

COST BENEFIT ANALYSIS									
1	Toposheet No	:	D43K4(57B/4)						
2	Location	:	Niruthadi Range, Bedarabommanahalli, Hirekandavadi and other villages, Chitradurga and Holalkere Taluk, Holalkere Range, Chitradurga Division, Chitradurga District						
3	Total Extent involved in the project	:	100.439	Ha					
4	Forest land in mining lease	:	100.282	Ha					
5	Density of Forest growth	=	0.1						
6	A. Evaluation of Losses								
7	I. Ecosystem Services losses due to proposed forest diversion : (Soil erosion, effect on hydrological cycle, wildlife habitat, microclimate upsetting of ecological balance)								
8	Ecosystem Services losses due to proposed forest diversion	=	127097406.8	Rs.					
9		=	12.70974068	Cr.					Net Present Value X Forest density X Forest Area (Ha) for 50 years
10	II. Loss of animal husbandry productivity, including loss of fodder								
11	Loss of animal husbandry productivity, including loss of fodder	=	1.270974068	Cr.					10 % of the NPV of the forest as per the new guidelines
12	III. Possession value of forest land diverted								
13	Possession value of forest land diverted	=	3.812922204	Cr.					30 % of environmental costs (NPV) due to loss of forest or circle as per the new guidelines
14	IV. Habitat Fragmentation Cost								
15	Habitat Fragmentation Cost	=	6.35487034	Cr.					50 % of the environmental cost (NPV) as a thumb rule as per the new guidelines
16	Total losses due to forest diversion		24.14850729	Cr.					
17	B. Benefits Evaluation								
18	I. Benefit to the Project Proponent								
19	Estimated Iron Ore reserves in forest area	=	62673000	Tonnes					Mineable Reserves - tonnes
20	The cost at which project proponent used to acquire iron ore in the past	=	3000	Rs./Tonne					Average plant head cost per tonne of iron ore acquired from nearby mines (excluding Royalties and any other Govt. charges)
21	Value of the mineral/tonne @ JSW Steel Plant from this project	=	2000	Rs./Tonne					Value of Iron Ore at planthead due to this project, (excluding Royalties and any other Govt. charges)
22	Benefit to the project proponent by starting the production in this project	=	62673000000	Rs./Tonne					Benefit*total mineable reserves
23		=	6267.3	Cr.					Total revenue generated if this project is approved by Govt. & Govt., as it will allow the ore to be transported to our JSW Steel Plant
25	Total Benefit to the project proponent	=	6267	Cr.					(Benefits after starting the project - Deductions/ Payments to be made to pay various taxes, royalties to the Govt. of Karnataka)
26	II. Benefit to the economy								
27	Sale price of Iron Ore as per IBM in Karnataka	=	1200	Rs.					As per average % grade = 50.69%
28	Total premium to Govt.	=	67.10%	%					To be paid on Dispatch IBM Sale Price
29	DMG Royalty	=	15.00%	%					% of IBM Sale Price
30	DMP	=	10.00%	%					% of DMG Royalty
31		=	1.500%	%					% of IBM Sale Price
32	NMET	=	2%	%					% of Royalty
33		=	0.300%	%					% of IBM Sale Price
34	FDF	=	12.000%	%					% of IBM Sale Price
35	Total % Benefit to economy	=	95.90%	%					% of IBM Sale Price
36		=	72124088400	Rs.					All kind of levies including charges by Forest Dept., DMG etc.
37	Total Benefit to the Economy	=	7212.40884	Cr.					
38	III. Population benefited due to the specific project								
39	Population benefited due to the specific project	=	125.346	Cr.					Keeping 2% of the net profit as the benefits to the population (CSR activities)
40	IV. Total benefit to Employees								
41	Total Benefit due to the Project	=	13974	Cr.					
42	C. Benefit to Cost Ratio	=	578.6715788						
43	Cost Benefit Ratio 1 : 578								
				Ratio					

Place: Ballari

Date: 25.02.2020

For JSW Steel Ltd

Authorized Signatory