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**India's Counter-Terror
Policy 'PRAHAAR' and
Narco-Terrorism:
A Security Assessment**

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India's Counter-Terror Policy 'PRAHAAR' and Narco-Terrorism: A Security Assessment

Abstract

In February 2026, India's Ministry of Home Affairs released its first comprehensive National Counter-Terrorism Policy and Strategy— 'PRAHAAR', which advocates a "zero tolerance" approach to terrorism and internal security. The policy is based on seven core pillars that focusses on proactive, intelligence-led operations through the Multi-Agency Centre (MAC) and the Joint Task Force on Intelligence (JTFI) to secure the nation against various security threats. The promulgation of this policy constitutes a significant milestone in the country's evolving counterterrorism strategy. However, a critical examination of the framework reveals that the threat of narco-terrorism to India's strategic security has been completely overlooked. With the growing nexus between narcotics trafficking networks and terrorist organisations operating against India, this omission is particularly glaring. This article critically examines the omission of narcoterrorism from the conceptual and operational framework of 'PRAHAAR' and assesses its implications for India's national security strategy. The study concludes by recommending policy measures, including the doctrinal integration of narco-terrorism into the national security strategy.

Keywords: PRAHAAR, Counter-terror Policy, Narco-terrorism, Proxy War

Introduction

The global security landscape has increasingly been shaped by non-traditional threats that transcend borders, ideologies and criminal enterprises (Srivastava, U.K. 2025). One such threat is narco-terrorism— an unholy alliance of illicit drug trafficking and terrorist organisations, wherein the illegal drug trade is used to fund and support terror activities (Srivastava, U.K. 2025). In the last four decades, narco-terrorism has emerged as a potent and complex threat to national and international security. The threat becomes all the more pronounced and complex when a belligerent nation uses a diabolical nexus in its asymmetric warfare strategy against another nation-state (Srivastava, U.K. 2025). For an economically straddled country like Pakistan, sponsoring a proxy war against India for the past four decades is an expensive business that cannot

be sustained through legitimate funding (Srivastava, U.K. 2025). Therefore, one of the most insidious methods Pakistan has been using to further its proxy war strategy against India is through Narco-terrorism. The modus operandi adopted by Pakistan intertwines illegal drug trade with terror activities, thus creating a multi-layered threat to India's national security, social fabric, and economic stability (Srivastava, U.K. 2025).

India's First Counter-terror Policy

On 23 February 2026, the Ministry of Home Affairs promulgated a long-awaited counter-terror policy document named 'PRAHAAR'. It is the first-of-its-kind national-level counter-terror policy that reshapes the hybrid threat response through intelligence integration, legal consolidation, and global coordination. The new counter-terror policy 'PRAHAAR' is based on seven pillars, which are as follows (MEA, 2026):

- **Prevention** of terror attacks to protect Indian citizens and their interests.
- Swift and proportionate **Responses**.
- **Aggregating** internal capacities to achieve synergy among all agencies.
- **Human Rights** and 'Rule of Law' based processes for mitigation of threats.
- **Attenuating** the conditions enabling terrorism, including radicalisation.
- **Aligning** and shaping international efforts to counter terrorism.
- **Recovery** and resilience through a whole-of-society approach.

The Multi-Agency Centre (MAC) and Joint Task Force on Intelligence (JTFI) are the backbone of the new security framework. Together, these two will facilitate real-time intelligence sharing between the central and state agencies. To date, the country's response to terrorist incidents has been reactive, but with the operationalisation of the new policy approach, all stakeholders are likely to be pre-emptive and proactive. The new policy has hybrid threats under the umbrella of cross-border terror modules, encrypted communication, crypto financing, and decentralised sleeper cells. In addition, adequate emphasis has been given to terror financing through dark web crypto routes, drones, and cyber intrusion. To obviate the vulnerabilities of the erstwhile legal framework, the new policy has been strengthened with a newly enacted criminal code, which will work in tandem with the Unlawful Activities (Prevention) Act {UAPA}

[1967], and the Prevention of Money Laundering Act (PMLA), 2002 (MEA, 2026). To give legitimacy to the actions of the agencies and prevent potential overreach, 'PRAHAAR' also emphasises adherence to the Protection of Human Rights Act, the International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR). One of the most unique inclusions in the new policy is the proposed involvement of community leaders, religious scholars, and NGOs towards youth empowerment, addressing socio-economic vulnerabilities, and setting the correct narrative. The new policy also emphasises the integration of recovery and resilience strategies through public-private partnerships and community reintegration mechanisms.

