

---

# Militarisation of India's Maoist Movement: Arms Production, Procurement and Proliferation

Shashank Ranjan

In March 1967, in Naxalbari, West Bengal, a farmers' organisation called Siliguri Kisan Sabha, led by a tribal leader, Jangal Santhal, declared its intention to commence an armed revolt to redistribute the land controlled by local landlords in order to end centuries of exploitation, thereby marking the beginning of the Naxal movement. Over the last few decades, the movement has spread spatially to a number of states and mainly into Andhra Pradesh and Bihar. Its present manifestation is predominantly in the deprived regions of east-central India. The traction that the Maoists have been able to extract is mainly due to the existing socio-economic depravity, which they project as the cause that they fight for. And they have done so by projecting their ideology as the backdrop. In 2004, two main left wing extremist organisations, the People's War Group (PWG) and Maoist Communist Centre of India (MCC) merged to form the Communist Party of India (Maoist), with an estimated strength of 9,500 armed cadres.

---

Colonel **Shashank Ranjan** is Senior Fellow, Centre for Land Warfare Studies, New Delhi.

**N.B.** The views expressed in this article are those of the author in his personal capacity and do not carry any official endorsement.

Between 2010-July 2015, around 2,080 civilians and 786 security forces personnel have been killed by the Maoists in different parts of India. The CPI (Maoist) has a strategic game-plan, to create a ‘United Front’ with all like-minded insurgent / terrorist outfits in India. It needs to be remembered that many of these outfits are supported by external forces inimical to India, and the CPI (Maoist) considers such alliances as strategic assets.<sup>1</sup> The linkages struck, and aspired for, are the prime facilitators of the evolving militarisation of the movement.

Today, the Maoists have an effective presence in 118\* districts in 17 Indian states.<sup>2</sup> The strength of the well-armed People’s Liberation Guerrilla Army (PLGA) is pitched at 9,000 to 12,000 hardcore cadres, grouped into military companies, platoons, and special squads.<sup>3</sup> An organisation with such a strength demands huge amounts of money to attain its objectives towards ‘armed insurrection’. This paper explores the arms network of the Maoists, given the ideological and organisational background of the movement in its current *avataar* – putting sequentially, the related aspects of terror finance and linkages that build up and sustain the CPI (Maoist) as a militant outfit, which was termed as the greatest internal security threat by former Prime Minister Manmohan Singh.<sup>4</sup>

## **Maoist Militarism: The Ideological and Organisational Contexts**

The Marxist–Leninist ideologues have always believed in armed struggle to achieve political power. The centrality of militarisation in their ideology is evident from the following extract sourced from the founding documents of the CPI (Maoist):

A military line has to be formulated, corresponding to the correct political line to achieve revolutionary objectives. The military line should be subordinate to the political line. The correct military line

---

\* 22 – highly affected; 18 – moderately affected; 78 – marginally affected.

takes birth in struggle, develops through struggle and takes a clear shape in the course of struggle. In order to completely smash the state machinery of the exploiting classes or overthrowing it, the building of the people's army as the organized armed force of the masses is indispensable.<sup>5</sup>

The United Communist Party that led the Telengana struggle of 1946-51, did not create a people's army and was strongly criticised for this lapse. This shortcoming was rectified in the

Naxalbari uprising of the Sixties, where armed guerrilla squads were raised to lead the revolution. Since then, the military might of the Maoists has grown to a sizeable force and has shaped into the present People's Liberation Guerrilla Army (PLGA). The organisational structure of the CPI (Maoist) is hierarchical, with the all-powerful Central Committee (CC) at the apex. The CC consists of 17 members, with a smaller core group of seven people constituting the Politburo (PB). The Regional Bureau (RB)—a conglomerate of areas in different states—reports to the CC. The State/Special Zone Committees (SCs/SZCs) report to the RB. Each SC/SZC is responsible for all the activities of the outfit within its jurisdiction. Each state is further divided into zones and sub-zones, below which are District Committees (DCs). Below the district level, there are Squad Area Committees (SACs), responsible for activities within a cluster of villages in which the guerrilla squad operates.<sup>6</sup> The PLGA is the armed organisation to achieve the revolutionary political tasks by preserving its strength and destroying that of the enemy. The PLGA consists of three types of forces, namely, the primary force (platoons), the secondary force

**Given India's location at the centre of two major international weapon warehouses, the Northwest Frontier Province (NWFP) and the Southeast Asian arms market, there exist approximately 13 identified gun-running routes close to India's northeastern border areas.**

(guerrilla squads) and the base force (people's militia). The people's militia comprises people who otherwise have a vocation in life and are imparted rudimentary military training for barely a fortnight.

