

October 21, 2026 – Wednesday

Economy

RBI tightens scrutiny of $1 billion-plus overseas investments amid rupee pressure

The Reserve Bank of India (RBI) is mounting scrutiny on large-value overseas direct investments (ODIs) by India Inc, amid battle to defend the rupee. Last week, the banking regulator gave leading banks a detailed and standardised checklist, spelling out a slew of ODI information that banks have to collect from corporate clients investing abroad and submit to it. This pertains to all ODIs above $1 billion and beyond the regulatory cap of four times the net worth of the domestic company investing abroad, two persons aware of the development told ET.
http://economictimes.indiatimes.com/news/economy/policy/rbi-tightens-scrutiny-of-1-billion-plus-overseas-investments-amid-rupee-pressure/articleshow/135055728.cms

Finance

CBDT mandates new disclosures for tax-free gains on govt securities

The Central Board of Direct Taxes (CBDT) has prescribed a disclosure requirement for taxpayers claiming exemptions on interest and capital gains from government securities under the Income-Tax Act, 2025. The Income-tax (Seventh Amendment) Rules, 2026, inserted Rule 281A into the Income-tax Rules, 2026, requiring taxpayers claiming exemptions under Schedule IV in a notification issued on Monday.
https://economictimes.indiatimes.com/news/economy/policy/cbdt-mandates-new-disclosures-for-tax-free-gains-on-govt-securities/articleshow/135074952.cms

RBI injects Rs 1 lakh crore as liquidity tightens before festive season

For weeks, India's central bank had its task-list full, draining excess liquidity after an overwhelming diaspora response to forex-inflow programs. Now, as the festive season slots into top gear, the Reserve Bank of India operationalised its first liquidity infusion program in three months after the overnight call rates shot past the policy benchmark. On Monday, the RBI announced a Rs 1-lakh-crore variable rate repo (VRR) auction for the first time since late July after the weighted average call rate (WACR) at 5.67% on Monday, or 17 basis points higher than the repo rate of 5.50%. The central bank will conduct another VRR for Rs 50,000 crore on Wednesday.
https://economictimes.indiatimes.com/news/economy/finance/rbi-injects-rs-1-lakh-crore-as-liquidity-tightens-before-festive-season/articleshow/135055953.cms

Resident Indians, FIIs to get income tax exemption on NDB's Maharaja Bonds

Income Tax Department has notified tax exemption on interest earned from 'Maharaja Bond', issued by New Development Bank. Meanwhile, the department has also introduced a new form for exemption on government securities for Foreign Institutional Investors (FIIs). In a notification, the department said that "no deduction of tax shall be made under section 393(1) of the Income Tax Act on payment in the nature of interest, made by the New Development Bank to such person being holder of the Maharaja INR Bonds issued by the New Development Bank during the tax year 2026-27 and subsequent tax years.

https://www.thehindubusinessline.com/money-and-banking/resident-indians-fiis-to-get-income-tax-exemption-on-ndbs-maharaja-bonds/article71603688.ece

Industry

Govt not to regulate airfares; caps only in exceptional cases

The Centre may impose caps on unjustified airfares on individual routes in exceptional circumstances under the new airfare rules, sources told businessline. However, airlines will be mandated to provide information on airfares, along with a break-up of operating costs and taxes, to the regulator DGCA.
https://www.thehindubusinessline.com/news/new-rules-govt-may-cap-unjustified-airfares-on-individual-routes/article71604886.ece

Government to review 2019 mineral policy amid new sector priorities

The Centre is set to review the National Mineral Policy, 2019, to align it with evolving sector demands, focusing on key priorities such as critical minerals, recycling, and deep-sea resources, according to sources. The Mines Ministry has decided to constitute a panel to undertake a comprehensive review of the policy in the light of recent developments and emerging requirements, the sources said.
https://economictimes.indiatimes.com/news/economy/policy/government-to-review-2019-mineral-policy-amid-new-sector-priorities/articleshow/135068220.cms

Agriculture

India’s drought-hit maize crunch pits poultry, ethanol makers in ‘me first’ fight

