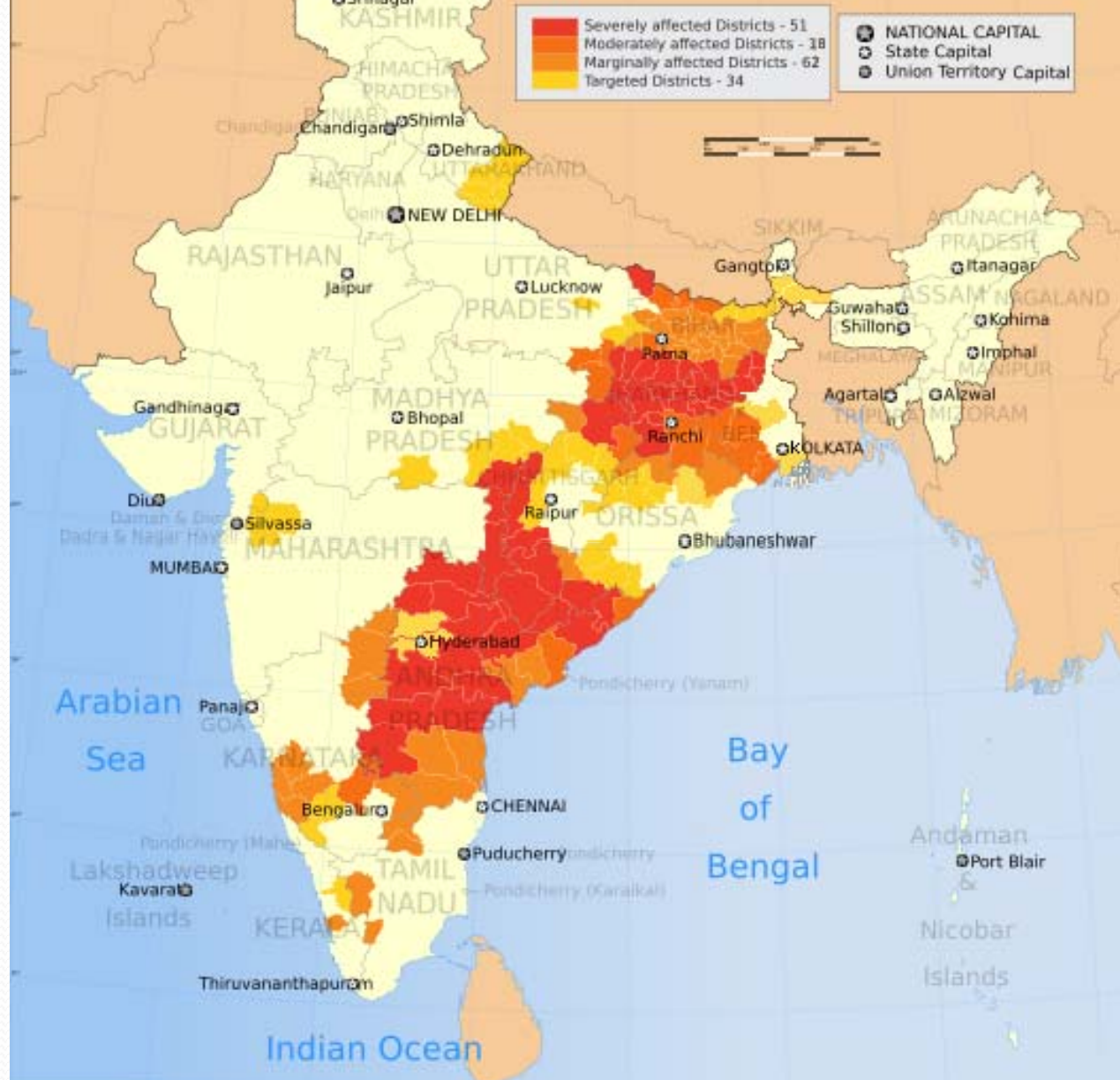


The Maoist Challenge and its Impact on the Economy

By – ML Kumawat
Former DG BSF

The Red Corridor

*Naxalite affected districts of India
(2007)*



The spread of Naxalism

- 20 states
- 223 districts
- 2000 police stations

M DAMODARAN-LED SEBI IS PREPARING NORMS TO PREVENT FIRMS FROM CREATING A HYPE OVER I

Times of India 22 July '06

'Maoist fear may hit \$85 b investment'

Can Block Flow Of \$32 B FDI In Five States

Dinesh Narayanan | TNN

Mumbai: Capital of about \$85 billion earmarked for building huge steel mills and oil refineries could be at risk because the projects are planned in Red Corridor — a Maoists-controlled swathe across India, the second-fastest growing economy in the world. Investments in five states, including foreign direct input of about \$32 billion, could be at risk because of escalating Maoist violence that has already claimed 374 lives in 550 attacks in first six months this year, foreign broking firm CLSA has warned.

