Sebi eases FPI onboarding by allowing digitally signed PoA

New Delhi

CAPITAL markets regulator Sebi on Thursday eased the onboarding process for foreign portfolio investors by allowing them to submit a digitally signed power of attorney to their custodians.

Under the revised rule, an FPI can give a Power of Attorney (PoA) to its custodian specifying its address and execute the document by using a digital signature in accordance with the provisions of the Information Technology Act, 2000, Sebi said. A Power of Attorney is a document through which a foreign portfolio investor (FPI) authorises its custodian to act on its behalf.

For an FPI, a custodian is a financial institution that safely holds and manages investors' securities and assets. They also act as designated depository participants to process FPI registrations, clear trades, manage settlements, and report compliance to regulators.

This eliminates the need for notarisation, apostillisation or consularisation of the Power of Attorney, thereby reducing the overall time taken for FPI onboarding and improving ease of doing business for FPI applicants, it added. The Securities and Exchange Board of India (Sebi) said the move is part of its continued efforts to digitalise the FPI onboarding process.

Over the years, Sebi has introduced several measures in this direction, including a Common Application Form (CAF) for FPI registration, PAN, bank and demat accounts, permitting Indian digital signatures for executing CAF and other registration documents, digital signatures functionality within the CAF portal and granting registration based on scanned copies. The provisions of this circular will come into force with effect from August 20, 2026, it said.

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...flags alleged manipulation in first Closing Auction Session order

New Delhi

THE Securities and Exchange Board of India (SEBI) has issued its first interim order alleging manipulation of trades in the Closing Auction Session (CAS), raising concerns over the vulnerability of the new mechanism introduced on stock exchanges earlier this month.

The order pertains to trading on August 13, the weekly expiry day for SENSEX derivative contracts. SEBI has named Copthall Mauritius Investment Ltd and Mansi Share and Stock Broking Pvt Ltd as noticees, alleging that they used aggressive orders in the cash market to influence the SENSEX and benefit from their derivatives positions.

Trading Irregularities

- CAS mechanism introduced from Aug 3
- Trades occurred on SENSEX weekly expiry day
- Cash trades allegedly linked to derivatives positions
- SENSEX witnessed three sharp upward auction spikes

The Closing Auction Session was introduced from August 3. It begins after normal cash-market trading ends at 3:15 pm, with a reference price established between 3:15 pm and 3:20 pm. The auction then runs from 3:20 pm to 3:30 pm to determine the closing prices of eligible stocks. Since SENSEX constituents can move sharply during this period, such movements can have a direct impact on the index's final closing level and the value of expiry-day options.

According to SEBI, the SENSEX reference price on August 13 stood at 77,829.60, while the index eventually closed at 78,080. The regulator identified three sharp upward spikes in the index during the auction, along with a broader downward movement.

In the first episode, the SENSEX jumped 362.02 points in around two seconds. A second spike pushed the index up by 132.67 points in about 12 seconds, while a third spike saw the index rise 405.08 points in just 28 seconds.

SEBI alleged that Copthall was responsible for the upward pressure in the index. The regulator said the firm placed aggressive buy orders at the maximum permissible limit of 3 per cent above the reference price across SENSEX constituent stocks.

During the first spike, Copthall accounted for 99.91 per cent of the total buy-order value, amounting to Rs 66.57 crore. In the second episode, its share was 96.09 per cent of total buy orders worth Rs 126.59 crore. In the third episode, Copthall placed buy orders worth Rs 98.12 crore. The regulator said Copthall cancelled its latest buy orders at 3:26:21 pm, suggesting that the orders were not placed with a genuine intention to acquire the underlying shares.

SEBI also alleged that Mansi Share and Stock Broking sought to push the SENSEX in the opposite direction. According to the order, the broker placed sell orders for 12.65 lakh shares across eight SENSEX constituents, with a total value of Rs 143.43 crore, at prices substantially below the reference price.

The regulator said 99.06 per cent of these sell orders were cancelled within seconds after the downward pressure on the index had been created.

SEBI linked the alleged cash-market activity to the derivatives positions held by the two entities. Copthall had synthetic long positions through calls and puts at the 77,500, 78,000 and 78,500 strikes, while Mansi held net buy Put positions at the 77,800, 77,900 and 78,000 strikes.

Dhenu Buildcon used ₹25 cr to create ₹1,000 cr loan trail: SEBI

Mumbai

MARKETS regulator Securities and Exchange Board of India (SEBI) has alleged that Dhenu Buildcon Infra Limited used a network of connected entities to repeatedly circulate a base amount of Rs 25 crore, creating the appearance that the company had received Rs 1,000 crore in genuine unsecured loans.

