

COST BENEFIT ANALYSIS

Cost Benefit analysis of 'Conveyor Corridor for Lakhpat Cement Works of Adani Cementation Limited' in District Kutch of Gujarat State is estimated as per the Guidelines of Govt. of India, issues with letter no. 7-69/2011-FC(Pt.) dated 1st August, 2017, and given below:

Table-A: Estimation of cost of forest diversion:

Sl.	Parameters	Cost (Rs. Lakhs)
1.	Ecosystem services losses due to proposed forest diversion (Economic value of loss of eco-system services due to proposed forest diversion has been taken as the "net present value (NPV)" of the forest land being diverted as prescribed by the PCCF & HOFF, Govt. of Gujarat considering open Forest land less than 40% density/ha. under Eco-Class-IV Tropical Thorn Forest NPV rates taken as Rs. 4.38 Lakhs/Ha for 2.6564 Ha.	11.64
2.	Loss of animal husbandry productivity (Taken at 10% of NPV)	1.16
3.	Cost of human resettlement (There is no human resettlement due to proposed forest diversion)	Nil
4.	Loss of public facilities and administrative infrastructure (Roads, building, schools, dispensaries, electric lines, railways, etc.) on forest land, which would require forest land if these facilities were diverted due to the project (No public facilities and administrative infrastructure are involved)	Nil
5.	Possession value of forest land diverted (Taken at 30% of NPV)	3.50
6.	Cost of suffering to oustees (There are no oustees due to proposed forest diversion)	Nil
7.	Habitat Fragmentation Cost (Taken at 50% of NPV)	5.82
8.	Compensatory afforestation and soil & moisture conservation cost (Based on proposed CA Scheme rate of Rs. 1,73,271/- per Ha for 2.6564Ha)	4.61
9.	Project Cost:	13300.00
	TOTAL	13326.73

Table-B: Estimation of benefits of forest diversion:

Sl.	Parameters	Benefits (Rs. Lakhs)
1.	Increase in productively attributed to the project (The project is part of grid strengthening scheme of the Govt. of India, which will de-bottleneck the power evacuation from generating stations to the load centres. The project is in National Interest and Benefits will be qualitative in nature)	NA
2.	Benefits to the economy to the specific project (The project is part of grid strengthening scheme of the Govt. of India, which will de-	NA

	bottleneck the power evacuation from generating stations to the load centres. There will be benefits to the economy in terms of developing robust grid infrastructure and associated economic benefits, which will be qualitative in nature)	
3.	No. of population benefitted due to specific project (The grid strengthening and de-bottlenecking of power will help the power generation and distribution companies and which in turn will benefit large population, which again is in qualitative in nature)	NA
4.	Economic benefits due to of direct and indirect employment due to the project During Project Stage, the project will provide employment to 2 Permanent and 25 Temporary Employment for a period of 2 Years. The Economic Benefit is estimated at Rs. 115 Lakhs (For Permanent Employment, Average Benefit of Rs. 10 Lakhs/Year per person and for Temporary Employment, Rs. 1.5 Lakhs/Year per person) During Operation Stage (calculated for 30 Years), the project will provide employment to 5 Direct and 15 Indirect Employment for a period of 30 Years. The Economic Benefit is estimated at Rs. 2,175 Lakhs (For Direct Employment, Average Benefit of Rs. 10 Lakhs/Year per person and for Indirect Employment, Rs. 1.5 Lakhs/Year per person)	2290.00
5.	Economic benefits due to Compensatory afforestation (The NPV of the CA Land considered as prescribed by the Guidelines, 7-69/2011-FC(Pt.) dated 01.08.2017) NPV rates taken as Rs. 4.38 Lakhs/Ha for 2.6564 Ha.	11.64
6.	Revenue from the Project (Revenue from conveyor belt)	45500.00
	TOTAL	47801.64

Cost: Benefit Ratio

I Cost of Project (including loss of Forest) = **Rs. 13326.73 Lakhs**

II Financial Benefits of the Project: **Rs. 47801.64 Lakhs**

Cost Benefit Ratio = 1 : Rs. **47801.64** Lakhs/Rs. **13326.73** Lakhs

= 1 : 3.59

The Cost Benefit Ratio of the Project is estimated at 1 : 3.59

