

## NEPAL AND PAKISTAN TERRORISM NEXUS

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### Introduction

Situated in the mighty Himalayas, flanked by Tibet to the north and India on the other three sides, Nepal is a small land-locked country in South Asia. The geostrategic importance of the country, which is nestled between two huge nations that have the world's largest populations and today represent the fastest growing economies globally, far exceeds its diminutive size. Virtually a buffer between India and China, Nepal plays an important role in regional stability.

India has ancient and deep-rooted social, cultural, economic and political linkages with Nepal. This proximity and natural affinity was behind the two nations' decision to agree in the 1950 Treaty of Peace and Friendship to have an open international border. The relationship between the two countries is popularly referred to as '*roti-beti ka rishta*' (moored on shared bread and inter-marriages). About half of the population of Nepal is comprised of '*Madheshis*' – people of Indian origin – a vast majority of whom have close filial and matrimonial relations in neighbouring villages and towns across the border in the Indian states of Bihar and Uttar Pradesh. Nepal's access to the sea is through India, and it imports a predominant proportion of its requirements from and through India. Nepal imported goods worth US\$ 6.52 billion from India in 2017 and exported goods worth US\$ 420.18 million to India in the same year. The figure for China, which was second on the list of countries from which Nepal imported its requirements, was five times lower than that of India. Nepal's exports to the United States (US), which was second only to India, was similarly five times less than that to India. These figures validate the special relationship that India and Nepal share.

Pakistan, unlike India which shares a 1750-kilometre-long border with Nepal, does not have a common border with Nepal. It has very little stakes in Nepal and merely a peripheral engagement with it. Diplomatic relations between Nepal and Pakistan were established only on 29 March 1960, thirteen years after the creation of Pakistan. Economic

ties between the countries have over the decades been, and continue to remain, very limited despite a trade agreement signed between the two countries in 1962 and a Joint Economic Commission being set up in 1983. The insignificance of bilateral economic engagement can be gauged from the Pakistan government's figures for 2015-16. The total volume of bilateral trade during this period stood at an infinitesimal US\$ 1.232 million, with Nepalese exports to Pakistan being US\$ 0.441 million and Pakistani exports to Nepal a paltry US\$ 0.791 million.

In spite of this, the Pakistani Embassy in Kathmandu has traditionally had a disproportionately large number of diplomatic officers and support staff. As many as 7 diplomatic officers are currently posted in the Embassy, and they have between 15 to 20 staff members supporting them. Reports indicate that a sizeable proportion of these officers and staff are actually representatives of the Inter-Services Intelligence (ISI), the infamous Pakistani spy agency that is the sponsor or benefactor of a significant number of the terrorist organizations active in South Asia. These ISI officials, since the late-1980s, have used Nepal as the staging point for infiltrating Khalistani, Kashmiri and Pakistani terrorists as well as Afghan and Arab mercenaries into India to carry out violent attacks there. The open border between Nepal and India, the liberal Nepalese visa regime on account of the country's reliance on revenues generated from tourism, and the weak and inexperienced immigration controls at Kathmandu's Tribhuvan International Airport (TIA) and other border points has been exploited to the full by the ISI to achieve its objective. Large amounts of RDX and other explosives as well as arms and ammunition were brought into Nepal by the ISI and then smuggled into India. The preferred method of bringing the explosives and weapons into Nepal from Pakistan was reportedly using flights of the Pakistan International Airlines (PIA) to Nepal. An inordinately high frequency of 4 commercially unviable weekly PIA flights operated on this sparsely used sector. The average occupancy of each of these flights was only 30 passengers. Another specialization acquired by the ISI in Nepal was the trafficking of huge amounts of fake Indian currency produced at sophisticated ISI-created printing units. Reports, quoting the statements of arrested terrorists and fake currency couriers, suggested that the fake Indian currency was printed at the Pakistani security presses at the Malir cantonment in Karachi, and at Lahore, Quetta and Peshawar, and was transported to Nepal, Bangladesh, and even Thailand by PIA flights. The ISI utilized these counterfeit notes to finance its terrorist and other operations against India.

The extraordinarily high number of ISI personnel posted in a tiny country like Nepal is, ironically, reflective of the low stakes that Pakistan has in its bilateral relationship with Nepal. That a large number of ISI officials have been caught red-handed by Nepalese security forces while dealing in RDX, arms and ammunition, and fake currency in Nepal further demonstrates this. The ISI forced upon Nepal the ignominy of becoming the country in which the highest number of diplomatic and other Embassy officials have been apprehended while indulging in terrorism-linked activities, as against espionage. This constrained Nepal to tighten the noose and clamp down on the ISI's unbridled activities on its territory. Nepal sought and obtained the assistance of India in this endeavour. Indian support helped address the lacunae of lack of experience and technology that the Nepalese security apparatus was grappling with. Armed with this support, the Nepalese agencies achieved commendable success in neutralizing ISI modules operating in Nepal. Despite these setbacks, the ISI reportedly continues to maintain a sizeable presence in Nepal. These ISI operatives are on the constant look-out for fault-lines and opportunities to carry forward their anti-India agenda.

