

Indian Government shields Hindutva Terror Groups in breach of FATF Standards

1 Introduction

This report aims to apprise the Financial Action Task Force (FATF) of India's failure to prevent terrorist financing of Hindutva¹ terror groups. The report clearly establishes that the Hindutva groups are engaged in acts of terror and have access to financial support from both global as well as domestic groups. It argues that the Indian government's failure to take action against Hindutva groups is in violation of the FATF recommendations on terrorist financing. Therefore, it urges the evaluation team conducting India's Mutual Evaluation Review (MER), to direct India to take appropriate measures to prevent the terrorist financing of Hindutva groups and to further comply with the FATF standards.

The report shows how the acts committed by Hindutva groups fall under the definition of terror as adopted by international bodies including the United Nations and the FATF. The report focuses on the actions of the Hindutva groups that are aimed at targeting minorities through strategic and systematic attacks. It shows how these groups operate through their affiliates which enjoy state patronage. The actions of these Hindutva groups clearly fall under ethnically or racially motivated terrorism, which FATF has also acknowledged as a growing threat. The findings shows that these groups find support from the government, which rewards the illegal activities carried out by these groups for political gains. Also, the support from the government to these groups have led to their exponential rise since 2014, both in terms of their operational scale and financial resources.

The report particularly highlights how Hindutva groups receive financial support from extremist organizations through a complex web of transactions masquerading as charitable work. The supporting organizations are spread over continents and have clandestinely provided financial support to Hindutva groups through covert methods. Sometimes the financial support to Hindutva groups have been through overt and legal financial institutions because the government fails to put a check on such flow of funds. The findings of the report show the financial support of the Hindutva groups is on rise and it has a direct bearing on the growth of the Hindutva groups and their operations.

This report argues that the resources of the government are misutilized, whereby, the actual perpetrators are not being investigated and other actors, who are involved in doing charitable work and are critical of the government are being targeted. The double standards of the Indian government in selectively targeting civil society actors and shielding Hindutva terror groups violates India's promise of complying with the FATF standards in preventing the risk of terror financing. Lastly, the report appeals to FATF and its member states to direct the Indian government to investigate the financial support of Hindutva terror groups because

¹ Hindutva or Hindu Nationalism is a fascist ideology that advocates Hindu supremacy, over minorities, especially over Muslims. See Audrey Truschke, "Hindutva's Dangerous Rewriting of History," *South Asia Multidisciplinary Academic Journal*, no. 24/25 (December 14, 2020), <https://doi.org/10.4000/samaj.6636>.

Hindutva terror poses a global threat, and if appropriate and timely actions are not taken, it will pose a security threat in other countries and will destabilize global peace.

2 Methodology

The report relies on secondary sources which include newspaper articles, human rights reports, academic literature, court records, and other independent studies examining and tracking the rise of Hindutva terror, its financial support and the rise of hate crime in India. Reports from agencies like the United Nations, Hindutva Watch, Human Rights Watch, Amnesty International, etc. have been used to illustrate many of the points.

It is pertinent to note that on account of the close proximity of Hindutva groups and the current government, data on Hindutva terror and the updated official hate crime statistics are hard to find in India. The present government is persistently blocking public information² and access to relevant data that it finds inconvenient.³ For example, after 2017, India's crime bureau stopped collecting data on hate crimes.⁴ Furthermore, a hate crime tracker launched by a leading Indian newspaper the Hindustan Times was taken down in 2017.⁵ The Indian government does not collect specific data on hate crimes, cow vigilantism, and mob lynching.⁶ All these acts have close links with the Hindutva groups in India.

3 What is Terrorism

The term terrorism refers to any act that is perpetrated for the purpose of causing terror. There is no universal definition as to just what acts are considered terrorism, but it is commonly considered to be an action that causes fear and/or harm for a political, ideological, religious, or economic objective. Acts of terrorism deliberately target civilians, neutral military personnel, or other non-combatants, with blatant disregard for their safety.⁷

The United Nations Security Council, in its resolution 1566 of October 2004, elaborated on acts that constitute terrorism, stating that terrorist acts are “criminal acts, including against civilians, committed with the intent to cause death or serious bodily injury, or taking of hostages, with the purpose to provoke a state of terror in the general public or in a group of persons or particular persons, intimidate a population or compel a government or an international organization to do or to abstain from doing any act, which constitutes offenses within the scope of and as defined in the international conventions and protocols relating to

² <https://www.pbs.org/newshour/show/indian-governments-crackdown-on-press-freedom-after-bbc-documentary-critical-of-pm-modi>

³ <https://thewire.in/government/ks-james-nfhs-modi-government-data-sets-iips>

⁴ <https://theprint.in/india/governance/ncrb-stopped-collecting-data-on-lynching-hate-crime-as-it-was-unreliable-govt-tells-ls/785201/>

