



**Cost Benefit Analysis in respect of the proposal for diversion of 194.683 Ha of forest land for mining of Iron Ore from Guali Iron Ore Mining Lease of M/s OMC Ltd. 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.             | Average annual production of 300,00,000 MT of Iron Ore with size distribution and the price at the mines head is as indicated below:<br><br>Calibrated lump Iron Ore:<br>(10-40 mm): 84,00,000 @ Rs. 5000/-<br>Iron Ore fines (-10 mm size): 216,00,000 @ Rs. 3525/-<br>Hence, the annual sale value of Iron ore at the mines head would be Rs. 11814/-Crores at the prevailing market rate. The net gain per annum comes to Rs. 8292.823 Crores [(Rs. 11814 Crore)- (Rs. 353.58 Crore i.e. average cost of production per ton of Iron Ore + 3167.597 Crore per annum towards deposit of royalty, DMF, NMET and GST)]<br>Hence, the net gain of mines for a period of 10 years comes to= Rs. 8292.823 x 10 years = <b>Rs. 82928.23 Crore</b> |
| 2            | Benefits to economy due to the specific project.                        | One metric ton (MT) of iron ore contributes 0.588 MT of steel. Therefore a quantity of 300,00,000 MT of iron ore will produce around 176,40,000 MT of steel by SAIL which has a sale value of Rs. 1,03,196.023/- Crores (Price of one MT of steel is Rs 53,800.00 as on January, 2021).  |
| 3            | Number of population benefited due to the specific project.             | 500  |
| 4            | Economic benefits of direct and indirect employment due to the project. | <b>Rs. 75 Crore</b><br>(500 Persons x Rs. 500/- as average wage x 300 working days x10)  |
| 5            | Economic benefits due to Compensatory Afforestation                     | <b>Rs. 8.61</b><br>(Rs. 8848/- x 194.683 ha. x 50 years)   |
| <b>Total</b> |   | <b>Rs. 83011.84 Crore</b>  |

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