ISI's use of Nepal as a veritable second front to target India through use of terrorist proxies began in the mid-to-late 1980s and has continued with varying intensity till today. The early successes that the ISI achieved in using the country as a transit point for movement of Khalistani terrorists to and from India emboldened it to expand the scope of its anti-India operations to include trafficking of explosives, weapons, and fake currency in huge quantities by the mid-1990s. The near absence of resistance from the ill-equipped, ill-trained, and inexperienced security apparatus that Nepal possessed during this period also contributed to the ISI's confidence. ISI officials deputed to Nepal relished the atmosphere in which they were able to operate with impunity. This situation, however, changed when they overplayed their hand and crossed the red line by allegedly masterminding the hijacking of Indian Airlines flight IC-814 that was enroute from Kathmandu to New Delhi. Discomfited and apprehensive of a strong reaction by India, on which it was heavily reliant in almost all spheres, the Nepalese government responded by strengthening its security structure to counter the ISI's nefarious activities on its soil. With India pitching in whole-heartedly to assist in the capacity-enhancement of the Nepalese security forces, the results on the ground became visible from 2000 onwards. Although Nepal still continues to be utilized by the ISI for fomenting trouble in India due to the various advantages that Nepal presents to it, the

brashness with which it did so earlier has reduced considerably. Meanwhile, working in close cooperation with each other, the Nepalese and Indian security agencies have over the last decade achieved some major successes in countering and dismantling the terrorist structures set up by the ISI in Nepal.

### **ISI activities in Nepal in the late-1980s and 1990s**

US cables released by WikiLeaks in 2011 contained detailed reports of the US government that highlighted the use of Nepal by the ISI to carry out and promote terrorist acts against India. One such cable dated 8 July 1997 that was signed by Frank Wisner, the then US Ambassador to India, asserted that in the years leading up to the 1999 hijacking of Indian Airlines Flight 814 by Pakistan-based terrorists, the ISI had made Nepal a hub of anti-India terrorist activities and pushed in huge quantities of RDX into India for use in terror attacks by Khalistani and Kashmiri terrorist organizations. The cables unambiguously stressed that the ISI had created various terrorist fronts to carry out violent attacks in India, which included bomb blasts in commercial markets such as Connaught Place and Lajpat Nagar in New Delhi and other cities across the country. The cables disclosed that one such organisation created by the ISI in Pakistan was the Jammu and Kashmir Islamic Front (JKIF), which had a strong base in Kathmandu. The US Ambassador averred: *"To dispatch men and material and to execute explosions in India, Kathmandu was invariably made the nodal point and JKIF exploited the vulnerable Kathmandu-based Kashmiri businessmen for such activities since they had a readymade and clean past. JKIF kingpin Javed Krawah himself used to run a carpet business in Kathmandu". He further informed that the JKIF was controlled from Pakistan by the ISI and Tiger Memon, the prime accused in the 1993 serial Mumbai blasts. "Their contact in Pakistan-occupied Kashmir (PoK) was Bilal Beg, who was running an indoctrination camp near Muzaffarabad, funded extensively by the ISI to carry out terrorist acts in India. One Colonel Farooq of Pakistan ISI tasked Bilal Beg and Tiger Memon to utilize Kathmandu-based activists Lateef and Javed Krawah to set off blasts in Delhi before the Lok Sabha elections", the Ambassador revealed.*

In February 2012, WikiLeaks began publishing The Global Intelligence Files, that included e-mails from the 'global intelligence' company Stratfor. One of these emails of June 2000 contained a detailed Stratfor report on ISI activities in Nepal. It stated that *"The ISI is effectively exploiting Nepalese territory to mount major terrorist offensives against India by*

*providing human, material, and logistic support to the various militant groups - Kashmiri, Sikh, and north-eastern. Today, Kathmandu has become a big meeting point for training and distributing arms to these anti-India militant groups. According to our sources in the region, Pakistan has also developed a strong smuggling/criminal infrastructure in Nepal. The seizure of hundreds of kilograms of explosives (RDX) by the Nepalese and Indian border police, the large-scale circulation of fake Indian currency notes, and the hijacking of an Indian airliner while enroute from Kathmandu to Delhi last year clearly show how far the ISI has consolidated its presence in Nepal. Intelligence reports also say that the officials posted at the Pakistan embassy in Kathmandu are actively involved in motivating and financing agents in these activities. The ISI is also trying hard to exploit the rising nationalist sentiments in Nepal with the purpose of creating friction between Kathmandu and Delhi.*

*Sources further reveal that since the advent of multiparty democracy in Nepal, Pakistan has cultivated a number of leaders by providing them with funds and various other forms of assistance. The increasing voices for a Greater Nepal (which demand the restoration of territories ceded by Nepal to India under the 1816 Treaty of Sugauli) can also be attributed to the proactive efforts of the ISI.*

