General Department of
Economic and Financial Affairs of Khuzestan

Preparation and Compilation of Investment Opportunities in The Province

Investment Opportunity Studies Report

Plan Of The Coastal Town Of The " GOTVAND Dam Lake In Jam, KHERSAN "Lali Region

(Attachment Number 1)

Date: 2023/06/03

V2

In the name of God

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Tables and Figures

1) Location of the project

1-1- Province

Khuzestan province is located in the southwest of Iran (in 47° 42′ to 50° 39′ east of the Greenwich meridian and 29° 58′ to 32° 58′ north of the equator). The area of Khuzestan province is 63,238square kilometers. With a population of 4,994 thousand people in 1400SH, it is the fifth most populous province in Iran (after Tehran, Khorasan Razavi, Isfahan and Fars provinces). **Ahvaz** is the capital of Khuzestan province and is located in the 880km of Tehran. This province is bordered by ILAM province from the northwest, Lorestan province from the north, CHAHARMAHAL and BAKHTIARI, KOHGILUYEH and BOYERAHMAD provinces from the northeast and east, the Persian Gulf (330km long) from the south and Iraq (330km long) from the west. The location of Khuzestan is in the west of Zagros mountains. Due to the vastness of its plains, the border with Iraq and the Persian Gulf, and the distance from other provincial centers have placed this province in a strategic position.

Figure (1): The Province location in Iran

Figure (2): Lali location in Khuzestan province

Figure (3): Political divisions of Khuzestan

1-2- County

According to the latest national divisions of 1401 of the Ministry of Interior, this province has 29 counties, 70 districts, 145 villages, 90 cities and 3 special governorates. The latest political divisions of the province are described in figure (3). Lali city is located in the northeast of Khuzestan province and 160 km away from Ahvaz city. The center of this city is Lali city. This city had a population of 38 thousand in 2015. This city is bordered by Masjid Suleiman city from the south, ANDIKA city from the east and southeast, GOTVAND from the southwest, SARDASHT DEZFUL from the north and northwest. Its area is about 1,400 square kilometers. It has relatively cold winters and warm summers and pleasant spring. The annual rainfall is about 500 mm. Its height is about 493 meters above sea level. The city has two central and even parts. Among its scenic spots, we can mention the salty water of Sadat village, Bene War village, SALVATI castle, SIKWAND, ARPANAH waterfall, SARKOLI village, GRIVE mountain and Bene Mir, Taluk spring. One of the oldest works of human life in the plateau of Iran is located in PIDEH Cave near Lali and on the way to ARPANAH waterfall. One of these attractions of Lali city is the Lali cable-stayed bridge, which was built on the GOTVAND dam lake. This bridge is considered the largest cable-stayed bridge in Iran, and its beautiful views attract many tourists.

2) Project Status

This project is implemented in a land of 2.2 hectares, 12 km from Lali city and 150 km from Ahvaz city at the following coordinates.

Table (1): Coordinates of the project implementation location

latitude	Longitude	points
317866	3572771	A
317857	3572638	B
318011	3572521	C
318021	3572665	D
317866	3572771	A

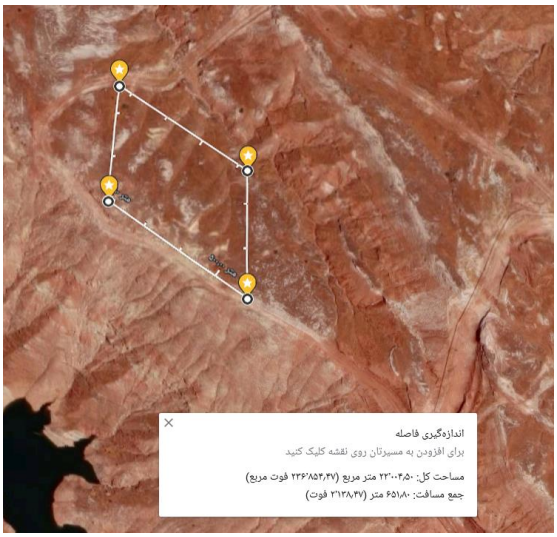


Figure (4): Project location map

The place is located at a distance of 280 meters from the lake of GOTVAND dam. Among the advantages of the landscape plan and appropriate size, access to the road, the absence of conflicts has been mentioned.

2-1- Access to infrastructures

Currently, there is no electricity and gas infrastructure in the project implementation area. The nearest port to this area is Imam Khomeini Port at a distance of 267 km, the nearest railway station (Shoshtar Railway) is located at a distance of 76 km, and the nearest airport (Ahvaz Airport) is located at a distance of 150 km.

Table (2): access to infrastructures

No.	Required Infrastructure	Distance From Project Status(km)	Location Of Infrastructure Provision
1	Water	0	Persian Gulf
2	Electricity	0	electricity network
3	Gas	-	-
4	Telecommunication	-	-
5	Main road	2.5	Lali Road
6	Side road	0.3	Dirt road
7	Airport	97	Mahshahr Airport
8	Port	265	Imam Khomeini seaport
9	Railway Station	76	SHUSHTAR Railway

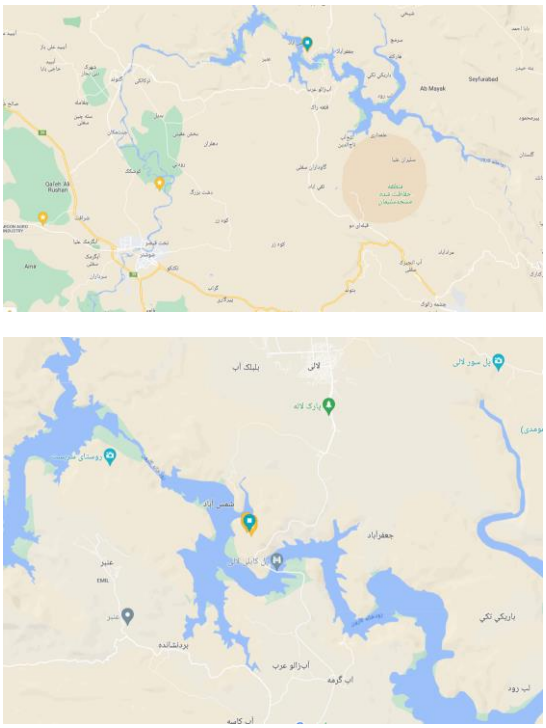


Figure (5): Access routes to the project

3) Technical specifications of the project

3-1- Project Identification

Considering the conditions of the region in terms of its proximity to the GOTVAND Dam Lake, the uses of the " GOTVAND Dam Lake Coastal Town of Jam KHERSAN Lali Region" should be carefully defined. Of course, in order to have sufficient economic justification, all possible uses should be examined in such a way that the town has the necessary attraction to attract national and local tourists. The most important advantage of the selected location is convenient access (short distance to Lali city), beautiful landscape, good weather and high frequency of tourism in Lali city and around the GOTVAND dam lake.

