



Special Report

31 Mar 2023

Khalistan Undercurrent

Risks Perceived and Impacts Evident: A Security Failure



Debiprasad Mohapatra

Risk Intelligence Team

Ronnie Ninan

Senior Risk Analyst

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Introduction

Punjab, located in India's northwest region, is known for its rich history, fertile soil, and vibrant culture. Bordered by international borders with Pakistan to the west and state borders with Jammu and Kashmir to the north, Himachal Pradesh to the northeast, Haryana and Rajasthan to the south, Punjab is referred to as "the land of the five rivers" due to the five main rivers that contribute to its agricultural dominance and productivity. Despite its significance, Punjab faces several pressing challenges, such as rising unemployment, an intensifying drug epidemic, ineffective resource management, and inadequate political leadership.

The recent resurgence of the Khalistan narrative has sparked debates about its root causes and its impact on India's internal security and reputation on the global stage. The Khalistan movement, which gained prominence in the 1980s, witnessed several armed attacks on Indian territory following Operation Blue Star in 1984. The narrative of a separate Sikh nation was taken globally by Khalistani groups. However, it had the support of foreign intelligence agencies and terror outfits. This separatist and anti-India propaganda was furthered by pro-Khalistan supporters via traditional broadcasting and social media. During the 2020 Farmers' protest, an emerging pro-Khalistan sympathizer, Amritpal Singh Sandhu, currently absconding from the authorities, reignited the Khalistan narrative.

This report seeks to answer the pressing question of whether the current crisis is indeed the resurgence of the Khalistan movement or merely a facade overshadowing the socioeconomic issues that pose a threat to India's internal security. By examining key data points and providing insightful analysis, we aim to shed light on the complex interplay of factors contributing to the situation in Punjab today.



Amritpal Singh and Waris Punjab De

In recent months, 30-year-old separatist leader and Khalistani sympathizer Amritpal Singh Sandhu have risen as the head of Waris Punjab De (WPD), an organization established by actor-turned-activist Deep Sidhu. Born in Amritsar in 1993, Amritpal relocated to Dubai in 2012 before becoming involved in Sikh activism. He underwent a formal Sikh baptism in Sep 2022, presenting himself as a disciple of Jarnail Singh Bhindranwale, the leader of the Damdami Taksal and a prominent figure in the Khalistan movement in the 1980s culminating in his death during the Operation Blue Star military operation. However, unlike Bhindranwale, Amritpal did not have an orthodox religious background before joining Waris Punjab De. Initially founded in 2021 by Deep Sidhu, Waris Punjab De focused on aiding those in need within Punjab, particularly around Amritsar. After Sidhu's arrest and subsequent death in a road accident in Feb 2022, the organization experienced a significant shift in purpose and direction. Amritpal Singh assumed leadership and redirected its focus towards Bhindranwale's ideology, transforming Waris Punjab De into a radical group promoting Khalistani ideology in Punjab. Amritpal gained wider recognition after a dramatic incident in Feb 2023 when his supporters stormed a police station in Amritsar, demanding the release of his key associate, Lovepreet Singh. This event provided Amritpal with a platform to advocate for an armed uprising in pursuit of Khalistan. As of this report, Amritpal Singh is on the run amidst a crackdown by the Punjab government to apprehend him and his associates from WPD.