*In order to undermine Indian influence in Nepal, the ISI is also manipulating the Nepalese press which has taken an unusually anti-Indian bent in the recent past. Some reports suggest that several newspapers and other media outlets are receiving funds from the ISI".*

These WikiLeaks disclosures corroborated what India, with considerable proof and justification, had been saying for decades. The Indian government had highlighted the ISI's misuse of Nepalese hospitality since the late-1980s - not only to the Nepalese government but also to its major interlocutors in the international arena. In the initial period from the late 1980s till the mid-1990s, the ISI converted Nepal into a transit point for infiltrating Khalistani and Kashmiri terrorists into India in response to the enhanced vigil and alertness of Indian troops along the India-Pakistan border and the Line of Control (LoC). The arrest of Sikh militant Bhupinder Singh Bhuda of the Khalistan Commando Force (KCF) from a hotel in Kathmandu in October 1997 provided the Indian security apparatus valuable insights on the ISI modus operandi and networks within Nepal.

Muslims constitute over 5 percent of Nepal's population, about 97 percent of whom live in the Terai region bordering India's populous states of Uttar Pradesh and Bihar. Cross-border filial linkages are extensive. A vast majority of this Muslim population is engaged in agriculture and small trade. Both sides of the India-Nepal border witnessed a mushrooming of mosques and madrassas funded by Saudi Arabia and other pan-Islamic organizations in the 1990s, and that trend has continued. For example, in just a short five-year period from 1991 to 1995 as many as 50 new mosques and madrassas were constructed in the four small Nepalese districts of Rupandehi, Kapilvastu, Bardiya and Banke. The ISI too got involved in funding the construction of mosques and madrassas in the Terai. Instances of Saudi Arabia, the Islamic Development Bank and Muslim World League routing funds for such construction through the Embassy of Pakistan in Kathmandu were also reported in the media. The ISI also organized visits of Tabligh Jamaats to Nepal from Pakistan on a regular basis. Involvement in such activities enabled the ISI to establish patron-like relations with important Muslims organizations in Nepal such as the Jamaat-e-Milli-e-Islamia (JMI), Nepal Islamic Yuva Sangh (NIYS) and Nepal Muslim Ittehad Sangh (NMIS) that were beholden for the financial support that they received from the ISI. JMI and NMIS were closely associated with the Islamist Jamaat-e-Islami (JeI) party of Pakistan. The ISI, during this period, also significantly expanded its outreach amongst influential Nepalese Muslims, some of whom became their trusted assets and played vital roles over the years in enabling the ISI to carry out its anti-India agenda. These included Nepali parliamentarians Mirza Dilshad Beg and Salim Miyan Ansari, media-mogul Jamim Shah, Beg's son-in-law Siraj Farooqi, Ansari's son Younis Ansari, Abu Bakar Nadvi and Maulana Abdullah Madani, amongst scores of others. Several of these ISI agents also had cross-linkages with the smuggling and extortion rackets of Dawood Ibrahim, one of the world's most notorious gangsters whom Pakistan has reportedly sheltered for several decades now after he fled his home city of Mumbai after masterminding the deadly 1993 bombings there. He is a United Nations Security Council (UNSC)-designated terrorist.

Reports also reveal that some of the madrassas that had sprouted along the India-Nepal border were used by the ISI to shelter Khalistani and Kashmiri terrorists waiting to be inducted into India, as well as for storing explosives and arms and ammunition meant for these terrorists. Azizuddin Sheikh *alias* Sattar, an ISI-trained gangster of the Mumbai

underworld who was in June 1999 arrested near the India-Nepal border in Uttar Pradesh, revealed to the Indian security forces that at the behest of the ISI the Siraj-ul-Uloom madrassa in Kapilbastu district of Nepal was being used by Chhota Shakeel, the trusted lieutenant of Dawood Ibrahim, and his associates to store AK-47 rifles and other automatic weapons meant to be smuggled into India and used to assassinate influential Indian political figures.

In addition to tapping unscrupulous elements from the Muslim community of Nepal, reports indicate that the ISI also recruited Sikhs such as Joga Singh, who ran a hotel in the posh Durbar Marg area of Kathmandu in which he sheltered Khalistani and Kashmiri terrorists and arranged fake Nepalese passports and other travel documents for them. Joga Singh had close ties with the Khalistani terrorist groups Babbar Khalsa International (BKI) and Khalistan Zindabad Force (KZF). The chiefs of these two terrorist outfits, Wadhawa Singh and Ranjit Singh *alias* Neeta respectively, have been sheltered for decades in Pakistan by the ISI, as have the leaders of almost all the other major Khalistani factions - Lakhbir Singh Rode of International Sikh Youth Federation (ISYF), Paramjit Singh Panjwar of Khalistan Commando Force (KCF), and Gajinder Singh of Dal Khalsa International (DKI). The ISI used them to coordinate terrorist activities of their outfits in Punjab and elsewhere in India.