In fact, the mountainous nature of the target area, the purity of the air and water, the possibility of fishing in the lake, the distance from noise and environmental pollution, the possibility of people and travelers visiting in different seasons make it a sufficient natural attraction to attract tourists. come

The implementation of " GOTVAND Dam Lake Coastal Town of Jam KHERSAN Lali Region" has been considered in order to create tourism infrastructure in the region. This project by creating tourism infrastructures such as commercial places (markets, stores, restaurants, teahouses, coffee shops), sports and recreational places (beach sports, boating and children's play park), public places (parking, service health), accommodation places (rest platforms, pavilions, cottages/suites). The implementation of the mentioned items in a land of 2.2 hectares has been considered.

The uses of the plan can be defined and exploited according to the following infrastructures.

Figure (6): Pictures of the construction site

Figure (7): Pictures of the project location and its view on the GOTVAND Dam Lake

(Landscaping operations) of Lali coastal town

Type Of Building/Use	Total Area
Sports grounds	2,285
Car parking	2,400
Skating Rink	707
Carting Track	1,500
Children's play park	1,500
Family Park	2,000
Beach pool/lake	1,100
car People's traffic routes (tabulation and paving) traffic routes (street paving), etc.	5,878
Total landscaping	17,370

Table (3): Specifications of the infrastructure (construction operations) of Lali coastal town

Type Of Building/Use	Total Area
Accommodations Places	1,640
Places of entertainment and entertainment	105
sport places	720
Commercial premises	1,498
Management and support facilities and public services	667
A Collection of Buildings	4,630

Table (4): specifications of services that can be provided

Practical capacity	Average capacity utilization percentage	Maximum capacity	Types of town services
4,322	69%	6,220	Temporary accommodation (pavilion, platform and beach)
2,928	72%	4,043	Overnight stay (suite/cottage)
26,476	71%	37,320	car parking
28,535	69%	41,385	All kinds of individual sports services
312	100%	312	Monthly rent of user/infrastructure
530,100	69%	765,080	All kinds of beach and sea entertainment services
1,244	62%	2,008	All kinds of group sports services

3-2- Project Requirement

3-2-1- Land And Required Infrastructure

For the tourist town in the current plan, the necessary infrastructures are considered as follows in a land of 2.2 hectares.

Table (5): Amount of investment in land, landscaping and building

Floor.	Requirements		Number	Unit area	total area	Unit price	Total amount (million Rials)
Accommodations	Large accommodation pavilions		20	12	240	30	7,200
	Car parking		100	18	1,800	5	9,000
	Overnight cottages		13	31	400	150	60,000
	Car parking		20	30	600	5	3,000
sport places	Indoor gym		1	720	720	100	72,000
	Small flower football field		1	450	450	10	4,500
	Volleyball court		1	360	360	20	7,200
	Multi-purpose sports field		1	750	750	30	22,500
	Tennis and badminton court		1	725	725	20	14,500
	Skating Rink		1	707	707	15	10,598
	Carting Track		1	1,500	1,500	20	30,000
Places of entertainment and entertainment	Children's play park		1	1,500	1,500	5	7,500
	pool/ Coastal Lake	Lake beaches	1	1,100	1,100	50	55,000
	Marine entertainment venues and platforms	Water Park	1	55	55	100	5,500
		Cruise	30	50	50	100	5,000
Commercial premises	Store		1	120	120	100	12,000
	local market		20	15	300	35	10,500
	Restaurant		1	500	500	250	125,000
	Restaurant reception area		1	430	430	10	4,300
	Coffee Shop		1	50	50	100	5,000
	Coffee shop reception area		1	150	150	10	1,500
	Food court		1	60	60	100	6,000
	Teahouse		1	60	60	100	6,000
	Traditional restaurant		1	200	200	80	16,000
Public places	conference hall		1	208	208	150	31,200
	Family Park		1	2,000	2,000	3	6,000
	Traffic routes of people (Tabulation and paving)		1	1,500	1,500	10	15,000
	Car traffic routes (streets)		1	3,798	3,798	10	37,980
	W.C		3	60	180	80	14,400
Management and support facilities and public services	Central management and support building		1	120	120	100	12,000
	Guard room		2	12	24	100	2,400
	Town janitor building		1	65	65	100	6,500
	Facilities and support warehouses		1	50	50	80	4,000
	Prayer room		1	60	60	100	6,000
	Beach clinic		1	70	70	120	8,400
	Police office		1	18	18	120	2,160
	Gas facility building		1	40	40	80	3,200
	Electrical installation building		1	40	40	80	3,200
Total				-	22,000	-	667,238

3-2-2- Plant Machinery and Equipment

Based on the location conditions for the tourist town, the required equipment is as follows. All equipment can be supplied in the country.

Table (6): Plant Machinery and Equipment

No.	Equipment/Machinery	Required investment		Total cost (Million Rials)
		Amount	Purchase Price	
1	Set of equipment and furniture for residential cottages	13	4,000	52,000
2	Control and security systems, monitoring and information recording, security gates, and parking equipment sets and traffic signs	1	3,500	3,500
3	Bill and ticket issuing system	1	8,000	8,000
4	Equipment for coastal beaches and coastal lakes (beaches, water slides, fountains, beach beds)	30	1,500	45,000
5	Fitness equipment and gym sports equipment	1	85,000	85,000
6	Other gym equipment (flooring, spectator benches, scoreboard, hydraulic lift, gym floor, vacuum cleaner, mats, etc.)	1	5,920	5,920
7	Sports field equipment including (net, net columns and bars, floodlights, tennis tables, flags, scoreboards, reserve benches, spectators' jackets, etc.)	4	3,915	15,660
8	Metal playground equipment for children and adults (types of slides, swings, swings and other sports equipment for children and adults)	40	80	3,200
9	Polyethylene playground equipment for children	5	2,200	11,000
10	Children's playground flooring	250	2	425
11	Skating rink equipment	1	2,600	2,600
12	Trampoline	5	600	3,000
13	Sports gates and nets (handball, volleyball, tennis, football, etc.)	4	10	40
14	karting machines for children and adults	10	1,350	13,500
15	Water Park	3	2,000	6,000
16	Inflatable boats	30	240	7,200
17	Drift trike car	3	550	1,650
18	Pedal kart for two	3	100	300
19	Coastal town clinic equipment	1	6,000	6,000
20	Other Park equipment (urban elements, chess table, trash cans, drinking fountains, stone and concrete park benches, drinking and dish washing equipment, lawn and park lights, signs and warnings, and guide signs, park pots and...)	50	4	200
21	Other main equipment - domestic	1	5,805	5,805
Total				276,000