A dwindling supply of maize has triggered a competition among key industries for priority access. With drought affecting maize production and alternatives remaining limited, sectors including poultry producers, ethanol manufacturers and starch makers are urging the government to prioritise their sector. Poultry farmers rely on maize for feed, ethanol producers use it to make fuel, and starch manufacturers supply food processing and other industries. The grain is also used in products ranging from snacks to industrial ingredients, while its conversion into ethanol has linked it to India's efforts to reduce reliance on imported crude oil.
https://economictimes.indiatimes.com/news/economy/agriculture/indias-drought-hit-maize-crunch-pits-poultry-ethanol-makers-in-me-first-fight/articleshow/135075614.cms

Tomato prices crash 65% in a week as drought-hit Nashik farmers face a double blow

Tomato farmers are facing a double blow as drought conditions coincide with a sharp fall in prices at Pimpalgaon APMC, one of India’s largest wholesale tomato markets. Prices have plunged nearly 65% in a week to Rs 111 per 20-kg crate amid excess supply and weak demand. On the retail front, the kitchen staple was selling for Rs 20 per kg in Nashik on Monday as compared to about Rs 40 per kg a week earlier — an average drop of 50%. “The decline in wholesale prices take a day or two before reflecting in the retail market. If the trend persists, further correction in prices is expected in the retail market in the coming days,” a retailer told *TOI*.
https://economictimes.indiatimes.com/news/economy/agriculture/tomato-prices-crash-65-in-a-week-as-drought-hit-nashik-farmers-face-a-double-blow/articleshow/135063460.cms

Uneven rains may keep price of spices elevated

An uneven monsoon and dry soil conditions across southern India are threatening spice production, raising the risk of tighter supplies and higher prices in the coming months. "Despite a higher area under spice cultivation, we can see an impact on yield due to the effect of El Nino, especially in Karnataka, Andhra Pradesh and Tamil Nadu," said Sandeep Voddepalli, vice president, BigHaat India. The carry-over stocks from last year are low and export demand is expected to increase which will keep the prices in the retail market elevated," he added.
https://economictimes.indiatimes.com/news/economy/agriculture/uneven-rains-may-keep-price-of-spices-elevated/articleshow/135055145.cms

Infrastructure

India revamps highway EPC rules with rating-based deposits, crash penalties

The Centre has linked national highway contractors' performance security to their ratings so that high performers have to furnish lower deposits, thus creating a quality-driven incentive framework for India's massive motorway network development. Three slabs of 3%, 4% and 5% have been introduced for engineering, procurement and construction (EPC) projects through the revised model concession agreement introduced recently. Until now, a standard 5% performance security was applicable on all projects.
https://economictimes.indiatimes.com/industry/transportation/roadways/on-a-high-way-india-revamps-highway-epc-rules-with-rating-based-deposits-crash-penalties/articleshow/135074945.cms

Energy

Half of India's coal-fired power plants face critically low fuel stocks

Half of India's 191 coal-fired power plants are operating with critically low fuel stocks due to a surge in power demand amid hotter-than-usual weather linked to El Niño, government data showed. The number of power plants with critically low coal stocks — which only have enough fuel supply to generate power for less than three days — rose to 96 as of October 19 from 60 plants in mid-September, data from the Central Electricity Authority showed
https://www.thehindubusinessline.com/markets/commodities/half-of-indias-coal-fired-power-plants-face-critically-low-fuel-stocks/article71606054.ece

States

Industries in Gujarat start curtailing power use despite State's 79.5 GW installed capacity

Industries in parts of Gujarat have begun curtailing electricity use during evening peak hours, as the State grapples with record power demand, despite having nearly 79.5 GW of installed generation capacity. Gujarat recorded an all-time high peak electricity demand of 29,822 MW on October 16, up 36.6 per cent from 21,822 MW a year earlier. Daily electricity consumption rose 27 per cent year-on-year to 574 million units.
https://www.thehindubusinessline.com/economy/industries-in-gujarat-start-curtailing-power-use-despite-states-795-gw-installed-capacity/article71604323.ece

External

India-New Zealand FTA kicks in; duty-free access for Indian goods; gains hinge on competitiveness

