

Phadki Bauxite PROJECT

COST BENEFIT ANALYSIS

PARAMETER FOR EVALUATION OF LOSSES OF FOREST

Table B- Estimation of cost of forest diversion

S. No.	Parameter	Remark
1	Eco system services losses due to proposed forest diversion	Eco system services losses due to proposed forest diversion suggested by the forest classification report of proposed project . Cost of land 40.468 ha x Rs. 1228590= Rs. 497.19 Lacs Eco class III consists of tropical dry deciduous.
2	Loss of animal husbandry productivity including cost of fodder	As per cost of benefit guideline i.e. 10 % of NPV= Rs. 49.72 Lacs per ha.
3	Cost Human Resettlement	There is no human settlement due to proposed proposed SCHEME hence cost of human settlement is NIL.
4	Loss of public facility and administrative infrastructure (road, building schools, dispensaries, electric lines, railways etc.) on forest land if these facilities were diverted due to the project	There is no Loss of public facility and administrative infrastructure (road, building schools, dispensaries, electric lines, railways etc.) on forest land if these facilities were diverted due to the project. No cost has been added on this account.
5	Possession value of forest land diverted.	The possession value of forest land diverted is taken 30% of NPV = Rs. 149.16 lacs
6	Cost of suffering to outsees	Not Applicable
7	Habitat fragmentation cost	Forest land is being acquired for establishing solar power plant. There is no amount taken under this account.

8	Compensatory afforestation and soil and moisture conservation cost	The cost of Rs. 6 lac per ha taken for compensatory afforestation and soil and moisture conservation cost. Hence Amount will be 44 (inclusive of RDF area x Rs. 7 = 308 lacs
9	Total cost due to forest land diversion	Total cost due to forest land diversion will be Rs 497.19 + 49.72 + 149.16 + 308 = Rs. 1004.07 lacs

BENEFITS

S. No.	PARAMETER	COST
1	Increase in productivity attribute specified	This Project is conceived to produce Bauxite in Balaghat District. This mine was in operation for a period of 20 years (from the year 1978 to 1998) and a substantial quantity of Bauxite ore is still remaining in this mine.
2	Benefit to Economy	The main objective is to produce bauxite ore. Thus this will provide raw material to a number of industries.
3	Number of populations benefitted	A population of around 3200 will be benefitted directly or indirectly from this mine.
4	Employment potential	During operational stage direct employment to about 250 person upto 05 year and indirect employment to 2750 person shall be generated.
5	Cost of acquisition facility on non-forest land wherever feasible	No human commodity shall be affected due to construction of the project.
6	Loss of (a) Agriculture (b) Animal Husbandry production due to diversion	No loss of agriculture envisaged.
7	Cost of Rehabilitating and displacement	Not applicable. Based on survey it was found that there is no displacement and majority of construction activity/pipeline would have been done underground.
8	Cost of supply of free fuels to workers residing near forest area during period of construction	The labor camp will be facilitated with LPG facility and hence no tree cutting shall be done for fuel wood.
9	Total Benefit due to project	Estimated production from this mine will be around 6.50 lakh tonnes. This will generate revenue of about Rs. 2080 lakhs



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Phadki Bauxite PROJECT

Cast Benefit Analysis:-

Cost Benefit Analysis:-

- 01) Total Benefit Due To Project Rs. 2080 Lakhs
- 02) Total Annual cost (Expenditure) Rs. 1004.07 Lakhs
- 03) Benefit Cost Ratio = 1:2.07

Executive Officer

For - DMCC Ltd. Mumbai (M.H.)