

Annexure-XI

Cost Benefit Analysis in respect of the proposal for diversion of 266.847 Ha of forest land for mining of Iron Ore from Rantha Iron Ore Mining Lease of M/s OMC Ltd. in Lahunipara Tahasil under the jurisdiction of Bonai Forest Division of Sundargarh 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 10,00,000 MT of Iron Ore with size distribution and the price at the mines head is as indicated below:</p> <p>Calibrated lump Iron Ore: (10-40 mm): 6,00,000 @ Rs. 5700/- Iron Ore fines (-10 mm size): 4,00,000 @ Rs. 3549/-</p> <p>Hence, the annual sale value of Iron ore at the mines head would be Rs. 483.96/- Crores (600000 x Rs.5700/- + 400000 x Rs.3549/-) at the prevailing market rate. The net gain per annum comes to Rs.314.822 Crores [(Rs. 483.96 Crore) - (Rs. 48.80 Crore i.e. average cost of production per ton of Iron Ore +120.338 Crore per annum towards deposit of royalty, DMF, NMET and GST)]</p> <p>Hence, the net gain of mines for a period of 15 years comes to= Rs.314.822 x 15 years = Rs.4722.33 Crore</p>
2	Benefits to economy due to the specific project.	<p>One metric tonne of iron ore contributes 0.588 metric tonne of steel. Therefore, a quantity of 10, 00,000 metric tonne of iron ore will produce around 5, 88,000 metric tonne of steel, which has a sale value of Rs.3351.60/- Crores (@57000/ton). Hence, the benefit to the National Economy over 15 years would be Rs 50274.00 Crores (Rs 3351.60 Crores X 15).</p>
3	Number of populations benefited due to the specific project.	439
4	Economic benefits of direct and indirect employment due to the project.	<p>Rs.98.775 Crore (439 Persons x Rs. 500/- as average wage x 300 working days x15).</p>
5	Economic benefits due to Compensatory Afforestation	<p>Rs.84.724 Crore [CA scheme approved =Rs.18.479 crore] Benefit of CA Plantation after 50 years : 18.479 (1+0.035) 50 =18.479 x 5.5849 = Rs.103.203 Crore 103.203 - 18.479 = Rs.84.724 Crore</p>
Total		Rs. 4886.07Crore or Say 488607 Lakhs


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