Jarnail Singh Bhindranwale
Damdami Taksal



Amritpal Singh
Waris Punjab De



Waris Punjab De
Logo

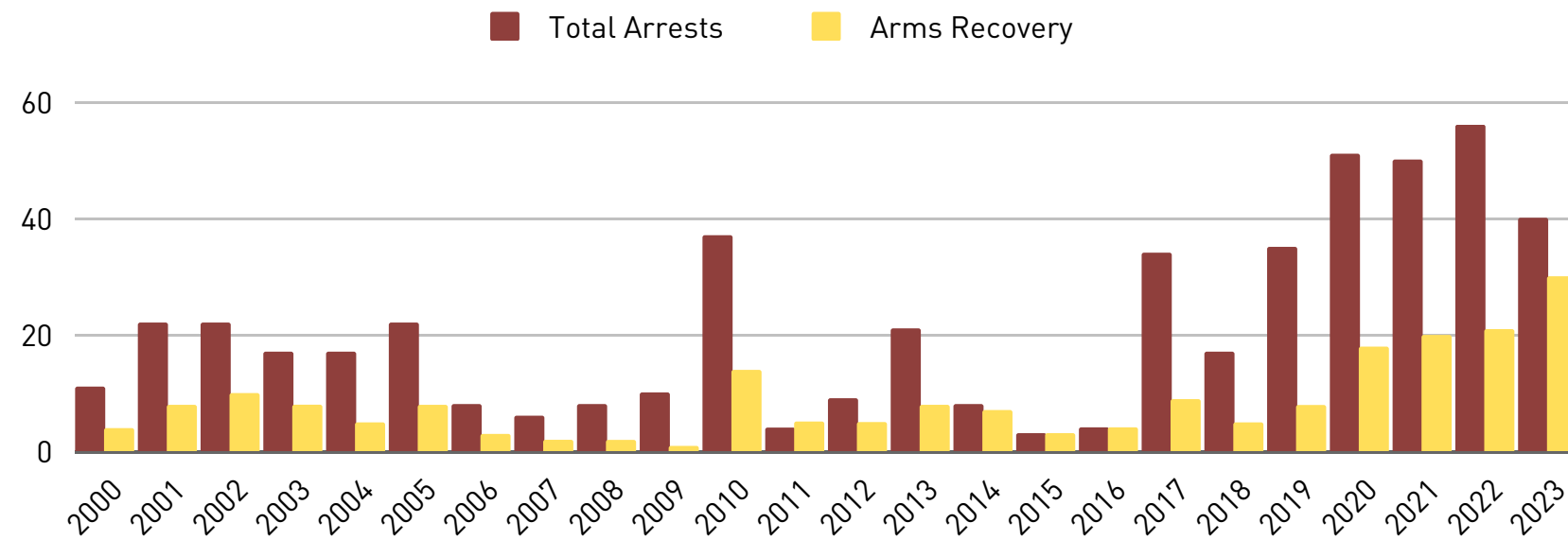
Khalistan and the Concerns for Punjab

In recent years, there has been a noticeable resurgence in Khalistani sentiments in India. This revival stems from a combination of socio-economic, political, and historical factors that have contributed to the spread of pro-Khalistani ideologies in Punjab. The rising unemployment, dissatisfaction with the central and state government, and a perceived lack of economic opportunities have fueled discontent among the Sikh community, creating an environment ripe for the growth of separatist sentiments.

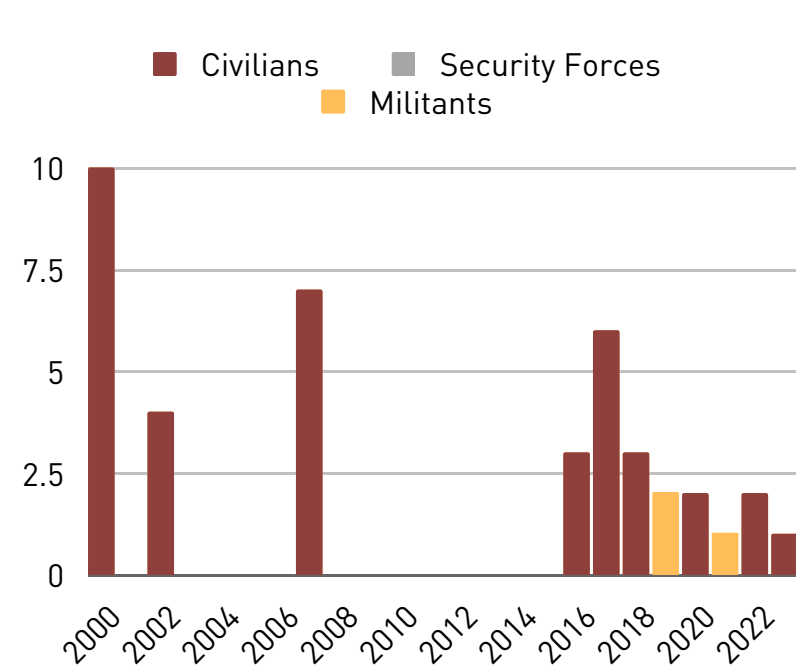
It is crucial to recognize the decline in the security situation concerning the Khalistan movement over the past few years. Remarkably, there were no Khalistan-related fatalities from 2008 to 2015 (Gr.1, 2 & 3). However, each year that followed has seen an increase in such fatalities. Significantly, apart from nine targeted killings between 2016 and 2017, investigations have shown that the majority of the perpetrators were petty criminals or gangsters rather than ideologically motivated Khalistanis. In the majority of these cases, the underlying motivation and direction originated from elements within the radicalized Sikh diaspora. Pro-Khalistani organisations (Appendix I) and individuals overseas continue to engage in not only disseminating anti-India propaganda but also funding and directing subversive campaigns and terrorist operations within India.