Table (7): Auxiliary and service plant Equipment

No.	Equipment/Machinery	Unit of measurement	Type of equipment	Required investment		Total cost (Million Rials)
				Amount	Unit Price (Million Rials)	
1	Distribution Of Electricity / Demand Price	Kw	Facility	800	6	4,800
2	Types of electrical cables	m	Facility	1,500	10.0	15,000
3	Electrical equipment of the lighting system	Amount	Facility	4	40	176
4	The cost of boards and related electrical equipment	Amount	Facility	4	320	1,408
5	Water purification and transfer equipment	Amount	Facility	1	1,000	1,000
6	Firefighting, safety and health equipment and...	Capsule	Facility	50	30	1,500
7	gas piping	m	Facility	300	80	24,000
8	Gas branching	-	Facility	1	10,000	10,000
9	pickup truck	Machine	vehicles	1	7,000	7,000
10	car	Machine	vehicles	1	7,000	7,000
11	Workshop tools and equipment	Machine	Laboratory and workshop equipment and tools	1	3,000	3,000
12	Office equipment (computers, office desks and chairs, network and server equipment - according to the number of support personnel)	Set	office Equipment	14	700	9,800
13	Other side facilities	-	Facility	1	2,316	2,316
Total				-	-	87,000

3-2-3- Raw Materials

Considering that most of the main uses such as (restaurants, coffee shops, teahouses, stores) are leased to competent people during the period of operation. Therefore, the coastal tourist town of GOTVAND Lake is not the desired raw material.

3-2-4- Management and human resource

The number of employments in the present plan is equal to 42 people. The specifications of the human resources required for the project are as described in the table below.

Table (8): Management and Human Resource

No	Level of skill	Number of staff	Average basic salary
1	Senior	17	162,941,176
2	Mid-level	3	120,000,000
3	Junior	22	90,000,000

Number Of Direct Mid-Level Staff Required	3	Person
Number Of Direct Junior Staff Required	22	Person
Number Of Direct Senior Staff Required	17	Person
Total	**42**	person

4) Ownership and legal permissions

4-1- land ownership

The implementation of this project is considered in a land of 2.2 hectares. The specifications and location of selected zone 4 are specified in paragraph 2. In order to build a coastal tourism town, a document under the title of establishment license and activity license (in accordance with the terms and conditions mentioned in paragraph 3-4) will be provided to the investors. These documents do not mean that the investors own the assigned lands. According to the mentioned licenses, only the right to use the land is given to the users until the time of continuous activity[1].

4-2- Intellectual Property and Concessions

Lifetime management, according to established standards and regulations, requires special conditions mentioned in the law (in addition to the need for knowledge and experience in this regard). Coastal tourism projects, like other projects, should have minimal environmental effects and reduce the quality of sea water. The classification and pricing criteria of tourism facilities is also the responsibility of the relevant commission, which is specified by the "Ministry of Cultural Heritage, General Directorate of Tourism and Handicrafts".

4-3- Legal permissions

Obtaining permits and tourism activities related to "coastal and marine tourism centers" and similar centers in accordance with the "Iran Tourism and World Tourism Industry Development Law" (approved in 1370 and its subsequent amendments) and the "Creation, Modification, Completion, Grading and Rate Regulations" Establishment of tourism facilities and their supervision" (approved 1373) and instructions for supervising the establishment and activity of tourist information centers (approved 1400). Currently, the General Directorate of Cultural Heritage, the General Directorate of Tourism and Handicrafts of the provinces (under the management and supervision of the Ministry of Cultural Heritage, Tourism and Handicrafts), the only executive body and authority for recognizing the creation and issuing of permits for all types of tourism facilities, as well as modification and completion, equipping and operating these facilities.

The applicant for investment in order to create, modify or complete tourism facilities must refer electronically to the system (the window of the Electronic Services Unit (SAMA[2]) related to the "Ministry of Cultural Heritage, Tourism and Handicrafts") and submit the relevant documents. Go to the General Administration of Cultural Heritage, Tourism and Handicrafts of the Provinces. Municipalities and other authorities that issue permits for the construction of tourism facilities are obliged to comply with the regulations announced by the organization in addition to complying with their own regulations.

These authorities are not allowed to issue permits for the construction of tourism facilities before announcing the agreement of the organization (General Administration).

The license holder is obliged to create, modify or complete tourism facilities; Finish the relevant plan based on the schedule approved by the organization and regularly inform the organization of the work progress.

The holder of the license to build tourism facilities is obliged; After the completion of the construction operation and equipping the relevant unit, inform the organization to obtain a temporary operating license. The organization must issue a temporary activity license (only for a one-year period and three years if the performance is approved). During this period, the license holder must take steps to obtain the tourism service quality standard certificate, and the organization (General Administration) must issue operating (activity) licenses for the units that have succeeded in obtaining the said certificate.

All applicants for tourism facilities are required to renew their license at least one month before the expiry of their operating license. The organization (general administration) is obliged to prevent the continuation of the unit's activity in the event of the expiration of the validity period of the operating (activity) license and the failure of the applicant to fulfill the relevant obligations. Operators of tourism facilities are obliged to comply with the notified rates, and in case of violation, they will be dealt with. The organization must, within six months after issuing the temporary operating license, regarding grading and issuing the license. Operate tourism facilities.

1- According to Article 6of the Iran Tourism and Tourism Industry Development Law, the Urban Land Organization, municipalities, the country's forests and pastures organization, and other relevant ministries and organizations are required to provide the land required for the construction of Iran tourism facilities with the introduction of the Ministry of Cultural Heritage and Tourism. and hand over handicrafts to the applicants at regional or finished prices in a way that does not reduce public income. It is obvious that the said land is not transferable for the above purpose, and any change of its use or failure to implement the project within the stipulated time will return it to the ownership of the government, and the applicant has no claim.

2 -This system has been launched online with the aim of mechanizing the process of issuing permits of the Organization of Cultural Heritage, Handicrafts and Tourism. In this system, the process starts after the initial registration and according to the needs of the applicant, and in fact, all interactions of the organization with the applicants from the time of registration of the application for obtaining a license to the issuance of the license and, if necessary, the extension of the issued licenses are done through this system. The set of supervisory operations of the organization is also applied in the same way.

5) market research and competition

5-1- Target market introduction

Iran is a vast country and has a number of cities with good tourist attractions. On the other hand, Iran is considered a cheap country in terms of tourism. The amount of incoming tourism in Iran between 2013 and 2018 was between 4.7 and 5.2 million tourists. There was hope for political openings in 2019 and 2020; The number of incoming tourists in Iran will reach 7.3 and 9.1 million at once. An experience that was greatly reduced after that due to the loss of hope for political opening and the Corona disease and reached 1.5 million entries.

