

CAPEX APPROVAL FORM	
Date :- 20-March-2023	
Dandy Company Limited	
TETRA PAK CONTINUOUS FREEZER UPGRADE	
<b>Objective:</b>	Upgrade of Tetra Pak continuous freezer.
<b>Context:</b>	<p>- We had purchased Tetra Pak continuous freezer (PLMEQP-3073) in 2014 for QAR 189k the current book value is QAR 33k.</p> <p>- We are currently facing the issue of over run on this freezer, we attempted to fix the issue by changing the flow meter and air controller.</p> <p>- However since issue was not resolved we had taken support from original equipment manufacturer (Tetra Pak). In 2022 one of engineer from Tetra Pak visited Dandy and concluded that air flow controller is damaged and need to be replaced. However OEM has stopped manufacturing this part as they have moved to advanced technology of mass flow controller.</p> <p>- The cost of moving to mass flow controller will be USD 30,000 comprising of USD 8,500 for spare part and USD 21,500 for engineering service charges including air ticket and hotel accommodation. In this scope 2 engineer (1 Automation engineer and 1 System specialists) will be on Board and 2 engineer will support offsite.</p> <p>- After change of air flow controller we will have to do preventive maintenance including 12000 hrs service kit which will cost USD 9,782.</p> <p>- Post upgradation to mix flow the continuous freezer can be used for further period of 4 to 5 years</p>
<b>Risks / Constraints, if any</b>	This freezer is under breakdown from 2020 and has been attempted to repair several time but with no success. Since we have other spare freezers production is managed but we may face capacity issue in case of increase in volume. Further when multi flavor products like Ice lollies is produced all available freezers get equipped and we are unable to take run of bulk ice cream.
<b>Proposal Cost:</b>	The proposed cost for repair is QAR 110k (USD30k) and preventive maintenance QAR36k (USD10k). These expenses are budgeted in business plan of 2023.
<b>NPV</b>	N.A.
<b>IRR</b>	N.A.

KEY PERFORMANCE INDICATORS ( as per feasibility study).

Approvals					
Roles	Prepared by	Reviewed by	Reviewed by	Recommended by	Approved by
<b>Designation</b>	Maintenance Manager	Plant Manager	Finance Manager	General Manager	Authorized Signatory
<b>Name</b>	Najeeb Pokkakkilath	Shashank Bhaskar	Mobin Sayyed	Saadain Waris	
<b>Signature</b>					