⁵ <https://thewire.in/media/hindustan-times-hate-tracker>

⁶ <https://theprint.in/india/governance/ncrb-stopped-collecting-data-on-lynching-hate-crime-as-it-was-unreliable-govt-tells-ls/785201/#:~:text=The%20National%20Crime%20Records%20Bureau%20discontinued%20collecting%20hate,defined%20in%20law%2C%20the%20government%20told%20Parliament%20Tuesday>

⁷ <https://legaldictionary.net/terrorism/>

terrorism, are under no circumstances justifiable by considerations of a political, philosophical, ideological, racial, ethnic, religious or other similar nature”⁸

FATF defines a terrorist act based on the International Convention for the Suppression of the Financing of Terrorism (1999). According to FATF Standards, a terrorist act includes:⁹

- a. An act defined in specific international treaties related to unlawful activities such as hijacking, attacks on civil aviation, crimes against internationally protected persons, hostage-taking, attacks at airports and maritime navigation, and terrorist bombings.
- b. Any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population or to compel a government or an international organization to do or to abstain from doing any act.

3.1 Widening definition of terror: Ethnically or racially motivated terrorism

Definitions of terror have been hard-pressed to keep up as the nature of terrorism and threats from terrorism have continued to evolve from large terrorist organizations to returning terrorist fighters and right-wing extremists. In addition to monitoring well-known threats from ISIL, Al Qaeda, and their affiliates in the war against terror, FATF also scans for new trends and evolving terrorist threats like those emanating from ethnically or racially motivated terrorist individuals and groups.¹⁰ Ethnically or racially motivated terrorism is a complex and growing phenomenon that encompasses a wide range of actors. These range from individuals, operating as lone actors to small and medium organizations, as well as transnational movements which span borders, and sometimes even continents.¹¹

The United Nations, other international organizations, individual FATF members, and various academic reports use different terms to identify this threat. These include “right-wing extremism”, “racially or ethnically motivated terrorism”, “far-right-terrorism”, “ideologically motivated violent extremism”, and “extreme right-wing terrorism”.¹² Individuals or groups involved in ethnically or racially motivated terrorism often target people belonging to specific ethnic, racial, or national backgrounds with the intention of spreading fear, intimidating communities, or promoting their ideological beliefs. These acts can include violent attacks, hate crimes, or other forms of terrorism aimed at causing harm or inciting violence against certain ethnic or racial groups.¹³ Experts have opined that extreme right-wing terrorism is not a coherent or easily defined movement, but rather a shifting, complex, and overlapping milieu of individuals, groups, and movements (online

⁸ United Nations Security Council Resolution, 1566 of 2004 available at [Resolution 1566 \(unscr.com\)](https://www.un.org/press/docs/2004/04scres20041566.html)

⁹ FATF, Money Laundering and Terrorist Financing Related to Counterfeiting of Currency, June 2013, available at <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/money-laundering-terrorist-financing-related-to-counterfeit-currency.pdf.coredownload.pdf>

¹⁰ <https://www.fatf-gafi.org/en/publications/Fatfgeneral/Raja-kumar-speech.html>

¹¹ <https://www.fatf-gafi.org/en/publications/Methodsandrends/Ethnically-racially-motivated-terrorism-financing.html>

¹² Ibid, p.5

¹³ Ibid, p.5

and offline) espousing different but related ideologies, often linked by hatred and racism toward minorities, xenophobia, islamophobia or anti-Semitism.¹⁴

India has also followed the widening definition of terrorism and has accordingly amended various laws to comply with international standards. For instance, India amended its anti-terror law the Unlawful Activities (Prevention) Act in 2011 to meet the standards of FATF and make it more effective.¹⁵ The amendment notes:

“On the basis of commitment made by India at the time of admission to the said Financial Action Task Force, various legislative and other legally binding measures were required to be taken on a medium-term basis, i.e., by 31st March 2012. These recommendations were examined and it is proposed to amend the Unlawful Activities (Prevention) Act, 1967 to make it more effective in prevention of unlawful activities and dealing with terrorist activities.”

The 8th report on terrorism in India published in 2008¹⁶ likened terrorism to the peacetime equivalent of war crimes. “An act of terror in India includes any intentional act of violence that causes death, injury, or property damage, induces fear, and is targeted against any group of people identified by their political, philosophical, ideological, racial, ethnic, religious or any other nature.” India subdivides terrorism into five major groups: ethno-nationalist terrorism, religious terrorism, ideological, narcoterrorism, and state-sponsored terrorism.

3.2 FATF standards to prevent terrorist financing

FATF remains committed to preventing terrorist financing and has made specific recommendations for countries that they must implement to prevent the threat of terrorist financing. India, which is a member country is bound by these recommendations and must follow them in its letter and spirit.