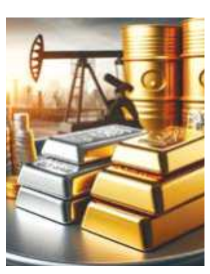
The allegations were made in an interim order passed by SEBI Whole Time Member Kamlesh Chandra Varshney. According to the regulator, the alleged arrangement was orchestrated by Surendra Kumar Jain and Virendra Jain and involved Dhenu Buildcon and several entities connected to the company.

SEBI said that during FY25, Dhenu Buildcon purportedly received Rs 1,000 crore in unsecured loans from seven entities. The company subsequently converted Rs 840 crore of the purported debt into equity through a preferential allotment to six of these entities in December 2025.

However, an examination of the bank accounts of the entities allegedly involved in the transactions showed that the purported Rs 1,000 crore inflow was created by repeatedly layering and circulating a single base amount of Rs 25 crore through the accounts of connected entities, SEBI alleged.

The regulator further alleged that the initial Rs 25 crore itself originated from suspicious fund rotations involving other connected entities. Based on its analysis of the fund trail, SEBI said it had prima facie concluded that the purported loans were not genuine transactions. Consequently, the regulator alleged that the Rs 840-crore preferential allotment was made without genuine financial consideration. SEBI also identified several links between Dhenu Buildcon, the entities shown as lenders and preferential allottees, and other entities that received funds from the company. These links included common addresses, directors, authorised signatories and bank branches, along with extensive cross-shareholdings.

Crude climbs over 1% on revived supply concerns



NEW DELHI: Crude oil futures rebounded from early losses to gain more than 1 per cent, tracking firm global trends as fresh US sanctions aimed at isolating Iran stoked concerns over possible disruptions to global oil supplies. On the Multi Commodity Exchange (MCX), crude oil for the September delivery appreciated by Rs 96, or 1.18 per cent, to Rs 8,247 per barrel. The October contract also advanced Rs 91, or 1.14 per cent, to Rs 8,097 per barrel on the MCX. Analysts said the rally marked the fifth straight session of gains for MCX crude futures, as investors weighed the impact of the latest US pressure on Iran's oil trade. Brokerage firm Kotak Neo, formerly Kotak Securities, said the market is now pricing in the risk of tighter Iranian crude flows, with the Strait of Hormuz once again emerging as a key pressure point. The gains were mirrored in international markets, with Brent crude futures for October delivery rising $1.95, or 2.13 per cent, to $93.57 per barrel on the Intercontinental Exchange.

Gold futures rise on weak US dollar

GOLD price climbed by Rs 264 to Rs 1.58 lakh per 10 grams in futures trade, tracking firm global cues as a sharp fall in US dollar boosted the demand for bullion. The yellow metal futures for October delivery increased by 0.17 per cent in a business turnover of 10,450 lots. Analysts said easing US Treasury yields and a weaker dollar supported gold prices, while persistent inflation concerns, elevated crude oil prices and geopolitical tensions continued to cap the upside in bullion. In the international markets, Comex gold futures for the December contract traded flat at $4,546 per ounce in New York. "Gold is hovering above $4,500 for the first time since early June as a sharp decline in US Treasury yields and the dollar boosted bullion," said Manav Modi, Commodities Analyst at Motilal Oswal Financial Services Ltd. The US Treasury announced it would double its buyback operations for longer-dated bonds to $4 billion from $2 billion per operation starting September 9, providing liquidity support to the long-end of the market. Modi said the move sent the 30-year US Treasury yield down from near two-decade highs to around 5.19 per cent.

Silver futures jump nearly 1%

SILVER prices jumped Rs 2,163 to Rs 2.38 lakh per kg in futures trade on Thursday, tracking a firm global trend after a surprise US Treasury liquidity-support announcement pushed bond yields and the greenback lower. On the Multi Commodity Exchange, the white metal for the September delivery climbed by Rs 2,163, or nearly 1 per cent, to Rs 2,38,950 per 10 grams in a business turnover of 10,383 lots. Analysts said softer US Treasury yields and a weak dollar boosted silver's appeal. In the international markets, Comex silver futures for the September delivery were trading 1.58 per cent higher at $66.86 per ounce in New York.