Among these Khalistani terrorists, Ranjit Singh *alias* Neeta had the closest connections with Nepal. He established a strong base at Birganj, a bustling border town in Nepal, where his sister-in-law Maan Behanji was based. The range and scope of the network that Neeta, with the active connivance of the ISI, had set up for the KZF in Nepal was exposed in November 1998 after the arrest of Lakhbir Singh, a KZF militant, from a hotel in Kathmandu. He had 20 kilograms of RDX and timer devices in his possession at the time of his arrest. *'Asiaweek'* reported on 21 April 2000 that Lakhbir, during his subsequent questioning by Indian security personnel, had revealed the identities of three Kathmandu Embassy-based ISI officials with whom he had liaised. One of them was Asim Saboor. Lakhbir confessed that KZF's bases in Nepal had been set up with the active support and guidance of the ISI. Maan Behanji, along with two other KZF militants of the Birgunj base were apprehended by the Delhi police with explosives and fake Indian currency on 14 August 2000, on the eve of India's Independence Day. Ajai Raj Sharma, the then Delhi Police

Commissioner, said that the three KZF militants had planned to carry out explosions during the Independence Day celebrations at crowded places in Delhi.

Neeta was a valuable agent for the ISI as he originally hailed from Jammu in the Indian state of Jammu and Kashmir (J&K), as did most of his militant followers. Neeta carried out several bomb blasts on trains and buses running between Jammu and Pathankot between 1988 and 1999. As the *'Daily Excelsior'* reported on November 15, 2000, "*While the KZF still has much interest in hitting at Punjab, the ISI, intelligence reports say, has prevailed upon it to focus its attention on assignments given to its cadres in Jammu and Kashmir. Fresh and vigorous strikes in Poonch district (where Khalistan Zindabad Force has pockets of influence) and in other areas of the Jammu region, including the city of Jammu, according to the calculations purported to have been made by the ISI, would be more useful to it*". In addition, given his J&K origins and linkages, Neeta served the valuable purpose of synergising the activities of Khalistani terrorist groups with those of the ISI-backed terrorist outfits operating in J&K. This, by the late 1990s, had emerged as a priority task for the ISI. Goaded by the ISI, KZF had developed close ties with some of the terrorist groups active in J&K, including the Hizbul Mujahideen (HM).

### **The Turning Point – Hijack of Indian Airlines flight IC 814**

The hijacking of an IC 814, an Indian Airlines Airbus A300 aircraft enroute from Kathmandu to New Delhi, on 24 December 1999 proved to be the point at which the tide turned against the ISI's virulent activities in Nepal. The aircraft, with 176 passengers and 15 crew members on board, was hijacked by 5 masked gunmen just after it entered Indian airspace. After stops enforced by the hijackers at Amritsar in India, Lahore in Pakistan and Dubai in the UAE, the aircraft was eventually taken to Kandahar in Afghanistan. One of the passengers was stabbed to death by the hijackers by the time the aircraft reached Kandahar, while 26 were released in Dubai. The choice of Kandahar was a conscious decision as it was the stronghold of the Afghan Taliban that was in power in Afghanistan at that time. India was prominent among the countries that had opted not to recognize the Taliban government when it usurped power after a violent campaign, and therefore had not established diplomatic relations with it. The Taliban chose not to oppose the hijackers. Taliban fighters surrounded the aircraft and allegedly extended assistance to the hijackers. Reports in the media suggested that two senior ISI officials had also reached Kandahar after the aircraft landed there. These factors ensured



the negation of all efforts of the Indian government to resolve the crisis in a manner that was favourable to it.

After a week-long standoff during which the Taliban negotiated on behalf of the hijackers, India met the hijacker's demand for the release of three dreaded terrorists - Maulana Masood Azhar, Ahmed Omar Saeed Sheikh and Mushtaq Ahmed Zargar. The hostages aboard the aircraft were subsequently released by the hijackers on 31 December 1999. The Taliban, rather than apprehend the hijackers, instead gave them ten hours to leave Afghanistan along with the released terrorists. They crossed over into Pakistan and almost immediately resumed terrorist activities from there. Masood Azhar went on to found one of the most notorious ISI-backed terrorist organizations active in Jammu & Kashmir – the Jaish-e-Muhammed (JeM) - in 2000. Mushtaq Zargar was allegedly appointed by the ISI as a trainer in Pakistan Administered Jammu & Kashmir for terrorists being prepared to be inducted into J&K. Omar Sheikh was in the news in 2002 for the abduction and beheading in Pakistan of US national Daniel Pearl, the South Asia Bureau Chief of *'The Wall Street Journal'*. Sheikh also allegedly played a key role in the 2008 Mumbai terror attacks and the 9/11 attacks in the US.

After IC 814 landed in Kandahar, Taliban Foreign Minister Mullah Abdul Wakil Muttawakil told the BBC's Pushto service that one of the hostage-takers was Maulana Masood Azhar's brother, Ibrahim. This revealed that the hijackers were linked to Harkatul Mujahideen (HuM), a dreaded ISI-backed terrorist organization that focussed on J&K. HuM has been designated as a terrorist organization by the UN, the US, the United Kingdom and India. The January 2000 issue of Pakistan's *'Herald'* magazine reported that despite HuM's denial of involvement while the hijacking was ongoing, senior members of HuM in Muzaffarabad were willing to later admit in private that all five hijackers belonged to their group. However, other than what appeared to be a slip-up by Muttawakil, the Afghan Taliban authorities, in a show of solidarity with the HuM, ensured that the identity of the other 4 hijackers was not revealed.