Recommendations 5 and 6 of FATF Recommendations require countries to criminalize terrorist financing and take necessary steps, including targeted financial sanctions to freeze the terror funds. Recommendation 8 specifically deals with the threat of terror financing through Not-for-Profit organizations (NPOs). FATF standards require countries to develop robust legal, regulatory, and operational measures to combat the threat of terrorist financing. FATF standards put emphasis on transparency in the financial system, where there is full knowledge of the money flow, starting from the originator to the beneficiary.¹⁷ It requires countries to develop robust investigation mechanisms and recommends empowering the agencies to prevent the threat of terrorist financing.¹⁸ Noting the cross-border threat of

¹⁴https://www.un.org/securitycouncil/ctc/sites/www.un.org.securitycouncil.ctc/files/files/documents/2021/Jan/cted_trends_alert_extreme_right-wing_terrorism.pdf

¹⁵ https://prsindia.org/files/bills_acts/bills_parliament/2011/Unlawful_Activities_Amendment_Bill_2011.pdf

¹⁶ Combating terrorism, Eighth Report, Government of India, Second Administrative Reforms Commission 8th ARC Report, available at https://darp.gov.in/sites/default/files/combating_terrorism8.pdf

¹⁷ See FATF, Recommendations 10, 11, 24 and 25.

¹⁸ See FATF Recommendations 29, 30, and 31

terrorist financing, it also requires countries to take steps to ensure international cooperation and provide mutual legal assistance.¹⁹

4 Hindutva terror: A growing global threat

India, in particular, is in the grips of ethnically or racially motivated terrorism in the form of Hindutva terror. Hindutva groups are engaged in carrying out terror acts through threats of genocide, mob lynching and hate crimes against minority communities in India. These acts are often carried out in an organized manner and through the support of a well-coordinated and sophisticated resource pool which includes both financial support as well as human resources. While the Hindutva groups largely remained focused on India, in recent times, their operations have grown globally posing a serious threat of hate speech, and divisive and communal politics in countries like the United States, United Kingdom, Australia, and Canada.²⁰

4.1 Hindutva groups and its affiliates

The Hindutva philosophy is based on the racial superiority of Hindus, which grew in the late 1920s, with an aim to establish India as a Hindu nation-state.²¹ The Rashtriya Swayamsevak Sangh ('RSS') founded in 1925 is India's most prominent proponent of Hindutva. RSS's mission statement describes it as "firmly rooted in genuine nationalism".²² It decries an "erosion of the nation's integrity in the name of secularism" and "endless appeasement of the Muslim population."²³ Since its formation, RSS has been actively involved in covering the social space and formed dozens of affiliates representing students, trade unions, tribals, and women. Some of the prominent groups are Akhil Bharatiya Vidyarthi Parishad (ABVP, Indian Student Association formed in 1948), Bharatiya Mazdoor Sangh (BMS, Indian Worker's Association formed in 1955), Vanvasi Kalyan Ashram (VKA, Ashram for Tribal Welfare formed in 1952), Vishwa Hindu Parishad (VHP, World Council of Hindus, formed in 1964), Seva Bharti (Indian Service, formed in 1979) and Bajrang Dal formed in late 1980s.²⁴ On the political front, RSS formed a political party called Bharatiya Jana Sangh (BJS) in 1951, which later was renamed as Bharatiya Janta Party in 1980s. All these affiliate organizations are known under a common banner of "Sangh Parivar (the Sangh family).

These organizations are formally separate entities, but the separation is on paper only. They all espouse the same cause and support each other in their goal of achieving a Hindu nation. The RSS's sphere of influence has been expanding, not only inside India but also abroad, including the United States. Most of the organizations have an equivalent "sister" organization in other countries, including the US. For example, the VHP in India has a sister organization in the US called VHP in America.²⁵ Legally Vishwa Hindu Parishad of America is an independent, nonprofit, tax-exempt 501(c)(3) and volunteer-based charitable

¹⁹ See FATF Recommendation 36 and 37

²⁰ <https://www.vice.com/en/article/n7z947/how-far-right-hindu-supremacy-went-global>

²¹ Jaffrelot, C. (2021). *Modi's India: Hindu nationalism and the rise of ethnic democracy*. Princeton University Press.

²² <https://www.rss.org/Encyc/2015/3/13/Vision-and-Mission.html>

²³ <https://www.npr.org/2019/05/03/706808616/the-powerful-group-shaping-the-rise-of-hindu-nationalism-in-india>

²⁴ Jaffrelot, C. (2021). *Modi's India: Hindu nationalism and the rise of ethnic democracy*. Princeton University Press.

