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SPHINX WORLDBIZ LIMITED

SPHINX WORLDBIZ LIMITED
CIN: U74899DL1996PLC075839



Our Company was originally incorporated as “Sphinx Worldbiz Limited” a Public limited company under the Companies Act, 1956 at Delhi, pursuant to a certificate of incorporation dated January 29, 1996 issued by the Additional Registrar of Companies, National Capital Territory of Delhi & Haryana. We commenced commercial operations pursuant to a Certificate for Commencement of Business dated February 28, 1996 issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company’s Corporate Identity Number is U74899DL1996PLC075839. For further details of Incorporation, change of name and registered office of our Company, please refer to chapter titled “History and Corporate Structure” beginning on page 133 of this Draft Red Herring Prospectus.

Registered Office: G-7, 20, Hari Sadan, Ansari Road, Darya Ganj, New Delhi, 110002, Delhi, India.

Corporate Office: A-27B, Sector-16, Gautam Buddha Nagar, Noida - 201301, Uttar Pradesh, India.

Tel No: 0120-4736400; **E-mail:** cs@sphinxworldbiz.com; **Website:** www.sphinxworldbiz.com;

Contact Person: Aditya Kumar Sethi, Company Secretary & Compliance Officer

PROMOTERS OF OUR COMPANY: NARENDRA SINGH SURANA, SUDHANSHU SURANA & AVISHKAR SURANA		
ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 30, 2024: NOTICE TO THE INVESTORS (“THE ADDENDUM”)		
<p>INITIAL PUBLIC OFFER OF UPTO 55,68,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE “EQUITY SHARES”) OF SPHINX WORLDBIZ LIMITED (“OUR COMPANY” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹[●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹[●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.35% AND [●]% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.</p>		
<p>Potential Bidders may note the following:</p> <ol style="list-style-type: none">1. The Chapter titled “Definitions and Abbreviations” beginning on page 1 of the Draft Red Herring Prospectus has been updated;2. The Chapter titled “Summary of Draft Red Herring Prospectus” beginning on page 22 of the Draft Red Herring Prospectus has been updated;3. The Chapter titled “Risk Factors” beginning on page 28 of the Draft Red Herring Prospectus has been updated;4. The Chapter titled “Capital Structure” beginning on page 70 of the Draft Red Herring Prospectus has been updated;5. The Chapter titled “Objects of The Issue” beginning on page 85 of the Draft Red Herring Prospectus has been updated;6. The Chapter titled “Our Business” beginning on page 112 of the Draft Red Herring Prospectus has been updated;7. The Chapter titled “History And Corporate Structure” beginning on page 133 of the Draft Red Herring Prospectus has been updated;8. The Chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page 206 of the Draft Red Herring Prospectus has been updated;9. The Chapter titled “Outstanding Litigations And Material Developments” beginning on page 215 of the Draft Red Herring Prospectus has been updated;10. The Chapter titled “Government and Other Approvals” beginning on page 219 of the Draft Red Herring Prospectus has been updated;11. The Chapter titled “Issue Procedure” beginning on page 251 of the Draft Red Herring Prospectus has been updated;12. The Chapter titled “Material Contracts And Documents For Inspection” beginning on page 295 of the Draft Red Herring Prospectus has been updated;13. The Chapter titled “Declaration” beginning on page 296 of the Draft Red Herring Prospectus has been updated;14. Please note that all other details in, and updates to the Red Herring Prospectus/ Prospectus with respect to issue price and/or other relevant details will be carried out in the Red Herring Prospectus, as and when filed with ROC, SEBI and the Stock Exchange. <p>The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus/ Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.</p>		
<div>On behalf of Sphinx Worldbiz Limited</div> <div>Sd/-</div> <div>Aditya Kumar Sethi</div> <div>Company Secretary & Compliance Officer</div>		
Place: Noida, Uttar Pradesh.		
Date: January 09, 2025		
BOOK RUNNING LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE
<div></div> <div>HEM SECURITIES LIMITED Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India. Tel. No.: +91- 22- 49060000; Email: ib@hemsecurities.com Investor Grievance Email: redressal@hemsecurities.com Website: www.hemsecurities.com Contact Person: Ajay Jain SEBI Registration Number: INM000010981 CIN: U67120RJ1995PLC010390</div>		<div></div> <div>Maashitla Securities Private Limited Address: 451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, New Delhi, 110034, India Telephone: +91-11-45121795 Email: ipo@maashitla.com Investor Grievance Email: investor.ipo@maashitla.com Website: www.maashitla.com Contact Person: Mukul Agrawal SEBI Registration Number: INR000004370 CIN: U67100DL2010PTC208725 Expiry Date of Reg.: Permanent</div>
BID/ISSUE PROGRAMME		
ANCHOR PORTION ISSUE OPENS/CLOSES ON*: [●]	BID/ISSUE OPENS ON**: [●]	BID/ISSUE CLOSES ON**: [●]***

*Our Company, in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

**Our Company, in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI (ICDR) Regulations.

***The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Company related and Conventional terms

Term	Description
Branch - I	Unit No. 5 to 8, Ground Floor, Pride Icon Apartment, S. No. 22/1/A/1A, Office-06, Kharadi Mundwa-Hadapsar Bypass, Kharadi - 411014, Pune, Maharashtra, India.
Branch - II	Shop No. 1, Amar Kunj, Shrinath Nagar, Railway Road, Jwalapur, Haridwar - 249407, Uttarakhand, India.
Branch - III	8th Floor, Magnum Tower-1, Sector-58, Gurugram - 122011, Haryana, India.

Technical and Industry Related Terms

Term	Description
AG	Aktiengesellschaft (German for a corporation or public limited company)
ER&D	Engineering Research and Development
EUR	Euro (currency)
GCCs	Global Capability Centres
GmbH	Gesellschaft mit beschränkter Haftung (German for a limited liability company)
ODS	Onsite Deputation Services
RCS	Robotic Cell Simulation (a software tool used in robotic simulations)
STFI	Storm, Tempest, Flood, and Inundation

SECTION II- SUMMARY OF DRAFT RED HERRING PROSPECTUS**I. SUMMARY OF OUTSTANDING LITIGATIONS**

Litigations against the Promoters and Directors of the company:

(Rs. in lakhs)

Nature of Cases	No. of Outstanding Cases	Amount
Sudhanshu Surana		
Direct Tax (Income Tax) Outstanding Demand	1	0.46
Total	1	0.46

Litigations filed by our Group Company: -

Nature of Cases	No. of Outstanding Cases	Amount
Other Proceeding	1	-*
Total	1	-*

*Debt Collection request letter dated December 11, 2024 has been sent to Vinivia AG (Debtor) through Debt Collection office (Gubelstrasse 22, P.O. Box 6301, Zug, Switzerland) for recovery of Debt.

SECTION III- RISK FACTORS

INTERNAL RISK FACTORS

1. Exchange rate fluctuations may adversely affect our results of operations as significant portion of our revenues and expenditure is denominated in foreign currencies.