In the immediate aftermath of the hijacking Indian and Nepalese security officials, stung, embarrassed and under pressure from their respective governments to provide answers and plug loopholes, started with the process of identifying the hijackers. Even before the hijacking saga concluded on 31 December 1999, the identity of the remaining 4 hijackers was

established with remarkable alacrity. As was the case with Ibrahim, the other 4 hijackers - Sunny Ahmad Qazi, Shahid Saeed Akhtar, Zahoor Ibrahim Mistry and Farooq Abdul Aziz Siddiqui — were all Pakistani nationals and members of HuM. Media reports of the time suggested that they had planned the hijacking in Bahawalpur, Pakistan, in early 1999, and were assisted by a Mumbai-based HuM operative Abdul Latif in obtaining Indian passports and driving licences.

Meanwhile, the Nepal police's investigations and questioning of the staff at Kathmandu's Tribhuvan International Airport (TIA) brought to light that a Pakistan Embassy car (42 CD 14) had arrived at the airport on 24 December 1999, minutes before the ill-fated IC 814 took off. Media reports quoting official sources claimed that members of the airport staff had seen the First Secretary of the Pakistan Embassy, Mohammed Arshad Cheema, and another Pakistan Embassy official, Zia Ansari, enter the departure lounge of TIA - which also doubled as a transit lounge for passengers between flights – and hand over a bag to some people who were boarding the Indian Airlines aircraft. Reports later quoted intelligence sources as saying that the bag contained three .32 calibre revolvers, four hand grenades and at least one knife. Cheema was the ISI station chief in Kathmandu.

The hijacking of IC 814 by the ISI-backed HuM had not only tarnished the reputation of, and brought shame to, the Nepalese security apparatus but also threatened to derail Nepal's critical relationship with India. This had the potential to bring disastrous consequences for Nepal. The apprehension was more pronounced in view of the fact that the Indian government had been requesting Nepalese authorities since the late 1980s to address the ISI's use of Nepal for its anti-India operations. According to a report that appeared in the 'India Today' magazine in June 2000, Brajesh Mishra, India's then National Security Adviser (NSA), armed with a 78-page secret report prepared by Indian intelligence agencies after the hijacking that underlined the extent to which ISI had spread its tentacles in Nepal, visited Kathmandu for interactions with top Nepalese officials. Titled '*Pakistan's Anti-India Activities in Nepal*', the report highlighted the terrorism sponsored by the ISI in the region and detailed the various aspects of Pakistan's "*undeclared war*" on India and its modus operandi. It stated that the ISI officials posted at the Pakistan Embassy in Kathmandu were motivating and financing the agents that were waging the proxy war against India. Names of these ISI officials were specifically mentioned in relation to activities like hijacking, political

funding and circulation of fake currency being promoted by them. The report averred that there was ample evidence to prove that the hijacking of IC 814 was masterminded by the ISI and carried out by the Harkat-ul-Mujahideen (HuM), and that Mohammed Arshad Cheema was the ISI representative who had facilitated it. The report added: *"In recent months there has been a phenomenal increase in the circulation of fake Indian currency notes which have been pumped into Nepal by the ISI with the aim of de-stabilising the Indian economy, besides raising funds for the promotion of terrorism"*. The Indian NSA's brief was to reiterate India's concerns and get Nepal to clean up its act. That he succeeded in his mission became apparent by the events that followed.

### **Nepal wakes up to the ISI threat**

The Nepalese government, even prior to the Indian NSA's visit, was well aware of the ISI's dubious activities on its territory. Mehboob Shah, zonal commissioner of Nepalgunj region who later headed the Nepal United Muslims Association, stated in 2000: *"Please don't talk about them (the ISI). They are deadly, very dangerous and are everywhere. In Nepal, their arms are longer than the law"*. The Nepalese government had invariably responded positively to specific Indian requests for action against ISI-backed terrorists on its soil. However, on account of serious constraints that its security agencies faced, it did little to counter the ISI on its own initiative. As could be expected in a small country that is amongst the poorest in the world, the security apparatus of Nepal was rather archaic and creaky. It also suffered from lack of a modernized training curriculum and state-of-the-art equipment. Compounding these woes was the raging Maoist armed insurgency that they had to contend with within Nepal.

This changed following the hijacking and the Indian NSA's visit. Murari Raj Sharma, Nepal's then foreign secretary, admitted: *"We have begun to express our concerns about underground activities more seriously with the Pakistani Government"*. The Nepalese government also issued instructions to the security forces to prioritize and clamp down on ISI activities.