²⁵ <https://www.vhp-america.org/>

organization incorporated in New York. However, for all intents and purposes, it is an offshoot of the VHP in India. On its website, the Vishwa Hindu Parishad of America states that it is “inspired by the same values and ideals” as the VHP in India.²⁶ The Bridge Initiative’s research links archived content of VHP India’s website between 1998-2004 to Vishwa Hindu Parishad of America as part of its “family of organizations”.²⁷ The Bridge Initiative highlights another US entity, the Global Hindu Heritage Foundation, a Frisco, Texas-based Hindu non-profit organization that spreads communal propaganda and has collaborated with Bajrang Dal and the VHP.²⁸

Similarly, the Bajrang Dal, which is militant in its approach was founded in 1984 and its parent body continues to be VHP to date. The US Central Intelligence Agency (CIA) has listed VHP and the Bajrang Dal as a “militant religious organization” for a number of years in its World Factbook.²⁹ In early June 2018, an archived version of the CIA World Factbook site notes VHP as a “militant religious organization,” however, a couple of weeks later the sub-section where this was listed was removed along with the mention of the VHP.³⁰

Hindutva groups operate in a well-organized manner and adopt violent methods to inflict harm and terrorize.³¹ Like other ethnic-racial terror groups, these Hindutva outfits seek to marginalize, subjugate, exclude, and eliminate (if necessary) minorities, particularly the Indian Muslims. These Hindutva outfits spread fear through inciting mob violence and the use of techniques like hate speech, and lynching. The similarities do not end there, they use a range of actors from lone wolves to local militias to faith-based charities.

4.2 Exponential rise of Hindutva under Modi’s government

The exponential rise in Hindutva violence coincides with the rise of the BJP, which has won the parliamentary election with a landslide margin under the leadership of Prime Minister Narendra Modi since 2014. BJP has championed the agenda of RSS of establishing a Hindu majoritarian by fueling rising violence and discrimination against India’s religious minorities.³² Mr. Modi’s government has adopted laws and policies discriminating against religious minorities, particularly Muslims.³³ While the government has implemented policies targeting minorities, it has also encouraged and supported non-state actors to unleash violence against minorities.³⁴ These non-state actors who are often the supporters of

²⁶ <https://www.vhp-america.org/about-vhpa/vhpa-faq/>

²⁷ <https://bridge.georgetown.edu/research/factsheet-vishwa-hindu-parishad-of-america-vhpa/>

²⁸ <https://bridge.georgetown.edu/research/factsheet-global-hindu-heritage-foundation/>

²⁹ <https://indianexpress.com/article/india/cia-names-vhp-bajrang-dal-as-religious-militant-organisations-in-world-factbook-5218249/>

³⁰ <https://indianexpress.com/article/india/cia-names-vhp-bajrang-dal-as-religious-militant-organisations-in-world-factbook-5218249/>

³¹ The Role of the RSS, the VHP, and the BJP leadership is well documented in the Justice Liberhan Commission Report that was appointed by the Central Government to probe the events that led to the demolition of the Babri Masjid in 1992. See for example, <https://thewire.in/communalism/justice-liberhan-commission-babri-masjid>

³² <https://www.nytimes.com/2023/09/30/world/canada/modi-canada-hindu-nationalism.html>

³³ <https://www.bbc.com/news/world-asia-india-50670393>

³⁴ <https://www.wired.com/story/indias-frightening-descent-social-media-terror/>

the BJP have carried out killings and acts of violence against minorities often with impunity.³⁵ Emboldened Hindutva groups shielded by the aggressively Hindu-first messaging of the BJP politicians have left the country's Muslims and Christians in a perpetual state of fear and alienation.³⁶ The Guardian recently reported that Hindu groups such as VHP have been allowed to operate freely and have increasingly begun to take the law into their own hands.³⁷

The growth of Hindutva and the targeting of religious minorities in India has been widely documented, including by the US State Department. The US Commission on International Religious Freedom (USCIRF) recommended for the fourth year in a row that India be added to a list of countries perpetuating systemic and egregious violations of the right to freedom of religion, saying that conditions in the country for religious minorities “continued to worsen” throughout 2022.³⁸ *“Religious freedom conditions in India have notably declined in recent years,”* said USCIRF Chair Abraham Cooper. The report further adds *“Muslims, Sikhs, Christians, Dalits, and Adivasis are experiencing increased levels of attacks and acts of intimidation. Authorities have continued to suppress minority voices and those advocating on their behalf. These trends, and their implication for U.S. foreign policy, should not be ignored.”*³⁹

Most recently, the United Nations Special Rapporteur on Minority Issues has told the USCIRF that the situation in India can be summarized in three words- “massive, systemic, and dangerous”. He cited a study that “noted a 786% increase in hate crimes against minorities between 2014 and 2018”. He said, *“India risks becoming one of the world’s main generators of instability, atrocities and violence, because of the massive scale and gravity of the violations and abuses targeting mainly religious and other minorities such as Muslims, Christians, Sikhs and others. It is not just individual or local, it is systematic and a reflection of religious nationalism.”*⁴⁰