We are exposed to foreign exchange related risks as a significant portion of our revenue from operations are in foreign currency, including US Dollar & Euro. For the Fiscal year ending 2024, 2023 and 2022, revenue from operations from outside India represented 45.75%, 51.62% and 49.37% respectively, of our total revenue from operations in such periods. Because of our foreign currency exposures, exchange rate fluctuations can have a material impact on our results of operations, cash flows and financial condition. The exchange rate between the Indian Rupee and foreign currencies has been volatile in recent periods and may continue to fluctuate in the future. For the Fiscal year ending 2024, 2023 and 2022 Foreign Exchange Gain amounted to Rs. 583.88 Lakhs, Rs. 243.36 Lakhs and Rs. 151.90 Lakhs respectively.

Fluctuations in the exchange rates may affect us to the extent of our sales. Our Company may enter into certain contracts to hedge exchange rate fluctuations which may or may not adequately cover the potential loss that may arise as a result of such foreign exchange transactions. Moreover, these hedges do not cover all such exposures and are in any event subject to their own risks, including counterparty credit risk. Adverse moves in exchange rates that we have not adequately hedged may impact our profitability and financial condition.

For example, during times of strengthening of the Indian Rupee, we expect that our revenue from offerings overseas will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Accordingly, any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards.

There was no past instance whereby company was negatively affected due to foreign exchange rate fluctuation. During the financial year 2023-24, the other income of our Company increased to Rs. 628.35 Lakhs as against Rs. 306.94 lakhs in the Financial Year 2022-23 representing an increase of 104.71%. The increase in other income was majorly due to increase in foreign exchange gain. Foreign exchange income increased from Rs. 243.36 Lakhs in FY 2022-23 to Rs. 583.88 Lakhs in FY 2023-24, representing an increase of 139.92%. The company exports more than 15% of its total turnover in Germany and more than 10% in USA. The average Euro exchange rate in FY 2023-24 ranged from Rs. 87 to Rs. 92, compared to Rs. 78 to Rs. 89 in FY 2022-23. Similarly, the average USD exchange rate in FY 2023-24 was ranged from Rs. 82 to Rs. 84, whereas it ranged between Rs. 75 to Rs. 83 in FY 2022-23. These fluctuations resulted in favourable gains, contributing significantly to the observed growth in this income category during FY 2023-24.

Our ability to foresee future foreign currency fluctuations is limited and due to the time gap between the accounting of sales and actual receipts, the foreign exchange rate at which the sale is recorded in the books of accounts may vary with the foreign exchange rate at which the receipt is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of the Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations and we may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and as a result, suffer losses on account of foreign currency fluctuations. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline. We may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies.

For further details, kindly refer section titled “***Financial Information of the Company***” and ***Management’s Discussion And Analysis of Financial Conditions And Results Of Operations*** beginning on Page 156 and 206 of this Draft Red Herring Prospectus.

8. There have been certain instances of non-compliances/ discrepancies, including with respect to certain secretarial/ regulatory filings for corporate actions taken by our Company in the past. Such non-compliance may attract penalties against our Company which could impact the financial position of us to that extent.

We manage regulatory compliance by monitoring and evaluating our internal controls to ensure adherence to all relevant statutory and regulatory requirements. However, we cannot guarantee that deficiencies in our filings will not arise in the future or that we will be able to effectively implement or maintain adequate measures to rectify or mitigate any deficiencies in our internal controls. Several discrepancies have been noted in our corporate records related to e-forms filed with the Registrar of Companies. These include the non-filing of Form 25C for the reappointment of the whole-time director, which is a non-compliance with Section 269 of the Companies Act, 1956; Form 20B for FY 2013-14, which is a non-compliance with Section 159 of the Companies Act, 1956; and MGT-14 for the approval of financial statements and the board's report for the years 2014-15 and 2015-16. There was also a non-filing of Form CHG-1

for the creation of a charge on certain vehicle loans taken in the past, which is a non-compliance with Section 77 of the Companies Act, 2013. Also, the Cash Flow Statements were not attached in the Form AOC-4 filed by the Company for FY 2014-15 to FY 2022-23. There was also a delay in the reappointment of Key Managerial Personnel (KMP), which is a violation of Section 203 of the Companies Act, 2013. Furthermore, the Company failed to spend the required 2% on CSR activities in FY 2022-23, in violation of Section 135 of the Companies Act, 2013, which has now been paid.

Although, no show cause notice in respect of the non-compliance has been received by the Company till date, any penalty imposed for such non-compliance in future by the any regulatory authority could affect our financial conditions to that extent. In case of any action being taken by the regulatory authorities against the Company and/or its officers, the same may have an adverse effect on our business.

No.	Instance of Non-Compliance	Corrective Actions
1	Non-filing of Form 25C for reappointment of the whole-time director (Section 269, Companies Act, 1956)	Previously, the Company did not have a dedicated Compliance Officer solely responsible for overseeing regulatory compliance. To address this gap and prevent future lapses, the Company has now appointed a Compliance Officer.
2	Non-attachment of cash flow statements in Form AOC-4 for FY 2014-15 to FY 2022-23	The Company had prepared the Cash Flow Statement for the financial years 2014-15 to 2022-23, but it was not attached to the AOC-4. To prevent any future lapses, the Company has appointed a compliance officer to ensure full adherence to regulatory requirements. For the financial year 2023-24, the Company has duly attached the Cash Flow Statement to the AOC-4, in compliance with the Companies Act.
3	Non-filing of Form 20B for FY 2013-14 (Section 159, Companies Act, 1956)	The company has filed the form, along with the additional fees for the delay.
4	Non-filing of MGT-14 for approval of financial statements and board's report for FY 2014-15 and 2015-16	
5	Non-filing of Form CHG-1 for charge creation on vehicle loans (Section 77, Companies Act, 2013)	The Company has made the payment of vehicle loan and no liability for same is pending as on date.
6	Delay in reappointment of Key Managerial Personnel (Section 203, Companies Act, 2013)	The company filed the reappointment of Key Managerial Personnel forms with a delay.
7	Non-compliance with CSR spending requirements for FY 2022-23 (Section 135, Companies Act, 2013)	The unspent 2% CSR amount has now been paid.

Moreover, our Company was incorporated in 1996, and certain documents filed with the Registrar of Companies (RoC) are not traceable. These include forms for certain past allotments of equity shares (Form 2), the Annual Return (Form 20B), and the Balance Sheet and Profit & Loss Statement (Forms 23AC and 23ACA) for FY 2001-02, share transfer forms, Form 23ACA, Form 23B etc. We have engaged an independent practicing company secretary to conduct online search at the MCA Portal maintained by the Ministry of Corporate Affairs and physical search at RoC. Accordingly the information in relation to the allotments and share transfers have been disclosed in the section “**Capital Structure**” beginning on page 70 of this Draft Red Herring Prospectus, based on annual reports of our Company, annual returns, statutory minutes, register of member and share transfer register of our Company, as available and based upon the allotment details provided in the search report prepared and certified by M/s. Harvinder Singh & Associates, Independent Practicing Company Secretary, vide its certificate dated September 25, 2024. While we have conducted a search with RoC, in respect of the availability of certain forms and other records, we cannot assure you that these forms or records will be available at all or any time in the future. The relevant information was not available in the records maintained by our Company, at the MCA Portal maintained by the Ministry of Corporate Affairs and the RoC. We may not be able to furnish any further information, other than what is already disclosed in “**Capital Structure**” on page 70, or assure that the other records will be available in the future.

