects tighter credit appraisal mechanisms, improved recovery processes, and regulatory reforms implemented over the past decade. Banks today are better capitalized, with strong capital adequacy ratios that provide a cushion against potential economic shocks. This improved health enables them to continue supporting economic expansion through sustained lending. Credit growth remains robust and is a major driver of the current financial landscape. Retail lending, infrastructure financing, and services sector demand have contributed to a steady rise in overall credit. This expansion indicates growing financial inclusion and increased consumption, both of which are essential for economic momentum. However, the report also flags a key concern: credit growth has been outpacing deposit growth. This divergence could lead to liquidity pressures within the banking system, potentially pushing up interest rates and tightening financial conditions if not addressed. Another important trend highlighted in the report is the increasing share of unsecured retail loans. While such lending has boosted consumption and expanded access to credit, it also poses risks. A growing portion of loan defaults is now linked to unsecured segments, where borrowers often lack sufficient collateral. Additionally, instances of borrowers taking multiple loans across platforms have raised concerns about over-leveraging.

The role of non-banking financial companies (NBFCs) and fintech firms has also expanded significantly. These entities have been instrumental in reaching underserved populations, including small businesses and first-time borrowers. Their use of digital platforms and alternative data has improved credit accessibility and efficiency. However, their rapid growth has introduced new vulnerabilities, particularly due to higher exposure to riskier loan segments. The interconnected nature of banks and NBFCs further amplifies systemic risks, making regulatory oversight increasingly important.

At the same time, the report acknowledges external risks such as geopolitical tensions, global financial volatility, and technological disruptions. The rise of digital financial instruments and innovations, including fintech-driven lending and emerging forms of digital assets, presents both opportunities and challenges. Regulators are closely monitoring these developments to ensure they do not undermine financial stability.

Key Takeaways:

- *India’s banking sector is stronger, with lower NPAs and high capital buffers.*
- *Credit growth remains robust but is outpacing deposit growth, posing liquidity risks.*
- *Rising unsecured retail lending increases the risk of defaults and over-leveraging.*
- *NBFCs and fintechs are expanding credit access but adding systemic vulnerabilities.*
- *The overall economic outlook remains stable, supported by strong domestic demand.*
- *Global uncertainties and digital financial innovations present emerging challenges.*

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Regulatory Boost for Structured Credit Models

Fresh Capital Flows into the Sector

₹20,000 Crore Credit Guarantee Scheme

Microfinance Stocks Gain as Funding Support Improves Outlook

By- VK Sareen, Executive Director- Credifin Limited

Microfinance stocks have recently surged following the government's announcement of a ₹20,000 crore credit guarantee scheme aimed at revitalizing the sector. The move has been welcomed by investors and industry participants alike, as it directly addresses one of the biggest challenges faced by microfinance institutions (MFIs): access to funding. At the heart of this rally is the newly launched Credit Guarantee Scheme for Microfinance Institutions (CGSMFI 2.0). The scheme is designed to encourage banks and financial institutions to lend to MFIs by offering partial credit guarantees on loans. Essentially, the government absorbs a portion of the default risk, making lenders more comfortable extending credit to these institutions. The guarantee cover ranges between 70% and 80%, depending on the size of the MFI, with smaller institutions receiving higher protection. This structure is particularly significant because smaller MFIs have been the most affected by funding constraints in recent years. The immediate market reaction has been positive. Stocks of microfinance-focused NBFCs and small finance banks climbed as investors priced in improved liquidity conditions and stronger lending growth prospects. The scheme is expected to unlock fresh capital flows into the sector, which had been struggling despite improvements in asset quality.

The microfinance sector plays a crucial role in India's financial inclusion story by providing small-ticket loans to low-income households and rural entrepreneurs. However, over the past two years, the sector has faced multiple headwinds, including rising non-performing assets (NPAs), tighter regulations, and a sharp decline in bank funding. This liquidity crunch had slowed down credit disbursement and impacted growth. The new scheme aims to reverse this trend by restoring lender confidence and ensuring that MFIs can continue extending credit to underserved segments of the population.