Hindutva Watch’s⁴¹ research reveals that in the first six months of 2023 alone, there were 255 recorded instances of hate speech gatherings or rallies targeting Muslims across 17 states in India. Overwhelmingly, 205 (80%) of these hate speech events occurred in BJP-ruled states and union territories.⁴² Furthermore, a majority of the events were orchestrated by entities affiliated with the RSS, including the VHP, the Bajrang Dal, the Sakal Hindu Samaj,

³⁵ <https://www.nytimes.com/2023/09/30/world/canada/modi-canada-hindu-nationalism.html>

³⁶ <https://www.nytimes.com/2023/09/07/world/asia/g20-india-modi.html?searchResultPosition=1>

³⁷ <https://www.theguardian.com/world/2022/apr/18/hatred-bigotry-and-untruth-communal-violence-grips-india>

³⁸ <https://www.aljazeera.com/news/2023/5/1/us-religious-freedom-panel-again-recommends-india-for-blacklist#:~:text=An%20independent%20commission%20in%20the%20United%20States%20has%2C.for%20religious%20minorities%20E2%80%9Ccontinued%20to%20worsen%20throughout%202022.>

³⁹ <https://www.uscirf.gov/news-room/releases-statements/uscirf-reiterates-concerns-religious-freedom-india-calls-release>

⁴⁰ <https://thewire.in/communalism/un-expert-says-india-risks-becoming-one-of-the-main-generators-of-instability-atrocities#:~:text=In%20his%20opening%20remarks%20at%20a%20hearing%20on,minorities%20such%20as%20Muslims%2C%20Christians%2C%20Sikhs%20and%20others.>

⁴¹ Hindutva Watch is an independent research initiative to monitor the reports of attacks on the members of minority and marginalized communities for their faith by the radicalized Hindus and the Hindutva militia groups in India.

⁴² <https://hindutvawatch.org/hate-speech-events-india/>

and the BJP.⁴³ The growth of these groups, and their involvement is directly linked to their financial resources which plays an important role in scaling up their operations and recruiting cadres.

5 Terrorist Financing of Hindutva Groups

Controlling terrorist financing has remained one of the most important concerns for nation-states and international human rights bodies. The United Nations notes that even though the number and nature of terrorist groups and threats change over time, the basic need for terrorists to raise, move, and use funds remains the same.⁴⁴ Thus, just like forms of terrorism have multiplied, financing for terrorism has also diversified. In addition to traditional sources of funds that included organized crime like smuggling, and trafficking, terror outfits have also started using legitimate routes.⁴⁵ Well-known terror outfits as well as lesser-known ethnically or racially motivated terrorist individuals and groups are now known to raise funds from donations, membership drives, online crowdfunding sites, sale of concert tickets, merchandise, or criminal activities like illegal contraband trade, extortion, looting, kidnapping for ransom and abuse of non-profit organizations as well as the use of crypto assets.⁴⁶

Hindutva groups in India, have also relied on various legal and illegal methods to raise funds for their terror and genocidal activities. There is ample evidence of money flow to Hindutva groups, and if investigated properly, more information can be unearthed about how these groups are receiving significant financial support globally as well as domestically. For example, the VHP which has wings in 29 countries globally, sends back a significant amount of money to the VHP in India, largely through tax-exempt channels. The regulatory filings by VHP of America (VHP-A) show that it has transferred over \$7 million dollars to VHP India and its subsidiaries between 2001 and 2020.⁴⁷ VHP-A has close ties with extremist groups and leaders like Swami Yati Narsinghanand who have openly given genocidal threats to Muslims in India.⁴⁸

Similarly, the case of Swami Aseemanand in India, who have been accused of carrying out multiple terror attacks in India,⁴⁹ is another example of how Hindutva leaders are raising

⁴³ Ibid

⁴⁴ <https://www.un.org/securitycouncil/ctc/content/countering-financing-terrorism>

⁴⁵ <https://www.un.org/securitycouncil/ctc/content/countering-financing-terrorism>

⁴⁶ <https://www.fatf-gafi.org/en/topics/Terrorist-Financing.html>

⁴⁷ See Return of Organization Exempt from Income Tax, Vishwa Hindu Parishad of America (VHPA), EIN 51-0156325., 2001-2019; Form 990, <https://projects.propublica.org/nonprofits/organizations/510156325>)

