



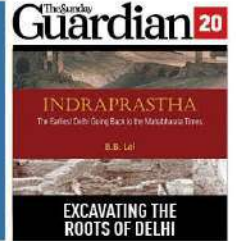
5 THUNBERG'S GAFFE REVEALS REAL AGENDA OF PROTESTERS



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SINISTER

MELT-INDIA EXTERNAL NEXUS USING INNOCENTS AS COVER FOR OPERATIONS

Even though a small portion of the farming community appeared to be unhappy with the three farm laws, their agitation was labelled as a national farmers' protest by media, both domestic and international. This has misled several influencers and policymakers in multiple countries into believing that the agitation taking place on the Delhi border is pan-Indian in scope.

MADHAV KALAPAT
NEW DELHI

Farmers are a community highly valued in India for their service and dedication to the national interest. The agitation launched in the final months of 2020 with the declared

intention of making Prime Minister Narendra D. Modi scrap the three farm laws passed late last year involved only volunteers from a particular state before a trickle of support came in subsequent weeks from a few other states (including Tamil Nadu), where the Congress-aligned

DMK is strong). Despite the fact that only a small portion of the farming community in the country appeared to be unhappy with the three farm laws passed last year, their agitation was labelled as national farmers' protest by media, both domestic as well as international. This has

misled several influencers and policymakers in multiple countries into believing that the agitation taking place on the Delhi border is pan-Indian in scope. This mischaracterisation has remained uncorrected abroad, so far as the media is concerned. The other characteristic is that

it is not only just food grain cultivators of a single state and a smaller number from a few other states who are active in fuelling the protests. A prominent role is getting played by the "nartiyas", the trader-moneylenders who stand to lose once they lose the monopoly over produce

that has been enjoyed by them till now. Another problem that vexes them is the need to register themselves under the Income-Tax and GST laws even where their grain business is concerned. Till now, the income stream of the "nartiyas" from handling farm produce went

almost entirely unrecorded. Given the extreme nature of the punishments prescribed under these laws, combined with the manner in which laws and accompanying regulations have been used by corrupt officials to collect bribes, it is not surprising that the "nartiyas" are resist-

ing coming under the tax scanner. However, a modern economy mandates that transactions get recorded fully and accurately, and it is to be hoped that the Ministry of Finance will, in the next round of tax proposals, give up the obstinate stand

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TOP OF SATURDAY

WE ARE ENHANCING CLOUD-BASED INFRASTRUCTURE: PM MODI

NEW DELHI: While addressing the Diamond Jubilee of the High Court of Gujarat, through video conferencing, Prime Minister Narendra Modi said on Saturday, "To make our justice system future-ready, use of artificial intelligence to increase efficiency and speed of judiciary, the Aamritsar campaign is going to play an important role in this. We are enhancing cloud-based infrastructure that will not only enhance ease of justice but also enhance ease of living of the people in the country". The PM said that the Gujarat HC has set an example through conferencing, judgments and orders were uploaded on their website amidst the lockdown. Gujarat HC became the first for broadcasting Court proceedings live, he added.

'HAVE GIVEN TIME TO GOVT TILL 2 OCT TO REPEAL FARM LAWS'

NEW DELHI: Bharatiya Kisan Union (BKU) leader Bhaskar Tikait on Saturday said that they have given time to the Central government till 2 October to resolve the ongoing farm laws issue, adding that farmers will not return to their homes unless the three new farm laws are repealed. Speaking at the Chhatrapati protest site, Tikait said, "We have given time to the government till October 2 to repeal the laws. After this, we will do further planning. We won't hold discussions with the government under pressure".

'SOME PROGRESS DURING MILITARY TALKS IN LADAKH'

VIJAYWADA: Nine rounds of military commander-level talks have been held between India and China over the standoff in eastern Ladakh and though some progress has been made, it is not a situation where there is a visible expression of that on the ground, External Affairs Minister S. Jaishankar said on Saturday. He said disengagement talks are a 'complex issue' and talks will continue. He said there was a reasonable hope the MEA reached to the remarks of some celebrities in relation to the farmers' protests, adding that the 'leak' case, which is being probed by police, has revealed a lot.



Flying colours

Indian Air Force Sarang helicopter and a Suryakiran aerobatic team aircraft perform during the Aero India 2021 air show at Rajahmunda airbase in Bengaluru, on Wednesday. REUTERS | SAMUEL KAJUMAR

BIG TECH, BIG PROBLEM

Google continues to give platform to Khalistani elements

ABHINAVAN MISHRA
NEW DELHI

Even though Google had claimed that it had removed pro-Khalistani applications from its platform in November 2019 following a request from the Punjab state government, the same are still available for download, an investigation by *The Sunday Guardian* has revealed. Worse, as the analysis of this app revealed, it was "updated" in November 2019, indicating that it was never really taken down from Google's platform.