The India-New Zealand Free Trade Agreement (FTA) came into force on Tuesday, giving all Indian goods duty-free access to the New Zealand market and opening new opportunities for exporters in labour-intensive sectors such as textiles, garments, leather and footwear, as well as engineering goods, ceramics and automotive components. The pact eliminates 100 per cent tariffs on Indian exports to New Zealand, while 95 per cent of New Zealand's exports to India will be either allowed tariff-free or at sharply reduced levies.
https://www.thehindubusinessline.com/economy/india-new-zealand-fta-kicks-in-duty-free-access-for-indian-goods-gains-hinge-on-competitiveness/article71604920.ece

India-US trade deal 'pretty close', Trump says; will be very different from earlier pacts

The US and India are "pretty close" to making a trade deal, which will be much different than the earlier pacts, US President Donald Trump said here. Speaking to reporters at the Oval Office on Tuesday, Trump said India and the US were pretty close to making a trade deal. "They want to make a deal. We're going to make a deal. Pretty close, yeah," Trump said in response to a question."It's going to be a much different kind of deal than we've done," the president said.
https://economictimes.indiatimes.com/news/economy/foreign-trade/india-us-trade-deal-pretty-close-trump-says-will-be-very-different-from-earlier-pacts/articleshow/135080169.cms

US targets $500 bn bilateral trade with India in three years, says Ambassador Sergio Gor

The United States has set an ambitious target to double its bilateral trade with India to over USD 500 billion within the next three years, up from a record-breaking USD 240 billion, US Ambassador to India Sergio Gor said. Addressing

business leaders and diplomats at the Freedom 250 reception in Mumbai, Ambassador Gor highlighted the deepening economic and strategic partnership between the two nations, noting that President Donald Trump sent him to India with a clear mandate -- "Deliver results. Don't just talk about the future. Make it happen".
https://economictimes.indiatimes.com/news/economy/foreign-trade/us-targets-500-bn-bilateral-trade-with-india-in-three-years-says-ambassador-sergio-gor/articleshow/135079166.cms

India-UAE bilateral trade crosses $100 billion as strategic ties deepen

UAE Deputy Prime Minister and Foreign Minister Sheikh Abdullah Bin Zayed Al Nahyan concluded a two-day official visit to India on Tuesday, further solidifying ties between the two nations. During the visit from October 19 to 20, Sheikh Abdullah held delegation-level talks with India's Minister of External Affairs, S Jaishankar. The two leaders reviewed the overarching progress of the India-UAE Comprehensive Strategic Partnership.
https://www.thehindubusinessline.com/news/india-uae-bilateral-trade-crosses-100-billion-as-strategic-ties-deepen/article71606074.ece

In second visit within months, Rubio calls on India to scale up US energy and defence buys

India and the US on Tuesday moved to expand energy and defence cooperation despite ongoing friction in their relations, as Secretary of State Marco Rubio urged New Delhi to scale up energy trade and increase the purchase of American technologies and systems. External Affairs Minister S Jaishankar hosted Rubio for wide-ranging talks shortly after the top diplomat arrived in Mumbai for his second visit to India in under five months, even as bilateral ties remain strained over Washington's unpredictable trade policies and tightening immigration rules.
https://economictimes.indiatimes.com/news/economy/foreign-trade/in-second-visit-in-months-rubio-calls-on-india-to-scale-up-us-energy-and-defence-buys/articleshow/135072581.cms

China curbs spur push for local manufacturing

The Centre will soon hold deliberations with stakeholders on measures needed to mitigate the impact of curbs imposed by China on exports of heavy equipment machinery, even as officials ruled out any large-scale slowdown in highway development due to Beijing's measures. The scheme to incentivise domestic manufacturing of this crucial equipment is close to final approvals, they added. China on Monday announced new export controls on key machinery, including tunnel boring machines. "However, there could be issues with the import of high-duty engines that go into this equipment, high mass cranes and tunnel boring equipment which could impact some critical projects, including the Bullet Train project," said an official.
https://economictimes.indiatimes.com/news/economy/foreign-trade/china-curbs-spur-push-for-local-manufacturing/articleshow/135055802.cms