

**Cost Benefit Analysis in respect of the proposal for diversion of 22.697 Ha of forest land for mining of Iron Ore from Jilling Langalota 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.	<p>Average annual production of 100,00,000 MT of Iron Ore with size distribution and the price at the mines head is as indicated below:</p> <p>Calibrated lump Iron Ore:  5-18mm/18-40 mm: 45,00,000 @ Rs. 9000/-  Iron Ore fines (-5 mm size): 55,00,000 @ Rs. 3594/-  Hence, the annual sale value of Iron ore at the mines head would be Rs. 6026.70/-Crores at the prevailing market rate. The net gain per annum comes to Rs. 4723.1155 Crores [(Rs. 6026.70 Crore)- (Rs. 169.1605 Crore i.e. average cost of production per ton of Iron Ore + 1134.424 Crore per annum towards deposit of royalty, DMF, NMET and GST)]  Hence, the net gain of mines for a period of 10 years comes to= Rs. 4723.1155 x 10 years = <b>Rs. 47231.155 Crore</b></p>
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 100,00,000 MT of iron ore will produce around 58,80,000 MT of steel by SAIL which has a sale value of Rs. 31,634.40/- Crores (Price of one MT of steel is Rs 53,800.00 as on April, 2021).
3	Number of population benefited due to the specific project.	686
4	Economic benefits of direct and indirect employment due to the project.	<b>Rs. 102.90 Crore</b> (686 Persons x Rs. 500/- as average wage x 300 working days x10)
5	Economic benefits due to Compensatory Afforestation	<b>Rs. 1.004</b> (Rs. 8848/- x 22.697 ha. x 50 years)
<b>Total</b>		<b>Rs. 47335.059 Crore</b>



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