### **Arms Proliferation**

In the current South Asian context, the expanding trade in Small Arms and Light Weapons (SALWs), mostly illicit, has influenced more than 250 militant and insurgency movements. In geo-strategic terms, the Indian market for small arms is interestingly placed between the global black market in Southeast Asia and the surplus arms in Central Asia. According to the United Nations, India has about 40 million firearms. Historically, the primary source for proliferation was the Afghanistan conflict in the late 1970s, complemented on the eastern frontier by the bloodbath of the infamous Khmer regime. More recently, the US led anti-terror campaign in Afghanistan, the long drawn civil conflict in Sri Lanka, the instability and fundamentalist struggles in Pakistan, and the huge state support to terrorist groups from China and Pakistan and the ethnic insurgencies in Myanmar have together created a deadly whirlpool of illicit arms influx. This supply is demanded by requirements amongst the Indian insurgent groups. The external supply is reinforced by growing indigenous sources of illegal arms, especially the 'cottage industry' of locally produced '*kattas*'. Indigenous weapons are cheap and in spite of being low on technology and frills, remain highly destructive and impossible to trace using ballistic finger printing. Besides, leaks and thefts from state stocks, and challenges associated with the licensing process also add to the growing numbers.<sup>7</sup>

According to a study by the British Non-Governmental Organisation (NGO) Oxfam, in collaboration with Amnesty International and the International Action Network on Small Arms (IANSA), the bulk of illegal arms supplied to India make their way into Jammu and Kashmir (J&K) the northeast, Bihar, Chhattisgarh, Uttar Pradesh (UP), Jharkhand, Odisha

and Madhya Pradesh (MP). The Maoists are the likely end users, thus, creating a major crisis for the states in the “red corridor”.<sup>8</sup> The Maoists primarily acquire weapons by three different modes:

- Procurement
- Production
- Looting/Snatching

### *Procurement*

#### *Linkages*

As mentioned, given India's location at the centre of two major international weapon warehouses, the Northwest Frontier Province (NWFP) and the Southeast Asian arms market, there exist approximately 13 identified gun-running routes close to India's northeastern border areas. The CPI (Maoist) has linkages with various insurgent groups from not only India's northeast region but also with those operating in J&K and earlier with the Liberation Tigers of Tamil Eelam (LTTE).<sup>9</sup>

In July 2011, the National Investigation Agency (NIA) registered a case arguing that the Manipur-based People's Liberation Army (PLA) had formed an alliance with the Maoists for procuring arms and ammunition. Later, in May 2012, the agency filed a chargesheet in this regard before the special NIA court in Guwahati, against three arrested cadres of the PLA, N. Dilip Singh alias Wangba, Senjam Dhiren Singh alias Raghu and Arnold Singh alias Becon. Wangba was the self-styled 'chief of external affairs' of the PLA, and was arrested during a raid in Delhi on October 01, 2011. The other two accused were senior functionaries of the PLA working under Wangba, and were arrested on February 04, 2012, from Kolkata, and April 2012 from Siliguri respectively. According to an NIA press release,<sup>10</sup> the alliance between the CPI-Maoist and PLA was inked in 2008 after several meetings between the outfits since 2006. Subsequently, the PLA established an office in Kolkata, which played a crucial role in

**Repeated recoveries of war-like stores of Chinese origin from the Naxals are substantial evidence of the Maoists' China linkages that take place more often via the insurgent groups in India's northeast.**

coordinating the deals and meetings with the Maoists.

On August 29, 2012, the Jharkhand Police seized a consignment of arms and ammunition from the areas of Barachatti police station of Gaya district in Bihar and from Chouparan police station in Jharkhand. The seizure included a US-made M-16 rifle and 14 cartridges of 5.56 mm, one 9-mm pistol of Italian make, and one light weight bullet-proof jacket worth INR 400,000, manufactured in the United Kingdom

(UK). Malakar later told interrogators that he had supplied four AK-47 rifles, two AK-56 rifles and three Self-Loading Rifles (SLRs). Officials in the Ministry of Home Affairs claimed that this was confirmation of the opening of “the northeast arms supply route” to Left Wing Extremists (LWEs).<sup>11</sup>