Some of the most prominent figures include:

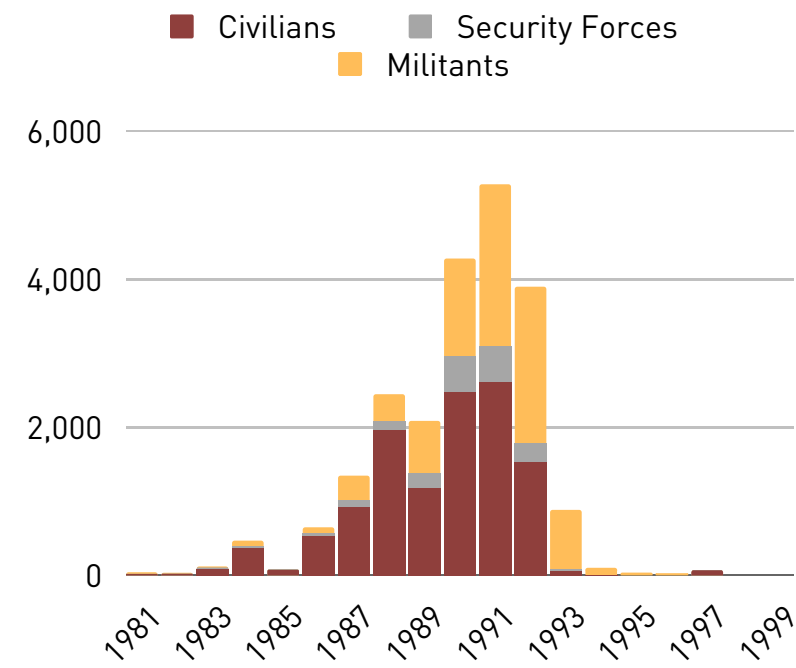
- Babbar Khalsa International (BKI): Wadhawa Singh Babbar (Pakistan-based) and Paramjit Singh (UK-based)
- International Sikh Youth Federation (ISYF): Lakhbir Singh (Pakistan-based)
- Khalistan Zindabad Force (KZF): Ranjeet Singh (Pakistan-based), and Bhupinder Singh Bhinda and Gurmeet Singh Bagga (both Germany-based)
- Khalistan Commando Force: Paramjit Singh (Pakistan-based)
- Khalistan Tiger Force (KTF): Hardeep Singh Nijjar (Canada-based)



Graph 1: Total arrests and incidents of arms recovery in Punjab from 2000-23 | Various sources



Graph 2: Fatalities due to Khalistan groups from 2000-22 | Various sources



Graph 3: Fatalities due to Khalistan groups from 1981-99 | Various sources

Political Inadequacy

Punjab's political history has been marked by events such as the rise of controversial leaders like Jarnail Bhindranwale, Operation Blue Star, and the anti-Sikh riots, contributing to the growth of the Khalistan narrative. The lack of strong political leadership has allowed for the proliferation of partisan parties like the Shiromani Akali Dal (SAD), which have institutionalized Sikh identity politics. However, in the 1990s, the political landscape in Punjab underwent a shift, leading most factions of the SAD to rebrand themselves as secular entities and embrace mainstream nationalism. Currently, only the SAD (Amritsar) faction continues to support the idea of a separate Khalistan. The farmers' protests in 2020-2021 offered a new platform for Sikh-centric political voices, as seen in the 2022 Lok Sabha bypoll when Simranjit Singh Mann of the SAD (Amritsar) won the Sangrur constituency. However, SAD (Amritsar) does not hold a seat at the Punjab Legislative Assembly (Fig. 1), speaking volumes about Punjab's general disposition.