Just a few days after the hijacking, Asam Saboor, the ISI official posted in the Pakistan Embassy in Kathmandu who had been named by Lakhbir Singh, was caught red-handed by the Nepalese police while trying to dispose of a consignment of counterfeit Indian currency notes in January 2000. Saboor had been on the radar of the Nepalese police. He was

taken into custody and shortly thereafter officially told to leave Nepal *"for activities not in keeping with his diplomatic status"*.

The close vigil of the Nepalese security agencies on the Pakistani Embassy combined with robust intelligence cooperation between the Nepalese and Indian agencies resulted in the sensational arrest of Mohammed Arshad Cheema, the ISI station chief, on 12 April 2001. Acting on a tip-off a crack Nepal police team led by Madhav Thapa, the Superintendent of Police of Kathmandu district, raided a rented house in the Baneshwar locality in which Cheema and his wife Rubina Cheema had been staying. The police team found 16 kilograms of RDX in Cheema's possession in a cupboard on the first floor of the house. Cheema was no stranger to RDX. Nepal's senior-most police officer, the Inspector-General of Police, had earlier disclosed that Cheema had handed over 20 kilograms of RDX to Khalistani terrorist Lakhbir Singh in 1998. Cheema's role in the hijacking of IC-814 has been brought out earlier in this article.

The explosives recovered from Cheema in the 2001 raid were reportedly received by Cheema from the ISI through the diplomatic bag of the Pakistani Embassy and were meant to be passed on to anti-India terrorist outfits. Following Cheema's arrest, the then Nepalese Foreign Minister Chakra Prasad Bastola, referring to Pakistan, lamented that *"Friends are turning Nepal into a hotbed of intelligence agencies"*, adding that *"Nepal is committed to stopping this sort of activity"*. As Cheema had diplomatic immunity under the Vienna Convention, he was expelled from Nepal by the Nepalese government a day after his arrest for conduct unbecoming of a diplomat.

The next major success achieved by the Nepalese security agencies in countering the illegal activities of the ISI came on 03 January 2002, when Siraj Ahmed, another ISI representative posted in the Pakistani Embassy, was caught with a large amount of fake Indian and US currency. He too was subsequently deported from Nepal. Pakistani daily the 'Dawn' reported on 10 February 2002 that *"A member of the Pakistan Embassy in Nepal has been deported for carrying fake US and Indian currency..... Siraj Ahmed Siraj was arrested during a high-profile South Asian summit in Kathmandu in early January as he was trying to exchange large amounts of fake currency in a market in the city"*. The daily added on 14 February 2002 that *"Nepal's Ministry of Foreign Affairs has requested the Pakistan government to take 'necessary action' against a junior embassy official who was allegedly involved in a fake*

*currency case..... According to a press release of the ministry, issued on Tuesday evening, an official investigation into the incident showed the involvement of Siraj Ahmed Siraj, an upper division clerk of the embassy, in a case relating to the seizure of fake Indian and US currencies".*

The following year, on 19 August 2003, yet another ISI representative posted in the Pakistani Embassy was arrested with fake Indian currency in his possession. A US Embassy cable signed by Michael Malinowski, the then US Ambassador to Nepal, that was released by Wikileaks described the arrest: *"On August 19, Nepalese Police arrested Mohammed Masood (a.k.a. Mustafa), an Upper Division Clerk of the Pakistani Embassy, at a restaurant in Kathmandu. He is part of the Embassy's administrative staff and an official passport holder. Masood reportedly was found to hold 90 counterfeit Indian Rupee 500 notes (a total of Indian Rupees 45,000, roughly USD 990). After over seven hours of questioning, Masood was handed into the custody of the Pakistani Ambassador at 3 am the next morning, with the reported understanding that he would leave the country. The Nepalese police confirmed to Embassy officers Masood's arrest for possession of counterfeit currency. Masood was deported over the weekend".* The cable added that *"Nepalese concern with the flow of illegal activity from Pakistan to Nepal has led the GoN (Government of Nepal) to prohibit Pakistan International Airways (PIA) flights to and from the country. Director General of Civil Aviation Upendra Dhital and Joint Secretary for Civil Aviation Nagendra Ghimire told EconOff that PIA would not be allowed to re-enter Nepal's aviation market due to security concerns. The two cited the 1999 hijacking of an Indian Air jetliner from Kathmandu's international airport and the continuing illegal conduct of Pakistani Embassy members as reasons for the decision".*

These four arrests within a 5-year period shook the ISI out of its conviction that it could violate Nepalese territory with impunity. The brashness and confidence with which it had conducted its anti-India activities from Nepal disappeared. ISI operatives became more circumspect and cautious in the knowledge that retribution from Nepalese authorities for any illegal activity they were caught undertaking would be forthcoming. The Nepalese response, under pressure from India on one hand and full cooperation from it on the other, had sent a clear message to the ISI – it would not tolerate another hijacking or other terrorism-related activities on its soil.