The linkages that the CPI (Maoist) has with various outlawed groups facilitate their militarisation, mainly through weapons acquisition. Such linkages have been categorised as fraternal and non-fraternal. The non-fraternal ties are entirely opportunistic, meant to enhance capabilities where ideological compatibility was never a factor.<sup>12</sup> These linkages exist within and outside the country to include insurgents from the Northeast Region (NER), Nepali Maoists and the LTTE. While speaking in the Lok Sabha, Bandaru Dattatreya, former Union Minister of State for Railways, said on December 10, 1991, that the then People's War Group (PWG) had acquired 60 AKs and 20 sten guns from the now defunct LTTE.<sup>13</sup>

However, the extent to which these linkages have helped the Maoist extremists is not clear. Information on spinoffs in terms of a boost to the militarisation of the Maoists is scanty. Hence, it is difficult

to arrive at a definite conclusion about whether extra-regional linkages have become a regular and reliable source of weapons supply to Indian Naxalite groups.<sup>14</sup> Nevertheless, the transfer of weapons technology that has led to indigenised production (elaborated in the subsequent section) can be said to be a direct effect of the evolved linkages, and assumes significance.

### *Role of China and Pakistan*

The covert role of China as a source and facilitator to keep alive the arms supply route is too pronounced to be ignored; the dynamic includes the linkage between insurgent groups from the NER and the Maoists. In 2011, the Indian intelligence agencies had come up with reports revealing the Maoist leaders' secret visits to China's Yunnan province for arms training. As per the reports, China had set up a weapon manufacturing facility in Myanmar's Kachin province, which produced near-exact replicas of AK 47 rifles which were supplied to the Maoists.<sup>15</sup>

Repeated recoveries of war-like stores of Chinese origin from the Naxals are substantial evidence of the Maoists' China linkages that take place more often via the insurgent groups in India's northeast. In November 2009, the (former) Home Secretary, GK Pillai had said that he was confident that there was a supply of arms from China to the Maoists in India, though he ruled out any direct involvement of Chinese state actors.<sup>16</sup> When seen in the context of the global Communist movement, the CPI (Maoist) is part of the international ultra-left brethren. It is a member of the Coordination Committee of Maoist Parties and Organisations of South Asia (CCOMP/OSA), which is believed to have the direct blessings of the Communist Party of China (CPC)<sup>17</sup> and is a platform where certain European actors too get involved in funding the CPI (Maoist).

During his interrogation in 2010, the apprehended CPI (Maoist) Bengal Secretary Sudip Chongdar, alias Kanchan, revealed that the Maoists had been receiving weapons from China through international

smuggling routes, facilitated especially by the NER groups like Nationalist Socialist Council of Nagaland (Isac-Muivah) [NSCN (IM)]. In fact, the arrest of Kanchan was the fallout of the arrests of Anthony Shimray, a senior leader of the NSCN (IM) and Rajkumar Meghen, Chairman of the United National Liberation Front of Manipur. Kanchan as well as many other senior Maoist leaders, including Central Committee member Kishenji, were in touch with the NER insurgent leaders. A large haul of weapons and communication devices which are believed to be part of a Rs 4.5 crore consignment that was bought from China was also seized during the arrest of Kanchan and other Maoist leaders. Kanchan also revealed that some senior Maoist leaders, including a Central Committee member have visited China.<sup>18</sup> A report of 2009 says that out of the total weapons seized in India from the Maoists, a major amount is of Chinese origin. General Secretary of the CPI (Maoist) Muppala Lakshman Rao alias Ganapathy, in an interview in November 2010, has admitted that they purchase weapons from abroad.<sup>19</sup>

There have been indicators towards the involvement of Pakistan's Inter-Services Intelligence (ISI) with regards to supply of weapons to Indian insurgent groups, including the Maoists. The strategic think-tank, Stratfor, had claimed in 2009-10 that the ISI was trying to forge an alliance with the Maoists in a bid to destabilise the Indian state from within. It was acknowledged that the "Indian Maoists have been meeting with the outlawed Pakistan's militant group, the Lashkar-e-Taiba (LeT), according to the Director General of Police Chhattisgarh". And, "the ISI was providing weapons to Naxalites in exchange for money or other services".<sup>20</sup> The earliest proof of the alliance of the ISI with the Maoists can be traced to January 2005, when, during a fierce encounter with the Chhattisgarh Police, the empty cartridges of nearly 300 bullets fired by the Maoists were found at the site of the encounter. Many of these empties had the markings of a Pakistani ordnance factory, while some others had markings of production in the United Kingdom.<sup>21</sup>

Recently, in March–April 2014, ahead of the Lok Sabha polls, a large consignment of weapons had reportedly been smuggled into India from Bangladesh after being shipped from Pakistan. Indian intelligence agencies tracked a boat named *Padma* that was docked at Kutubdia port in Bangladesh in March 2014. The vessel was used to transport the consignment of weapons, which was offloaded at the port before