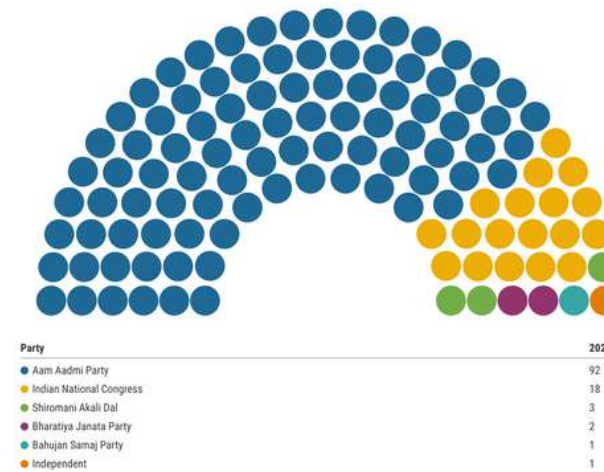


Figure 1: Punjab Legislative Assembly 2022 | Official sources

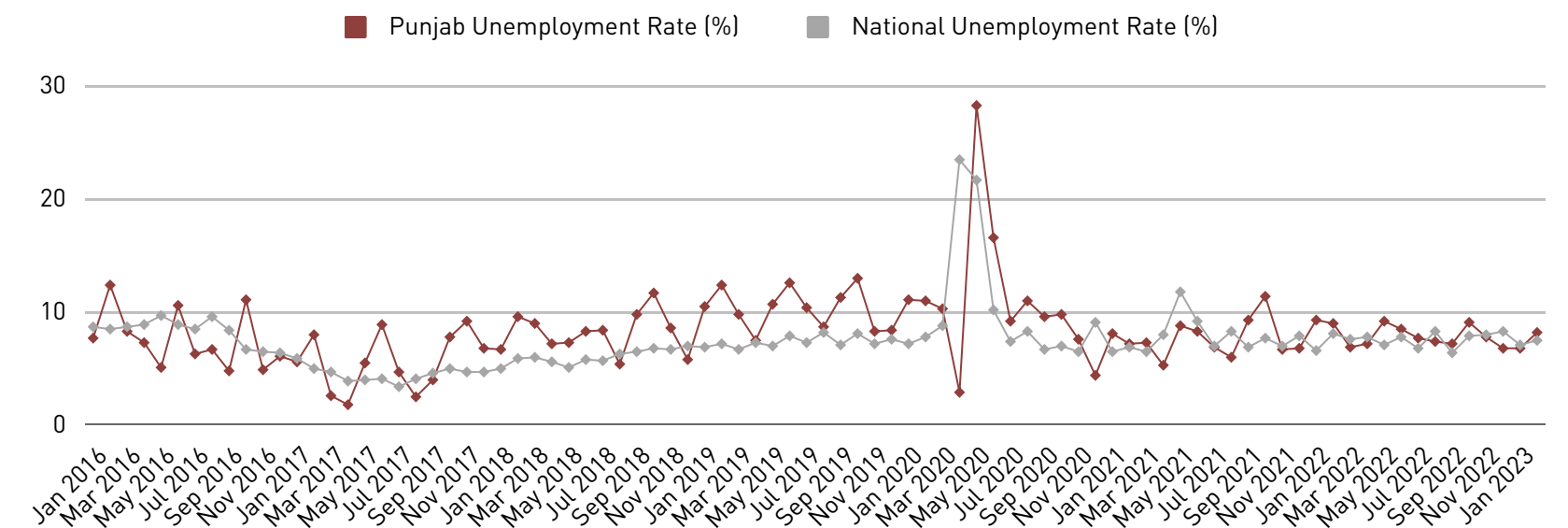
Despite the presence of opposition parties like the Indian National Congress and the SAD, Punjab's political landscape remains unstable due to internal party conflicts, shifting political alliances, and the rise of new political forces. The absence of strong political leadership has left a vacuum, with the youth lacking role models. The Aam Aadmi Party (AAP) attempted to fill this void by focusing on education, healthcare, and anti-corruption but has faced criticism over its efficacy in addressing these issues and its soft stance towards pro-Khalistan voices. This has opened the door for controversial figures like Amritpal Singh to appeal to the disillusioned youth grappling with issues such as drug abuse and unemployment, further deepening the ideological divide in the state.

Drugs and Drones: Sociocultural Impact

Punjab faces a severe drug addiction crisis, particularly impacting its youth. A 2015 study by the All India Institute of Medical Sciences reported over 200,000 addicts in the state. The numbers can be assumed to have risen much more following the COVID-19 pandemic. Recent government data reveals that about 860,000 young men, aged 15-35, consume drugs, with 16% of residents in some districts dependent on them. Heroin is the most popular drug, followed by opium and crystal methamphetamine among other synthetic substances. The state's proximity to Pakistan exacerbates the problem, as the porous 553 km border facilitates drug smuggling through cross-border tunnels, drones, human couriers, and trucks. Moreover, drone activity along the state's border with Pakistan tripled, with over 240 drones identified as delivering drugs and ammunition. Despite efforts by authorities, such as special task forces, awareness campaigns, rehabilitation centres, and drug seizures, the issue persists due to corruption, poverty, unemployment, and insufficient prevention and treatment facilities. The National Crime Records Bureau (NCRB) report ranks Punjab third highest in drug-related offences among Indian states and territories, with 9,927 cases and a crime rate of 38.5% per lakh population. In 2022, cases filed under the Narcotic Drugs and Psychotropic Substances (NDPS) Act increased by 25%, arrests by 29%, and heroin recovery by 14%. Punjab's drug trade has evolved from a traditional smuggling route to a consumption hub for synthetic drugs like heroin, often controlled by incarcerated gang members. All these have raised the concern about drug-related violence, which affects certain facets of Punjab— notwithstanding its sociocultural impact and internal security crisis.

Economy and Unemployment Woes

Punjab's fiscal health is deteriorating as outstanding debt surpasses INR 3 trillion and per capita debt reached INR 101,000 in 2022. Despite financial constraints, the incumbent AAP government persists in offering sops. Between Apr and Dec 2022, the state borrowed over INR 179.4 billion and struggled to meet revenue targets due to decreased Value Added Tax (VAT) collections and a loss of INR 160 billion from the end of Goods and Services Tax compensation. Although the Punjab government maintains that its finances are effectively managed under AAP rule, the escalating debt contributes to the state having one of the highest revenue deficits in India. Punjab's manufacturing clusters are struggling due to non-competitiveness, leading to stagnation and closures. Neighbouring states have improved their business environments, resulting in small and medium-sized firms relocating from Punjab, furthering de-industrialization. This has contributed to high unemployment rates (Gr. 4), particularly among the youth, and increased migration to other countries. The 2020-21 farmer protests are estimated to have cost Indian Railways INR 22.2 billion and the state's industries around INR 300 billion in losses. Poor infrastructure, air connectivity, and the absence of a seaport have also hindered industrial development, prompting corporations to relocate from Punjab to neighbouring Haryana.