Narco-terrorism and National Security

Narco-terrorism in India has evolved from isolated drug-smuggling incidents into a sophisticated form of hybrid warfare (Srivastava, U.K. 2025). Pakistan's state and non-state actors have been actively involved in fomenting terrorism in the states of Punjab and Jammu and Kashmir since the late 80s. While the term originated in Latin America, in India, it has taken on a distinct South Asian character within the context of cross-border terrorism from Pakistan. Increasing evidence of links between narcotics networks and terrorist groups such as Lashkar-e-Taiba (LeT), Jaish-e-Mohammed (JeM), and Khalistani separatist factions underscores their strategic importance (Srivastava, U.K. 2025). Narco-terrorism in India is not just a law enforcement issue but a facet of asymmetric warfare, used to finance terrorism, spread addiction, disrupt the social fabric, and undermine the law of the land. The issue first surfaced during the height of the Punjab insurgency in the 1980s, when Khalistani militants used drug money from heroin trafficking routes to fund separatist violence in Punjab. Simultaneously, in Jammu and Kashmir, Pakistan-based groups began infiltrating drugs along with arms to local militants (Srivastava, U.K. 2025). During this period, India's proximity to the Golden Crescent (Afghanistan-Pakistan-Iran) made it a prime target for heroin smuggling activities.

Consecutively, drug routes and terror modules became increasingly intertwined (Srivastava, U.K. 2025). Terrorist groups began using drug revenue to finance recruitment, logistics, and propaganda, particularly in the border states. The ISI reportedly started using drug

proceeds to fund proxy war operations. Narco-terrorism has become more sophisticated, involving the use of drones for cross-border heroin drops and trade-based money laundering, especially through legal trade routes such as the Attari-Wagah border and maritime routes from Karachi to Indian ports such as Mundra and Kandla (Srivastava, U.K. 2025).

Narco-terrorism has had a disproportionately severe impact on India's bordering states of Jammu & Kashmir and Punjab, as both facilitated the entry of trafficked drugs through land, tunnels, and drones into India. These regions are not only geographically vulnerable but also strategically targeted because of their political sensitivities, history of insurgency and terrorism, and porous borders. The most immediate impact is an alarming rise in drug abuse, public health, economic sabotage, internal security, and socio-political stability. Reports indicate that heroin abuse in the Kashmir Valley has increased by 2,000% in recent years (Wani, A. and Patil, S. 2024).

Youth, particularly those in conflict zones, are turning to narcotics as a coping mechanism to deal with the trauma and stress resulting from their prolonged exposure to violence and instability. This not only hampers their personal development but also contributes to a sense of alienation and disenchantment, thus making them more susceptible to radicalisation in the long run. Therefore, narco-terrorism is not a routine law-and-order problem, but rather a malaise that is deeply rooted in the design of Pakistan's proxy war against India. Despite its poor economic conditions, Pakistan's asymmetric warfare strategy against India has never been sidelined. On the contrary, the ISI and the Pakistan Army use the strategy of "bleed India through a thousand cuts" to further their image in the eyes of the Pakistani populace. To wage a proxy war against a country as large as India, Pakistan needs funding, which cannot be organised through its own economy. Therefore, along with other traditional funding arrangements, the ISI uses proceeds from illicit heroin sales via the "Golden Crescent". The intertwining of organised crime, terrorism, and state-backed subversion over the last 30 years has resulted in a multifaceted set of strategic challenges that continues to test India's national security infrastructure. The intricate connection between Pakistan's intelligence services, terrorist groups, and drug syndicates presents an evolving threat that demands a comprehensive and strategic approach.

Contours of Omission: Narco-terrorism and 'PRAHAAR'

'PRAHAAR', India's first comprehensive doctrine on the National Counter-Terrorism policy, acknowledges the convergence of organised crime, drug trafficking, and state-sponsored terrorism as a significant and real threat to national security. India plans to implement its new counter-terrorism policy through intelligence integration, technology adoption, inter-agency coordination, and preventive operations. The orientation of the new policy remains tilted towards conventional terrorism, insurgency, radicalisation, and cyber-enabled terrorism. Modern terrorism is increasingly financially networked, and terror groups rarely survives on ideological donations and support from foreign states. They need funding to fuel their operations, and money generated from transborder drug smuggling plays a vital role in this regard. However, a critical analysis of the published document indicates certain omissions that are imperative to the overall strategy. In its current form, the policy lacks a detailed and dedicated operational mechanism for narco-terror disruption. One of the biggest lacunae in handling narco-terror cases has been a cohesive and coordinated response between anti-narcotics agencies, the fiscal control agency, and security forces. To date, all agencies have worked in silos, leading to fragmented responses. Moreover, the absence of a dedicated framework within 'PRAHAAR' to choke terror financing is glaring and needs to be addressed on a priority basis. Besides, border management along the International Border (IB) and Line of Control (LoC) under 'PRAHAAR' does not emphasise drug trafficking corridors, which are different from terrorists' infiltration routes.