**Apart from procurements, largely facilitated by their linkages, there is a view that the Maoist arsenal is largely indigenous and outright purchase of arms in the grey arms market is only in ‘fits and bouts’.**

---

being smuggled into India through the porous border along Bangladesh’s Jessore district. The intelligence agencies, however, lost track of the consignment and did not know where it was sent. They suspected that the weapons could be intended for insurgent groups, especially the Maoists, who had expressed their resolve to disrupt the polls in the areas controlled by them.<sup>22</sup> Although the above-mentioned examples pertain to recent times, the Southeast Asian gun running route has been active for last few decades. Initially aimed at sustaining insurgencies in India’s Northeast, the growth in momentum of the Maoist movement further augmented the demand, subsequently. In one operation in the Andaman Sea, the complement forces of (then) Fortress Andaman & Nicobar (FORTRAN) in a highly guarded Operation, LEECH 3, captured a huge consignment of warlike stores comprising of several RPGs, RLs, MMGs / HMGs, mines and grenades. This haul in the year 1998 – has by far been one of the largest single haul of arms and ammunition ever captured by the armed forces in sub-conventional operations. What came across as most startling was the fact that almost the entire inventory was of Chinese origin – with the Arakan Army, a Burmese rebel group having links with China executing the gun running.<sup>23</sup>

### *Production*

The Maoists have come a long way from fielding farm implements and country-made weapons, and snatching weapons from the security forces. Apart from procurements, largely facilitated by their linkages, there is a view that the Maoist arsenal is largely indigenous and outright purchase of arms in the grey arms market is only in ‘fits and bouts’. Their ingenuity in the manufacture of weapons is noteworthy.<sup>24</sup> On January 10, 2007, the police in Bhopal unearthed an arms-making-cum-R&D (Research and Development) unit and seized 25 books on arms published by international publishing houses, with detailed drawings of cross-sections of rocket launchers, etc.<sup>25</sup>

In September 2012, the NIA chargesheeted Sadnala Ramkrishna alias Techie Anna and four others for waging war against the state as members of the CPI (Maoist) and for illegal manufacture of arms and ammunition. The NIA seized from them cash, ammunition, explosives, Maoist literature, diagrams and parts of rocket launchers and other weapons as evidence. Among the big seizures were 69 crates full of weapons from a Raipur godown and some material from a workshop in Kolkata. From the interrogation reports, it became evident that the agency had struck the crucial links of how Maoist cadres get their weapons. It is a supply chain that thrives on make-do and improvisation. The rebels have been known to be working on this since 2001 and have come a long way since then. “The strategy was to snatch or seize a piece or two from the security forces, field-strip it, diagram its working, fashion the parts using available material and workshop machinery, assemble a piece for testing, and, finally, pass on the know-how to production units”.<sup>26</sup>

In 2003, the Andhra Pradesh police raided a Maoist camp in Malkangiri (Odisha), where two-inch mortar shells and five rockets were to be developed and tested. The cadres escaped, but the blueprints found there left the security agencies worried. The apprehended Maoist weapon experts revealed that some 25 rockets were made in Chennai—costing as

low as Rs 950 each. Twenty were distributed to various *dalams* and five retained for testing. By 2004, these were being test-fired. The pioneer technical experts who worked on the project were Rama Krishna, Tech Madhu, Seenu and Vishwanath. Tech Madhu oversaw the manufacture and distribution of 1,600 rockets and 40 rocket launchers to nine *dalams* in selected districts. He was given Rs 25 lakh in installments for the purpose. By 2006, Tech Madhu had more or less met the production target, but much of it was seized by the Andhra Pradesh police.<sup>27</sup>

From the late 1980s, the Maoists have been working on building self-sufficiency with regard to weapons. Their technical capabilities have grown and evolved since then. During interrogation, Techie Anna revealed that one of the first technical units was set up in Bangalore by him in 1989 with some comrades. The aim then was more humble i.e. to manufacture and supply, twelve bore guns and ammunition, butts and barrels for .303 rifles, grenades and similar weaponry for the *dalams* in the forests. There were similar units in urban and semi-urban centres, in the guise of ordinary workshops. The locations of these workshops were changed frequently and the feature of stealth became integral to their weapons acquisition programme, apart from make-do and innovations.