Graph 4: Unemployment Rate (%) in Punjab from 2016-till date | Source: CMIE



Impact on Businesses

Punjab remains the country's breadbasket. Any blow to trade flows or business continuity to or from Punjab could harm the agricultural value chain. The ongoing security crisis in Punjab has impacted many industries, including transportation, trade, and tourism. This is due to internet shutdowns, increased security measures, and limited mobility for people and goods.

Transportation and Trade

The heightened security measures, as well as restrictions on vehicular and pedestrian movement, has hindered goods transportation in and out of Punjab. These disruptions will have particular effects on the logistics sector, with businesses facing difficulties meeting delivery timelines and maintaining supply chain efficiency. With the limited mobility of goods and customers, local trade will suffer. Businesses face challenges procuring raw materials and distributing finished products, reducing sales and revenue.

Impact on Supply chain

Punjab's agricultural sector is expected to be hit hard by the ongoing security crisis. Agriculture products, such as grains and fresh produce, have been severely affected by transportation disruptions. This will cause delays in supply to local markets and processing units and will have a ripple effect on the entire agricultural value chain. Moreover, Punjab is one of the largest producers of cotton, blended yarn, and mill-made fabrics and remains a major source of woollen knitwear (95%), sewing machines (85%), and sports goods (75%). A hit on the production could hamper its value chain.

Investment Outlook

An uncertain political and socioeconomic climate will also impact external/foreign investments. Risk-averse investors will mostly avoid Punjab as a potential investment option, owing to the ongoing crisis. This will also impact the state's revenue stream, having a domino effect on public investments such as roads, railways, and other critical infrastructure including hospitals. Not to mention the possibility of frequent and prolonged internet shutdowns that could hamper business operations and internal communications for organisations. Ultimately it impacts the brand of Punjab state.

Areas Affected

The impact of disruptions varies across Punjab districts. Areas like Jalandhar, Moga, Tarn Taran, and Ferozpur have faced significant upheaval and uncertainty, as have Ludhiana, Patiala, and Amritsar. This geographical variation in impact can be attributed to the proximity of the affected districts to the epicentre of the events surrounding Amritpal Singh and the subsequent security crackdown.

Cross-Border Impact

The disruptions have not been limited to Punjab but are also expected across the border in Uttarakhand. The heightened alert and security measures along Dehradun, Haridwar, and Udham Singh Nagar are expected to affect businesses in these regions. The impact is particularly significant for businesses that rely on cross-border trade and transportation between the two states.

While it is difficult to quantify the exact losses, it is clear that the Khalistan undercurrent, lack of adequate responses, and eventual crackdown against the Waris Punjab De leader will have far-reaching consequences for businesses in the region.



Timeline of Events

(as of this report)

29 Sep 2022

Khalistani-ideologue Amritpal Singh becomes President of 'Waris Punjab De', an organisation founded by late Punjabi actor Deep Sidhu. The 'Dastarbandi' (turban-wearing succession) ceremony took place in Moga's Rode, the native village of slain Bhindranwale.

17 Feb 2023

Lovepreet Singh aka Toofan is arrested, leading to a violent clash between Amritpal Singh's supporters and the police at the Ajnala police station, Punjab.

23 Feb 2023

Amritpal Singh announces a protest march to the Ajnala police station, demanding the release of his aide, Lovepreet Singh. Over 500 policemen are deployed and barricades are set up. The crowd becomes violent, attacking the police and capturing the police station. The Punjab Police are forced to negotiate and agree to release Lovepreet Singh.

24 Feb 2023 - 07 Mar 2023

Internet services are suspended in Punjab as the police launch action against Amritpal Singh. Lovepreet Singh is released from Amritsar Central Jail. Punjab Police take action against Amritpal Singh's associates, canceling the arms licenses of nine individuals.

18 Mar 2023 - 19 Mar 2023

Six close aides of Amritpal Singh are detained while he is en route to Shahkot. Amritpal Singh manages to flee the scene. Amritpal declared fugitive, Internet services are suspended in Punjab again as a police search operation is launched. Seven close aides of Amritpal Singh are arrested and sent to police custody. Sixteen more aides are arrested from Bhatinda, with bulletproof jackets and weapons being recovered.