Our company incorporated a subsidiary in Michigan, USA, on January 1, 2020. However, we failed to notify the RBI of this through the compliance requirements under FEMA regulations. The subsidiary has dissolved, as indicated by the certificate of dissolution dated August 23, 2024. We cannot assure you that we will not be subject to any other legal proceedings or regulatory actions, including monetary penalties by statutory authorities, on account of any inadvertent discrepancies in our FEMA filings and/or corporate records in the future, which may adversely affect our business, financial condition, and reputation.

Further, in the past, our Company has made some clerical mistakes in documents and form filed in registrar of Companies, for instance, there were some errors in the form filed with RoC and errors in some of the documents attached thereto. Further, our Company has not complied with certain Accounting Standards, however the same have been duly complied by the company in the restated financial statements. For details regarding impact of such non-compliance on the financials, please refer to section titled “**Financial information**”

of the company” beginning on page 156 of this Draft Red Herring Prospectus. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

13. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.

Our business is subject to loss due to theft or occurrence of any unforeseen event such as fire, earthquake, other natural calamities, terrorism and force majeure events. We maintain insurances for the same which include Digit My Property Insurance policy from Go Digit, which provide appropriate coverage in relation to STFI, earthquake, theft, computer programmes, information or data etc. for corporate office situated in Noida and branch office situated in Pune. Additionally, we have taken Electronic Equipment Insurance Policy and Machinery Breakdown Insurance policy from ICICI Lombard General insurance company limited for our corporate office. Further, we maintain insurance from IFFCO Tokio General Insurance Co. Ltd. which provide appropriate coverage in relation to STFI, earthquake, theft etc. for branch office in Gurugram. Along with the same, we have also taken Vehicle Insurance policies.

While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks such as cash in transit etc. Further, we have not taken insurance in respect of our registered office situated in New Delhi and Branch office situated in Haridwar, Uttarakhand. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policies will be adequate to cover the losses/damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. There are no past instances of a claim exceeding liability insurance cover and for details related to insurance, kindly refer section titled **“Our Business”** beginning on Page 112 of this Draft Red Herring Prospectus.

15. Trade receivables form a major part of our current assets. Failure to manage our trade receivables could have an adverse effect on our sales, profitability, cash flow and liquidity.

Our business operations are dependent on our customers and the loss of our customers may adversely affect our sales and consequently our business and results of operations. To effectively manage our customers and trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if we fail to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. Our Company has created Provision for Bad and Doubtful Debts for non-recoverability of the dues from the Debtors which amounted to Rs. 18.25 lakhs in F.Y. 2023-24, Rs. 21.31 Lakhs in F.Y. 2022-23 and Rs. 35.13 lakhs in F.Y. 2021-22.

During the FY 2023-24, FY 2022-23 and FY 2021-22, our trade receivables were Rs. 2166.98 lakhs, Rs. 1473.76 lakhs and Rs. 906.82 Lakhs respectively. Our working capital position also depends on the period of time taken by customers to certify the invoice issued by us and release payment. All of these factors may result in an increase in the amount of our receivables. A liquidity crunch may also result in case of increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability. We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. For details regarding trade receivables, please refer to section titled **“Financial information of the company”** beginning on page 156 of the Draft Red Herring Prospectus.

Further, we have engaged in various transactions with our group company, Sphinx Worldbiz GmbH, a technology and software company based in Frankfurt, Germany. Sphinx Worldbiz GmbH entered into a contract with Vinivia AG, a Swiss corporation based in Zug, for software development services, which were carried out by Sphinx Worldbiz Ltd as an outsourced provider. Initially, Vinivia AG(Vinivia) made payments for the services rendered; however, they later stopped. This led Sphinx Worldbiz GmbH to file lawsuit No. 3-08 0 39/23 before the Hon'ble Landgericht Frankfurt am Main, seeking compensation of EUR 360,294 plus interest. The claim had been settled, with Vinivia AG agreeing to pay EUR 260,000 in seven monthly installments. However, Vinivia has failed to honour the settlement terms and Sphinx Worldbiz GmbH, through Debt Collection office (Gubelstrasse 22, P.O. Box 6301, Zug, Switzerland), has filed a request for debt collection of CHF 241410 along with interest as per decision of Regional Court of Frankfurt and CHF 10512.26 as per cost of assessment order dated October 10, 2024 along with interest.

Though Sphinx Worldbiz GmbH had also taken a R+V goods credit insurance policy no. 40691609069341 with an annual premium of EUR 6,211.80, as per the said policy, a claim for bad debt can be made only after the Debtor has been declared as an insolvent. Also, the maximum claim per customer is limited to EUR 50,000. It cannot be assured that the outstanding dues will be fully recovered from the Debtor, Vinivia AG. Until Sphinx Worldbiz GmbH receives these payments, the outstanding amount will be reflected as a trade receivable in Sphinx Worldbiz Ltd's accounts, as the payment was not made to Sphinx Worldbiz Ltd for the services provided. For

further details, please refer to the chapter titled **“Outstanding Litigations and Material Developments”** on page 215 of this Draft Red Herring Prospectus.

19. Our Company is party to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.

Our Company, promoters & directors are party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and forums. Mentioned below are the details of the proceedings involving our Company, promoters & directors as on the date of this Draft Red Herring Prospectus along with the amount involved, to the extent quantifiable.

Litigations filed by our Company: -

(Rs. in lakhs)

Nature of Cases	No. of Outstanding Cases	Amount
Criminal Proceeding	1	14.62
Total	1	14.62

Litigations against the Company: -

(Rs. in lakhs)

Nature of Cases	No. of Outstanding Cases	Amount
Criminal Proceeding	1	Unascertainable
Direct Tax (Income Tax)- TDS Outstanding Demand	10	5.64
Direct Tax (Income Tax e proceeding)	1	Unascertainable
Indirect Tax	5	7.30
Others	2	17.27
Total	19	30.21

Litigations against the Promoters and Directors of the company:

(Rs. in lakhs)

Nature of Cases	No. of Outstanding Cases	Amount
Sudhanshu Surana		
Direct Tax (Income Tax) Outstanding Demand	1	0.46
Total	1	0.46

Litigations filed by our Group Company: -

Nature of Cases	No. of Outstanding Cases	Amount
Other Proceeding	1	-*
Total	1	-*

*Debt Collection request letter dated December 11, 2024 has been sent to Vinivia AG (Debtor) through Debt Collection office (Gubelstrasse 22, P.O. Box 6301, Zug, Switzerland) for recovery of Debt.

Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise.

Further, in addition to that, there could be other litigations & claims filed against the Company, Promoters & directors which the Company may not be aware of as on the date of this Draft Red Herring Prospectus. There can be no assurance that these litigations will be decided in favour of our Company and consequently it may divert the attention of our management and Promoter and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations.