Till the early 1990s, the PWG was not focussing on manufacture and used to procure arms from local arms-dealers and smugglers. With increasing police pressures and several apprehensions, the Maoists decided to make forays into indigenous production. In 1994, Techie Anna set up a Technical Development Committee (TDC) to coordinate the work of the production units. But this committee failed to live up to the expectations of the top Maoist leaders, so it was disbanded and a Central Technical Committee (CTC) was created in July 2001, to work directly under the Maoists' Central Military Commission (CMC). This unit was rechristened in 2005 as the Technical Research Arms Manufacturing Unit (TRAM). It was mandated to not only manufacture and supply weaponry

but also acquire and develop skills and technology<sup>28</sup>, thus, reaping payoffs from the linkages that had been developed over a period of time.

The TRAM comprises five members, with an elected secretary. Three members concentrate on development and production, while the secretary coordinates and strategises the supply of weapons. Members are expected to visit the production units twice a year, while TRAM itself convenes a meeting every three months. Once a year, a CMC representative attends the TRAM meetings. Production units are expected to overhaul weapons and conduct repair workshops for the *dalams*. There are three-member repairing units under each Maoist district committee, with members having to assimilate a full-fledged syllabus during training. As mentioned earlier, the weapon units keep shifting locations.<sup>29</sup> With regards to the rocket launcher programme of the Maoists, a broad timeline from 2003 to 2007, has been laid out: “In 2003, police recovered blueprints in a raid; in 2004, the launchers were test-fired; in 2005, the Maoists improved them further; in 2006, a large consignment was ordered, but a good part of it was seized by the police; in 2007, the Bhopal police busted a key Maoist Research and Development unit where both the old and new blueprints were found”.<sup>30</sup>

The Maoists envisaged executing “Project Rocket Launchers (RL)” in two phases — “RL-I” and “RL-II”.<sup>31</sup> RL-I was a pilot project undertaken ahead of elections to the Andhra Pradesh State Legislative Assembly in 2004. The plan was to manufacture 25 rockets with launch pad at a cost of Rs 950 per rocket. In the process, five rockets each were distributed to Anantapur, Guntur and Nallamala. Five were tested at various locations in Prakasam district, and five were set aside for further trials in order to develop the next version. RL-II was a project for the development of the shoulder-fired rockets and launchers. These were tested in September/October 2004, when Maoists, following the trials, were of the opinion that the rockets were neither effective enough nor accurate, but had nuisance value. After the second set of trials, Tech Madhu

was instructed to have 1,600 rockets and 40 rocket launchers manufactured. Accordingly, he headed to Chennai and got 1,550 rockets and 40 RLs manufactured. Tech Madhu was given Rs 35 lakh to execute the plan. Irrespective of these rockets possessing mere nuisance value, presently, seeing the building up of their weapon programme, as and when the Maoists acquire the ability to manufacture rockets with accuracy, their lethal impact would be enormous.<sup>32</sup>

**Since manufacturing ammunition locally involves complicated technology, the Maoists adapted their weapon manufacturing to suit the requirement.**

---

The Maoists also manufacture a range of 'country-made' weapons. Intelligence reports have claimed that nearly 500 arms manufacturing units had been established by the Maoists in Chhattisgarh alone. These small sized manufacturing units, often run in huts and cottages deep inside the forests, were strategically located to facilitate a smooth supply of weapons and the ammunition to armed squads.<sup>33</sup> A forensic study on the firearms used by the PWG in Andhra Pradesh between 2001-05 revealed that they manufactured firearms that could chamber any type of ammunition available in the Indian markets. Since manufacturing ammunition locally involves complicated technology, the Maoists adapted their weapon manufacturing to suit the requirement.<sup>34</sup> Failure of the state in implementing strict control measures towards marketing of ammunition in large quantities has encouraged the Maoists to be 'calibre flexible'.

### *Arms Loot*

Besides procuring and manufacturing, looting of weapons from police personnel, civilians and private companies has been a major source of arms for the Maoists. The Naxalites also loot explosives from mining companies—a constant source of supplies towards manufacturing

**Besides procuring and manufacturing, looting of weapons from police personnel, civilians and private companies has been a major source of arms for the Maoists.**

Improvised Explosive Devices (IEDs). For example, in February 2006, the Maoists looted the Bailadila mining complex. Aided by almost 2,000 villagers, they carried away 20 tons of explosives – enough firepower to fuel the insurgency for a protracted duration.<sup>35</sup> A summary of weapons snatched by the Maoists in recent years has been given below. These numbers do not show an even trend and unless complemented by procurement and production, cannot

sustain the militarist bias of the Maoist movement.