20 Mar 2023 - 21 Mar 2023

While Amritpal Singh remains at large, social media chief of Waris Punjab De Gur Aulia and Kulwant Rauke are arrested. The National Security Act (NSA) is invoked against five men, including Amritpal's uncle Harjit Singh. Punjab police closed a drug de-addiction center operated by Amritpal Singh in Amritsar's Jallapur Khara area. Borders with Nepal and Pakistan are on high alert as the Centre warns the Border Security Force (BSF) and Sashastra Seema Bal (SSB) of the potential escape of Amritpal Singh. Mobile internet services in many Punjab cities resumes except Tarn Taran, Ferozepur, Moga, Sangrur, Subdivision Ajnala, YPS Nagar of Mohali and areas adjacent to Airport Road. Broadband services remain unaffected to ensure uninterrupted access to essential services like banking and healthcare.

22 Mar 2023 - 23 Mar 2023

Uttarakhand Police carried out a search operation in gurdwaras, hotels, and areas near the Indo-Nepal border in Udhham Singh Nagar district, closely monitoring the border. Punjab Police issued a lookout circular and non-bailable warrant against Amritpal. A rally supporting pro-Khalistan activist Amritpal Singh took place in Raipur, Chhattisgarh

24 Mar 2023 - 25 Mar 2023

Khalistan supporters stage protest at Indian High Commission in London, UK. Khalistani flags raised outside Indian Consulate in San Francisco, US. Maharashtra Police issue alert for certain districts including Nanded. Mobile and internet services remain suspended in Tarn Taran and Ferozepur districts. 207 aides of Amritpal arrested. Alert issued in Dehradun, Haridwar, and Udhamsingh Nagar districts in Uttarakhand. Heavy security checking at borders of districts.

26 Mar 2023 - 30 Mar 2023

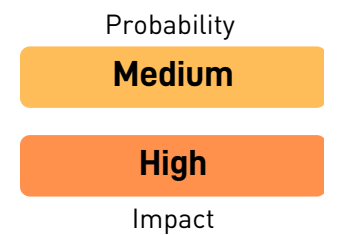
Heavy security search operation in Hosiarpur village. Checkposts and barricades raised. Several pro-Khalistan social media accounts taken down, following ultimatum by Akal Takht leader to release Sikh youths arrested during crackdown. Nepal places Amritpal Singh on surveillance list owing to reports that Amritpal and his wife may escape to Canada via Nepal. A video of Amritpal released on social media urging a gathering of Sikhs (Sarbat Khalsa) at the Damdama Sahib in Talwandi Sabo, Bathinda, on Baisakhi (14 Apr).

Risk Outlook



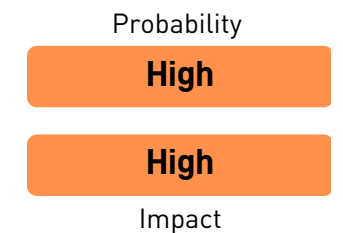
Political Uncertainty

Punjab is currently experiencing a political crisis, with regional and national parties eyeing the podium. However, effective leadership is absent. Punjab, with its border issues, rising unemployment, and drug trafficking, requires strong political leadership without fanning the flames of separatist narratives. There currently remains a possibility of localised protests in Punjab and other parts of India including Delhi and Chandigarh with a significant Sikh population.



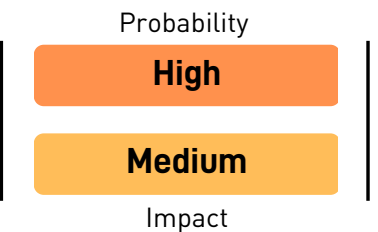
Socio-economic Decline

Punjab has witnessed a gradual dip in its economic indicators with high debt, declining agricultural output, and rising unemployment. This has affected the state's demographics, especially the youth, who have been affected by an alarming drug crisis. Many of the proponents of the separatist narrative, following Amritpal Singh, come from this demographic that is impacted by the conditions in the state.



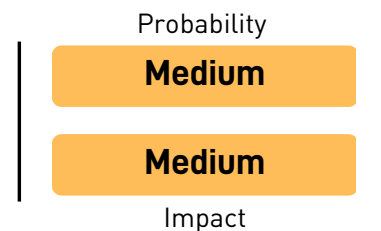
Propaganda and Influence

The Khalistan narrative in India is expressly being propagated from outside its borders with the help of social media and traditional broadcasting mediums. This method of propaganda by pro-Khalistan groups and its adherents has increased since the 2020 Farmers' protest culminating in the rise of Amritpal Singh. It is also evident that foreign entities such as Pakistan's ISI have also played a role in its propagation. It is, therefore, imperative that the authorities focus on and effectively dismantle the funding routes and activities of pro-Khalistan groups within India.