For the details of the cases please refer the chapter titled **“Outstanding Litigations and Material Developments”** on page 215 of this Draft Red Herring Prospectus.

20. Some of our key financial ratios are fluctuating which may have an adverse effect on efficiency and solvency of our business operation:

Our debtors turnover ratio (in days) is 49 days, 58 days and 84 days for FY 2021-22, 2022-23 and 2023-24 respectively. Debtors turnover ratio (in days) shows how many days it takes a company to collect cash from its debtors, which is in increasing mode for us thus indicating that we are giving more credit period to our debtors which is also a reason for increase in our working capital requirement.

Further, our debt equity ratio, debt service coverage ratio and interest coverage ratio are fluctuating in last 3 years. Our debt equity ratio is 0.61 times, 0.34 times and 0.38 times for FY 2021-22, 2022-23 and 2023-24 respectively, our debt service coverage ratio is 1.96 times, 3.37 times, 2.92 times for FY 2021-22, 2022-23 and 2023-24 respectively and our interest coverage ratio is 8.91 times, 31.54 times and 18.25 times for FY 2021-22, 2022-23 and 2023-24, respectively. Although, we have not faced any solvency or efficiency disruptions for our business in past, such fluctuation in financial ratios could be considered as a risk on the efficiency & solvency of our business operations in future, which may adversely affect the reputation of our business.

28. Our Managing Director & Whole time Directors do not possess experience of being on the board of any listed company.

Our Managing Director & Whole time Directors do not possess experience serving on the board of any listed company and accordingly, may not be adequately well-versed with the activities or industry practices undertaken by the listed company. We cannot assure you that this lack of adequate experience will not have any adverse impact on the management and operations of our Company. Further, our Company will also be subject to compliance requirements under the SEBI Listing Regulations and other applicable law post listing of the Equity Share on the Stock Exchanges. Our Board is capable of efficiently managing such compliance requirements including by engaging professionals having expertise in managing such compliances.

44. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.

Our Company is engaged in the business of providing manufacturing engineering solutions, along with product designing, software development and embedded engineering services tailored for various industries which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund and Employee State Insurance. There have been no instances of default or non-payment of Statutory dues, although there were some past instances of delay in payment of statutory dues such as Income tax, Goods and Service tax, Tax deducted at sources and provident fund, due to which interest, penalty and fees were paid in past by the company. Any demand or penalty raised by the concerned authority in future for late payments or non-payments for any previous year and current year will affect the financial position of the Company. We cannot assure you that there will be no default or delay in future in payment of such statutory dues. Further, we cannot assure that we will not be subject to any legal proceeding or regulatory actions, including monetary penalties by respective statutory authorities on account of such delay in payments or filing of returns, which may adversely affect our business, financial condition, and reputation.

SECTION IV
CAPITAL STRUCTURE

2. Share Capital History of our Company:

a) Equity Shares capital

Except as disclosed in this offer document, the Company has complied with applicable provisions of the Companies Act, 2013 in respect of issuance and allotment of Equity Shares.

OBJECTS OF THE ISSUE**1. To Meet Working Capital Requirement****Justification for Assumptions for working capital requirement:**

Debtors	The historical holding days of trade receivables has been ranging between 49 days to 84 days during Fiscal year 2022 to 2024. As per the current credit terms and in order to expand company's operations, the holding level for debtors is anticipated at 93 days of total revenue from operations during Fiscal 2024-25. The projected increase in trade receivables days is a strategic decision aimed at fostering higher sales growth. By offering this flexibility, we expect to stimulate increased sales volume and foster stronger customer relationships. We are planning to set up an additional manufacturing unit for designing of Prototypes. Such manufacturing set up will generate higher revenue from operations and we will be required to offer extended credit periods to our customers, allowing them more time to settle their invoices and capture larger customer base in the industry. By offering this flexibility, we expect to stimulate increased sales volume and foster stronger customer relationships. This adjustment aligns with our strategy to expand operations while ensuring financial sustainability. There are many instances of extension of project size of foreign clients due to which payment will only be cleared after completion of project, due to which trade receivable to turnover (in days) is high to low trend from FY 2022 to 2024.
Creditors	Past trend of Trade payables holding days has been in the range of 47 days to 107 days approximately during Fiscal 2022 to 2024. However, with additional working capital funding, our Company intends to reduce trade payable to 84 days in Fiscal 2024-25 to avail competitive purchase price to increase overall profitability of our Company. By reducing the time, to settle our payables we aim to negotiate more favourable terms and conditions with our suppliers, enabling us to access competitive pricing for the goods we procure.
Inventories	Inventories include inventory for finished goods. The historical holding days of inventories has been in range of 01 days to 19 days during Fiscal 2022 to 2024.

Rationale for increase in trade receivables and working capital requirements in FY 2024 as compared to FY 2023:

Trade receivables for FY 2023-24 were ₹2,166.98 lakhs compared to ₹1,473.76 lakhs for FY 2022-23, reflecting an increase of 47.04% from the previous year. The major reason for this increase is a liberal credit policy that has been adopted in order to improve sales. Also, in several cases, clients have extended project timelines which resulted into delayed payments because payments were cleared only upon the completion of projects.

There is a working capital gap of Rs. 1,580.82 lakhs for FY 2023-24 and Rs. 1,050.30 lakhs for FY 2022-23 i.e. an increase of 50.51 % from previous year. The main reason for increase in working capital gap is due to increase in trade receivable by 47.04 % from previous year. The increase in trade receivables for FY 2023-24 is due to outstanding payments because of following transactions:

Firstly, Sphinx Worldbiz GmbH, our group company based in Frankfurt, had a contract with Vinivia AG for software services provided by Sphinx Worldbiz Ltd. While Vinivia AG initially made payments, they later stopped, leading to Sphinx Worldbiz GmbH filing a lawsuit. The matter was settled with Vinivia AG agreeing to pay EUR 260,000 in seven instalments to Sphinx Worldbiz GmbH. Secondly, another customer owes EUR 180,305 for services rendered by Sphinx Worldbiz Ltd. This payment remains due and is recorded as a trade receivable.

SECTION V

OUR BUSINESS

OUR BUSINESS STRATEGIES:

2. To build professional Organisation by recruiting and retaining highly-skilled employees

We have a blend of the experience and the sufficient staff for taking care of our day-to-day operations. We also consult with external agencies on a case-to-case basis on technical and financial aspects of our business. Our employees are one of our most important assets, we recognize that our employees are crucial to our organization, playing a pivotal role in our success. Our strategic focus is on attracting, developing, and retaining highly-skilled employees. We prioritize recruitment to ensure both qualifications and cultural fit. Our aim is to reduce our employee attrition rate, retaining more of our highly skilled workforce as we expand in the future. Our attrition rate was 59.71% in FY 2021-22, 65.91% in FY 2022-23, 58.29% in FY 2023-24, and 22.87% till September 2024. This involves a firm dedication to providing them with an improved, safer, and healthier working environment. Our company has spent Rs. 10.28 Lakhs & Rs. 10.44 Lakhs on Placement expenses in F.Y 2022-23 & FY 2023-24 respectively.