**Arms Snatched by Maoists: 2007–15 (up to July 15)**

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015
No. of Weapons	233	1,219	217	256	67	38	89	58	36

*Source: Ministry of Home Affairs, Government of India*

Besides minor incidents of looting and weapon snatching, the Maoists have carried out a few audacious and synchronised large scale attacks in which they accomplished their multifarious aims of gaining moral ascendancy, causing attrition to state forces and lapping up huge amounts of war-like stores as booty. These have been the Koraput armoury raid (February 06, 2004), Giridih Home Guards armoury raid (November 11, 2005), Jehanabad jail break (November 13, 2005), Nayagarh armoury raid (February 15, 2008) and Balimela attacks (June 29, 2008). These attacks could be seen as a critical aspect of the increasing militarisation of the Maoists.

***Terror Finance***

The Maoists finance their activities, in overwhelming measure, through extortion. The Rajya Sabha was informed that the Maoists extort

money from a variety of sources to finance their activities. Replying to a question, the Minister of State in the Union Ministry of Home Affairs said, “The main source of funds for the Maoists includes extortion from *tendu patta* contractors, infrastructure/development work contractors, businessmen, corporate houses, etc. In addition, they rob banks and public/private property

**Gun control is intrinsically linked to counter-insurgency strategies and warrants due attention.**

to augment their finances.<sup>36</sup> In a nutshell, money is collected from individuals as well as businesses — ranging from petty to big industries: Public Works Department (PWD) contractors, government schemes such as MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act), IAY (Indira Awaas Yojana), mining industry, illegal mining of all minerals, big industries, businessmen, timber contractors, bamboo contractors, contractors dealing in Minor Forest Produce (MFP), small-time shopkeepers, protection rackets, including for the cultivation of *ganja*, Public Distribution System (PDS), *tendu (kendu)* leaf contractors, etc. The rebels also levy taxes in their strongholds.

In a document entitled “Our Financial Policy”, the Maoists talk about three types of economic needs that they have, viz. the needs of war, political propaganda and the people. To cater to these needs, there are three broad categories of resources, viz. (a) membership fee, levy and contributions from the people; (b) confiscation of the wealth and income of the enemy; and (c) ‘revolutionary taxes’ collected in guerrilla zones and base areas.<sup>37</sup>

According to a former Director General of Police (DGP), Chhattisgarh, the Maoists annually extort a sum of Rs 1,500 crore.<sup>38</sup> Besides, supporters and sympathisers make contributions, while card holding members pay an annual subscription. According to the ‘Constitution’ of the CPI (Maoist), “Membership fees are Rs 10 per annum. The concerned unit after assessing the economic situation of the party member will fix

**It is imperative that small arms, both 'licit' and 'illicit', be curbed at the source and in terms of exports, especially through illegal channels.**

---

monthly party levy”<sup>39</sup>. It is believed that a total of 10 per cent of the funds collected across the country is made available to the Politburo and CC to meet the expenses of its members; 25-30 per cent of the annual extortion is spent on R&D to manufacture weapons and fabricate ammunition. The Maoists also spend funds on intelligence gathering and in undertaking development works in their areas of control, though there are no precise estimates about how much this would account for. It is also said that approximately 5 to 10 per cent of the extorted amount is siphoned-off.<sup>40</sup>

The CPI (Maoist) does not hide its major sources of funding, and these were clearly outlined in its “Party Constitution” as early as 2004. Chapter 13 of the Constitution deals with “Party Funds”. Article 60 states: “The party funds shall be obtained through membership fees, levies, donations, taxes, penalties and the wealth confiscated from enemies.” Article 61 adds, “The levy to be paid by party members shall be decided and collected in their respective state committees.” The Maoists exploit every stage of the industrial cycle, from mining to manufacture and movement of finished products. The method of collection is based on targets given by the CC. This, in turn, is conveyed to the zonal committees. The collections are done by overground workers, and the armed cadres are not involved in the process. The allocated funds are retained at each level, before the balance is sent to the next level.<sup>41</sup> To maximise returns, the Maoist insurgency has begun to operate like a franchise. Using force and propaganda, the Maoists create an environment that incentivises and enables others to participate in an extortion ecosystem. In this role as a black market maker, the Maoist insurgency accomplishes two tasks: eroding the ability of the state to govern, and building a substantial war chest. Chhattisgarh’s criminals now operate within Naxal bounds, give a

portion of their revenue to the insurgency, and seek out new victims, in both the legitimate and illicit economies.<sup>42</sup>

The model based on the criminal–Maoist nexus works well in the following manner:

- **Mining:** Government records show 182,000 instances of illegal mining across 17 states, with 30 percent of these being found in the Maoist affected area. There are an estimated 60,000 illegal mines, with 500 million untrained labourers who work in entirely unregulated conditions.<sup>43</sup> These mines are operated by criminal organisations and mafia that also pay into the Maoist revenue pool. Prasoon S Majumdar, the Editor of *Economic Affairs*, estimates that the Naxals receive between 20 and 30 percent of the revenue for each truckload of coal, with 15 percent reserved for the corrupt local officialdom.<sup>44</sup>
- **Narcotics:** India is the world's largest legitimate producer of opium for the global pharmaceutical industry. Every year, it issues thousands of permits to farmers to match the licit demand. Motivated by the potential for massive returns, some farmers operate outside this system, risking the wrath of the security forces. The US State Department estimates that as much as 30 per cent of India's opium production is diverted to the black market.<sup>45</sup> Jharkhand is one of the leading states towards the same. The Maoists, noting this opportunity, have stepped in, to provide protection in exchange for a share of the proceeds. Whereas the state can only levy tax on legitimate enterprises, the Maoists have successfully expanded their revolutionary tax pool to include illicit actors. By creating an opportunity where there was none, the Maoists have sparked a deviant economic engine.<sup>46</sup>

**Globally, there is one gun for every ten people on Earth, with eight million small arms being manufactured yearly, and enough bullets made to kill every human twice, annually.**

---

As mentioned, the protection racket that the Maoists patronise in their area of influence is one of the major sources of funds. For the Maoist Communist Centre (MCC) led movement in Jharkhand, one of the major financial sources had been the protection that the Naxals sold to local elites. The MCC's grassroots support was not based on a shared ideology or on violence alone, but on having greater control over what could be termed as a market of protection, in which violence and muscle power was used to sell protection for bargaining for more power and financial benefits.<sup>47</sup> Thus, the nexus that evolved over a period of time made terrorism, banditry and gangland rivalry all belong to the same continuum of selling protection to find more fuel for militarisation.

## **Conclusion**

The growing Maoist violence in central-east India and its potential in other parts of the country multiplies the security threats that challenge the state. Several overdue measures such as the need to increase the police to population ratio, police reforms and modernisation, etc have found considerable traction. However, one aspect that continues to be relegated to the back-burner is that of illicit small arms trafficking and procurement by armed groups and terrorist outfits. Gun control is intrinsically linked to counter-insurgency strategies and warrants due attention. In doing so, the state shall have to holistically address the challenge by taking note of all related aspects that have been flagged in the paper, i.e. funding, linkages and weapon manufacturing abilities of the insurgent groups, especially the Maoists, since this has been the longest sustaining insurgency in the country. It is imperative that small arms, both 'licit' and 'illicit', be curbed at the source and in terms of exports, especially through illegal channels. International and transnational regional cooperation has a crucial role to play, and effective diplomacy, backed by bipartisan political will, is of immense relevance.

The gun-running of the Maoists is a part of the South Asian illegal arms trade in particular and that of the global phenomenon in general.

Globally, there is one gun for every ten people on Earth, with eight million small arms being manufactured yearly, and enough bullets made to kill every human twice, annually.<sup>48</sup> In the long run, the buck stops at the global arms manufacturers who run the military industrial complex which facilitates the least controlled black market in the world.