Despite these setbacks, the lure of Nepal was too strong for the ISI to resist. Nepal's geographical location, its long and open border with India, an increasing Muslim population on both sides of the India-Nepal border, elements from within which were receptive to the ISI's money or religion-backed overtures, and a low per-capita income that facilitated easy engagement of local informants and recruiters made the country an irresistible prospect for the ISI. This was more so after India's decision to fence its border with Pakistan and increase vigil along the LoC. The ISI, therefore, continued its anti-India activities through Nepal albeit in a more guarded and cautious manner.

The continued apprehension of ISI-backed terrorists from Nepal in the period following the hijacking of IC 814 is as reflective of the advances made by the Nepalese security forces with enhanced support from, and close coordination with, the Indian security agencies as it is of the ISI's refusal to respect the sensitivities of the country that was hosting its representatives.

Significant arrests in Nepal in recent years have included Lashkar-e-Taibah (LeT)-affiliated Abdul Karim Tunda, one of India's top 20 wanted terrorists who was involved in over 40 bombings in India since the mid-1990s. Tunda, who was apprehended on the India-Nepal border at the Banwasa-Mahendranagar crossing on 16 August 2013, was travelling on a Pakistani passport in the name of Abdul Quddus bearing the number AC 4413161 that had been issued on 23 January 2013. Known for his expertise in bomb-making, Tunda figured at number 15 on the list of 20 terrorists that India had asked the Pakistan government to hand over following the 2008 Mumbai terrorist attacks.

Yasin Bhatkal, the co-founder of the LeT-backed and ISI-supported Indian Mujahideen (IM) terrorist outfit and his key associate Asadullah Akhtar were arrested by the Nepal police on 28 August 2013 near the India-Nepal border and handed over to Indian authorities. He had for the last few years been living near Pokhara in Nepal under the guise of an Unani doctor. A prominent name on the Indian National Investigation Agency's (NIA) list of most wanted, Bhatkal, whose real name is Ahmed Siddibappa, disclosed to Indian officials after his arrest that he had undergone a 50-day training in handling weapons and explosives, and in bomb-making, in Pakistan in 2006. He said: "*Next day our training started. There were six instructors, who I understand were from Pakistan army*". Bhatkal has been involved

in carrying out at least 10 bombings in India in 2007-08. He was sentenced to death by a NIA court in Hyderabad on 19 December 2016.

Information shared by Bhatkal with Indian security agencies led to the arrest of other IM terrorists in Nepal such as Tehseen Akhtar, the operational head of the outfit, who was apprehended in March 2014. Another dreaded IM terrorist, Abdul Subhan Qureshi *alias* Tauqeer, who was involved in terror attacks in Delhi and Bengaluru as well as the Mumbai train blasts of 2006, was arrested in Delhi in January 2018. He had fled to Nepal after carrying out the terrorist acts in India in 2006-07 and had been living there using fake documents. Yet another notorious IM terrorist Ariz Khan *alias* Junaid, who used to live with Abdul Subhan Qureshi in Nepal and had acquired Nepali citizenship and a passport under the name of Mohammad Salim, was arrested earlier this year near Banbasa on the India-Nepal border.

Given the well-documented linkages of the ISI to the LeT and IM, these as well as dozens of other arrests (including of LeT and HM terrorists) from Nepal over the last few years clearly indicate that the ISI continues to actively pursue its abominable activities in Nepal. In addition, media reports also suggest that the ISI had a hand in 2 explosions targeting Indian interests in Nepal that occurred in Biratnagar and the Sankhuwasabha district in April this year. The walls of the Indian Consulate in Biratnagar were damaged in the first explosion. The second targeted the office of an India-constructed hydropower project that the Indian Prime Minister was due to lay the foundation stone for in a few weeks' time.

### **ISI's attempts to woo the Maoists of Nepal**

As could be expected of an organization that operates without any scruples and whose primary function apparently is to promote militancy regardless of the ideology or the geographical location of the targeted militant outfit, the ISI made serious and concerted efforts to engage with and supply weapons to the militant and proscribed Maoists of Nepal during their heyday at the turn of the last century and the early years of this century. This shocking revelation was made by none less than Pushpa Kamal Dahal *alias* Prachanda, the then chairman of the Maoists who after the Maoists renounced violence and joined the political mainstream became the Prime Minister of Nepal in 2008 and again in 2016. BBC in a report on 20 November 2006 quoted Prachanda as saying that "*Since we started our people's war, we had been hinted time and again by the ISI, sometimes directly and at times*

*obliquely, that it was ready to lend its hand in terms of weapons supply and others, but we bluntly refused. Accepting such an offer would have been against the self-respect and sovereignty of the people of Nepal".*

The BBC report further stated that *"The BBC's Mahmud Ali says that the ISI is accused of many vices" and added that "Critics say it runs 'a State within a State', subverts elected governments, supports the Taleban and is even involved in drug smuggling".*

The keenness of the ISI to arm the Maoists while the latter were a dangerous proscribed insurgent organization carrying out ambushes and bombings in which hundreds of Nepalese security personnel and innocent civilians were killed reveals the true nature of the ISI as an organization. Unlike with Afghanistan and India, where the ISI's blatant and ruthless support to terrorist organizations is well known, widely acknowledged and extensively documented, Pakistan does not even share a border with Nepal. Nor does it have much engagement with, or interests in, the country. Yet it was desperate to foster mayhem there by providing the Maoists with lethal weapons.