Another key feature of the scheme is its focus on responsible lending. Interest rates on loans extended by banks to MFIs are capped, and institutions are required to pass on the benefit to borrowers by charging lower rates. This ensures that the ultimate beneficiariessmall borrowersgain from the policy intervention. The scheme is also time-bound, running until June 2026 or until the ₹20,000 crore limit is fully utilized. This limited window is likely to accelerate lending activity in the near term, further boosting sentiment in microfinance stocks. However, the outlook is not without challenges. While the guarantee reduces risk, it does not eliminate it entirely. Banks are still expected to maintain strict underwriting standards and may prefer lending to well-rated, larger MFIs over smaller or weaker players. The sector continues to face structural issues such as borrower over-indebtedness and regional concentration risks. Investors should remain cautious and differentiate between fundamentally strong institutions and those still grappling with asset quality concerns.In conclusion, the ₹20,000 crore credit guarantee scheme has provided a much-needed catalyst for the microfinance sector, driving a sharp rally in related stocks. By improving liquidity, restoring confidence, and supporting credit flow to underserved communities, the initiative has the potential to revive growth.

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CreditAccess Grameen Strengthens Funding

Tap Global Capital Markets

Increasing Borrower Outreach

CreditAccess Grameen Strengthens Funding with Syndicated Social Loan

By Dinesh Gupta, Founder & Chief Consultant- DSB Law Group

CreditAccess Grameen has strengthened its funding base by securing a syndicated social loan facility from a group of international lenders, marking another significant step in its mission to expand financial inclusion in India. The deal reflects growing global investor interest in socially responsible financing and highlights the company's strong positioning within the microfinance sector. The syndicated structure of the loan brings together multiple lenders, allowing CreditAccess Grameen to diversify its funding sources while accessing competitive borrowing terms. Social loans, by design, are tied to developmental outcomes, and the funds raised will primarily be used to support income-generating activities among underserved and low-income communities. This aligns closely with the company's core objective of empowering women entrepreneurs and rural households through access to credit. The transaction comes at a time when microfinance institutions are increasingly looking to tap global capital markets to meet rising demand for small-ticket loans. With domestic liquidity conditions tightening in recent months, such international funding avenues provide a critical cushion.

For CreditAccess Grameen, the facility not only enhances liquidity but also strengthens its ability to scale operations without putting pressure on its balance sheet. Another key aspect of the deal is its sustainability-linked nature. Social loan facilities typically require borrowers to adhere to specific impact metrics, ensuring that the funds are deployed in a manner that delivers measurable social benefits. This adds a layer of accountability and transparency, which is particularly important for attracting global investors focused on environmental, social, and governance (ESG) criteria. The development also signals continued confidence in India's microfinance sector, which has shown resilience despite past challenges such as asset quality pressures and regulatory tightening.

Improved repayment trends and stronger risk management practices have helped restore lender confidence, enabling institutions like CreditAccess Grameen to access larger pools of capital.

Looking ahead, the additional funding is expected to support the company's growth strategy, including expanding its geographic footprint, increasing borrower outreach, and enhancing digital capabilities. By leveraging this capital effectively, CreditAccess Grameen can further deepen its presence in rural and semi-urban markets where access to formal credit remains limited.

Overall, the syndicated social loan facility underscores a broader shift in the financial ecosystem, where profitability and social impact are increasingly intertwined. For CreditAccess Grameen, it not only reinforces its leadership in the microfinance space but also positions the company to play a larger role in driving inclusive economic growth.

RBI Cancels Registration of 135 NBFCs: A Strong Regulatory Signal for the Industry

June 2026 | News

In one of the most significant regulatory actions in recent months, the Reserve Bank of India (RBI) has cancelled the Certificates of Registration (CoR) of 135 Non-Banking Financial Companies (NBFCs) under Section 45-IA(6) of the Reserve Bank of India Act, 1934. The move highlights the central bank's increasing focus on strengthening regulatory compliance, improving governance standards, and ensuring the stability of India's financial system.

According to available information, 125 of the affected NBFCs were based in West Bengal, while the remaining entities were spread across other regions of the country. The cancellations were primarily attributed to non-compliance with regulatory requirements, failure to meet registration conditions, inadequate operational standards, and discontinuation of NBFC business activities.

With immediate effect, these entities are no longer permitted to carry out NBFC-related operations. This means they cannot engage in lending, financing, investment, or any other activities that require authorization from the RBI as a registered NBFC.

A Clear Message from the Regulator

The RBI has consistently emphasized that regulatory compliance is not optional but a fundamental requirement for operating within India's financial ecosystem. Over the past few years, the central bank has significantly enhanced its supervisory framework through stricter inspections, enhanced reporting requirements, governance reforms, and risk-based supervision.