This is further corroborated by the VHP of America's own documents, which are unambiguous about the purpose of much of their fundraising — to funnel money abroad to the VHP in India. The Annual Report 2020-2021 even goes so far as to explicitly mention that “VHP Bharat has made a considered decision” to ensure that “we shall support only VHP-affiliated organizations and trusts.” https://www.supportachildusa.org/wp-content/uploads/2021/02/SACAnnual_Report2018_19.pdf , https://www.supportachildusa.org/wp-content/uploads/2021/02/SACAnnual_Report2019_20.pdf , https://www.supportachildusa.org/wp-content/uploads/2021/09/SACAnnual_Report2020_21.pdf

⁴⁸ <https://thewire.in/communalism/vhp-america-yati-narsinghanand-navaratri>

⁴⁹ <https://www.hindustantimes.com/india-news/aseemanand-s-journey-from-hero-of-dangs-to-terror-attacks-accused/story-J35Z9CSLxhl2QM66oUYy6L.html>

funds for carrying out terror acts. In December 2010, Swami Aseemanand made a confession to the Magistrate that he was involved in the attacks and implicated several persons from the RSS.⁵⁰ In his statement he confessed to having played the role of an ideologue to terrorists, had picked the location of the attacks, and provided funds for the same. Regarding his specific actions, he confessed as follows:

“Sunil Joshi had informed in that in order to carry out bomb blast there should be three groups: one group should assemble the bomb, the second group should arrange funds and third group should execute the work and it was decided that Sunil Joshi will co-ordinate all the three groups and I was assigned the job of arranging funds and identifying/arranging places and that Sandeep was assigned the work of assembling the bombs and planting them.”

“I gave them 25000 rupees to buy things. I gave the money in the hands of Sunil Joshi”

“Sunil Joshi took from us 40,000 rupees at the house of Bharat bhai to carry out the blast in Hyderabad. After one or two months, Sunil Joshi called me on the phone and told me to keep a watch on the papers as there would be some good news. Three – four days later, the news about the mecca masjid Hyderabad bomb blast was in the paper.”⁵¹

Unfortunately, Swami Aseemanand was acquitted of the terror charges after the BJP government came into power.⁵² The acquittal was the result of the shoddy investigation and his retracted confessional statement.⁵³ It is worth noting that Aseemanand has had close proximity to the ruling BJP and Sangh Parivar for decades.⁵⁴ Thus, the BJP government in order to reward Aseemanand’s loyalty and to protect its own leaders who had earlier worked with Aseemanand, failed to appeal against the acquittal order.⁵⁵ However, it is worth highlighting that no efforts were made by the state agencies to investigate the financial trail that emerged from his statements. Pertinently, nothing debars the investigating agency to investigate the terror funding links. Considering Aseemanand was an agent of the VKA and had confessed to handing over money to Sunil Joshi, it seems obvious that further inquiry was warranted. For example, efforts should have been made to understand better- (a) where was the funding coming from; (b) whether the funds from the entities named by Aseemanand, like the VKA mis utilized its funds for terrorism in India; (c) if yes, who was funding these entities; and (d) whether funds were being received from foreign countries, including the US.

⁵⁰ The copy of the statement made by Swami Aseemanand is in Hindi and is part of the court proceedings.

⁵¹ Translated from the confessional statement of Swami Aseemanand.

⁵² <https://www.ndtv.com/people/samjhauta-express-blast-case-swami-aseemanands-third-acquittal-in-two-years-2010575>

⁵³ <https://indianexpress.com/article/india/mecca-masjid-blast-case-verdict-court-doubted-nias-claim-of-aseemanands-confession-5147034/>

⁵⁴ <https://caravanmagazine.in/reportage/swami-aseemanand-interviews>

⁵⁵ <https://www.firstpost.com/india/mecca-masjid-blast-case-nia-to-not-appeal-against-judgment-acquitting-swami-aseemanand-4486763.html>

This report does not answer these questions but shows that there is reason to believe that entities like VKA, which is an affiliate of the RSS, have traditionally received financial support from foreign sources. There is information available that shows VKA and its subsidiaries, and the hostel in Waghai received funds directly from the US.⁵⁶ For example The India Development and Relief Fund (IDRF), a US-based charity was set up in 1989 to support organizations in India including the VKA.⁵⁷ Report relying on IDRF's annual reports shows that VKA was financially supported by IDRF. This long-standing support continues to date. Annual reports of IDRF from 2013 to 2021 consistently list VKA as a non-profit partner.⁵⁸ Another report documents the flow of funds from the RSS entities in the US to RSS entities in India using tax records, government filings, etc. which shows that between 2001 to 2019 the IDRF sent ~30 million US dollars to VKA.⁵⁹

These are only a few direct evidence of terror financing links of Hindutva groups, but they usually hide behind a complex web of transnational organizations with financial dealings that are convoluted and hard to prove. While it is hard to show beyond reasonable doubt that all the money flow of these Hindutva groups was misutilized and used for terror financing and other criminal activities, it is apparently clear that these groups are raising money which is being used for terrorist activities, hate speeches and carrying out genocidal threats to the minorities in India. Thus, there is enough reason for FATF to be concerned and for the Indian Government to investigate the financial trail of these groups.