Related to the fact that Pakistan does not share a border with Nepal, a critical question emerges from Prachanda's disclosure - from where did the ISI expect to source the weapons it intended to arm the Maoists with? The answer, quite obviously, is through the very same pre-existing well-oiled ISI mechanism that it had put into place for bringing weapons into Nepal for arming Indian terrorist outfits. All the ISI needed to do to fulfil the Maoists' demand, had they bitten the bait, was to increase the volumes.

The ISI's indulgent and incessant offers to Prachanda indubitably demonstrate its appalling lack of regard for the lives and welfare of the Nepalese people.

### **Conclusion**

The ISI's persistent and discreditable use of Nepalese territory to promote terrorism and other related activities against India has the potential to strain India-Nepal relations and hurt Nepal in several ways. An increasing number of security analysts are putting forward the case for reviewing the open border between the two countries as an appropriate and justified solution. The Indian government, in deference to the special ties that India and Nepal share, has thus far not been convinced by this argument. It has sought to address the ISI menace through strengthening the security presence on its side of the border. Additional units of the Sashastra Seema Bal (SSB) that is mandated with guarding the border are being inducted, and



the force has been granted the powers to search, arrest and seize under the Criminal Procedure Code (CPC). Border infrastructure is also being revamped and upgraded, surveillance cameras installed, and over a thousand kilometres of border roads being constructed to facilitate closer monitoring.

Nevertheless, continued infiltration of terrorists and weapons, or a major security incident with roots in Nepal, could force a rethink of this position. It is Nepal that has a lot more to lose in real terms should such an eventuality come to pass. As a landlocked country, Nepal's access to the sea is through India. Most of Nepal's external trade is with or through India. The country's industrial sector is underdeveloped due to which bordering India towns are a convenient source of products of everyday use that are either unavailable or expensive in Nepal. Further, Nepal is plagued by unemployment and a very low per capita income. The open border enables Nepalese nationals to find gainful employment in India.

The ISI's policy of recruiting Nepalese Muslims as agents could encourage the evolution of a new breed of terrorists that challenge the Nepali State. Inculcation of an extremist ideology in the mushrooming mosques and madrassas at the behest of the ISI and the Tabligh Jamaats that it sponsors would provide fertile grounds for recruitment for these hardened ISI agents. The growth of Islamic fundamentalism within Nepal would threaten the nation's stability and challenge its long tradition of peace and communal harmony. The arrests in August 2017 of four Nepalis - Shamshul Hoda, Mojahir Ansari, Asish Singh and Umesh Kumar Kurmi - for links with ISIS is a case in point. Migrant workers who had gone to Dubai in search of work, they were befriended by a Pakistan national who lured them into the ISIS. Investigations revealed that they were operating as a part of an ISIS network that spread across Malaysia, Dubai, India, Pakistan and Nepal.

Caste and class disparities, as also lack of development and a feudalistic polity and society were some of the factors that gave rise to the Maoist insurgency that plagued Nepal. Despite the bulk of the Maoists joining the political mainstream after renouncing arms, the conditions in Nepal have not changed much. The possibility of another armed uprising demanding equality and development cannot be discounted. There is also no guarantee that the new breed of leaders of any such potential uprising would be as anxious about Nepal's "*self-respect and sovereignty*" as Prachanda was while eschewing the ISI's offers.

An ISI-supported insurgency in Nepal would prove much more difficult for the Nepalese government to handle.

As for Pakistan, an increasing chorus of international voices has been raised in recent years to declare the country a State-sponsor of terrorism. These calls have primarily been based on Pakistan's support to the Haqqani network and the Taliban in Afghanistan, and to a lesser extent to its backing of Kashmir-centric groups such as the LeT and JeM. Pakistan's sponsorship of terrorism in countries such as Nepal, Bangladesh, Myanmar and Thailand has not figured in the narrative nor been taken into consideration. The damage and hardships that these nations, especially a small country like Nepal, suffer as a consequence are tremendous. The ISI's clandestine illegitimate activities threaten the stability of such countries. Just as the international linkages of the A.Q Khan nuclear proliferation network are an important consideration behind the decision of the international community (barring China) to ostracize Pakistan, the ISI's sponsorship of terrorism in countries such as Nepal needs to be consciously taken on board when considering the label of State-sponsor of terrorism for it.

Often without a voice, small countries like Nepal are forced to grapple with a massive, externally-induced problem unheard and unaided. The international community has a collective responsibility to help rid them of the menace.

Even the Pakistani magazine the '*Herald*' had in the aftermath of the hijacking of IC 814 recognized Pakistan's rightful place in the world. In the 2000 article referred to earlier it had contended: "*But if its nationals, especially those belonging to militant organisations, get involved in acts of terrorism such as hijacking, Pakistan may find it impossible to defend itself against the charge of being a rogue nation*".

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