

Annexure-IX

Cost Benefit Analysis in respect of the proposal for diversion of 22.551 Ha of forest land for mining of Iron Ore from Rengalbeda (NE) Iron Ore Mining Lease of OMC in Barbil Tahasil under the jurisdiction of Keonjhar Forest Division of Keonjhar District, Odisha.

Table-C: Existing guidelines for estimating benefits of forest diversion in CBA

Sl. No.	Parameters	Remarks
1	Increase in productivity attribute to the specific project.	<p>Average annual production of 20,00,000 MT of Iron Ore with size distribution and the price at the mines head is as indicated below: Calibrated lump Iron Ore: (10-40 mm): 5,00,000 @ Rs. 6882/- Iron Ore fines (-10 mm size): 15,00,000 @ Rs. 4894/-</p> <p>Hence, the annual sale value of Iron ore at the mines head would be Rs. 1078.20/-Crores at the prevailing market rate. The net gain per annum comes to Rs.561.385 Crores [(Rs.1078.20Crore)- (Rs. 23.425Crore i.e. average cost of production per ton of Iron Ore + 489.16Crore per annum towards deposit of royalty, DMF, NMET and GST +4.23 crore Amortization of Capital cost)] Hence, the net gain of mines for a period of 10 years comes to= Rs.561.385x10 years = Rs.5613.85 Crore</p>
2	Benefits to economy due to the specific project.	One metric tonne of iron ore contributes 0.593 metric tonne of steel. Therefore, a quantity of 20,00,000 metric tonne of iron ore will produce around 11,86,000metric tonne of steel by SAIL which has a sale value of Rs.6523/- Crores (Price of one metric tonne of steel is Rs 58,000.00 as on December, 2024).
3	Number of population benefited due to the specific project.	243
4	Economic benefits of direct and indirect employment due to the project.	Rs.36.45 Crore (243 Persons x Rs. 500/- as average wage x 300 working days x10)
5	Economic benefits due to Compensatory Afforestation	Rs.9.941 Crore (12.1092-2.1682) Cost of CA scheme: Rs.2.1682 Crore Economic benefit due to CA: Rs 2.1682 (1+0.035) ⁵⁰ = Rs 2.1682 x 5.5849 = Rs 12.1092 Crore
Total		Rs. 5660.241Crore



(Debendra Kumar Nanda)
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