

ANNEXURE-

Cost-Benefit Analysis in respect of the proposal for diversion of 7.518 ha forest land for construction of road for transportation of ore from Gandhamardan Iron Ore Mining Lease of M/s OMC Ltd in Banspal 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 productively attribute to the specific project.	The proposed road is for transportation of 3.0 million ton of Iron Ore. The sales price per ton of ore is Rs 3000/- Hence, the annual sale value at the mines head would be Rs. 900/- Crores. The cost of production per ton of ore is Rs 670/-. Therefore, a sum of Rs. 200/- Crores is to be deducted from the sales price at mines head. The cost of 3.0 MTPA of ore production at mines head is estimated at Rs. 700/- Crores (Rs. 900/- Crores – Rs.200/- Crores including royalty).
2	Benefits to economy due to the specific project.	One million tonnes of iron ore contributes approximately 0.588 MT of steel. Hence, 3.0 million ton of iron ore will produce 1764000 MT of steel which has a sale value of Rs 10584/- crores (@ Rs 60000/- per ton of steel). Hence, the annual benefit to the National economy would be Rs 11284/- Crores.
3	Number of population benefited due to specific project	800nos
4	Economic benefits of direct and indirect employment due to the project	Rs.216.00 crore. (800 persons X Rs.500/- as average wage X 300 working days X 18 years)
5	Economic benefits due to compensatory afforestation	Rs. 0.333crore (Rs.8848/- X 7.518 ha. X 50 years)
Total		Rs. 916.333Crore

M Basa

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Authorized signatory

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