The cancellation of 135 registrations sends a strong signal that dormant, non-compliant, or poorly governed entities will not be allowed to remain within the regulated financial system. The action also reflects the RBI's objective of maintaining public trust and ensuring that only financially sound and compliant institutions continue to serve customers.

Industry experts believe this action may encourage many NBFCs to reassess their compliance frameworks, strengthen internal controls, and improve governance practices.

Key Lessons for Other NBFCs

- **Ensure Regulatory Compliance:** Timely filings, accurate reporting, and adherence to RBI regulations are essential.
- **Strengthen Governance:** Management and boards must actively oversee compliance and risk management.
- **Maintain Financial Health:** Monitor capital adequacy, liquidity, and operational standards regularly.
- **Conduct Regular Compliance Reviews:** Periodic audits help identify and address regulatory gaps early.
- **Stay Updated on RBI Guidelines:** Track and implement new RBI circulars and regulatory changes promptly.

Bottom Line: Compliance, governance, and proactive risk management are critical for sustainable NBFC operations and avoiding regulatory action.

The Road Ahead

The RBI's latest enforcement action is likely to be viewed as part of a broader effort to enhance discipline within the financial sector. While the affected companies will cease NBFC operations, compliant institutions may ultimately benefit from increased credibility and investor confidence.

For NBFCs, the message is clear: strong governance, proactive compliance, and operational transparency are no longer competitive advantages-they are essential requirements for survival and sustainable growth in India's evolving financial landscape.

NBFC Compliance Calender

June-2026

Jun-26	Income Tax/PF /ESIC		GST		RBI	
Dates	Return	Compliance	Return	Compliance	Return	Compliance
07-Jun	Monthly TCS Payment	Taxpayers collecting TCS for the month of May 26				
	Monthly TDS Payment	Taxpayers collecting TDS for the month of May 26				
11-Jun			GSTR-1 Filing (Monthly):	For taxpayers with annual turnover > ₹1.5 crore or who have opted for monthly filing.		
15-Jun	Advance Income tax	Advance Income tax for April to June 2026 (1st Installment)			DNBS-4B Return	Base Layer NBFC with Asset Size of 100 Crore and Above & Middle Layer NBFC relating to Short term Dynamic Liquidity-Return of Structural Liquidity & Interest Rate Sensitivity
	ESI Challan	Employers registered under ESI Act for the month of May 26				
	PF Challan (ECR)	Employers registered under EPF Act for the month of May 26				
	Form 16/16A	Issuance of TDS Certificates Form 16/16A				
20-Jun			GSTR-3B (Monthly)	For taxpayers with:		
				Annual turnover > ₹5 crore, or		
				Opted for monthly filing		
30-Jun	TDS Payment	TDS Payment in Form 26QB (Property), 26QC (Rent), 26QD (Contractor Payments), 26QE (Crypto Assets) for Apr 2026			DNBS08 – CRILC-Main	Base Layer NBFC with Asset Size of 100 Crore and Above & Middle Layer NBFC relating to Short term Dynamic Liquidity-Return for Large Credits & SMA
	DPT3	Form DPT3 for FY 2025-26 for Companies			FEMA and FDI Compliance	NBFCs with Foreign Direct Investment relating to Adherance to FEMA guidelines & Reporting Foreign investments to RBI
	IEC Code Renewal	Importer Exporter Code Renewal			FATF Compliance Certificate	Housing Finance Companies (HFCs) -reporting investments from FATF non compliant jurisdictions
					Statutory Auditors Certificate for HCFs	Housing Finance Companies (HFCs) -Compliance Certification for HFCs
					Capital Adequacy Ratio (CAR) Reporting	All NBFCs relating to reporting minimum Capital Adequacy Compliance