## Notes

1. As cited in, [http://mha.nic.in/naxal\\_new](http://mha.nic.in/naxal_new)
2. For details, see [http://www.satp.org/satporgtp/countries/india/database/LWE\\_conflictmap2015.html](http://www.satp.org/satporgtp/countries/india/database/LWE_conflictmap2015.html)
3. Rishi Chhikara, "People's Liberation Guerilla Army of CPI (Maoist)", *CLAWS Manekshaw Paper*, no. 35, 2012.
4. Government of India Press Information Bureau, Prime Minister's speech to the 2nd meeting of the Standing Committee of the Chief Ministers on Naxalism, April 13, 2006.
5. "Strategy and Tactics of the Indian Revolution, Central Committee, CPI (Maoist)", Chapter 10, adopted on September 21, 2004 at founding of the party.
6. PV Ramana, "India's Maoists: Profile and Thought Process" and "Understanding India's Maoists: Select Documents", IDSA, 2014, Section 1, pp 2-4.
7. For details, see [https://www.academia.edu/207858/Politics\\_of\\_Gun\\_Control\\_and\\_Indias\\_Internal\\_Security](https://www.academia.edu/207858/Politics_of_Gun_Control_and_Indias_Internal_Security)
8. As cited in Gurmeet Kanwal and Monika Chansoria, "Small Arms Proliferation in South Asia: A Major Challenge for National Security", *Issue Brief*, No. 18, May 2010, CLAWS.
9. Ibid.
10. For details, see [http://www.satp.org/satporgtp/countries/india/maoist/documents/papers/press\\_21052012.pdf](http://www.satp.org/satporgtp/countries/india/maoist/documents/papers/press_21052012.pdf)
11. See [http://www.satp.org/satporgtp/sair/Archives/sair11/11\\_14.html](http://www.satp.org/satporgtp/sair/Archives/sair11/11_14.html)
12. Ramana, n. 6, pp. 12-13.
13. See [http://www.parliamentofindia.nic.in/lsdeb/ls10/ses2/1910129105.htm#\\*m08](http://www.parliamentofindia.nic.in/lsdeb/ls10/ses2/1910129105.htm#*m08)
14. PV Ramana, "Left Wing Extremism in India", *ORF Analysis*, December 18, 2003.
15. For details, see <http://www.strategypage.com/htmw/htproc/articles/20120111.aspx>
16. As cited in <http://indianexpress.com/article/india/regional/maoists-get-arms-from-china-not-chinese-govt-pillai/>
17. PV Ramana, "Linkages Between Indian and Nepalese Maoists", *IDSA Comment*, November 09, 2010.
18. Madhuparna Das, "Arrested Maoists Reveal a Supply Chain from China", *The Indian Express*, December 08, 2010.
19. For more details, see [https://southasiarev.files.wordpress.com/2010/11/gp-interview\\_english\\_full\\_final.pdf](https://southasiarev.files.wordpress.com/2010/11/gp-interview_english_full_final.pdf)
20. Ben West, "Pakistan and the Naxalite Movement in India", Stratfor, November 18, 2010.

21. “Remnants of Pakistani and British Arms found at Naxal Attack”, *The Asian Age*, January 12, 2005.
22. Abhishek Bhalla, “Ghost Boat Smuggles Weapons into India from Pakistan”, *Daily Mail*, April 08, 2014.
23. Based on a private conversation of the author with the stakeholders.
24. Ramana, n. 6, p. 10.
25. Ibid.
26. Varia Deshpande, “The DIY Maoist Manual”, *Outlook*, September 2012.
27. Ibid.
28. Ibid.
29. Ibid.
30. PV Ramana, “Rockets in Maoist Arsenal”, *IDSA Comment*, May 10, 2013.
31. Ibid.
32. Ibid.
33. For details, see [http://www.satp.org/satporgtp/sair/Archives/sair11/11\\_14.htm](http://www.satp.org/satporgtp/sair/Archives/sair11/11_14.htm)
34. For details, see <http://bprd.nic.in/writereaddata/linkimages/8935853177-april-june.pdf>
35. Jason Miklian, “Fire in the Hole”, *Foreign Policy*, August 06, 2010.
36. Ministry of Home Affairs, Government of India, Rajya Sabha, Unstarred Question No. 1457; answered on December 18, 2013.
37. PV Ramana, “India’s Maoists: Financing the War Machinery”, *IDSA Comment*, December 27, 2013.
38. Interview of Mr. Vishwaranjan in July 2007, by Ramana, n. 6.
39. For details, see <http://www.bannedthought.net/India/CPI-Maoist-Docs/>
40. Ramana, n. 6, p. 10.
41. Vivek Chadha, *Lifeblood of Terrorism – Countering Terror Finance* (IDSA, Bloomsbury Publication), pp. 76-77.
42. For more details, see <https://www.oodaloo.com/security/2012/07/12/weaponizing-markets-indias-naxalite-insurgency/>
43. Shaikh Azizur Rahman, “India’s Illegal Coal Mines Turn Into Death Pits,” *The WashingtonTimes*, November 24, 2006.
44. Prasoon Majumdar, “Our Own Banana Republics”, Indian Institute of Planning and Management, August 26, 2010.
45. For details, see [http://www.unodc.org/india/en/rajiv\\_quoted\\_et.html](http://www.unodc.org/india/en/rajiv_quoted_et.html)
46. See, <https://www.oodaloo.com/security/2012/07/12/weaponizing-markets-indias-naxalite-insurgency/>
47. Alpa Shah, *In the Shadows of the State – Indigenous Politics, Environmentalism and Insurgency in Jharkhand* (Duke University Press, 2010), pp. 165–166.
48. As shown in <https://www.youtube.com/watch?v=yZ8pZVtWY0k>