6 India's double standards on its promise to act against terror financing

India has time and again asserted on global platforms that it remains committed to its fight against terror. In 2022, India hosted a meeting of the UN Security Council's Counter-Terrorism Committee on the "use of new and emerging technologies to counter-terrorism," where member states adopted "The Delhi Declaration" document, which promises to combat the threat of online terrorist financing.⁶⁰ However, the preceding section shows that India not only fails to investigate the financial support system of Hindutva terror groups but rather supports them. On the other hand, the government has unleashed its attack on intellectuals, human rights defenders, and civil society actors under the pretext of complying with FATF standards for preventing terrorist financing.⁶¹ It continues to pursue false cases to create a veneer of good intentions and lead international regulators astray.

Registration of false cases is evident from the government's own track record which is a cause for concern. The Government informed the parliament that nearly 4,700 people were arrested under the UAPA between 2018 and 2020, but only 149 were found guilty –

⁵⁶ web.archive.org/web/20040314100629/http://www.idrf.org/seva_proj1/IDRF_PAG/GUJARAT/Gujarind.htm

⁵⁷ https://www.sabrang.com/hnfund/sacw/downloads/sabrang_sacw.pdf

⁵⁸ <https://www.idrf.org/annual-reports-and-statements/>

⁵⁹ <https://icnacsj.org/hindu-nationalist-influence-in-the-united-states-2014-2021-the-infrastructure-of-hindutva-mobilizing/>, p. 21

⁶⁰ <https://www.un.org/securitycouncil/ctc/news/un-security-council-boosts-commitment-fight-digital-terror>

⁶¹ https://www.americanbar.org/content/dam/aba/administrative/human_rights/justice-defenders/india-fatf-report.pdf

a conviction rate of only 3 percent.⁶² Convictions under the Prevention of Money Laundering Act, 2002 (PMLA) were only slightly better. Up to March 2022, 5,422 cases were recorded under the PMLA, but only 23 resulted in convictions.⁶³ The casual attitude displayed by the enforcement agencies is perhaps evidence of a deeper malaise.

In addition to poor conviction rates, Indian government is also carrying out ‘selective prosecution’ where cases against critics of the Government are given priority over more substantial terror threats. It would also be an omission to not highlight that the Government of India has been super selective and hyper vigilant in enforcing FATF’s Recommendation 8 targeting non-profits and news agencies while conveniently ignoring terror perpetuated by Hindutva organizations in its own backyard.

The decision to not file appeal against the acquittal orders in cases where accused persons belong to Hindutva groups exposes the double standards of this government.⁶⁴ Notably, the trial court decisions acquitting Hindutva leaders of the terror charges were rendered between 2018-2019. It would not be misleading to say that the investigating agencies lost interest in these cases or were persuaded not to pursue them further after Mr. Modi and the BJP came to power in 2014. It is also important to highlight that the prosecuting authorities have put up a strong show when it comes to opposing the bail of protestors, activists, and human rights activists.⁶⁵ Some have had to wait for years to gain bail from the Supreme Court of India.⁶⁶ But when it came to pursuing tangible cases of terrorism, the government has not shown the same alacrity or commitment. Likely that there were too many vested interests involved and in fact, it was too close to home.

7 Conclusion

By failing to take action against the Hindutva groups, it is clear that the present government wants to divert attention away from the real culprits who are working under its patronage for its political gains. There is growing evidence that the Hindutva groups in India are operating under state patronage and are engaged in systemic and organized acts of terror.⁶⁷ Further, with the state’s non-action these groups have upscaled and their financial support has risen manifold. With their declared motive of attacking minorities, Hindutva groups are bound to grow under the state patronage, because aligns with the political goal of the ruling party.

⁶² <https://www.tribuneindia.com/news/editorials/uapa-conviction-rate-353796>, Also see <https://www.thehindu.com/data/data-uapa-pmla-section-153a-what-do-these-laws-have-in-common/article65871393.ece>

⁶³ <https://www.thehindu.com/data/data-uapa-pmla-section-153a-what-do-these-laws-have-in-common/article65871393.ece>

⁶⁴ <https://thewire.in/politics/fact-check-was-amit-shah-right-to-say-ia-had-no-proof-against-samjhauta-accused>, Also see <https://www.financialexpress.com/india-news/ajmer-blast-case-ia-files-closure-report-against-sadhvi-pragya-and-indresh-kumar/614070/>

⁶⁵ <https://www.thehindu.com/news/national/bhima-koregaon-case-bombay-hc-grants-bail-to-mahesh-raut-but-stays-it-for-a-week/article67329618.ece>