Also, a website, run by the same people who are behind the mobile app, and which had come on the radar of the intelligence agencies following which it was "banned" from being accessed from India, is accessible by using easily available proxy servers. This it defeats the whole purpose of Government of India and the Punjab state government of keeping it out of the reach of gullible youths. The app, "2020 Sikh referendum", and the website, "yes2khalistan.org", were both accessible for download

and registering as on 6 January (check screenshots). As per intelligence agency officials, both these platforms are being managed by people associated with "Sikhs for Justice" (SFJ), a UK based Khalistani group, which has been accused of inciting internal disturbance in the country. Its name has cropped up in the recent protests that are happening in and around Delhi as well. The Ministry of Home Affairs, by its 10 July 2019 notification, had declared SFJ to be an unlawful association

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ANTI-INDIA BLITZ

Pak-China waging psy-war on India on social media, India's counter missing

ABHINAVAN MISHRA
NEW DELHI

The past few weeks' incidents triggered by entities sitting outside India, have brought to the fore the limitations that the country's security agencies are facing when it comes to countering the "anti-India" psychological warfare or psy-war being fought on social media platforms, especially Twitter. The *Sunday Guardian* spoke to people in different intelligence agencies, who agreed that Indian capabilities to counter, let alone mount an offensive charge against the psy-war that it was facing, were "extremely weak" and that India was at least "10 years" behind its two main adversaries, Pakistan and China. According to these of-

FUTURE FORWARD

India, Japan should ensure Indo-Pacific peace: Japan's ex Defence Minister

JAGANNATH PANDA
NEW DELHI

Professor Satoshi Morimoto, former Defence Minister of Japan; and Chancellor, Takushoku University, Japan, speaks to *The Sunday Guardian*. Q: How do you see Japan's future security outlook under Prime Minister Yoshihide Suga? Do you think a political consensus has emerged in recent times to make Japan's security outlook more responsible and responsive? How should Japan promote political consensus to strengthen its security and military outlook? A: The pandemic crisis of Covid-19 has caused serious suffering all over the world since early 2020. It doesn't

look like that the spread of Covid-19 will finish anytime soon in 2021. It will be crucial when the herd acquired immunity starts functioning because of vaccination to overcome this on-going Covid-19 crisis. Since the last year, this pandemic has badly affected the international exchange of people and goods. Economic performance and diplomatic activities also have been stagnated. Domestic politics of various countries tends to be inward-looking. Advanced countries are sluggish in international coordination and cooperation as well. International development assistance to developing countries is severely stagnated. As a result, it leads to quite serious situa-

tions such as the shortage of food supply and healthcare support, and the deterioration of public security in many countries. Q: How do you see the current US-China rivalry, and how Japan under Prime Minister Suga aims to strengthen its security ties in Asia and beyond? A: In this global context, China and Russia pose serious challenges and anxieties to neighbouring countries and regions due to their hegemonic expansionist policy, backed by strong military power. Russia attempts assertive military interventions in Eastern Europe (such as Ukraine) and in the Middle East (such as Syria) to expand Russian spheres

IMPORTANT ELECTION

BJP READY WITH HIGH-VOLTAGE CAMPAIGN FOR BENGAL

DIYENDU MONDAL
KOLKATA

With less than a month to go before the West Bengal Assembly elections are announced, the Bharatiya Janata Party is going all guns blazing into the election campaign from next week as decided at the core committee meeting held by the senior party leadership earlier this week in New Delhi. According to sources aware of the details of the meeting that was held in the national capital, the BJP has chalked out a detailed roadmap for the election campaigning that it will undertake to corner the Trinamool Congress in the state, which it sees as the main opponent in the upcoming elections. The core committee meeting of the BJP leadership, which was held at the New Delhi residence of state BJP

president Dilip Ghosh on 2 February, also saw the attendance of newly inducted leaders such as Suvendu Adhikari and Rajib Banerjee. Apart from them, national general secretary of the party and Bengal observer, Kailash Vijayvargiya, national vice president, Mukul Roy, national joint general secretary, organisation, Shivprakash, national secretary and co-incharge of Bengal, Arvind Menon, were also present in the meeting. The plans discussed in the core committee meeting of the BJP included the "Parivartan Rath Yatra", which started on Saturday as the BJP believes that this Rath Yatra, which will pass through all the 204 Assembly constituencies of the state, will create a momentum for the BJP. According to sources in the

