

ANNEXURE

COST - BENEFIT ANALYSIS FOR PROJECTS INVOLVING FOREST LAND

APPLICATION FOR DIVERSION OF 783.275 Ha. OF FOREST LAND for Naini Opencast Project


II. Estimation of Benefits

Sl No.	Parameters	Value in Rs lakhs	Remarks
1	Increase in productivity attributable to the specific project	1175914.44	NPV of Project net cashflow at 100% performance level @ 10% discount rate
2	Benefits to economy due to the specific project	778434.84	NPV of benefits to economy over project life @ 10% discount rate Royalty @ 14% of Basic ROM Price 2% on Royalty for National Mineral Exploration Trust 30% on Royalty for District Mineral Foundation Trust GST Compensation Cess @ Rs 400/T GST 5%
3	No of population benefited due to specific project	1062 Nos.	Project Manpower (Departmental + Outsourcing if any)
4	Economic benefits due to the direct and indirect employment due to the project	40185.15	NPV of estimated Wages for Project manpower and indirect benefits calculated for 5 times project manpower with prevailing unskilled wage rate.
5	Economic benefits due to compensatory afforestation	509.13	Calculated as per Standard Compensatory Afforestation Restoration Factor (SCARF) Adjustment Rate of Rs 0.65 Lakhs per ha for Dry Deciduous Forest Land for the proposed forest area to be diverted based on Study Report by IIFM Bhopal
TOTAL BENEFITS		1995043.56	

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TOTAL LOSSES 61252.89

COST : BENEFIT RATIO 1 : 32.57

Forest Division Officer
Angul Division

 General Manager
 Naini Area, Angul, Odisha
 Singareni Collieries Company limited,

General Manager
The Singareni Collieries Co. Ltd.
(A. Govt. Company)
Naini Area, Angul, Odisha-759122

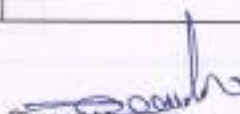
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I. Estimation of Costs

Sl No.	Parameters	Value in Rs lakhs	Remarks
1	Ecosystem Services losses due to proposed forest diversion	6289.71	NPV OF 783.275 Ha. OF FOREST LAND @ Rs 8.03 Lakhs/Ha
2	Loss of Animal Husbandry productivity, including loss of fodder	628.97	10% of NPV
3	Cost of Human Resettlement	43000.00	As per the prevailing R&R Package towards PDFs and PAFs
4	Loss of Public facilities and administrative infrastructure (Roads, buildings, schools, dispensaries, electric lines, railways, etc) on forest land, which would require forest land if these facilities were diverted due to the project.	0.00	There are no public facilities in the proposed area
5	Possession Value of forest land diverted	1886.91	30% of NPV
6	Cost of Suffering to Oustees	3169.36	1.5 times of two years wage cost of PDFs as per Minimum Wages
7	Habitat Fragmentation Cost	3144.85	50% of NPV
8	Compensatory afforestation and soil & moisture conservation cost	3133.10	Cost of compensatory afforestation and soil & moisture conservation @ Rs 2 Lakhs per Ha for twice the forest land involved
	TOTAL COSTS	61252.89	

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