

CONTENTS OF THE FEASIBILITY STUDY

RECOMMENDED BY QATAR DEVELOPMENT BANK

(INDUSTRY SECTOR)

1. Introduction

- a. Project Concept
- b. Rationale for the Project
- c. Location

2. Products

- a. Product & Product Mix
- b. Dimensions
- c. Production Capacities
- d. Properties
- e. Specifications
- f. Applications

3. Technical Analysis

- a. Production Principle
- b. Brief Production Process, with a flow diagram
- c. Manufacturing standards & certifications
- d. Patent right issues
- e. Plant Layout
- f. Details of plant & equipment, auxiliary & service equipment with full specifications, performance warranties
- g. Sources of plant & equipment
- h. Building construction details
- i. Scope of technical licensing agreement
- j. Operations & Management agreement

4. Technology

- a. Assessment of proposed technology (input-output norms, material balance, heat balance, performance & economic comparison with other available technologies/processes), commercial application and status of technology
- b. Study of Technology Package
- c. Technical Training proposed
- d. Background of technology holder (performance, track record, reference, financial performance)

5. Energy & Utilities Consumption

- a. Type of energy (electricity, gas, fuel, etc.) & Consumption
- b. Type & quantity of water
- c. Other utilities and quantities in detail

6. Environmental & Safety issues

- a. Types of effluents generated (solid, liquid, gaseous)
- b. Analysis of effluents
- c. Waste treatment/disposal arrangements in detail
- d. Conformity with local regulations

7. Market Analysis

- a. Introduction
- b. Demand analysis (local and regional), trend
- c. Similar/surrogate competing products
- d. Supply situation
- e. Planned /announced projects
- f. Present demand-supply gap
- g. Potential analysis after 5 years
- h. Competition and competitor analysis
- i. Estimated market share
- j. Prices
- k. Marketing Strategy
- l. End-user preferences
- m. Distribution channel
- n. Marketing arrangements

8. Legal & Regulatory Requirements

- a. Relevant legal regime
- b. Business environment (incentives, govt. control & support)

- c. JV & other agreement (with special provisions)

9. Risk Factors & Analysis

- a. Identify and describe the risk factors inherent to the project. Without limitations, these may include factors such as
 - i. low barriers to entry
 - ii. competition, present and potential
 - iii. brand loyalty
 - iv. track record of the company, sponsors
 - v. business and market environment
 - vi. risk of obsolescence
 - vii. price volatility
 - viii. construction risk
 - ix. market risk
 - x. credit risk
 - xi. operational risk

10. Analysis of each risk factor and its effect, recommended methods of mitigation

- a. Overall conclusion

11. Particulars of the Applicant, manpower requirements

- a. Background and track record, if any, of the company undertaking the project
- b. Analysis of Audited Balance Sheet, Income Statement (past 3 years)
- c. Sponsors and their background; relevance to the project
- d. Synergy for the project

12. Manpower

- a. Type and number of manpower required by category and by level of skills
- b. Plans for training
- c. Employment Potential for Qatari Nationals

13. Estimated Cost of the Project & Means of Financing

- a. Cost estimates for all fixed assets (based on quotations), pre-operative expenses (capitalized), contingencies, margin money for working capital & any other item cost required to be capitalized
- b. Break-down of financing: equity, Medium and long-term secured loans, interest-free unsecured loans, other lenders and loans in syndicated financing, bridge loans, convertible loans with complete details of terms, conditions & seniority claims.
- c. **Collaterals** available from the Client

14. Time frame

- a. Activity-wise time frame (Level 1 schedule)
- b. Please use a bar-chart to show the details

15. Profitability Estimates

- a. Detailed projected income statements, balance sheet, statement of cash flow for at least during the loan outstanding
- b. The assumptions to be clearly indicated
- c. The results are to be commented upon in brief.

16. Performance Indicators

- a. IRR
- b. Calculation of wacc by CAPM method (Beta assumption to be justified)
- c. NPV (discounted @ wacc)
- d. Benefit-Cost Ratio
- e. Break-even point
- f. Debt service coverage ratio
- g. Return on investment
- h. Return on Equity
- i. Fixed assets coverage ratio
- j. Other ratios as appropriate

17. Sensitivity Analysis

- a. To find out the values of IRR, NPV, BEP (typical year), DSCR and Net profit (typical year) under the following adverse scenarios.

- b. Sales price down by a suitable percentage
- c. Costs of raw materials and consumables up by a suitable percentage
- d. Capacity utilization up by a suitable percentage
- e. Project cost up by a suitable percentage
- f. Suitable combinations of the above scenarios

18. Conclusion & Recommendations

- a. Overall observation and conclusion
- b. Specific issues to be highlighted
- c. Recommendation

Documents to be submitted to QDB

1. A Cover Letter Addressed to Chief Executive Officer
2. Copy of Commercial Registration, Industrial License and Enviromental Permit
3. Two Copies of Feasibility Study
4. Copy of owner sheet deed/land lease contract with maps explaining the size and factory location
5. Copy of Approval letter from the partners to sign the contract
6. Two quotation of the Fixed Assets with Catalogues
7. Copy of the all contracts signed
8. Copy of ID Cards of Partners
9. Partners Academic and Professional background.