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BUDGET 2021

FIRST PAPERLESS BUDGET BASED ON PILLARS OF GROWTH

PARUL JOLLY & SACHIN VASUDEVA
NEW DELHI

Based on the six pillars for the growth of economy i.e. (1) Health and Well Being, (2) Infrastructure, (3) Inclusive Development, (4) Human Capital, (5) Innovation and R&D and (6) Maximum governance and minimum government, the Finance Minister presented the first ever paperless budget on 1 February 2021. The budget was presented on the back of an unprecedented year which saw the Indian economy contract by 77%. Though the taxpayers were aware of the fiscal situation, the expectations among taxpayers were high in terms of a reduction in tax rates or enhancement of exemptions/deductions at least on account of medical expenses, but no such change has been announced. While the tax rates have been kept the same, a trend of reversing High Court/Supreme Court judgments which are favourable to the taxpayer which hitherto was common but was discontinued by the present government since many years has seen a revival. This is a very disturbing feature of this budget.

On the personal tax front, there are only a few positive

changes- giving legislative recognition to exemption for LTC Cash Scheme, extending deduction of interest on loan for first time home buyers for one more year and relaxation to senior citizens in respect of filing of return of income subject to certain conditions. Additional tax liability by way of restricting the tax-free income is proposed to be imposed on the individuals who pay premium of more than Rs250,000 in a year for a ULIP or contribute towards provident fund in excess of Rs250,000 in a year.

Last year, faceless assessments and appeals were introduced, this year's Budget introduces provisions for a faceless Income Tax Appellate Tribunal to simplify the appellate procedure. All hearings (if granted) before the ITAT are now proposed to take place over video conferencing. The ITAT, being the final fact-finding authority and entrusted with a quasi-judicial function cannot work faceless. The principal of natural justice also requires a proper hearing to be given to the parties. By making the ITAT faceless the importance of this great institution is being undermined. In fact, it would be better the position of the CIT(A) is merged with the



Union Finance Minister Nirmala Sitharaman presents the Union Budget 2021-22 in Lok Sabha in New Delhi on Monday. ANI

ITAT as one single appellate authority. Why should the taxpayer be made to go through two stages of faceless appellate authorities? Further, to limit prolonged uncertainty of disputes, there are various measures proposed including constitution of Board for Advance rulings, constitution of Dispute Resolution Committee. With the massive technological upgrade in the Department where the processes under the Act are moving towards becoming faceless and jurisdictionless, the time taken to complete such processes has greatly reduced and therefore the timelines for filing belated return, revised return and for completion of assessment

have been reduced by three months and for reopening tax assessments the limit has been reduced to three years and in exceptional cases to 10 years. In an attempt to improve compliance, the Budget has also proposed higher tax rates for non-filers of income tax returns. This responsibility has been thrust upon the tax deductor as he has to now find out whether the deductee has filed his return of income for the past two years or not. If such a return has not been filed, then the deductor would have to deduct tax at a higher rate. The scope of TDS has been further enlarged and has now been extended to even purchase of goods. Last year

a levy by way of TCS was introduced on sale of goods. A specified buyer is now mandated to deduct tax @ 0.1% from the consideration paid for purchase of goods where the payment exceeds Rs 50 lakhs. This particular amendment will increase the compliance burden of the taxpayers. Collection of tax by way of TDS seems to be the simplest form of collection by the Government as responsibility is cast on the taxpayer and in case of non-compliance the taxpayer is saddled with interest and penalty, so he has no choice but to comply.

The Budget has unsettled the settled position for many years and that too in many aspects by amending the law

to override judgements of the High Courts and the Apex Court. One such amendment is to deny depreciation on goodwill which is bitter pill to swallow for corporates. The Supreme Court had held that goodwill arising on amalgamation is eligible for depreciation. This amendment would impact the M&A activity in the country and is a retrograde step. Also, at the same time, it has created more ambiguity regarding depreciation on other intangibles like distribution network, customer list etc. If this was intended to be a budget for promoting investments, then this proposed amendment is contrary to the intent of the budget. Another aspect worth mentioning is the proposed change in the procedure for re-opening assessments. Here again the position of law which is settled in terms of interpretation has been completely altered. By unsettling the settled position more litigation will happen. The Hon'ble Supreme Court along with many other High Courts had held that employee contribution of PF and ESI even if deposited after the due date as mentioned in the respective Acts but before the filing of the return of income, would be allowed as a deduction. This