However, compared to other countries of the world and even the countries of the region, it does not have a good position. On average, the number of tourists in Iran is between 4.7 and 9 million. This is despite the fact that countries in the region have higher arrival statistics, for example, Saudi Arabia has received between 17 and 23 million tourists in recent years and dreams of reaching 70 million tourists.

Examining the tourism situation in the geographical area of the country shows that Khuzestan's tourism position is inappropriate compared to other provinces of the country. According to the statistics of 2019, out of about 16,900 accommodation facilities in the country (hotels, motels, guesthouses, ecotourism, tourist complexes, guest houses, etc.), the share of Khuzestan province is only 119 accommodation centers (equivalent to 0.7%). Meanwhile, the share of the provinces of Mazandaran (4608 centers), Razavi Khorasan (2447 centers), Isfahan (1052 centers), GILAN (2665), Fars (864 centers), and Tehran (561 centers). Out of a total of 455,704 beds in residential centers, the share of Khuzestan province is only 7,413 (equivalent to 1.6%) of residential beds. This situation is more unfortunate regarding tourism facilities. The total number of tourism facilities (including roadside catering units, entertainment centers, traditional canteens) in the whole country is 20,080 units by 2019, and the share of Khuzestan province is only 117 units (equivalent to 0.6%).

Meanwhile, Khuzestan is one of the important bases of incoming tourists. Similarly, due to the characteristics of water resources and the extent of the Karun River, the vast coast of the Persian Gulf and the pristine nature of the province, as well as the existence of many historical places, it is the destination of many domestic tourists. Therefore, considering the existing weaknesses in the tourism infrastructure as well as the significant volume of tourists, investing in the tourism infrastructure and facilities of this province is important due to the reception of local, national and foreign tourists.

6) Physical progress of the project

■ No ☐ Yes

This is a creative plan and it is defined in order to cover the tourism needs of Lali province and city. At present, preliminary approval and inquiries have been made from some authorities, including the province's environment, passive defense, the technical office of the governorate, the operations of the GOTVAND dam, the property registry office of Suleiman Mosque, but the implementation stages of this project have not progressed so far.

7) Operational plan and implementation scheduling

The construction of the project is planned for 24 months. The operation of the project is expected from the beginning of 1405. Table (9) shows the plan implementation schedule.

Table (9): Project Scheduling

year	1402				1403				1404				1405			
Operations/Season	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Pre investment studies																
Fundraising and starting																
Completion of necessary permits and action for financing																
Providing engineering services																
Selecting contractor																
Equipping site																
Excavation, embankment, platform and wharf construction operations on the shore of the lake																
Construction of sports, entertainment and accommodation facilities																
Equipping places																
Completion of landscaping operations																
Facilities																
Hiring and onboarding of staff																
production phase																

8) Financial Plan

8-1- Cost Estimation

Generally, there are two ways to fundraise for this project, fixed capital and initial working capital. The required investment before utilization is provided through fixed capital. Initial working capital will be used during utilization. Fixed capital includes, purchasing land, construction and landscaping, machinery and equipment, facilities, office stuff and pre-production costs. These types of costs are incurred at the beginning and before operation and are consumed during the life of the project according to their service life. Working capital includes the capital required during the operation of the project. The working capital of a production unit is the set of facilities, inventories and work in progress, as well as the liquidity required for the exploitation of fixed capital in order to maintain the operation.

Determining the basic amount for inventories, work in progress and claims depends on the supply, production and sales capacity and business environment. In this section, the evaluation and estimation of the required investment (based on the price of the base year 1402 SH) is proposed.

Table (10): Cost Estimations

No.	Subject	Amount (Million Rials)
1	Total Fixed Investment Costs	1,124,800
2	Total Net Working Capital Requirements	9,995
3	Total Production Costs (Annual)	222,353
4	Depreciation of investment (Annual)	95,543
5	Total investment required	1,134,795

Table (11): Fixed Capital Estimations (Capital Costs)

No.	Subject		Cost (Million Rials)
1	Purchasing land		0
2	Landscaping and land improvement		228,578
3	Civil operations and construction of buildings		438,660
4	Production machinery and equipment		276,000
5	Service equipment		87,000
6	Protection and environmental equipment		0
7	Overhead costs		0
8	Pre-Production Expenditure (As described in Table (13)	Pre-investment studies	1,620
		Project management and organization	37,889
		Technology education	3,491
9	Unexpected costs		229,605
Total			1,124,800

The main items in determining working capital are:

Among the conventional working capital items, the cash balance (payroll) is that part of the working capital that is needed to pay the project's current expenses. Cash balance coverage period is also a period of time that is meant to cover operating expenses. In the present plan, this period is considered equivalent to 30 days.

Table (12): Total Net Working Capital Requirements (Production Costs)

No.	Subject	Amount (Million Rials)
1	Raw Materials Inventory	0
2	Work In Progress	0
3	Finished Product	0
4	Accounts Receivable	0
5	Cash-In-Hand	9,995
6	(Commercial Accounts Payable)	0
Total Net Working Capital Requirements		9,995

Table (13): Pre-Production Expenditure

No.	Subject		Description	Total (million Rials)
1	Incorporation		-	200
2	Obtaining Licenses / Production License		-	1,200
3	Studying, Consulting, Research and Development, Traveling, Visiting and Participating in Local Exhibitions, etc.		1.5 thousandth of the investment costs of the project	1,620
4	Property Insurance		2 thousandth of depreciable fixed assets	2,160
5	Survey Fee, Financing, Contract and So On		Bachelor's fee 0.5 per thousand, other cases 2.5 per thousand	2,600
6	Cartography, Supervising		2 thousandth of contract expenses	1,890
7	Other's	Staff Training	Equivalent to 7 days of Staff salary	1,601
		Wages And Salaries During the Construction	Equivalent to the salary of 7 personnel in 24 months	30,370
		Other Expenses	٪3.3	1,360
Total			-	43,000

8-2- Sales Revenue

Based on the investigations and according to the plan of the operational period, the total amount of the income of the project in 1405 at constant prices of 1402 is estimated to be equal to 574 billion Rials. This figure will increase in the following years due to the increase in service capacity and will increase to a maximum of 723 billion Rials.