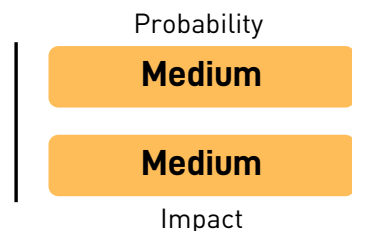
Internal Security and International Relations

Amritpal Singh's rise has been a cause for worry regarding India's internal security. However, it should also be noted that apart from the crackdown that has caused the current upheavals in Punjab and its neighbouring states, the problems affecting the state have persisted for decades. The rising number of drone incursions via Pakistan's borders is worrying. Pro-Khalistan propaganda fueled by groups outside the country and other bad actors is also a case to look at, albeit with a lower impact. Regarding India's assets abroad there remains a risk of future acts of vandalism targeting Indian embassies and the High Commission by pro-Khalistan groups. However, it needs to be stated that the Amritpal case appears to be a case of intelligence and security failure by the state, more than a resurgence of the Khalistan narrative in the state.



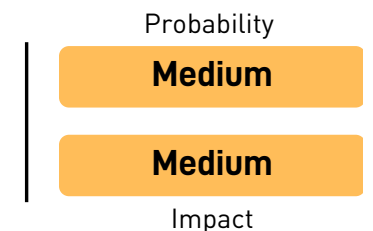
Trade and Investments

The ongoing crisis in Punjab is likely to have far-reaching consequences beyond trade and investments. A negative impact on the state's reputation could result in a decline in tourism, a crucial source of revenue and employment. Additionally, as investors become risk-averse and avoid investing in Punjab, the state's economy may suffer. This could lead to a decrease in public investments and hinder the development of critical infrastructure such as roads, railways, and hospitals. The possibility of frequent internet shutdowns may also impact business operations and internal communications for organizations, further exacerbating the negative impact on the state's economy. The uncertain political and socioeconomic climate may ultimately harm the brand of Punjab, negatively affecting its growth prospects in the long term.



Travel Security and Supply Chain

The political and socio-economic crisis in Punjab caused by the Amritpal Singh issue could have a significant impact on the travel and supply chain industries in the state. Uncertainty and security concerns could deter tourists from visiting the state, resulting in a decline in the tourism industry and a corresponding decrease in transportation services demand. This could result in decreased revenues for transportation companies and fewer employment opportunities in the sector. The crisis could disrupt the supply chain, leading to delays in goods and services. This could increase costs for businesses and reduce their competitiveness on the global stage. This, in turn, could result in reduced investment in the transportation and logistics sector. This could lead to a decline in infrastructure development and further exacerbate supply chain challenges. Increased safety and security measures could lead to increased costs and decreased efficiency in the supply chain. This could impact the flow of goods and services through the region, potentially causing bottlenecks and further disruptions. The impact of the crisis on travel security and supply chain in Punjab could have long-lasting effects on the state's economy and competitiveness.



APPENDIX - I

Pro-Khalistan Groups in India (and Globally)

Numerous pro-Khalistan groups and terrorist organisations are active within India, receiving financial support and assistance in crafting narratives from organisations abroad (Fig.2). These efforts aim to amplify Khalistan's influence within India.