NBFC Compliance Calender

July-2026

July-26	Income Tax/PF /ESIC		GST		RBI	
Dates	Return	Compliance	Return	Compliance	Return	Compliance
07-Jul	Monthly TCS Payment	Taxpayers collecting TCS for the month of June 26				
	Monthly TDS Payment	Taxpayers collecting TDS for the month of June 26				
11-Jul			GSTR-1 Filing (Monthly):	For taxpayers with annual turnover > ₹1.5 crore or who have opted for monthly filing.		
13-Jul			Quarterly GSTR-1 (QRMP scheme):	Filing for April–June 2026 quarter.		
15-Jul			Form 27EQ	TCS Return For April -June 2026 quarter	DNBS-4B Return	Base Layer NBFC with Asset Size of 100 Crore and Above & Middle Layer NBFC relating to Short term Dynamic Liquidity-Return of Structural Liquidity & Interest Rate Sensitivity
	ESI Challan	Employers registered under ESI Act for the month of June 26				
	PF Challan (ECR)	Employers registered under EPF Act for the month of June 26				
18 Jul			CMP 08	Filing for April–June 2026 quarter (Compsition Scheme)		
20-Jul			GSTR-3B (Monthly)	For taxpayers with:		
				Annual turnover > ₹5 crore, or		
				Opted for monthly filing		
21-Jul					Financial Details Return (DNBS02)	Base Layer NBFC for Reporting financial position, asset classification, and liabilities
					DNBS-01, DNBS-03 Returns	Middle Layer and Upper Layer NBFC for financial performance, risk, and deposits
					DNBS-4A Return	Base Layer NBFC with Asset Size of 100 Crore and Above & Middle Layer NBFC relating to Short term Dynamic Liquidity
					Return of Overseas Investments (DNBS13)	Base Layer NBFC For Overseas Investment
22-Jul			GSTR-3B	Filing for April–June 2026 quarter for South India		
24-Jul			GSTR-3B	Filing for April–June 2026 quarter for North India		
30-Jul	Issue of TCS Certificates	Form 27D for April to June 2026			DNBS08 – CRILC-Main	Base Layer NBFC with Asset Size of 500 Crore and Above & Middle Layer NBFC relating to Short term Dynamic Liquidity-Return for Large Credits & SMA
	TDS Payment	TDS Payment in Form 26QB (Property), 26QC (Rent), 26QD (Contractor Payments), 26QE (Crypto Assets) for June 2025				
31-Jul	TDS Return filling	Q1 of FY 2026 (April to June 26)				
	Income Tax return Filing	Income tax return for Individuals, HUF who are not having any business /profession (ITR1/ITR2) for FY 2026-27				

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NBFC Compliance Calender

Compliance Required

S No.	In addition to:	COMPLIANCE REQUIRED
1	**Statutory Compliance Board Meetings**	All NBFC -Quarterly meetings discussing regulatory updates-4 times a year as per Companies Act
2	**FEMA Foreign Investment Reporting**	NBFCs with FDI -Report any foreign direct investment (FDI) transactions to RBI on Monthly Basis as per FEMA and RBI FDI Guidelines
3	**Customer Complaint Tracking**	All NBFC's -Maintain records of customer grievances and resolutions as per RBI guidelines on Monthly Basis as per RBI Fair Practices Code
4	**CERSAI Reporting (Central Registry of Securitization and Asset Reconstruction)**	NBFCs engaged in secured lending-reporting securitization and asset reconstruction transactions on Weekly Basis as per SARFAESI Act
5	**CKYC Uploads**	All NBFCs onboarding new customers-Reporting new customer onboarding under Central KYC on Weekly Basis as per CKYC RBI Circular
6	**FIU-IND Reporting (Suspicious Transaction Reporting - STR)**	All NBFCs-Submission of suspicious transaction reports to FIU-IND on Weekly basis as per Prevention of Money Laundering Act
7	**DNBS10 (Statutory Auditors Certificate)**	All NBFCs & Asset Reconstruction Companies (ARCs)-Confirmation of Compliance with RBI Norms -Within 5 days from the approval of financial Statement by the Board of Directors but not maximum by by 31st of December, 2025
8	**DNBS09 - CRILC-Weekly**	Base Layer NBFC with Asset Size of 500 Crore and Above, Middle Layer NBFCs-Return for Large Credits & SMA to be filed on or before Wednesday of the following week

S No.	NBFC ANNUAL ROC COMPLIANCES	
1	**AOC-4 CFS**	Annual Return covering Consolidated Financial Statements (Profit & Loss and Balance Sheet). within 30 days of AGM
2	**AOC-4 NBFC (IND AS)**	Annual Return covering standalone Financial Statements, within 30 days of AGM
3	**MGT-7**	Annual Return providing details of Board Meetings and company structure ,within 60 days of AGM.

S No.	EVENT BASED COMPLIANCES	
1	**INC-22**	Change in registered office address , within 15 days of change
2	**DIR-12**	Appointment /resignation of Directors , within 30 days of event
3	**PAS-3**	Return of Allotment of Shares , within 30 days of event
4	**MGT-14**	Filling of Resolutions with ROC, within 30 days of event

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