Table (14): Project Revenue in The First 5 Years of Production Phase (Billion Rials)

No.	Subject	Q_1	Q_2	Q_3	Q_4	Total 1st Year	Total 2nd Year	Total 3rd Year	Total4 Th Year	Total 5th Year
1	Temporary accommodation (pavilion, platform and beach)	0.9	0.9	0.9	0.9	3.5	3.9	4.3	4.3	4.3
	Overnight stay (suite/cottage)	14.4	14	14	14	58	65.0	72.5	72.5	72.5
2	car parking	0.9	0.9	0.9	0.9	3.5	4.0	4.4	4.4	4.4
3	All kinds of individual sports services	6.3	6.3	6.3	6.3	25.3	28.5	31.6	31.6	31.6
4	Monthly rent of user/infrastructure	4.5	5	5	5	18	27.1	27.1	27.1	27.1
5	All kinds of beach and sea entertainment services	113.4	113	113	113	454	510.5	567.2	567.2	567.2
6	All kinds of group sports services	0.8	0.8	0.8	0.8	3.0	3.3	3.6	3.6	3.6
7	Meeting/conference room reservation	2.2	2.2	2.2	2.2	8.9	10.0	12.0	12.0	12.0
Total		143	143	143	143	574	652	723	723	723

8-3- Length of Production Phase

The start of the exploitation period of the plan is considered from 1406. The length of production phase is considered to be 5 years.

Table (15): Planning Horizon

Title	Month	-	year
Project identification	1	/	1402
Beginning of construction phase	1	/	1403
Beginning of production phase	1	/	1405
End of production phase	12	/	1409

Length of construction phase (months)	Start of phase (months)	Length of production phase (years)
24	12	10

8-4- Break-Even Analysis

From an economic point of view, break-even point analysis is an important technique that is used to study the relationship between costs, income and profit. The break-even point is the point at which total cost and total revenue are equal. In other words, it is used to analyze the effect of product volume change on the profit. The break-even point is calculated for 100% of practical capacity (year 1408 SH onwards) below.

$$\text{Break-even sales value (Rials)} = \frac{\text{Total fixed costs}}{1 - \frac{\text{Total variable costs}}{\text{Sales value}}}$$

$$\text{The number of sales at the break-even point} = \frac{F_C}{S - V_C}$$

FC = Total Costs VC= Average Variable Costs Q = Quantity of Sales S = Unit Price

$$\text{Break-even sales value} = \frac{151{,}070}{1 - \frac{70{,}933}{722{,}700}} = 167{,}512 \text{ (Million Rials)}$$

$$\text{Break-even ratio (\%)} = \frac{167{,}512}{722{,}700} = 23.2\%$$

Table (16) : Project break-even point estimation (Million Rials)

Title	Production 1405	Production 1406	Production 1407	Production 1408	Production 1409	Production 1410	Production 1411
Sales revenue	573,526	652,199	722,700	722,700	722,700	722,700	722,700
Variable costs	63,606	67,297	70,933	70,933	70,933	70,933	70,933
Variable margin	509,920	584,901	651,767	651,767	651,767	651,767	651,767
Variable margin ratio (%)	89	90	90	90	90	90	90
Fixed costs	146,807	148,951	151,070	151,070	146,940	145,960	145,960
Break-even sales value	165,120	166,089	167,512	167,512	162,932	161,845	161,845
Break-even ratio (%)	28.8	25.5	23.2	23.2	22.5	22.4	22.4

- According to COMFAR Results

Based on the calculations of COMFAR software, the break-even point in Riyals, including operational and non-operational costs, is 545.4 billion Riyals, and 23.2% of the practical capacity will be achieved.

In the mentioned formula, the break-even point is determined by the relationship between fixed costs and the difference between unit sales price and unit variable costs. Therefore, three practical results are obtained from it:

- The higher the fixed costs, the higher the break-even point.
- The greater the difference between unit sales price and variable operating costs, the lower the break-even point. In this case, fixed costs are absorbed faster through the difference between unit sales price and unit variable costs.
- One of the break-even points is disproportionate. Since it makes the company vulnerable to changes in production (sales) levels.

8-5- Cost-Benefit Analysis

In project analysis, one of the most common methods is the **Benefit-Cost Ratio**. In this method, the ratio of the current value of possible benefits to the current value of costs is obtained. If this ratio is greater than one, the plan has economic justification for implementation. In terms of this index, the plan has favorable conditions.

Net Present Value is one of the other evaluation methods which is calculated according to the following relationship:

NPV= The Present Value of The Total Cost of The Period of Construction Phase and Production Phase - The Present Value of The Total Income of Construction Phase and Production Phase

NPV= The Present Value of The Fixed Assets Depreciation + Initial Investment - The Present Value of The Future Cash Flows

The **net current value** of the project at a discount rate of 20% is over 760 billion Rials, which shows that the project is economically feasible.

One of the other methods of evaluating investment plans **internal rate of return**. In fact, the internal rate of return is the interest rate or the discount rate in which the current value of all the plan benefits is equal to the current value of its expenses.

According to the calculations, the internal rate of return of the project is estimated at 36.3% and compared to the Minimum Attractive Rate of Return, it is favorable.

Table (17): Project Return Index

Index	Amount	Unit of measurement
The Present Value of The Total Cost of The Period of Construction Phase and Production Phase	1,751,042	Million Rials
The Present Value of The Total Income of Construction Phase and Production Phase	2,511,145	Million Rials
NET PRESENT VALUE (NPV)	760,103	Million Rials
Cost-benefit RATIO (B/C)	1.43	-
INTERNAL RATE OF RETURN (IRR)	36.3%	Percent
NPV RATIO (PI)	0.75	Rial per Rial of investment
NORMAL PAYBACK	2.46	Year

Profitability Index (PI) indicates how much economic profit will be obtained for each unit of money invested during the lifetime of the project.

Project Investment payback is the period of time required to recover the project investment from net income, measured in years. In other words, it shows the length of time taken for the initial investment to be returned. This index shows the speed of investment return and the amount of project risk coverage. The ROR (simple) of the plan is estimated to be 2.46 years (equal to the year 1407) according to the calculations.

8-6- Sensitive Analysis

In the sensitivity analysis of the plans, the percentage of changes in the internal rate of return (IRR) is measured in relation to the change in some basic parameters and variables. In this plan, the analysis has been carried out by major variables such as sales, fixed and operating costs. Table (18) shows the results of the sensitivity analysis regarding the variables of sales income, fixed assets and operating costs.

8-6-1- Sales Revenue

Changes in sales revenue are mainly caused by changes in two variables: planned sales amount and product sales price. The results of the sensitivity analysis of the plan regarding sales income show; 20% increase in sales revenue of the project, the internal rate of return of the project will increase from 36.3% to 44%. On the contrary, in case of a 20% decrease in sales revenue, the internal rate of return of the project will decrease to 28%.