The new anti-terror policy needs to link narco-trafficking routes to terror financing; otherwise, the efforts will remain reactive and compartmentalised. Another significant gap identified in the policy is the absence of a robust financial tracking mechanism to target narcotics-funded terror activities. Although 'PRAHAAR' emphasises disrupting terror financing, it does not mention the *modus operandi* to trace drug money, which moves through hawala, the dark web, and crypto routes. The absence of specialised financial intelligence units weakens the policy's potency to disrupt and dismantle the economic backbone of terrorist organisations. In addition, the policy seems to underestimate the socio-economic drivers that make communities vulnerable to the drug trade, its consumption, and the downfall of the local economy.

The bordering states of viz. Jammu & Kashmir and Punjab have been experiencing cases of high drug addiction, local crimes, and a black economy. All of these are instrumental in weakening local governance and creating conditions for radicalisation and extremist recruitment. PRAHAAR's security-centric approach does not incorporate community-level interventions, rehabilitation programs, or economic development strategies to break the cycle.

It is a well-established fact that the rate of prosecution in drug trafficking cases in India is very low. In most cases, authorities find it difficult to establish transnational linkages. Currently, India actively coordinates with global and regional organisations such as the UNODC, International Narcotics Control Board, BIMSTEC, and SCO to tackle transnational drug trafficking. However, these cooperations and coordination have done very little to establish Pakistan's role in narcoterrorism against India. PRAHAAR, in its current form, does not elucidate the pragmatic reforms needed to address these systematic issues. The possible reasons for the omission of narco-terrorism as a dedicated mention range from doctrinal clarity to bureaucratic hurdles. The hierarchy still considers narco-terrorism a National Drugs Psychotropic Substances (NDPS) enforcement issue rather than a national security challenge. In addition, India still needs to institutionalise the definition of narco-terrorism, as different agencies interpret the term differently.

Recommendations and Way Ahead

First, the Government of India should formally identify and define narco-terrorism as a non-traditional security threat and not as a subset of terrorism. Thereafter, narco-terrorism must be included in the policy framework of 'PRAHAAR' as an exclusive chapter. This would enable agencies to adopt unified threat assessments and operational doctrines. One of the shortcomings that our agencies encounter in handling narco-terror cases is the lack of inter-agency coordination and an inability to share and act on real-time intelligence. To offset this shortcoming, India must create a dedicated multi-agency narco-terrorism coordination mechanism. A dedicated inter-agency platform should integrate counter-terror institutions, narcotics enforcement agencies, border management forces, financial intelligence units, and state police departments. The new policy doctrine on national security has the potential to integrate the inputs of multiple agencies that have otherwise been working in silos.

To effectively eliminate the threat, our policymakers need to treat counter-narcotics operations separately from counter-terror operations, and the same should be reflected in the new policy document— 'PRAHAAR'. Counter-narcotics operations mainly focus on disrupting the production, trafficking, and distribution of illegal drugs. In contrast, counter-terror operations aim to prevent and respond to acts of terrorism. Both threats require distinct strategies, expertise, and intelligence to be effectively addressed. However, the integration of both operations under a single command and control structure is imperative under the 'PRAHAAR' strategy.

The very reason for using narco-money to foster terrorism and disrupt internal security is the margin of profit without a trail of transactions. According to the policy document, India plans to tackle this menace through the existing Prevention of Money Laundering Act 2002, which is inadequate. Currently, the country needs a separate Act of the Government to handle money laundering cases related to narco-terrorism. India needs to adopt a “follow-the-money” strategy through enhanced anti-money laundering mechanisms, tracking cryptocurrency transactions, and enhanced financial forensic capabilities.

Conclusion

'PRAHAAR' is a long-awaited step towards strengthening India's counterterrorism capabilities. The omission of narco-terrorism reflects a serious doctrinal and operational gap. India has long been a victim of Pakistan's proxy war through cross-border terrorism, which often intersects with transnational drug smuggling, other organised crimes, and illicit economies. In this situation, India's counter-terrorism framework must evolve beyond conventional threat perceptions. Recognising narco-terrorism as a strategic national security issue should be the goal of Indian security and anti-narcotics agencies in the near future. The integration of intelligence collection efforts, financial disruption mechanisms, niche technology, and social resilience into a unified response is the recipe for the successful implementation of the 'PRAHAAR' doctrine.

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