OUR LOCATIONS:

Registered Office	G-7, 20, Hari Sadan, Ansari Road, Daryaganj, New Delhi - 110002, Delhi, India.
Corporate Office	A-27B, Sector-16, Gautam Buddha Nagar, Noida - 201301, Uttar Pradesh, India.
Branch - I	Unit No. 5 to 8, Ground Floor, Pride Icon Apartment, S. No. 22/1/A/1A, Office-06, Kharadi Mundwa-Hadapsar Bypass, Kharadi - 411014, Pune, Maharashtra, India.
Branch - II	Shop No. 1, Amar Kunj, Shrinath Nagar, Railway Road, Jwalapur, Haridwar - 249407, Uttarakhand, India.
Branch - III	8th Floor, Magnum Tower-1, Sector-58, Gurugram - 122011, Haryana, India.

OUR SERVICE PORTFOLIO:

MANUFACTURING ENGINEERING SOLUTIONS

1. BIW Fixture Design

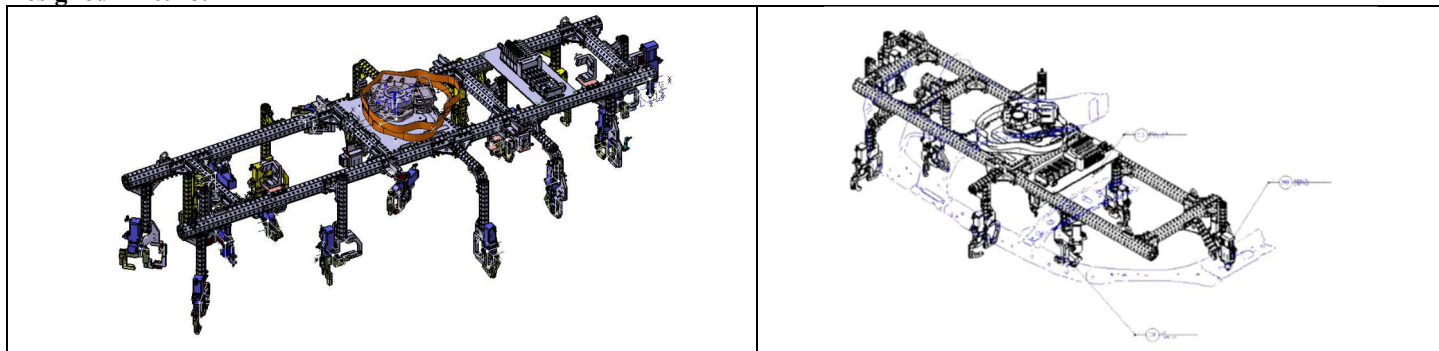
Case Study: BIW Fixture Design

We designed a BIW fixture to assemble underbody and chassis components like floor panels and cross members. The fixture was built to hold these parts securely in place during welding, ensuring proper alignment and precision.

The design included a 3D concept model, a finalized 3D design, and detailed 2D drawings. The 3D model featured a strong frame, clamps, tooling arms, and a central rotary table for multi-angle welding. The 2D drawings provided exact specifications for manufacturing and assembly.

This fixture improved the welding process by ensuring accurate alignment, reducing errors, and maintaining the structural quality of the vehicle.

Designed Fixture:



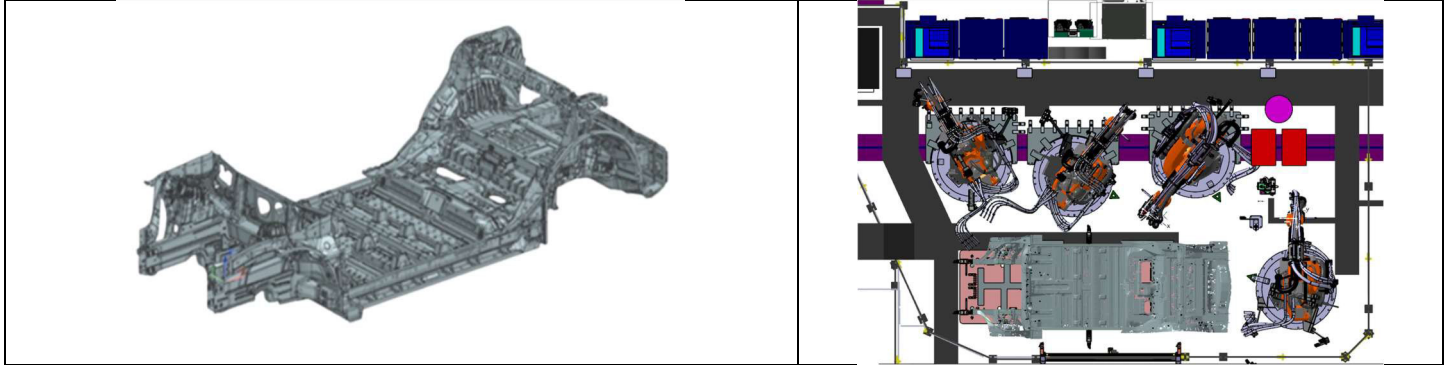
Robotic simulation:

Case Study:

We did a robotic simulation for one of our customer to optimize their car assembly line, specifically for the underbody welding and adhesive application using Delmia software. The simulation allowed us to digitally test and fine-tune the movements of robots before they were deployed in the real-world production line.

We created a **virtual model** of the entire assembly process, which included welding robots, adhesive dispensers, and inspection stations. By running this simulation, we were able to identify and solve any issues, ensuring that the robots worked smoothly and efficiently before implementation.

Car part which need to be manufacture & build the Automatic Line:

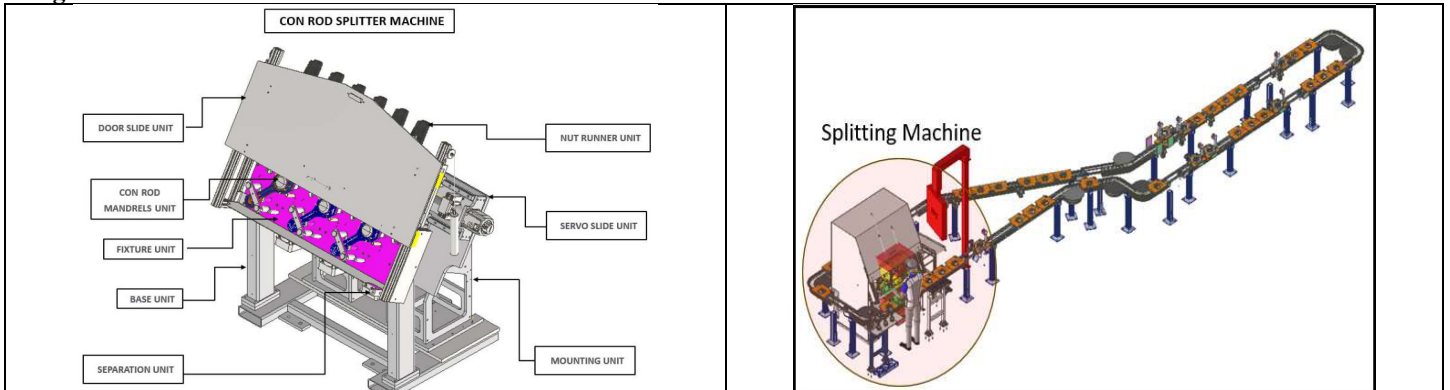


2. Special Purpose Machinery (SPM)

Case Study: Special Purpose Machine

The requirement was designing a Con-Rod Splitting Machine focusing on splitting pre-assembled conrods. The project involved creating a concept design, 3D models, and 2D manufacturing drawings with GD&T specifications using AutoDesk Inventor. The machine, designed to handle three variants of conrods.

