

B. RUDRA GOUDA

Legal Representative of Late B. Kumargouda
 Mine Owner & Exporter
 Haddinapade Iron Ore Mines

Registered Office :

2198, BKG House,
 KHB Colony, Sandur - 583 119
 Ballari Dist., Karnataka, India
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Cost-Benefit Analysis**A. PARAMETERS FOR EVALUATION OF LOSS OF FOREST**

SINo	PARAMETERS	NATURE OF PROPOSALS: MINING PROJECTS
1	Loss of value of timber, fire wood and minor forest produce on an annual basis, including loss of man hours per annum of people derived livelihood & wages from the harvest of these commodities.	The loss of fuel wood to a tune of 3T/Ha @ Rs 300/- tonnes for 19.206Ha is =19.206 X 3 X 300 X 38 years = Rs 656845/- No loss of man hours as no one depends for livelihood on this land.
2	Loss of animal husbandry productivity including loss of fodder	The loss of fodder estimated for 19.206Ha will be (Hill grass cost @ 5t/Ha @ Rs 100/- per tonne). 19.206 X 5 X 100 X 38 Years = Rs 364914.
3	Cost of human re-settlement	--NA--
4	Cost of public facilities and administrative (Roads, buildings, electric line, Railways etc.) on forest land or which require forest land, if these facilities were diverted due to the project.	--NA--
5	Environmental loss : (soil erosion effect, hydrological cycle, wild life habitat, Micro climate, upsetting of Ecological balance)	The estimated Environmental loss as per the guidelines for tree density of 1 Ha will be 126.74 Lakhs over a 50 years period. Therefore the Environmental losses for a 80.26Ha for a tree density of 0.25 over a 38 years period would be= 126.74 X 19.206 X 0.25 X 38/50 =462.49 Lakhs
6	Suffering of oustees	There are no oustees from this area.

B. PARAMETERS FOR EVALUATION OF BENEFIT NOT-WITH-STANDING LOSS OF FORESTS.

1	Increase in productivity	As per the directions of Hon'ble Supreme Court order dated 7 th December 2017, to the mining leases in Ballari sector we are proposing to install the downhill conveyor system to transport the iron ore from mine top to the proposed railway siding at Dharmapura village. This initiation will definitely reduce the pressure on environment, and enhance the air quality of the surrounding area.
2	Benefits to economy	Every year Qty of 1.26 MMT will be produced NPV @ 803000/Ha X 19.206X38 Yars =5860.512 Lakhs,CA Charges@300000 per Hectare X 19.206= 57.62 Lakhs = 5918.132 Lakhs
3	No of population benefited	600 people could be benefited.
4	Employment potential	Direct employment of 60people.



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5	Cost of acquisition of facility on non-forest land wherever feasible.	-NA-
6	Loss of [A] Agricultural and [B] Animal husbandry	-NA-
7	Cost of Rehabilitating the displaced persons as different from compensatory amounts given for displacement.	-NA-
8	Cost of supplying free fire wood to workers residing in or near forest area during the period of construction.	-NA-

C. SUMMARY OF COST BENEFIT ANALYSIS FOR THE PROJECT OVER A PERIOD OF MINE LIFE (Rs. In Lakhs)

Loss (A)			Benefit (B)	
1	Environmental Loss	462.49	Profit from Conveyor belt for life of Mine.	5918.132 Lakhs
2	Loss of fire wood	6.568		
3	Loss of fodder	3.649		
4	Supplies of fuel wood	NIL		
	Total	472.707		5918.132 Lakhs

Net benefit from the project = Rs5918.132 – Rs. 472.707 = Rs. 5445.425 Lakhs (approx)

Hence, Cost **Benefit Ratio** = **1 : 12.52**

Date: 25.09.2018

Place: Sandur

B. Rudra Gouda

Legal Representative of Late B. Kumara Gouda