Table (18): Sensitivity Analysis (Percentage of IRR changes caused by sales revenue, fixed assets and operating costs alteration)

Variation (%)	Sales revenue	Increase in fixed assets	Operating costs
-20%	28%	44%	38%
-4%	35%	38%	37%
0%	36.3%	36.3%	36.3%
4%	38%	35%	36%
20%	44%	31%	35%

8-6-2- Fixed Assets

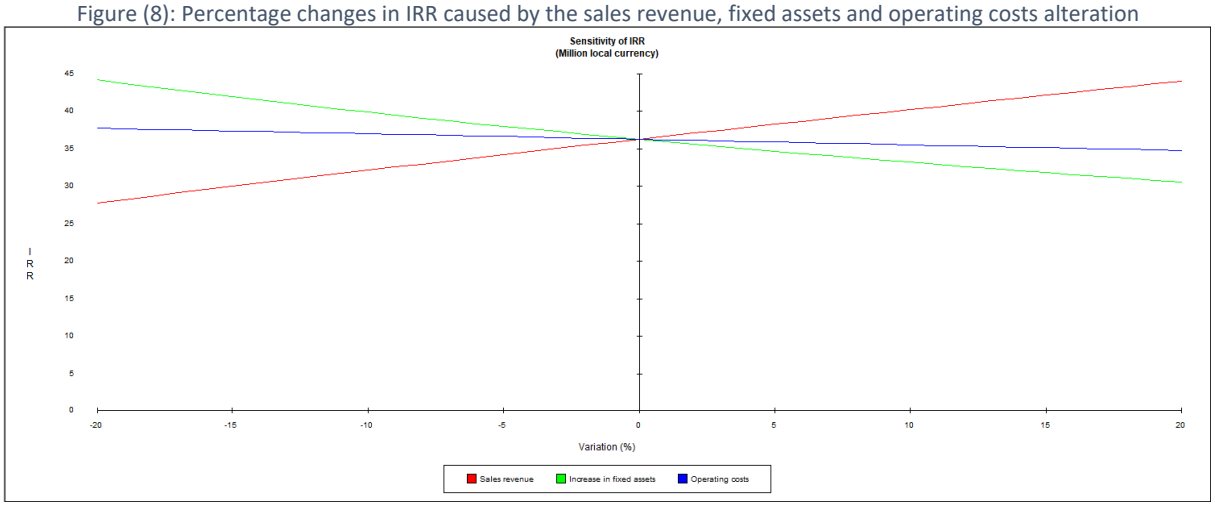
The change in the fixed assets of the plan is caused by the change in the fixed costs of the initial investment of the plan. The results of the analysis of the sensitivity of the plan to the changes of the fixed costs of the plan have been done and it shows; In case of an unexpected 20% increase in the fixed investment costs of the plan, the internal rate of return will decrease from 36.3% to 31%. On the contrary, in case of a 20% decrease in the fixed investment costs of the plan, the internal rate of return of the plan will increase and reach 44%.

8-6-3- Operating Costs

The operating costs of the plan is another case where the analysis of the sensitivity of the plan regarding its changes is very necessary and its unforeseen and possible changes should be investigated.

The change in project operating costs is mainly caused by changes in raw material costs, necessary costs, changes in manpower costs, and finally changes in other overhead costs of projects. The change of these parameters can happen as a result of the change in the technical coefficients of product production or the change in their purchase price. The sensitivity analysis carried out regarding the present plan indicates; In case of a 20% increase in the operating costs of the plan, the efficiency rate of the plan will decrease to 35%. In the opposite case, if the total operating costs of the project are reduced by 20%, the internal rate of return of the project will increase to 38%. Finally, the results of the sensitivity analysis of the plan show; The current plan shows a very high sensitivity to changes in sales income (changes in sales amount or sales price) and more considerations should be made in this regard.

Figure (8): Percentage changes in IRR caused by the sales revenue, fixed assets and operating costs alteration



As you can see, the slope of the IRR change curve is higher relative to the changes in sales revenue compared to other items while the slope of the IRR change curve is lower relative to the changes in fixed assets, which indicates the greater sensitivity of the plan's internal rate of return to sales revenue and its lower sensitivity relative to operating costs and fixed assets.

8-7- Conclusion

Implementation of the project in a land area of 22 hectares and with construction operations totaling 4,630 square meters, including: 1,498 square meters of commercial places (restaurants, coffee shops, traditional restaurants, shops, craft markets and meeting halls), 105 square meters of recreational and entertainment places (building providing beach and sea sports), 667 square meters of management and support facilities and public services, 1,640 square meters of residential facilities (pavilions, huts, sitting and resting platforms), 720 square meters of indoor sports facilities and landscaping operations totaling 17,370 square meters including: 1 square meter of open space and green space, 2,285 square meters of sports fields, 707 square meters of skating rink, 2,400 square meters of car parking spaces, 1,500 square meters of cottoning rink, 707 square meters of skating rink, 1,500 square meters of children's playground, 1,100 square meters of swimming pool / beach lake, 2,000 square meters The family park is 5,878 square meters of traffic routes for people (planning and paving), vehicle traffic routes (street paving), etc. The total investment in land and buildings is estimated at 667 billion Rials and the total investment in main and auxiliary equipment is estimated at 415 billion Rials. Is. The total pre-operational costs are estimated at 43 billion Rials, including the total fixed capital required of 1,125 billion Rials and the total working capital required for the project is 10 billion Rials. The total investment of the project is expected to come from the resources of the company's shareholders.

The sale of the plan in 1405 is predicted at fixed prices equal to 574 billion Rials. This figure will increase in the following years due to the increase in production capacity and will increase to a maximum of 723 billion Rials. The net profit of the plan has been positive in all years. The profit figure in 1405 is equal to 318 billion. The profit will increase in the following years and will reach a maximum of 443 billion Rials. The average annual profit of the mature plan is 431 billion Rials and the average profit margin is expected to be 60.9%. The internal rate of return (IRR) of the plan is also estimated at 36.3% and the investment return period (PBP) is estimated at a maximum of 2.46 years. Also, the net present value of the project's cash flows (NPV) is positive and, considering the expected interest rate of 20%, is equal to 760 billion Rials.

The liquidity status of the plan and the payment of dividends to the shareholders from the company's funds are also appropriate. Therefore, if the assumptions and predictions are fulfilled, the plan under consideration has favorable profitability and according to the financial results obtained, its implementation is recommended. The economic discussions of the plan are summarized as follows.