NSE shares may trade on its platform under 'permitted-to-trade' route

Under the permitted-to-trade framework, an exchange can allow trading in shares that are listed on another recognised stock exchange

New Delhi

THE National Stock Exchange (NSE) may allow its shares to trade on its platform after being listed on a rival bourse, without requiring a separate approval from Sebi, as the proposed arrangement would fall under the exchange's existing 'permitted-to-trade' framework, an industry source said on Thursday.

The distinction is important as permitted-to-trade is not the same as listing. While a listed company has disclosure and compliance obligations towards the primary exchange where it is listed, the 'permitted-to-trade' framework only helps investors to buy and sell the security on another bourse.

Under the permitted-to-trade framework, an exchange can allow trading in shares that are listed on another recognised stock exchange. The company does not become listed on the exchange where its shares are permitted to trade. "NSE may not be required to take Sebi approval for allowing its own shares to trade on the platform as far as it lists its shares on another exchange," the source familiar with the development said.

NSE already has more than 200 companies whose shares trade on its platform but are not listed on its platform, suggesting that trading on an exchange does not necessarily mean that the security is listed there.

The same mechanism is being used by other exchanges. MSEI and NCDEX together have around 4,000 companies whose securities are permitted to trade on their platforms even though they are not listed on those exchanges. Such permitted-to-trade arrangements do not involve a separate approval from Sebi for each security, as the process concerns trading of securities and does not amount to a fresh listing. The move could become significant for NSE as it prepares for its own public-market debut.

Market is hovering in indecisiveness

Bizz Buzz Bureau
Mumbai

THE benchmark indices witnessed a pullback rally. The Sensex was up by 628 points. Among sectors, Media index outperformed, rallied 2 per cent, whereas intraday profit booking was seen in selective Defense and Metal stocks.

Technically, after a gap-up open, the market witnessed range-bound activity. On daily charts, it has formed a Doji candlestick pattern, which indicates indecisiveness between the bulls and the bears. "We are of the view that the 50-day SMA at 77,200 and 77,000 would act as key support zones for traders," says Shrikant Chouhan, Head - Equity Research, Kotak Securities.

As long as the market is trading above these levels, the pullback formation is likely to continue. On the higher side, the market could bounce back to 77,800-78,500. On the flip side, below 77,700, the uptrend would become vulnerable. Below this level, traders may prefer to exit their long positions.

Rupee rises 3ps to 95.70/$

Expect the local unit to trade with a slight negative bias

Mumbai

THE rupee pared initial gains and settled for the day with gains of just 3 paise at 95.70 against the US dollar, as the support from the weaker dollar index was negated by elevated crude oil prices. Forex traders said while a weaker US dollar eases some depreciation pressure on the domestic currency, crude oil hovering above $90 would continue to keep pressure on India's import bill.

The dollar index fell to its lowest level since late May after the US Treasury announced that it would double its buyback operations for longer-dated Treasury bonds, pushing US long-term yields lower and reducing the dollar's yield advantage.

At the interbank foreign exchange, the rupee opened at 95.57 against the greenback and traded in a range of 95.56-95.72 during the session. It eventually settled at 95.70, higher by 3paise from its previous close. On Wednesday, the rupee stayed almost flat, ending just 1 paisa higher at 95.73 against the US dollar.

Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, was trading at 98.61, lower by 0.22 per cent. According to Anuj Choudhary, Research Analyst, Mirae Asset ShareKhan, the rupee opened higher on weak dollar and positive domestic markets. However, rupee pared initial gains on rising crude oil prices.

Greater awareness can boost corporate bond market liquidity: ANMI president

New Delhi

THE corporate bond market needs wider participation and greater awareness among retail investors to improve liquidity and price discovery, a brokers' association president said. Kamlesh Shroff, President of the Association of NSE Members of India (ANMI), said the equity investment culture in India has developed significantly over the past three decades, while the debt market has been slower to gain traction among investors.

He said greater awareness about the availability of corporate bond products and the volumes being generated in the market would gradually encourage retail investors to participate. "Predominantly, the equity cult in our market is far more superior and has built up in the last three decades. The debt market has been very slow in picking it up," Shroff said, adding that increased awareness would slowly and steadily bring the retail market into the segment. On liquidity in the corporate bond market, Shroff said greater market breadth would be crucial for improving liquidity and ensuring better price discovery.

Skyways IPO: DRHP highlights key risks

NEW DELHI: Skyways Air Services Limited, which is set to open its initial public offering on August 24, has disclosed an ongoing Economic Offences Wing (EOW) investigation involving the company and its material subsidiary Brace Port Logistics Limited in connection with allegations of fraud, over-invoicing, forgery and criminal conspiracy, according to the company's offer documents and a representation submitted to SEBI.