Designed Con-Rod:

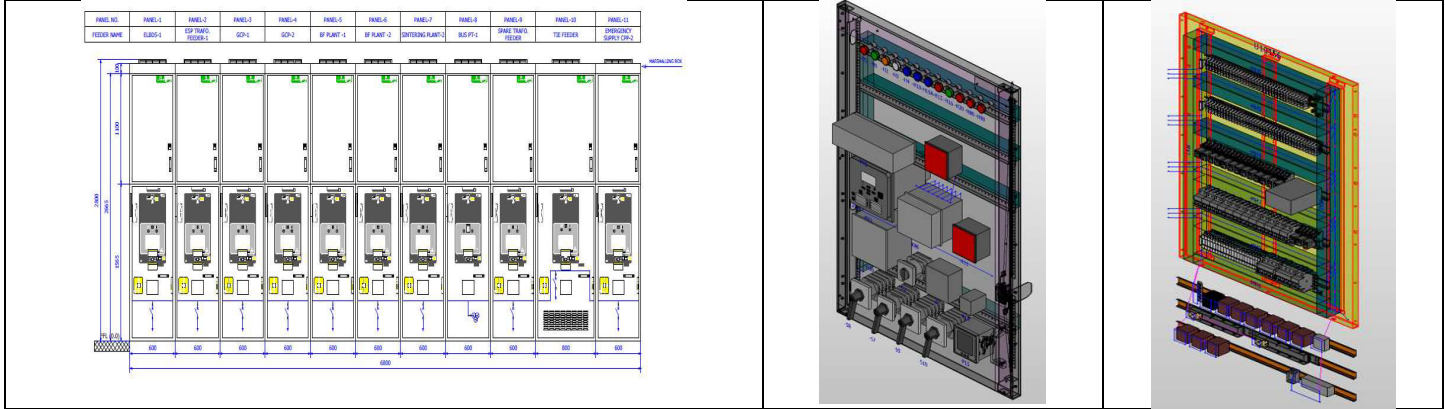


3. Control Electrical Engineering

Case Study: Electrical System Design

The project involved designing electrical systems for one customer, using EPLAN and AutoCAD. Our team created detailed diagrams for control circuits, layouts for control panels, and 3D models showing how components fit together. These designs ensured accuracy, efficient assembly, and easier management of electrical systems, helping streamline the setup and operation of the factory's control infrastructure.

Designed Electrical System:

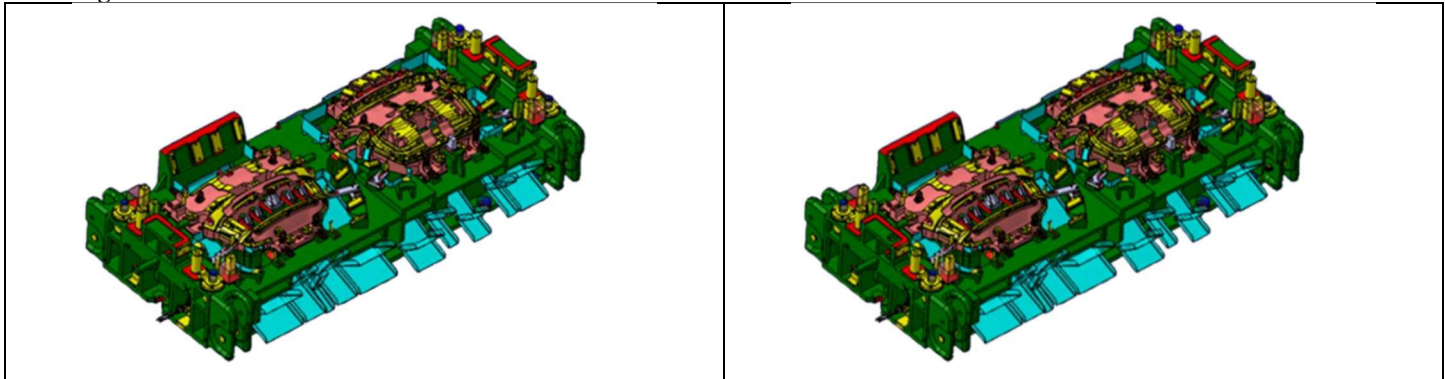


4. BIW Die Design

Case Study: BIW Die Design

We designed the die for one of our customer, specifically for the outer and inner tailgate panels of the PSA OV24 model. The die design included two panels in one die, enabling efficient production through a tandem press line. Using CATIA software, we designed the die to perform two operations in sequence, ensuring that both the inner and outer panels were accurately formed during the stamping process.

Die Design for Tail Gate:

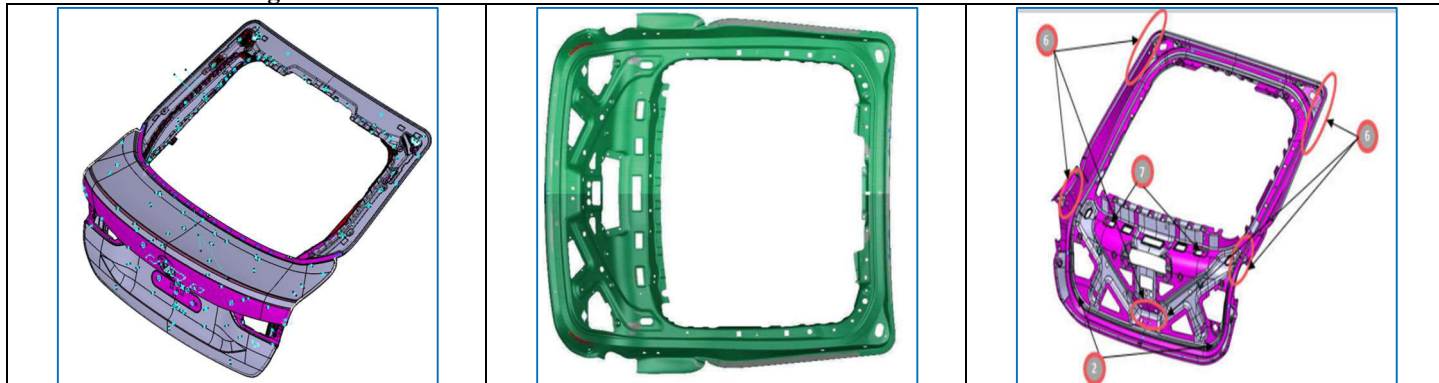


❖ PRODUCT DESIGN DIVISION

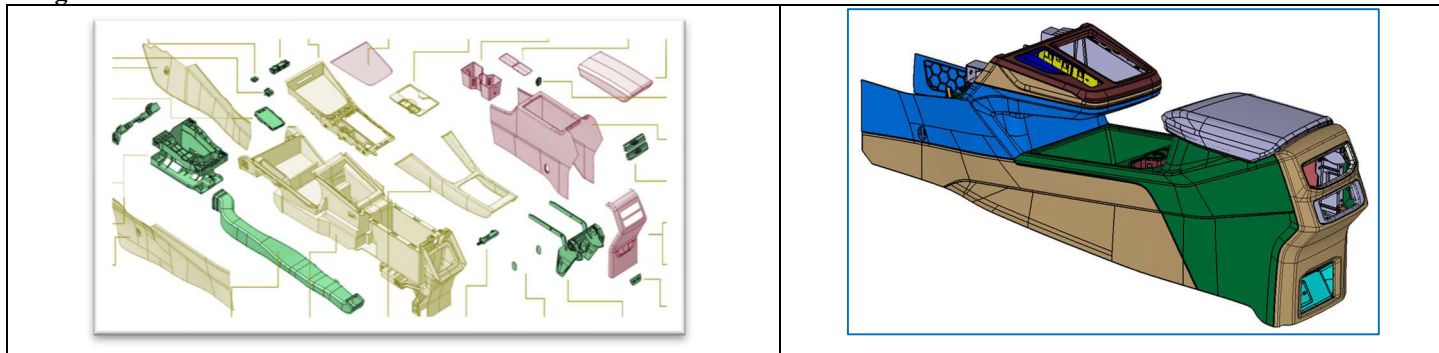
1. Product Designing

Case Study 1: Product Design

This project involved the designing of the tailgate. The scope covered the entire process, from conceptual design to final assembly, ensuring functionality, safety, and integration with the vehicle's overall structure.

Tail Gate Product Design :**Case Study 2: Product Design**

This project involved the complete design and assembly of the center console. The work encompassed the design process ensuring the center console was functional, ergonomically designed.

Designed Car's Center Console:❖ **SOFTWARE ENGINEERING DIVISION****Software Development:****Case Study: Video Analytics Solutions**

No.	Software Developed	Usage	Applicability
1	Video Analytics Solutions	<p>Designed and developed a wide range of solutions for video analytics used in monitoring security. Features include, but are not limited to:</p> <ul style="list-style-type: none"> • Face Recognition • License Plate Recognition • Video Compression • Non-motion Detection • Smart Pass Management System • Developed products applicable across surveillance domains such as roads, railways, airports, stadiums, museums, banks, educational institutions, libraries, shopping complexes, parking lots, and other infrastructure premises. 	<p>This solution makes security systems more effective by offering high-level monitoring and real-time notifications.</p>

EMPLOYEES:

Our Company believe that our employees are key contributors to our business success and its ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

As on July 31, 2024, our Company has total employed more than 731 employees (including key members) at various levels of the Organization. Further there are no contractual employees employed by the company. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

Following is the detailed bifurcation of the employees count as of July 31, 2024

S. No.	Department	No. of Employees
1	Purchase and Store	1
2	Management	4
3	Accounts and Finance	6
4	Special Purpose Machinery Execution and Quality Control	8
5	Control Engineering Electrical Execution and Quality Control	10
6	IT Support and Maintenance	11
7	Sales and Marketing: International Engineering	11
8	Sales and Marketing: International & Domestic Software Design Division	11
9	SHRM Pro Execution	13
10	Product Design Execution and Quality Control	17
11	Embedded System Execution and Quality control	22
12	Robotic Simulation Execution and Quality control	24
13	Die Design Execution and Quality control	25
14	Sales and Marketing: Domestic Engineering	27
15	IT Software Development Execution	42
16	HR & Admin	44
17	Fixture Design Execution & Quality Control	77
18	Onsite Engineering	378
	Total	731

INSURANCE:

Our business is subject to loss due to theft or occurrence of any unforeseen event such as fire, earthquake, other natural calamities, terrorism and force majeure events. We maintain insurances for the same which include Digit My Property Insurance policy from Go Digit, which provide appropriate coverage in relation to STFI, earthquake, theft, computer programmes, information or data etc. for corporate office situated in Noida and branch office situated in Pune. Additionally, we have taken Electronic Equipment Insurance Policy and Machinery Breakdown Insurance policy from ICICI Lombard General insurance company limited for our corporate office. Along with the same, we have also taken Vehicle Insurance policies. We believe that our insurance coverage is adequate for our business needs and operations. For further details, kindly refer the section on “**Risk Factors**” beginning on page 28 of this Draft Red Herring Prospectus - ***Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.***

Following are the details of Insurance taken by the company:

No.	Policy No.	Insurance company	Name of the insurance policy	Sum Insured Rs. In lakhs	Expiry date
1	4002/239462552/02/000	ICICI Lombard	(Burglary Insurance Policy) Furniture, Fixtures & Fittings/Electronic/Electrical Equipments	100.00	22-02-2025
2	1016/243157907/02/000	ICICI Lombard	(Property Insured) Furniture Fixture & Fittings, Contents - Others	100.00	22-02-2025
3	4010/328765554/00/000	ICICI Lombard	Employee Compensation Insurance	180.00	08-02-2025

4	D150421905	Digit Insurance	(Property Insurance) Property Damage, Earthquake - Other	325.00	05-06-2025
5	D150453437	Digit Insurance	(Property Insurance) Property Damage, Earthquake - Other	700.00	05-06-2025
6	D150455752	Digit Insurance	(Property Insurance) Property Damage, Earthquake - Other	210.00	05-06-2025
7	D150422647	Digit Insurance	(Property Insurance) Property Damage, Earthquake - Other	405.01	05-06-2025
8	5002/351285948/00/000	ICICI Lombard	Electronic Equipment Insurance	28.93	03-07-2025
9	5003/351386128/00/000	ICICI Lombard	Machinery Breakdown Insurance	10.27	03-07-2025
10	4001/351477412/00/000	ICICI Lombard	All Risk Insurance	12.39	03-07-2025
11	KGHA-M0011	Onsurity	Health Insurance	3.00 per employee	14-02-2025
12	KGHA-M0046	Onsurity	Group Personal Accidental Health Insurance	4.00 per employee	13-08-2025

MATERIAL PROPERTIES:

The following table sets forth the location and other details of the leasehold properties of our Company.