Table (19): Summary of Economic Features

Nominal Capacity and Unit of Measurement	Product Name	Title Of the Project with ISIC Code	Title Of the Project
Equivalent to 4,043 overnight stays (suites/huts), 6,220 temporary stays (pavilions, platforms and beaches), 765,080 types of beach and sea entertainment services, 41,385 types of individual sports services, 2,008 types of group sports services, 37,320 car parking spaces, 312 monthly user rentals / Infrastructure	Beach tourism services	Coastal tourism services (-)	The coastal town of GOTVAND dam lake, Jam KHERSAN Lali region
Required Human Resource (Person)	Equity Shares (Million Rials)	Total Fixed Capital (Million Rials)	Project Duration
42	9,995	1,124,800	24
B/C	Applicant Available Cash (Million Rials)	Net Present Value (NPV) (Million Rials)	IRR (%)
1.4	1,134,795	760,103	٪36.3
ROI (%)	NPV Ratio / Profitability Index (Rial per Rial invested)	Dynamic Payback Period (Year)	Normal Payback Period (Year)
37	0.75	5.93	2.46
Average Assets Turnover Ratio	Average Net Profit Margin (%)	Average Annual Profit (Million Rials)	Maximum Annual Sales (Million Rials)
0.28	٪60.9	414,612	722,700

8-8- Estimation of currency rate fluctuation during the project implementation

The exchange rate at the time of evaluation is included as described in Table (20). In the tourism sector, the main investment costs are in infrastructure and facilities, and these items are mainly provided from domestic sources in the country. Therefore, exchange rate changes do not directly increase construction costs. During the exploitation period, the costs are mainly related to human power, and therefore, it does not have much currency costs. Current income from tourism can be divided into two parts: national and foreign. In the domestic tourism sector, the rates are subject to regulatory regulations determined by the Ministry of Cultural Heritage and Tourism. In the field of foreign tourists, the income is in some form of foreign currency and it is considered as the export of tourism services. Obviously; The decrease in the value of the national currency somehow makes the rates cheaper and increases the reception of such tourists.

Table (20): Currencies exchange Rate

Unit of Measurement	Unit Price	Currency
Rials	413,204	USD
Rials	451,531	EURO

Exchange rate of Central Bank, Exchange Trading System (ETS) dated 05/25/1402

9) Investment Required, method of fundraising and guarantees

9-1- Foreign Currency Required

The plan does not need currency and the total fixed capital of the plan is Rial.

Table (21): Foreign (Fixed) Currency Required

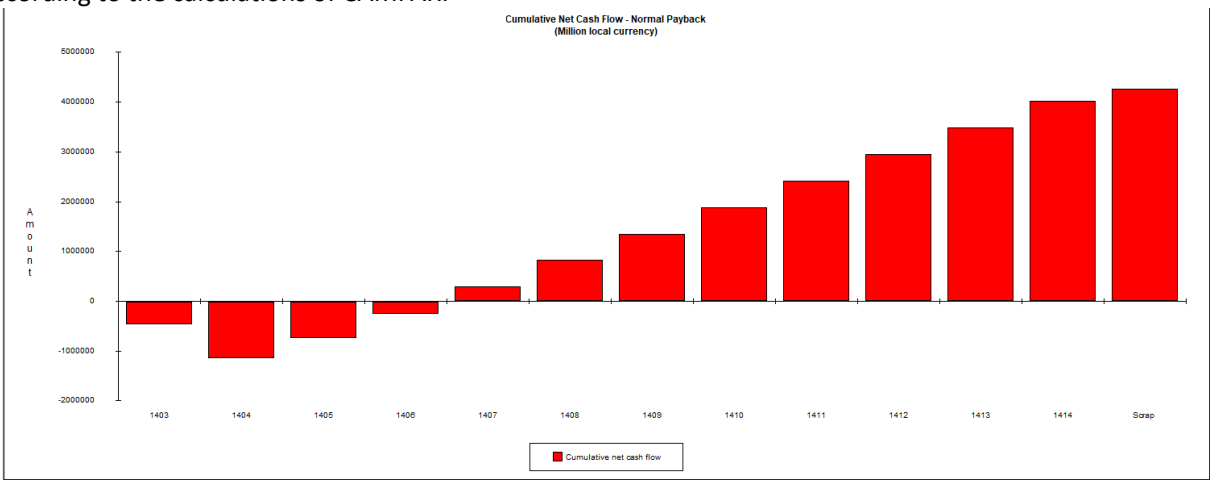
No.	Year	Required Investment
1	Year 1	0
2	Year 2	0
3	Year 3	0
4	Year 4	0
5	Year 5	0

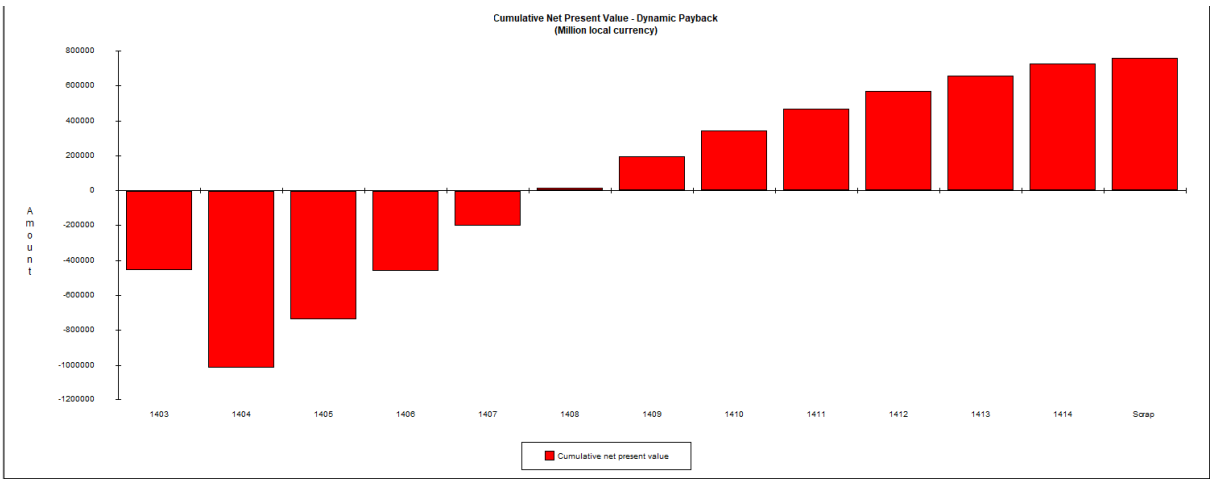
9-2- Model Of Partnership and Fundraising

Participation in the present project and its financing is foreseen in the form of establishing a company inside the country. The total financial resources needed are predicted through the investor's contribution and have not been included in order to implement the facility plan of domestic banks.

9-3- Payback Period

The payback period is the period of time when the initial investment of the plan is compensated from the annual cash funds. The payback period (simple) of the plan is estimated to be 2.46 years (equal to 1407) according to the calculations of CAMFAR.





Dynamic Payback Period of the plan is also estimated at 3.93 years.

10) Incentives, features and benefits of the plan

Some of the financial supports for production companies are loans and bank facilities and tax exemptions which can facilitate the project implementation and provide the favorable condition for investment. In the following, some of these supports will be discussed.

