

ANNEXURE – 1

As per the SEBI Letter allowing relaxation of Lock-in the details of the fund utilization is as under:

Within 30 days from the date of receipt of proceeds of OFS, the total funds are envisaged to be utilized in the following manner.

1) The total proceeds from OFS, received by Mr Prasanna Sai Raghuvier Kandula (Managing Director and promotor of the Company) shall be transferred by him to the Company as a loan from Director.

(The said funds shall be utilised by the Company towards repayment to secured financial creditors (JM Financial Asset Reconstruction Company JMFARC & Union Bank) as per NCLT order to the extent of 80% of total funds & 20% of balance funds to be used towards the general administration expense of the plant in the nature of priority as deemed appropriate by the company)

2) All proceeds received by way of OFS received by M/s Fortuna Engi.Tech & Structural(India) Private Limited (Promotor Group Entity) shall be utilized for the purpose of making payments to heavy machinery suppliers especially steel grinding media,liners, diaphrahms etc.(15% of funds recieved), buying critical tools and tackles like chain blocks, belts, hydraulic jacks, electrical tools (15% of total funds received), labour contractors for overhauling and restoration works at the plant(15%), buying lubricants, machine oils grease for gearbox & transformer service and testing oil (15%), part-repayment of loans taken by the company earlier to make payments to the financial creditors of Bheema Cements Limited(20% of funds received), purchase of raw material and minerals like clinker, cement, sand, steel, diesel for fabrication of critical components and trail production(15%), setting up of Quality Control Lab(5%).

Total overhauling cost for revival of the plant itself is estimated around 37 cr-45 cr out of which approx. 10 cr is already spent.

A detailed estimation of total overhauling costs & timelines are attached in this email for your general reference.

The total proceeds of the planned OFS at the expected price range for subscription will not entire suffice/cover the requirements of the plant's overhauling expenditure and the creditor payments but the natural priorities will be attended.

All the proceeds from the OFS are envisaged to be utilized well within 30 days from the date of realisation of funds by way of proposed OFS and a detailed statement/declaration of utilization of funds shall also be submitted within 30days.

An undertaking by the participating promotors stating that the proceeds of the OFS shall be utilised only for the purpose of Bheema Cements Limited is already submitted to SEBI.

The details of the fund utilization schedule and master schedule is also enclosed separately as Annexure 1.2 and Annexure 1.3

A handwritten signature in blue ink, reading "Sai Raghuvier", with a horizontal line underneath it.