"Private sector investment, vital to the overall development of any region, may not take place if the government cannot find a sustainable solution to what it insists is a law-and-order problem," CLSA said in a special report on Naxalism released a day after the serial bombing of Mumbai's suburban rail network. Large corporations

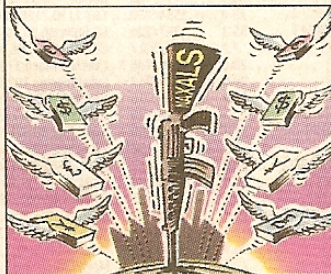
violence in the hinterlands, had not reckoned the gravity or absence of government in these regions. "Lack of policy initiatives and the inability to win over the tribals, the largest stakeholder in the hinterlands where the Maoists hold sway, means the Naxalite movement is becoming stronger," Anirudha Dutta, author of the report, says.

"While it may wax and wane in significance, Naxalite activity continues to simmer

mentators and economists have been warning for some time now. It quotes PM Manmohan Singh as telling a standing committee meeting of CMs that Naxalites and their Maoist-inspired movement was "the single biggest internal security challenge ever faced by our country". Singh told ministers that "it (Maoist movement) has gained in strength and has spread to cover 160 out of the 602 districts in the country." That is more than a quarter of the country, but CLSA estimates that nearly 225 districts or about a third of the nation is affected. Those are districts richest in minerals, metals, oil and gas and forests.

Maoists now believed to control a 92,000 sq km contiguous swathe known as Red corridor beginning in Bihar's jungles on the edge of Nepal (the high seat of Maoism today) and running all the way down to north Kerala at the bottom of the Indian peninsula. Naxalites, who report-

THE RED FLAG



Private sector investment, vital to overall development

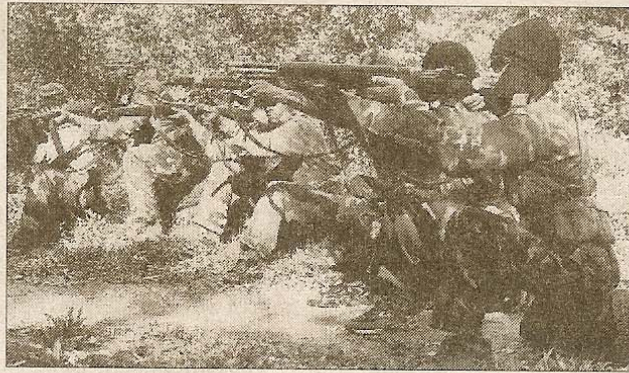
Maoists force a blackout in Bastar

JOSEPH JOHN

RAIPUR, JUNE 9

BLACKOUT continued for the fourth consecutive day in Bastar region of Chhattisgarh as Maoists blew up high-tension towers and uprooted electric poles, disrupting normal life in more than 5,800 villages and small towns spread over four districts of the state.

Extensive damage to transmission lines left major parts of Bijapur, Narayanpur, Bastar and Dantewara in darkness. Drinking water supplies and functioning of hospitals were badly affected and train traffic on Jagdalpur-Visakhapatnam line was disrupted following power breakdown. Production at National Mineral Development Corporation mines at Bailadila came to a grinding halt, causing heavy loss to the public sector undertaking. Though the Railways tried to restore traffic by pressing diesel engines into service, Maoists removed



Extensive damage to transmission lines has left a major portion of Bijapur, Narayanpur, Bastar and Dantewara in darkness; potable water supply and functioning of hospitals badly affected in 6,000 villages

fish plates at places. Two engines and few bogies of a goods train derailed on Sunday night between Kirandul and Bachel railway stations.

The blackout also affected relief camps that house more than 50,000 people who have left their villages following threats from Naxalites. Dantewara District Collector S P

Sori said generators have been provided in relief camps, including the one at Bodli. Steps have been taken to maintain supply of kerosene in the affected areas.

Naxalites targeted infrastructure for the first time during peak summer months last year when they damaged power transmission lines in

remote areas of Bastar. The incident had left the tribal area in darkness for 12 days. This year, the rebels struck again on June 5, by blowing up two major towers that supply electricity to Barsur main power station, near Bodli village, close to Abujmarh.

Chhattisgarh State Electricity Board Chairman Rajib Ranjan said it could take about a week to bring the situation back to normal. He said high capacity generators have been brought from Raipur and Andhra Pradesh to make alternate power supply arrangements. The CSEB's efforts were stalled by rebels who dug up roads and felled trees. The rebels took position on the nearby hills and resorted to indiscriminate firing to prevent restoration work.