One of the important bank facilities for production units is the long-time repayment period loans up to 70% of fixed capital by the Iran's state banks. This amount can be increased up to 90% for deprived areas if foreign machinery is used. The interest rate of long-term facilities in the industry sector is 23%, which in case of financial prudence, only a part of the interest can be repaid. The repayment period of long-term bank facilities is up to 8 years according to the production plan, the type of technology and the possibility of product exportation.

Another important bank facility is short-term bank loans (6 to 12 months) to use as working capital needed to carry out production processes, which will be provided up to 70% by bank communities. Obtaining short-term facilities to this extent depends on gaining the trust of the operating banks and having an acceptable financial history.

In the tax section: According to Note 3, Article 132 of the Direct Taxes Law: "All Iran tourism and tourism facilities with operating licenses from the Cultural Heritage and Tourism Organization are exempt from paying 50% of the property tax every year." Also, in accordance with Article 8 of Iran Tourism Industry Development Law: "All Iran tourism and tourism facilities, travel service offices and other similar facilities in any respect, including fuel, water and electricity, tolls, taxes, bank loans, etc., are subject to tariffs." are the regulations and instructions of the industries department.

(Attachment Number 2)

Summery Sheet

Project introduction
1. Project Title: The coastal town of GOTVAND dam lake, Jam KHERSAN Lali region
2. Sector: Tourism **sub-sector:** Coastal tourism
3. Products/services: Tourism services
4. Location: Khuzestan - Lali County - GOTVAND Dam Lake
5. Project description: Implementation of the project in a land area of 22 hectares and with construction operations totaling 4,630 square meters, including: 1,498 square meters of commercial places (restaurants, coffee shops, traditional restaurants, shops, craft markets and meeting halls), 105 square meters of recreational and entertainment places (building providing beach and sea sports), 667 square meters of management and support facilities and public services, 1,640 square meters of residential facilities (pavilions, huts, sitting and resting platforms), 720 square meters of indoor sports facilities and landscaping operations totaling 17,370 square meters including: 1 square meter of open space and green space, 2,285 square meter of sports fields, 707 square meter of skating rink, 2,400 square meter of car parking, 1,500 square meter of cottoning rink, 707 square meter of skating rink, 1,500 square meter of children's playground, 1,100 square meter of swimming pool / beach lake, 2,000 square meter The family park is 5,878 square meters of traffic routes for people (planning and paving), vehicle traffic routes (street paving), etc. The total investment in land and buildings is estimated at 667 billion Rials and the total investment in main and auxiliary equipment is estimated at 415 billion Rials. Is. The total pre-operational costs are estimated at 43 billion Rials, including the total fixed capital required of 1,125 billion Rials and the total working capital required for the project is 10 billion Rials. The total investment of the project is expected to come from the resources of the company's shareholders. The sale of the plan in 1405 is predicted at fixed prices equal to 574 billion Rials. This figure will increase in the following years due to the increase in production capacity and will increase to a maximum of 723 billion Rials. The net profit of the plan has been positive in all years. The profit figure in 1405 is equivalent to 318 billion. The profit will increase in the following years and will reach a maximum of 443 billion Rials. The average annual profit of the mature plan is 431 billion Rials and the average profit margin is expected to be 60.9%. The internal rate of return (IRR) of the plan is also estimated at 36.3% and the investment return period (PBP) is estimated at a maximum of 2.46 years. Also, the net present value of the project's cash flows (NPV) is positive and, considering the expected interest rate of 20%, is equal to 760 billion Rials.
6. Annual Capacity: Equivalent to 4,043 overnight stays (suites/huts), 6,220 temporary stays (pavilions, platforms and beaches), 765,080 types of beach and sea entertainment services, 41,385 types of individual sports services, 2,008 types of group sports services, 37,320 car parking spaces, 312 monthly user rentals / Infrastructure

Project Status
7. Local/internal raw material access: 100%
8. Sales: 723 billion Rials **Anticipated local market:** 90% **Anticipated export market:** 10%
9. Total time required for the project (from the beginning to the start of commercial activities): 36 months
10. project status: - Feasibility study available? Yes. The feasibility of the project has been evaluated from various aspects and the results of the feasibility study are favorable in terms of market, engineering, financial and economic indicators. - Required land provided? Yes - currently, the settlement land in the desired area overlooking the GOTVAND Dam Lake has been selected and based on the topography criteria of this area, it is suitable for the construction of the project. - Legal permission (establishment license, foreign currency quota, environment) taken? In order to establish a tourist town in the desired location, the initial consultation with some related organizations and institutions including the province's environment, passive defense, technical office of the governorate, operation affairs of GOTVAND dam, and property registry office of Suleiman Mosque has been done. - Partnership agreement concluded with local/foreign investor? No - So far, no partnership agreement has been prepared for the implementation of the project. This plan has the necessary features to attract shareholders' financial resources. - Agreement with local/foreign contractor(s) concluded? No, so far, no agreement or contract has been concluded for the implementation of the project's construction operations. - Infrastructural utilities procured? There are no electricity, water or gas facilities in the place. In order to have electricity, water and fuel resources, necessary investment should be made. - List of know-how, machinery and equipment concluded? In order to implement the current plan, the required equipment is supplied from the domestic market and its supply becomes important after the implementation of the construction operation. Financing agreement for machinery, equipment and know-how concluded? No

Financial structure

11. Financial table:

Description	Local Currency Required			Foreign Currency Required	Total Euro
	Million Rial	Exchange Rate	Euro		
Total Fixed Investment Costs	1,124,800	451,531	2,491,080	0	2,491,080
Total Net Working Capital Requirements	9,995	451,531	22,136	0	22,136
Total Investment	1,134,795	-	2,513,216	0	2,513,216

- Value Of Foreign Equipment/Machinery: 0 Euro
- Value Of Local Equipment/Machinery: 803,932 Euro
- Value Of Foreign Technical Know-How: 0 Euro
- Value Of Local Technical Know-How: 0 Euro
- Net Present Value (NPV): 1,683,391 Euro — Net present values discounted to: 1403
- Internal Rate of Return (IRR): 36.3% ٪
- Normal Payback: 2.46 year
- Minimum Attractive Rate of Return: 20% ٪

General information

12. Project Type: new Project ☑ Explanation / Rehabilitation project ☐

Name / Company name:
Address: Khuzestan - Lali County - GOTVAND Dam Lake
Tel: 0098916 313 4985 Fax:
Email: gharib.t@gmail.com Website:
Local entrepreneur: Private Sector ☑ government /public sector ☐

Feasibility study of the plan ☑
Legal licenses (establishment license, foreign investment license, etc.) ☐