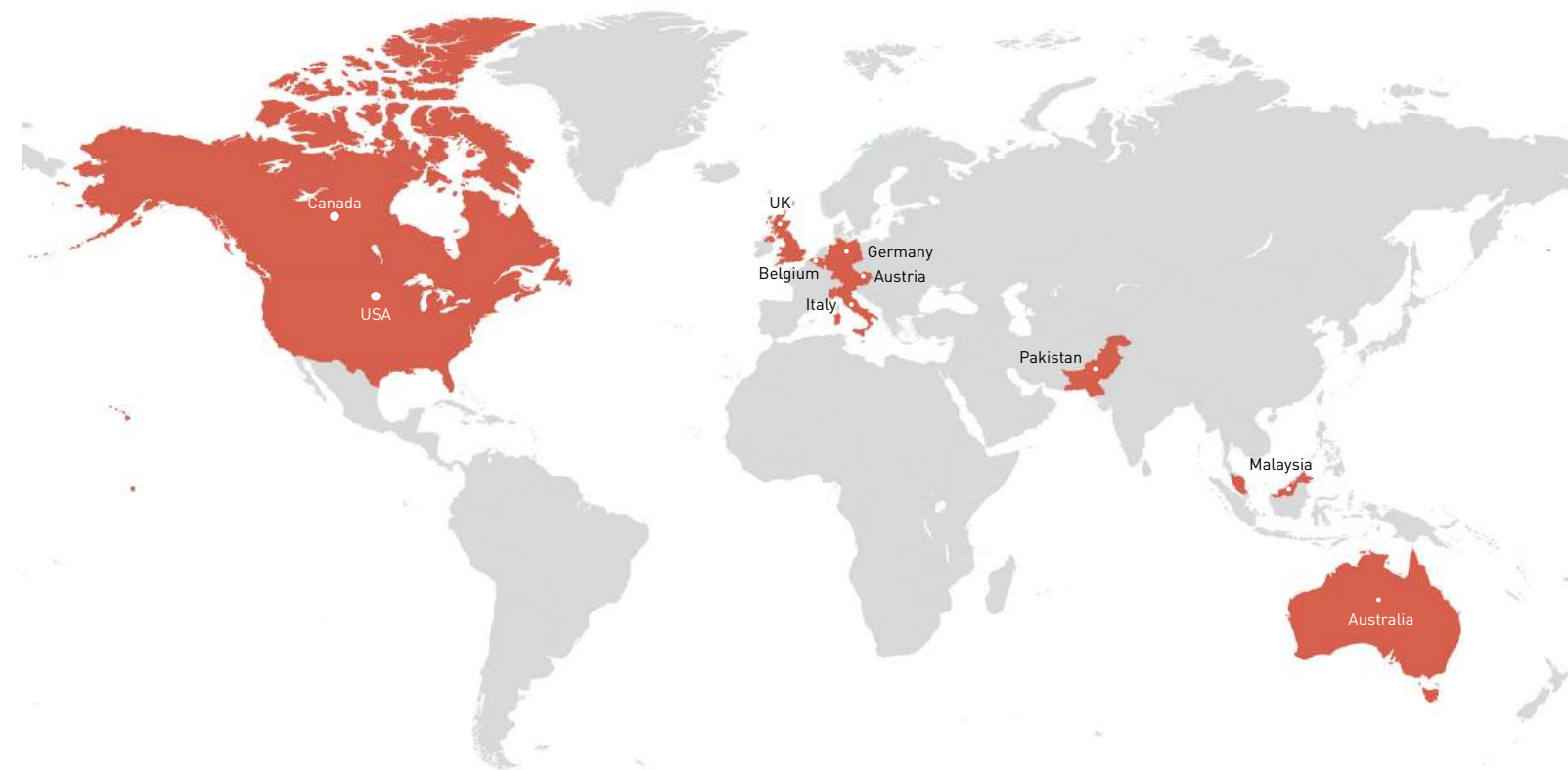


Fig.2: Countries (apart from India) where pro-Khalistan groups/members have been active from or resided in

A few notable outfits and organisations include:

India

- Babbar Khalsa International (BKI) - Proscribed Organisation by Government of India
- International Sikh Youth Federation (ISYF) - Proscribed Organisation by Government of India
- Khalistan Zindabad Force (KZF) - Proscribed Organisation by Government of India
- Khalistan Commando Force (KCF)- Proscribed Organisation by Government of India
- Quami Insaaf Morcha - Protesting group demanding the release of Bandi Singhs (Sikh prisoners) at the border of Mohali-Chandigarh have created an internal security situation
- Dal Khalsa International
- *Inactive: Khalistan Liberation Front (KLF), Khalistan Armed Force (KAF), Khalistan Liberation Organisation (KLO), Khalistan National Army (KNA), Khalistan Liberation Army (KLA), All-India Sikh Students Federation (AISSF), Bhindranwala Tigers Force of Khalistan (BTFK), Dashmesh Regiment (DR)*



Americas and Europe

United States of America and Canada

- Babbar Khalsa International (BKI): Listed as terror entity in Canada
- International Sikh organisation - Founded by Dr Gurmeet Singh Aulakh in 1984: First Sikh organisation to be established in the US
- Kashmir Khalistan Referendum Front (KKRF), based in Washington
- Khalistan Affairs Center (KAC)
- Sikhs for Justice: Founder - Gurpatwant Singh Pannun; India has booked him under Unlawful Activities (Prevention) Act
- Global Sikh Affairs Media: TV84 Khalistan Propaganda Channel
- Sikh Youth of America
- Dal Khalsa USA
- International Sikh Youth Federation (ISYF): Listed as terror entity in Canada
- American Sikh Congressional Caucus
- World Sikh Parliament
- Sikh Coordination Committee East Coast
- American Gurdwara Parbandhak Committee (AGPC)

• Newer generation of politicized Sikh organisations:

- United Sikhs
- Poetic Justice Foundation
- Sikh Coalition
- The Jakara Movement
- The Sikh Research Institute
- The Sikh American Legal Defense and Education Fund

• Humanitarian aid networks:

- Khalistan Food For All (KFFA)
- Khalsa Aid: According to India's National Investigation Agency, the aid organisation serves as a front for Babbar Khalsa International, a leading Pakistani-supported Sikh terrorist group

United Kingdom

- Babbar Khalsa International (BKI): Proscribed by the UK government in Mar 2001
- International Sikh Youth Federation (ISYF): Removed from the list of proscribed groups in Mar 2016 following receipt of an application to deproscribe
- Dal Khalsa UK
- Federation of Sikh organisation (FSO)
- World Sikh Parliament
- Sikh Federation UK (SFUK)



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Debiprasad Mohapatra
Risk Intelligence Team

Ronnie Ninan
Senior Risk Analyst




www.worisgo.com


risk.services@worisgo.com


1800- 572- 8600

Prepared at the Risk Assessment and Analysis Centre, Bangalore

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