interpretation has also been sidelined by amending the law to provide that even if there is a delay of one day in deposit of the employee contribution then the deduction shall not be allowed to the employer. Finance Act, 2020 had expanded the scope of the Equalisation Levy (EL) to cover non-resident e-commerce operators making supplies of goods/services in India. The provisions created a lot of confusion and disconnect with existing provisions in the Act. Budget 2021 has proposed various clarifications to clear the ambiguity such as excluding the income that is already taxed as royalty or fees from technical services from the purview of the EL. However, the proposed clarification as to the definition of online sale of goods and online provision of services, makes the ambit of the EL much wider. With utmost humility, this is neither efficient nor will it enable investments as was expounded by the Hon'ble FM in her speech that the tax proposals will achieve the aforesaid objectives. On the contrary, it will put the Country on the backfoot.

In the GST Act as well as Apex Court ruling has been negated by amending the 'scope of supply' retrospectively from 1st July 2017. The Apex Court had held that services provided by a club to its members are nothing but services to self and outside the levy of tax. However, the proposed amendment seeks to override the said decision. Another extremely important amendment is proposed in the GST regime. It is proposed to amend the law to provide that input credit cannot be availed till the time the vendor/supplier has not uploaded the invoices by filing the return of outward supplies in GSTR-1 or using the Invoice Furnishing Facility (IFF) even though the entity might have paid the GST to its vendor/supplier. Besides being paperless this budget is also input in there being hardly any positive tax proposals in the Budget. Few aspects worth mentioning are that the Budget seeks to increase the threshold for tax-audit, increases the safe harbour limit in respect of sale of immovable properties, expand the incentives for IFSC in the GIFT city and also does away with the requirement of a GST audit.

(The authors Parul Jolly and Sachin Vasudeva are partners at SCV & Co. LLP, Chartered Accountants)

FUTURE FORWARD

India, Japan should ensure Indo-Pacific peace: Japan's ex Defence Minister

of influence. On the Indo-Pacific side, Far East Russia, China, and North Korea keep on expanding their military activities in East Asia. The Trump administration attempted to stop China's intelligence activities in the US from stealing sensitive high-technology, information, and property rights to increase China's advantage in the area of high-technology. PLA expands their military activities in maritime and air space. Beijing also seeks access to various countries like island countries in the Indo-Pacific region by using their financial loans, investments, bribery, intimidation, etc. In this strategic context, the United States has been promoting the Free and Open Indo-Pacific Strategy. Japan has agreed with this FOIP concept and cooperates with the US, based on the Japan-US alliance. In addition, Australia, India, Japan, and the US have been developing the Quad security dialogue to advance the FOIP strategy. Meanwhile, Beijing expresses their opposition to both the FOIP and the Quad.

Q: What are the prospects of US-Japan security ties under President Joe Biden and Prime Minister Suga? Do you see the relationship between the US and Japan will strengthen further under these new leadership?

A: The Biden administration aims to put emphasis on international cooperation and America's alliance partnership to recover US credibility and reliability in the world. I agree with this policy direction. On the other hand, American society has been seriously fragmented. It will be Biden's



Professor Satoshi Morimoto, former Defence Minister of Japan

top priority to repair and rebuild the social cohesion of the United States. So far it is not so certain to which direction the Biden administration's Indo-Pacific Strategy will actually move forward. There are two fundamental questions. First, if Biden's China policy would seek for the cooperation and compromise with China through their strategic dialogue as the Obama administration did, then Biden might repeat Obama's mistakes again. The US engagement policy with China as a "responsible stakeholder" failed to stop China's assertive expansion after all. Second, Biden's new Indo-Pacific strategy might take a new approach, based on more inclusive allies and partners, which are different from the FOIP. Nonetheless, Biden will continue to take the Quad concept seriously. It would be the best outcome if this kind of Biden's new inclusive partnership approach could discourage the hegemonic expansion of China and Russia. Otherwise, if Biden's new approach seeks for the coexistence and prosperity with China and Russia by further compromise and reconciliation, then Biden's

of Beijing. On the contrary, these Chinese behaviours push the Quad security cooperation much closer. The Quad framework is a Foreign Minister-level security dialogue at this time. This Quad framework is expected to step up to a summit-level security dialogue framework. Furthermore, the Quad should build a Quad-based security framework to support countries of Southeast and Southwest Asia by promoting various security cooperations: defence equipment cooperation, capacity-building measures, joint training, and joint exercise. If these joint security cooperation measures are properly implemented, then the Quad framework will become the key pillars of regional peace and security in the Indo-Pacific.