⁶⁶ <https://indianexpress.com/article/india/bhima-koregaon-case-vernon-gonsalves-arun-ferreira-bail-plea-supreme-court-8864715/>

⁶⁷ <https://www.axios.com/2018/01/30/cow-related-hate-crimes-spike-under-indian-pm-modi-1517259655>

It is well known that combatting crimes like terrorism, genocide, or crimes against humanity is especially hard. Ethnically or racially motivated terrorism is on the same scale of complexity. These crimes are challenging as evidence to indict the person(s) most responsible for the acts is hard to come by. Mostly, the foot soldiers are prosecuted while the kingpins getaway. This is largely because large sums of money are not required to carry out the “criminal acts,” individual actors do not overtly work together to coordinate attacks or transfer money to each other, and organizations that back this activity do it covertly under the guise of legitimate enterprise. Further, there is limited information publicly available as to how these groups move their funds.

The above discussion in this report clearly shows that India’s minority population is facing a terrorist threat from Hindutva actors. The actors are using all forms of violence to intimidate this minority population. The actors that are perpetuating such violence are either members of well-established Hindutva groups or backed by well-established Hindutva groups like the VHP and the Bajrang Dal. Further, these are not stand-alone incidents but part of a larger national movement to build a Hindu nation. These acts clearly fall within FATF’s framing of ‘Ethnically or Racially Motivated Terrorism’.

As noted in this report, the financial linkages of the Hindutva groups are not fully known, and the evidence present in this report is only the tip of the iceberg. This is not surprising as countering ethnically or racially motivated terrorism involves a committed and collaborative effort by global and national institutions, law enforcement and intelligence gathering agencies, and community engagement organizations. Concerted efforts need to be made to identify the actors responsible, legislate appropriately, and cut off the financing. In India’s case, the law enforcement agencies are complicit in supporting the Hindutva terror groups.

Unfortunately, the Government of India either doesn’t recognize these acts of terror by Hindutva terror groups or doesn’t effectively investigate or prosecute these acts. On the contrary, it uses its agencies like the National Investigating Agency and Enforcement Directorate to go after non-profits, human rights defenders, journalists, and civil rights activists.⁶⁸

To effectively address emerging terror threats, as a first step it is pertinent that FATF investigate for themselves whether India is holding up the global standard to mitigate the risks posed by ethnic-racial terror groups like the VHP and Bajrang Dal and assess whether India is taking effective action to combat the threat. A call for action, from FATF will be a powerful tool for:

- a. preventing the Hindutva terror groups from accessing the international financial system and disrupting their public fundraising capabilities.

⁶⁸ <https://www.amnesty.org/en/latest/news/2023/06/usa-biden-and-modi-must-address-grave-human-rights-concerns-during-summit/>

- b. disrupting activities of Hindutva terror groups. The designation of these individuals or groups as terrorists will be accompanied by a freezing of assets which will impact day-to-day functioning and disrupt any future plans.
- c. exposing and isolating these individuals and organizations and deterring would-be supporters.
- d. appointment of the most appropriate law enforcement and intelligence services for investigation and prosecution of the underlying violent activity and its financing.
- e. law enforcement agencies in other countries to investigate the outfits associated with these entities to prevent terror events in the future.

It is not farfetched to conclude that India's efforts, or the lack of them, at tackling emerging terrorist threats in the form of ethnic-racial terror is nonexistent. Further, its failure to take action against the Hindutva groups is the result of its policy shielding these groups for political gains. Rarely have Indian authorities, whether at the federal or state level, shown any alacrity or efficiency in dealing with violence by Hindutva terrorists. The Ministry of Home Affairs has banned several organizations under UAPA but not one that deals in Hindutva terror.⁶⁹ Indeed, a list of 36 individuals designated as terrorists under UAPA does not include a single Hindu.⁷⁰

UN Security Council Resolution 1566 of 2004 calls upon all states to prevent such acts and, if not prevented, to ensure that such acts are punished by penalties consistent with their grave nature. India is in violation of its obligations by ignoring and suppressing these threats. It is the sovereign duty of the Indian State and the self-appointed duty of FAFT to undertake the task of addressing the threat and investigating the terrorist financing to mitigate the national and potentially global threat posed by Hindutva terror.

⁶⁹ https://www.mha.gov.in/sites/default/files/2023-06/TERRORIST_ORGANIZATIONS_10032023.pdf

Also see, https://www.mha.gov.in/sites/default/files/2023_06/NAMESOFUNLAWFULASSOCIATIONS_20012023.pdf

⁷⁰ <https://www.thehindu.com/news/national/full-list-of-individuals-designated-as-terrorist-under-the-uapa/article65309875.ece>