The company has fixed a price band of Rs 131-138 per equity share for the IPO, which will remain open from August 24 to August 27. The issue comprises a fresh issue of up to 2.89 crore equity shares and an offer-for-sale of up to 1.33 crore shares by existing shareholders.

The risk stems from FIR No. 0172 of 2025, registered by the EOW, Delhi, on December 12, 2025, pursuant to a complaint by UK-based PG Paper Company Limited. The FIR names Skyways Air Services as Accused No. 3 and its subsidiary Brace Port Logistics Limited as Accused No. 2. The RHP filed on August 11, 2026 discloses the FIR as an outstanding criminal proceeding against the company and its subsidiary. According to the allegations cited in the RHP and the representation, PG Paper has alleged that Skyways group entities, including Brace Port, RIV Worldwide Ltd. UK and Skyways SLS Logistik GmbH, secured freight business through coordinated actions involving inflated freight invoices, alleged bribery, fraud and misrepresentation.

World shares trade mixed after US Treasury expands debt buybacks

To ease pressure on share prices coming from the bond market since the purchases would push bond prices higher, helping to bring down yields

Hong Kong

EUROPEAN shares opened lower on Thursday after an advance in Asia, where South Korea's benchmark Kospi jumped nearly 6 per cent. US futures edged lower after the US Treasury Department said it would at least double the size of planned purchases of longer-term government debt.

That could ease pressure on share prices coming from the bond market since the purchases would push bond prices higher, helping to bring down yields. Germany's DAX fell 0.6 per cent to 25,938.92, while the CAC 40 in Paris slipped 0.1 per cent to 8,491.06. Britain's FTSE 100 shed 0.3 per cent to 10,713.50.

In Asian trading, the Kospi surged 5.9 per cent to 6,852.58. It tumbled 5.8 per cent on Wednesday on renewed selling of shares related to artificial intelligence. Samsung Electronics jumped 9.5 per cent, while memory chipmaker SK Hynix surged 12.7 per cent after the company announced a significant share buyback plan.

Japan's Nikkei 225 gained 1.4 per cent to 66,216.79, reversing declines earlier in the week. Japan reported it logged a trade deficit for a third straight month in July, as both imports and exports hit record highs. Shares of OpenAI investor SoftBank Group, a multinational investment holding firm and one of Japan's biggest companies, added 3.1 per cent.

Hong Kong's Hang Seng gained 0.8 per cent to 25,698.49, while the Shanghai Composite index rose 0.2 per cent to 3,903.72. Australia's S&P/ASX 200 was up 0.3 per cent to 9,083.80. Taiwan's Taiex added 0.5 per cent and India's Sensex climbed 0.7 per cent.

Yields on US government bonds fell after the Treasury Department's announcement on its expanded plans for government debt buybacks. Bond yields fall when bond prices rise in an inverse relation. The move appeared to mollify investors worried over rising yields. On Wednesday, the benchmark S&P 500 climbed 0.2 per cent for its first gain in four days. The Dow Jones Industrial Average added 0.2 per cent and the technology-heavy Nasdaq composite also rose 0.2 per cent.

In Asia, bond yields also eased after the US Treasury's announcement. Japan's 10-year government bond yield fell to around 2.85% from 2.95% on Tuesday. It has been trading near 30-year highs

Yields have risen in recent months over growing concerns about inflation stemming from the monthslong war in Iran and ballooning government debt, among other factors. The yield on the US 10-year Treasury fell to nearly 4.65 per cent from 4.71 per cent on Tuesday, although it's still well above its levels from before the start of the war in Iran. The 30-year Treasury yield fell to around 5.19 per cent on Thursday, from 5.28 per cent on Tuesday.

In Asia, bond yields also eased after the US Treasury's announcement. Japan's 10-year government bond yield fell to around 2.85 per cent from 2.95 per cent on Tuesday. It has been trading near 30-year highs.

In other dealings early Thursday, oil prices gained as there was little progress made in US-Iran negotiations over the war. Brent crude, the international standard, surged 2.2 per cent to $93.61 a barrel. It was trading at roughly $72 per barrel before the war. US benchmark crude jumped 2.1 per cent to $86.20 a barrel.

The US dollar rose to 158.53 Japanese yen from 158.16 yen. The euro was trading at $1.1683, down from $1.1677.