

Economy This Week (24th Sep to 30th Sep 2022)

Economy is an important part of the [UPSC prelims](#) and mains exams; this series titled 'Economy This Week' has been initiated to address the need to read and analyse economic articles in various business-related newspapers. The round-up of the Economy/Business section news for 24th Sep to 30th Sep 2022 is given below. Business news is essential for IAS exam preparation.

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1. Govt commits ₹ 7385 Cr to 88 AIFs under startups fund (FE 27/9/22)

- Fund of Funds for Startups (FFS) has committed ₹ 7385 Cr to 88 Alternative Investment Funds (AIFs) and these AIFs have in turn invested ₹ 11206 Cr in 720 startups
- FFS has been launched in 2016 and has been playing a major role in mobilizing domestic capital in Indian start-up ecosystem
- The FFS will have a corpus of ₹ 10000 Cr constructed over the cycles of 14th and 15th Finance Commission cycle (2016-20 and FY2021-25) through budgetary support by DPIIT

2. Online gaming - Gameskraft gets DGGI notice (BL 26/9/22)

- The Directorate General of Goods and Services Tax Intelligence (DGGI) has issued a tax notice of ₹ 21000 Cr to Bengaluru based online gaming company - Gameskraft
- This is the biggest tax demand in indirect tax history
- The company has the right to challenge the demand at various levels
- There are two tiers of tax rate for online gaming - 18% in case of game of skill and 28% in case of game of chance and most of the online gaming company impose a 18% tax

3. Government to launch oilseed mission (LM 26/9/22)

- The government is set to launch oilseed mission to boost the production of oilseeds and reduce the import dependence
 - India imports ₹ 1 tn worth of edible oil imports annually
 - This scheme has been prepared after the governing council met last month and sought to achieve self sufficiency
 - Would be covering mustard, sunflower, groundnut, coconut etc
 - The scheme is expected to have
 - Subsidy for buying good quality seeds
 - Provide support price in market if needed
 - Involving private sector to supply quality seeds
- Government has cut down the import duty many times in last couple of months to reduce the impact on food inflation

4. FSSAI proposed labelling regulations (BL 26/9/22)

- FSSAI has proposed the front of the packet labelling and this has evoked mixed responses from the industry
- Some of the players believe that there is a need for having a system catering to Indian dietary patterns so that the system doesn't end up discriminating the Indian traditional and ethnic food industry

- This may also push the usage of artificial salt, sugar etc in order to get more star ratings
- It will increase the compliance burden on the smaller players and start-ups
- Under the star rating, the food products will be assigned star ratings (1 to 5) based on the nutritional profiles
- Higher number of stars will indicate that the product is better for providing nutritional requirements
- Once finalized it will be voluntary for the first four years
- The draft regulations define high fat, sugar and salt (HFSS) food for the first time apart from defining the thresholds for saturated fat, sodium, total sugar etc

5. Govt to plug duty loophole in solar equipment imports (LM 26/9/22)

- Government has imposed a basic customs duty of 40% on solar modules and 25% on solar cells to promote domestic manufacturing.
- Several importers are using the provisions of the “project import scheme” to avoid paying high tax rates
- Under the project import scheme, the imports of machinery, instruments, apparatus etc are imported for setting up a new unit or expanding the existing unit at a concessional duty of 5%
 - Power sector, industrial plants, irrigation, mining etc are covered under this
- The companies which have imported under the scheme, will not be allowed to impose higher tariffs sighting higher customs duty

6. Step up e-auction in default cases (FE 25/9/22)

- Finance ministry has asked the banks step up the auctioning of the mortgaged properties of defaulters and improve the recovery from bad loans
- The lenders have been asked to make greater use of the common portal - Indian Banks Auction Properties Information (IBAPI).
 - Has been developed by Allahabad Bank
 - Initiative of Indian Banks Association (IBA)

7. 15% punitive duty proposed on 22 UK items (FE 29/9/22)

- India has sought WTOs authorisation to impose extra import tariff of 15% on 22 British goods
- This is to retaliate against latter’s decision to impose safeguard measures against select steel products
- As per India’s submission because of the measures adopted by UK, India’s imports have declined by 2.1 lakh tonnes
- India has notified the WTOs trade council in goods under GATT 1994

8. FDI set to hit \$100 bn in FY23 (TH 25/9/22)

- India is on track to receive \$100 bn in foreign direct investment (FDI) in FY23 on account of the economic reforms and ease of doing business
- India has received \$83.6 bn in FY22 and India has received the FDI from 101 countries and invested across in 31 states and UTs and 57 sectors

9. Centre extends free ration scheme for 3 months (TH 29/9/22)

- Centre has extended the PM Garib Kalyan Anna Yojana for 3 months - from 1st October to 31st December 2022
- This will allow the beneficiaries under NFSA to get 5 kgs of food grains per person per month
- The scheme has been in operation since April 2020