As teams of CSEB engineers, escorted by para-military forces, headed for restoration work, the Maoists continued their attack on power infrastructure on Dantewara-Sukma road,

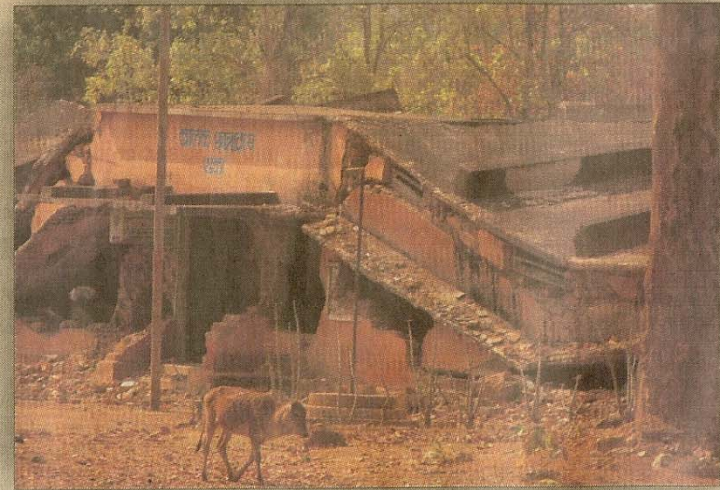
causing damage to a large number of 11KV and 33 KV electric lines.

Amid tight security, a 200-member team, managed to reach Bodli on Narayanpur-Barsur section on Sunday and began preparations to erect the towers. The restoration work is now progressing fast, CSEB member (transmission and distribution) V K Jain said.

Chief Minister Raman Singh, accompanied by senior civil and police officials, visited Bodli and in dense forests of the neighbourhood to take stock of the situation and review arrangements being made for restoration of power supply. After a meeting with the officials at Bodli, he told newsmen at divisional headquarters Jagdalpur on Monday evening that CESB engineers were working round the clock to restore power supply. He said adequate security arrangements have been made in the area so as to ensure the work was not interrupted.

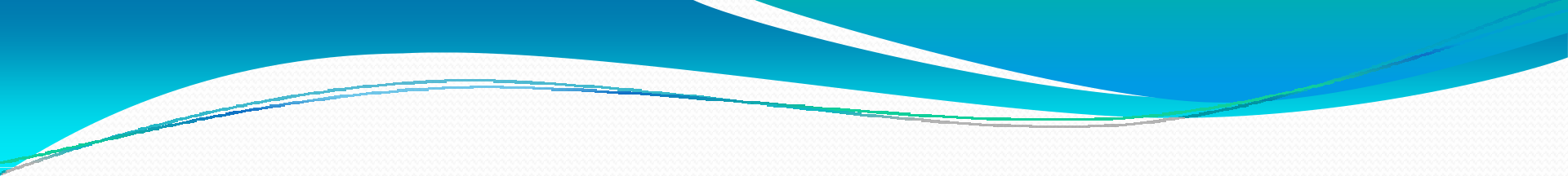
Infrastructure Destroyed by Naxals in 2009

* Railway Properties	38
* Telephone Towers	53
* Panchayat Bhawan	20
* School Buildings	47
* Forest Building, Roads/Culverts	121



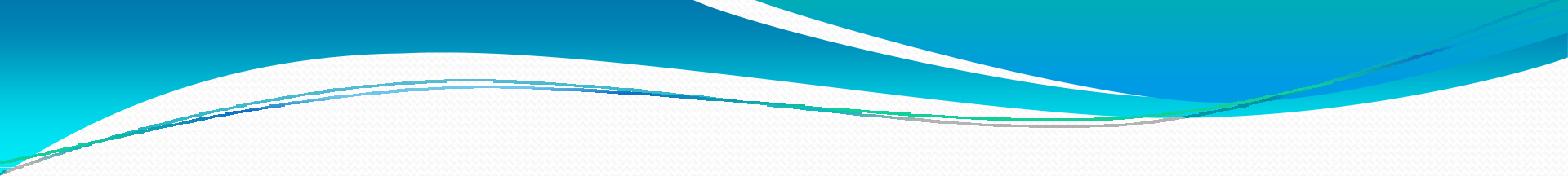
Who is against Development?





“...aggravate the situation and create more difficulties for the enemy (the state) by expanding our guerilla war to new areas”

- - Maoist Politburo document dated 12th June, 2009



The attack should be organised with meticulous planning against the state's forces, police informants and other counter revolutionaries of the people. These attacks should be linked to the SEIZURE OF POLITICAL POWER”

- -Maoist Politburo document dated 12th June, 2009

Thank You