

**SUMMARY OF COST BENEFIT ANALYSIS**  
(Please see Annexure VI (b) & VI (c))

Sl. No.	Parameter	Benefit Per Annum	Sl. No.	Parameter	Loss Per Annum
1.	Value of Produce	Rs. 4279.11 Lakh	1.	Value of Timber	
	Benefit of Economy	Rs. 769.97 Lakh.			
	i) Production	28.5 Million Tons (@ 95 % PLF) Life of project - 30 years			
	ii) Infrastructure	Good roads shall be constructed in and around the project. Other facilities such as medical, water supply etc. shall be provided.			
		Automobile & Engineering Grade steel will be produced which will boost our Automobile, Infrastructure Industries of our State and Nation. And shall export the excess quantity available in stock.			
2.	iii) Industries benefited	Apart from above, ASPL will be supporting the total national grid in mitigating the power crisis in the time of national need.		It is a case of diversion of fresh forest land over 34.83 ha.	Value of timber is not assess as yet.
	iv) Export of minerals	No minerals shall be exported but special grade alloy steel shall be exported to mitigate the international demand, which will strengthen nation foreign revenue.			
	v) Government revenue	Government Revenue in shape of Royalty, GST, VAT & Other Tax etc. Govt would get benefit of approx. Rs.769.97 Crores / annum on continuous basis.			
3.	Population benefited	Direct employment - 1000 Indirect employment - 1000 Total population Benefited - 6000 persons			


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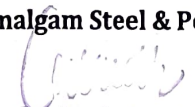
4.	Employment potential	This will increase with stepping up of production.			
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Thus it can be seen from the above that it is necessary in the overall public interest to divert the forest land for non-forest use.

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V.S.V. GIRIDHAR  
President  
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**PARAMETERS FOR EVALUATION OF LOSS OF FOREST**

Sl. No.	Parameters	Medium and Major Irrigation Hydroelectric, Large Mining and Other Miscellaneous Projects	Loss Rs (in Lakh)
1.	Loss of anticipated imaginary value of Timber, fuel wood and other minor forest produce due to annual lease in respect of loss in man hours per annum of stake holders (people) who would have derive the benefit from the harvest.	This is a case of diversion of 34.83 ha of fresh forest land (Inclusive of safety zone). So, there will be a loss due to value of timber etc. This can be calculated only after the enumeration work in the said forest area.	Value of timber is not assess as yet.
2.	Loss of animal husbandry productivity including loss of fodder	No loss as the area is under forest.	Nil.
3.	Cost of human resettlement	No human displacement.	Nil.
4.	Loss of public facilities and administrative infrastructure (roads, buildings, schools, dispensaries, electric lines, railway, etc.) on forest land or which would require forest land if these facilities are diverted due to the project.	No public facilities exist in the applied forest area.	Nil
5.	Environmental losses (soil erosion effect on hydrological cycle, wild life, habitant, micro climate upsetting)	(i) As per thumb rule, environmental value of one hectare of fully stocked forest (density = 1.0) would be taken as Rs. 181 lakhs to acquire over a period of 50 years. (ii) In the instant case, the average forest density of the crop has been assumed to be 1.0 (iii) Area proposed to be diverted = 35.03 hectares. Therefore, environmental loss for 30 years = 35.03 ha x 181 lakh x 1.0 x 30/50 years) = Rs. 3804.258 Lakh. Recurring annual cost for environmental Protection as per EIA/EMP for 30 Yrs.	3782.54 Rs. 126/annum  189.00 Rs. 6.3/annum
6.	Cost/Net Present worth of forest land (Only in case of permanent diversion such as Irrigation, Roads, Tramline and other infrastructure etc.	The proposed diversion is for grant of forest land for 30 years only. Therefore, the N.P.V. of the forest land under diversion for 30 years will be 9.2 lakh /ha x 34.83 = Rs. 322.276 Lakh	320.436 Rs. 10.68/annum
		<b>Total losses</b>	<b>Rs. 4300.976 Lakh or 143.36Lakh/annum</b>

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**PARAMETERS FOR EVALUATION OF BENEFIT NOT-WITHSTANDING  
LOSS OF FOREST**

Sl. No.	Parameters	Sub-Parameters	Quantification & Expression i.e. Benefit per annum in monetary terms
1.	Increase in productivity attributable to the specific project	Value of plant product transports.	Rs. 4279.11 Lakh
2.	Benefits to economy	Government Earns Revenue in shape of Royalty, GST, VAT & Other Tax etc. Govt would get benefit of approx. Rs.769.97 Crores / annum on continuous basis.	Rs. 769.97 Lakh.
3.	Detailed estimation of laying out the railway line etc layout and construction with materials.	This will be done after the enumeration work.	This will be calculated after the enumeration work.
4.	Cost of acquisition/ purchase of non-forest land.	(i) Employment generated on non-forest land for afforestation programme @ Rs. 2,50,000/ha for 34.83 hectares.  (ii) Cost of the non-productive non-forest land purchased for equivalent compensatory afforestation and registration fee etc.	Rs. 8.70 lakh  Rs. 50 lakh
5.	Loss due to diversion of forest land with respect to:	(i) Agricultural Production  (ii) Animal husbandry production.	Nil Nil
6.	Number of population benefited	Company will engage 1000 direct and 1000 indirect employment. Total expenses on employment has been estimated which comes to Rs 3600 Lakh per annum.	Rs. 3600 lakh
7.	Cost of rehabilitation of displaced person as different from compensatory amount given for displacement.	-	Nil.
8.	Cost of supply of Fuel wood to workers residing in or near forest area during the period of construction	-	Nil
		<b>Total Benefit:</b>	<b>Rs. 8705.79 Lakh.</b>

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**COST BENEFIT ANALYSIS.**

**(A) BASED ON VALUE OF PRODUCT :**

<u>Benefit (Rs in Lakh)</u>		<u>Loss (Rs in Lakh)</u>	
Value of Product	4279.11	Loss of Timber (Environmental Loss)	143.36
		Cost of the project (2171.2/30)	72.37
Total Benefit	4279.11	Total	215.73

**Cost benefit ratio:** Benefit / Loss =  $4279.11 / 215.73 = 19.83$  i.e. approx. 20

Ratio = 1 : 20

**(B) BASED ON BENEFIT TO NATIONAL ECONOMY**

Value of Product	4279.11 lakh
<u>Govt. Revenue</u>	<u>769.97 lakh</u>
Total Benefit	5049.08 lakh
Total Loss	215.73 lakh

**Cost benefit ratio:** Benefit / Loss =  $5049.08 / 215.73 = 23.40$  i.e. approx. 23

Ratio = 1 : 23

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