

COST BENEFIT ANALYSIS AS PER MoEF GUIDELINE DATED 28TH MARCH 2019 (Table B and Table C)

1	Details	:	Diversion of 39.9 hectare of forest land in Sy No. 45, 49 & 50 of Jelligeri village, Shirahatti Taluk, Gadag District for establishing Sangli Gold Mine in favour of Ramgad Minerals & Mining Limited, Hospet, Ballari District.		
2	Location	:	Sy No. 45, 49 & 50 of Jelligeri village, Shirahatti Taluk, Gadag District for establishing Sangli Gold Mine in favour of Ramgad Minerals & Mining Limited, Hospet, Ballari District.		
3	Extent	:	39.9	Ha	
4	Forest land in Mining lease		39.7	Ha	Extent of Forest land in mining lease granted
5	Mine lease		50	Yrs	
6	Life of Mine		6	Yrs	
7	NPV		438000	Rs/hectare	ECO CLASS IV - Open Forest, southern-tropical thorn forest of champion & sheith classification-6A/Cl. Refer Indian state Forest Cover Report 2019
8	Density of Forest growth	=	0.3		Density of forest/ha as per State report
9	A. Evaluation of Losses				
10	I. Ecosystem Services losses due to proposed forest diversion: (Soil erosion, effect on hydrological cycle, wildlife habitat, microclimate upsetting of ecological balance)				
11	Ecosystem Services losses due to proposed forest diversion	=	31299480	Rs.	(Net Present Value x Forest Density x Forest Area (Ha) for 6 years)
12		=	3.129948	Cr.	
13	II. Loss of animal husbandry productivity, including loss of fodder				
14	Loss of animal husbandry productivity, including loss of fodder	=	0	Cr.	10 % of the NPV of the forest as per the new guidelines. No animal husbandry product loss are envisaged
15	III. Cost of human resettlement				
16	Cost of human resettlement	=	0	Cr.	No human settlement exists in lease hold area.
17	IV. Loss of public facilities and administrative infrastructure (Roads) building. Schools dispensaries. Electric lines, railways etc.) On forest land. Or which would require forest land if these facilities were diverted due to the project				
18	Loss of public facilities and administrative infrastructure (Roads) building. Schools dispensaries. Electric lines, railways etc.) On forest land. Or which would require forest land if these facilities were diverted due to the project	=	0	Cr.	As no public facilities are in lease hold area
19	V. Possession value of forest land diverted				
20	Possession value of forest land diverted	=	0.9389844	Cr.	30 % of environmental costs (NPV) due to loss of forest or circle as per the new guidelines
21	VI. Cost of suffering to Outsees				
22	Cost of suffering to Outsees	=	0	Cr.	No loss of public facilities is taking place and no administrative infrastructure (Roads, Building, Schools, Dispensaries, This is forest land and there is no occupancy or any person living there
23	VII. Habitat Fragmentation Cost				
24	Habitat Fragmentation Cost	=	1.564974	Rs	50 % of the environmental cost (NPV) as a thumb rule as per the new guidelines
25	VIII. Compensatory Afforestation and soil & moisture conservation cost				
26	Compensatory Afforestation and soil & moisture conservation cost considered		1160000	Rs/ Hec	As per your letter dated 19-03-2020
27	Compensatory Afforestation and soil & moisture conservation cost	=	46052000	Rs	The actual cost of compensatory afforestation and soil & moisture conservation and its maintenance in future at present discounted value.
28	CA In Crore		4.6052	Cr	
29	Total Environment losses due to forest diversion (I to VIII)	=	10.2391064	Cr.	
30	B. Benefits Evaluation				
31	I. Benefit to the Project Proponent				
32	Estimated Gold Ore reserves in forest area	=	1689000	Tonnes	Mineable Ore reserves - tonnes
33	Grade		2.726		Gram/t
34	Total Gold		4604214		Gram
35	Recovery %		85%		Average recovery
36	Total Reserve recoverable Gold		3913582	Gram	
37	Price of Gold as on date		4235	Rs/Gram	This may vary in future. Rates based on today price
38	Total price of the project		16574019347	Rs	
39			1657	Crore	
40	Benefit to the project proponent by starting the production in this project	=		Rs/Tonne	Benefit * total mineable reserves
41		=	1657	Cr.	Total revenue generated if this project is approved by Gol and GoK.
42	Total benefit to the project proponent	=	1657	Cr.	Benefits after starting the project - Deductions/Payments to be made to pay various taxes, royalties to the Govt. of Karnataka
43	II. Benefit to the economy				
44	Royalty of the Gold Ore as per IBM in Karnataka		4.0000	%	Four per cent of London Bullion Market Association price (commonly referred to as "London Price") chargeable on by-product gold metal actually produced.
45	Royalty of the Gold Ore as per IBM in Karnataka	=	66.29607739	Cr	As per IBM and current price of Gold
46	DMG Royalty	=	0.00%	%	% of IBM Sale Price
47	DMF (% of Royalty)	=	30.00%	%	% of DMG Royalty
48				%	% of IBM Sale Price
49	NMET (% of Royalty)	=	2%	%	% of Royalty
50				%	% of IBM Sale Price
51	FDF	=		%	% of IBM Sale Price
52	Total % Benefit to economy	=	1657	Crores	
53				Crores	All kinds of levies including charges by Forest Dept., DMG etc. (Royalty 2.5% and 12% of Royalty)
54	Contribution to Government Exchequer from Royalty, DMF & NMET	=	87.51082215	Cr.	Proposed production & sale of gold ore be contributing to the benefits to economy interns of sale tax, royalty, revenue of railways, income tax & forest lease rentals as well as foreign exchange.
55	Income Tax @ 25% on Profits of 10% of Gross Revenue		41.43504837		
56	III. Population benefitted due to the specific project				
57	Population benefitted due to the specific project	=	1800	People	The incremental economic benefit in monetary terms due to the activities attributed to the specific project. 800 direct and 1000 indirect manpower likely to be benefitted
58	IV. Total benefit to the Employees	=	197.1	Cr.	Keeping 500 Rs per man day for 6 yrs.
59	Total benefit due to the Project	=	326.0458705	Cr.	Approximate value
60	V Economic benefits due to Compensatory afforestation		4.6052	Cr	
61	C. Total benefit	=	347.4110943	Cr	Added --- In view of 2% of CSR (of profit)
62	Cost Benefit Ratio 1 :	5		Ratio	



(AUTHORISED SIGNATORY)