

## **COST BENEFIT ANALYSIS**

**Project:** Diversion of 21.466 Ha. of Forest land for laying of 765 kV D/C Khandwa-Dhule transmission Line in the State of Maharashtra.

**Table B- Estimation of cost of forest diversion (as per MoEF&CC Guideline dated 1<sup>st</sup> Aug 2017) related to cost benefit analysis)**

<b>SI No</b>	<b>Parameters</b>	<b>Remarks (For Transmission Line)</b>
1	Ecosystem Services losses due to proposed forest diversion	NPV of the forest land being diverted i.e Govt. Forest and Pvt. Forest = 21.466 ha x Rs. 6.26 lac= <b>Rs 134.377 lac</b> Total = <b>Rs 134.377 lac</b>
2	Loss of animal husbandry productivity including loss of fodder.	Productivity of livestock will not be affected due to construction of transmission line. 10% of NPV Applicable i.e. <b>Rs. 13.43 lac</b>
3	Cost of human resettlement.	There is no displacement of people due to the project hence there would be no cost of human resettlement.
4	Loss of public facilities & administration infra-structure (roads, building, school, dispensary, electric lines, railways etc.) on forest land or which would require forest land if these facilities were diverted due to project.	Not applicable, Since these facilities are not available inside the forest area for proposed diversion. The route/corridor of the Transmission line not affecting any public facilities on diverted forest land.
5	Possession value of forest land diverted.	30% of Environmental Costs (NPV) i.e. <b>Rs. 40.31 lacs</b>
6	Cost of suffering of oustees	Not applicable since there will be no displacement of peoples.
7	Habitat Fragmentation Cost	50% of NPV Applicable as thumb rule i.e. <b>Rs. 67.188 lacs</b>
8	Compensatory Afforestation and Soil & Moisture Conservation Cost	Comp. Affn. cost <b>Rs. 215 lacs</b> <b>Soil &amp; Moisture Conservation cost included in Comp. Afforestation cost.</b>
<b>Total Loss (Against the proposed forest land diversion)</b>		<b>Rs. 470.305 lacs</b>

**Table C- Estimation of Benefit of Forest Diversion in Cost Benefit Analysis (as per MoEF&CC Guideline dated 1<sup>st</sup> Aug 2017 related to cost benefit analysis)**

SN	Parameters	Remarks (For Transmission Line)
1	Increase in Productively attribute to the specific project.	There are 2400 MW increase in productively attributes to this project for 35 years. Monetary Benefits 483840 lacs
2	Benefit to economy due to the specific project	Rs 488055 Lacs
3	No of population benefited due to specific project	Evacuation of approx. 2400 MW Power by constructing said transmission line in the State of Maharashtra will illuminate thousands of families along with the generation of huge job opportunities during construction & maintenance activity. Hence this project will be benefited millions of peoples with the direct as well as indirect way.
4.	Economic benefit due to direct and indirect employment due to the project	4000 lacs (in 35 years)
5.	Economic benefits due to Compensatory Afforestation	Rs. 5 lac x 43 ha (as per Guideline issued by MoEFCC,vide,letterNo.F.No.5-3/2007/FC, Dt.05.02.2009) = Rs.215 lac
	<b>T o t a l (monetary Benefits)</b>	<b>Rs. 488055 lac</b>

**C. Cost Benefit Ratio i.e. Project Benefit / Forest loss = (1037: 1)**

Hence the Project has very high benefit to the country as compared to forest loss. **The benefit to loss ratio is approximate 1037 times.**

Yours Sincerely,  
**For Khargone Transmission Limited**



**Shrishail Shirur**  
**Project Head**