Q: What is the prospect of Quad gradually turning into Quad Plus? What specific interest Japan holds with regard to the Quad Plus narrative? How do you see China's offensive expansion under President Xi Jinping? How should Tokyo cope with it in cooperation with the US and other Quad partners?

A: In recent years, major European countries keep much interest in the Indo-Pacific region and send their naval and air force to the region. The US, Japan, Canada, Australia and New Zealand join together to ensure the implementation of the relevant UN Security Council resolutions on North Korea in addressing illicit maritime activities and ship-to-ship transfers. Meanwhile, Canberra and Tokyo are also talking about Japan's escort of Australian force and the conclusion of the Japan-Australia

Reciprocal Access Agreement (Japan-Australia RAA similar to Status of Forces Agreement). Major European countries also join the Indo-Pacific regional security. In this year, 2021, UK will deploy its aircraft carrier "Queen Elizabeth" to Asia. Germany also sends its frigate warship to Asia. France, Germany, Italy and the UK have already published their Indo-Pacific strategy. The Quad members should consider inviting these West European countries to join the Quad security framework with an affiliate membership status.

Q: What role do you expect India to play? How do you assess the future of India-Japan ties in a rapidly changing geo-political environment?

A: In this strategic context, if any serious situation happens in the foreseeable future, it would probably occur in the maritime/air spheres of the South China Sea and the East China Sea (including Taiwan and the Senkaku Islands of Japan). It should be noted that India's role is critical to maintain peace and stability in the Indo-Pacific region. No other country but India can ensure the freedom and security of navigation in the Indian Ocean. Japan and India should work together to overcome this current Covid-19 crisis, and then redouble our efforts to ensure the peace and stability of the Indo-Pacific in closer cooperation, and to maintain our shared universal values of freedom and democracy.

Dr Jagannath Panda, who conducted this interview, is Research Fellow, MIP-INDIA. Dr. Panda is a specialist in East Asian affairs.

ANTI-INDIA BLITZ

Pak-China waging psy-war on India on social media, India's counter missing

months ago and was "definitely" not organic or spontaneous. "Pakistan is perpetually engaged in a war with India. Since it cannot win a conventional war against India, it has for the last 10-15 years, has focused on strengthening its hold on psy-warfare. And due to this, it is at this stage, miles ahead of India when it comes to using Twitter-like platforms to dent India's soft power image. Unfortunately, the people in our organizations, who are supposed to counter such hybrid versions of psy-war, are old and have no inkling of what to do and how to do it. Their version of taking an offensive action against adversary countries is restricted to organizing mass-attacks on Twitter handles who are engaged in anti-India rhetoric," a senior official with a decades old intelligence unit told *The Sunday Guardian*.

According to another old hand with an intelligence agency, Pakistan, in the last three-four years, had invested "massively" (the money for such investment had come from China) on building a strong network of domestic cyber warriors and on cultivating US and UK based "public relations experts" and lobbying groups.

"What we are seeing right now (in context of the anti-India campaign on Twitter) is a good example of how Pakistan's investment is showing results. Lobbying and PR groups are approaching celebrities to put out content in support of the protesters, the same is then being amplified in India through the strong



Imran Khan with Xi Jinping.

cyber support that is coming from Pakistan-based IP handles (which are masked). Such is the sophistication of this operation that in some cases it is difficult for the celebrities or their staff to realize that the money that they are getting as fees in lieu of using their influence on social media is originating from Pakistan. We even have proof of how employees of well-known US and UK media outlets are taking financial assistance from these lobby groups to write anti-India pieces that in the end suits the narrative Pakistan wants to propagate," the official added.

Psychological warfare, as per experts, is a planned use of propaganda and other psychological operations to influence the opinions, emotions, attitudes, and behaviour of people.

It is pertinent to mention here that the relevant intelligence agencies have a cyber-desk to counter such cyber-war operations, but as recent incidents have shown, have been found to be incapable of handling the challenge. According to the official quoted, rather than getting "obsessed" about Pakistan's capabilities, Indian policymakers need to focus on how to reach a stage where India can carry out an attack without using physical force and damage the enemy by using social media to conduct a psy-war.

"A lot of churning is needed as new people, who are aware of what and how to do, need to be brought in. Our policymakers are still to wake up to the damage that psy-war can cause. Perhaps the recent incidents will wake them up," the official said.