Sr.	Location	Owned/ Rented	Purpose of use	Description
1.	G-7, 20, Hari Sadan, Ansari Road, Daryaganj, New Delhi - 110002, Delhi, India.	Rented	Registered Office	The property has been obtained on lease from Satish Chand Jain & Sons H.U.F, Subhash Jain H.U.F, and Suresh Chand Jain & Sons H.U.F, as per a Lease Deed dated April 15, 2024, for a period of 11 months, effective from April 1, 2024, to February 28, 2025. The rent is Rs. 14,100/- per month, and the agreement is notarized and currently valid.
2.	A-27B, Sector-16, Gautam Buddha Nagar, Noida - 201301, Uttar Pradesh, India.	Owned	Corporate Office	Agreement of sale executed between Shachi Bharadwaj (Seller) and Sphinx Worldbiz Limited (Buyer) vide agreement dated October 10, 2017.
3.	Unit No. 5 to 8, Ground Floor, Pride Icon Apartment, S. No. 22/1/A/1A, Office-06, Kharadi Mundwa-Hadapsar Bypass, Kharadi - 411014, Pune, Maharashtra, India.	Owned	Branch - I	Agreement of sale executed between Hemraj Babanrao Kawade, Sarika Hemraj Kawade, Mahesh Babanrao Kawade and Pooja Mahesh Kawade (Seller) and Sphinx Worldbiz Limited (Buyer) vide agreement dated September 18, 2020.
4.	Shop No. 1, Amar Kunj, Shrinath Nagar, Railway Road, Jwalapur, Haridwar - 249407, Uttarakhand, India.	Rented	Branch - II	The property has been obtained on lease from Mr. K.C. Verma, as per a Lease Deed dated April 16, 2024, for a period of 11 months, from April 16, 2024, to March 16, 2025. The rent is Rs. 25,000/- per month, and the agreement is notarized and valid.
5.	8th Floor, Magnum Tower-1, Sector-58, Gurugram - 122011, Haryana, India.	Rented	Branch – III	The property has been obtained on lease from Xerica Widening Horizons LLP, as per a Leave and License Agreement dated November 21, 2024, effective from October 1, 2024, for a period of 11 months, from October 1, 2024, to August 31, 2025. The rent is Rs. 1,28,800/- plus GST per month until November 30, 2024, and Rs. 1,35,240/- plus GST per month with effect from December 1, 2024. The agreement is notarized and valid.
6.	Plot No. 27, Block-G, Sector-39, Noida, Gautam Buddha Nagar - 201301, Uttar Pradesh, India.	Owned	Investment	Agreement of sale executed between Rakesh Agnihotri (Seller) and Sphinx Worldbiz Limited (Buyer) vide agreement dated August 13, 2018.
7.	Unit No. 4 to 11, 7th Floor, The Platinum Tower, Kharadi, Pune - 411014, Maharashtra, India.	Owned	Under Construction	Agreement of sale executed between Avishkar Arista Developers LLP (Seller) and Sphinx Worldbiz Limited (Buyer) vide agreement dated April 26, 2023.

8.	Unit No. 11, 8th Floor, The Platinum Tower, Kharadi, Pune - 411014, Maharashtra, India.	Owned	Under Construction	Agreement of sale executed between Kajal Anil Advani, Mohnish Advani and Varun Anil Advani (Seller) and Sphinx Worldbiz Limited (Buyer) vide agreement dated March 28, 2024.
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HISTORY AND CORPORATE STRUCTURE

Our Locations:

Registered Office	G-7, 20, Hari Sadan, Ansari Road, Darya Ganj, New Delhi, 110002, Delhi, India.
Corporate Office	A-27B, Sector-16, Noida, 201301, Uttar Pradesh, India.
Branch - I	Unit No. 5 to 8, Ground Floor, Pride Icon Apartment, S. No. 22/1/A/1A, Office-06, Kharadi Mundwa-Hadapsar Bypass, Kharadi - 411014, Pune, Maharashtra, India
Branch - II	Shop No. 1, Amar Kunj, Shrinath Nagar, Railway Road, Jwalapur, Haridwar - 249407, Uttarakhand, India.
Branch - III	8th Floor, Magnum Tower-1, Sector-58, Gurugram, 122011, Haryana, India.

Material clauses of the AoA:

There are no material clauses of our Articles of Association that have been left out from disclosures having bearing on the Issue or this Draft Red Herring Prospectus.

SECTION VI

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Financial Year 2023 Compared to Financial Year 2022 (Based on Restated Financial Statements)

Total Income

Total income for the financial year 2022-23 stood at Rs. 7,784.86 Lakhs whereas in Financial Year 2021-22 the same stood at Rs. 5,131.12 Lakhs representing an increase of 51.72%. The Main reason for increase of total income is increase of demand in automotive industry, good market condition for product designing industry, opening of 2 new division in company and increase in other income i.e. increase in foreign exchange gain, interest on FD & on income tax refund. Sale from Manufacturing Engineering Solutions increased from Rs. 1446.26 Lakhs in FY 2021-22 to Rs. 2170.82 Lakhs in FY 2022-23 representing an increase of 50.10%, sale from Product Design Division increased from Rs. 3223.30 Lakhs in FY 2021-22 to Rs. 4587.53 Lakhs in FY 2022-23 representing an increase of 42.32% and sales from software division increased from Rs. 302.88 Lakhs in FY 2021-22 to Rs. 719.58 Lakhs in FY 2022-23 representing an increase of 137.58%.

Financial Year 2024 Compared to Financial Year 2023 (Based on Restated Financial Statements)

Other Income:

During the financial year 2023-24, the other income of our Company increased to Rs. 628.35 Lakhs as against Rs. 306.94 lakhs in the Financial Year 2022-23 representing increase by 104.71%. The increase in other income was majorly due to increase in foreign exchange gain and interest income.

Foreign exchange income increased from Rs. 243.36 Lakhs in FY 2022-23 to Rs. 583.88 Lakhs in FY 2023-24, representing an increase of 139.92%. The company exports more than 15% of its total turnover in Germany and more than 10% in USA. The average Euro exchange rate in FY 2023-24 ranged from Rs. 87 to Rs. 92, compared to Rs. 78 to Rs. 89 in FY 2022-23. Similarly, the average USD exchange rate in FY 2023-24 was ranged from Rs. 82 to Rs. 84, whereas it ranged between Rs. 75 to Rs. 83 in FY 2022-23. These fluctuations resulted in favourable gains, contributing significantly to the observed growth in this income category during FY 2023-24.

In compliance with AS-11 ("The Effects of Changes in Foreign Exchange Rates"), the Company invoices export transactions using standard rates, these are restated in the accounts using the prevailing exchange rates at the reporting date. This practice ensures accurate reporting and reflects the exchange rate fluctuations, which also contributed to the increase in Other Income.

SECTION VII**LEGAL AND OTHER INFORMATION****OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS****A. LITIGATION INVOLVING THE COMPANY****a) Criminal proceedings against the Company**

A Warrant or Summons (No. 536281/2024) was issued on November 24, 2022, against the Company for a Traffic Challan under Section 177 of the Motor Vehicles Act. The case is currently pending in the court of the Chief Judicial Magistrate, Gautam Budh Nagar, Uttar Pradesh. The proceedings are ongoing and the next hearing is scheduled for January 10, 2025.

B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**d) Tax Proceedings**

Tax Proceedings	Number of cases	Amount involved (₹ in lakhs)	Status
Promoters and Directors:			
Direct Tax			
Sudhanshu Surana (Income Tax - Outstanding Demand)	1	0.46	Outstanding Demand under section 143(1) of Income Tax Act, 1961 for the Assessment Year 2009-10.
Indirect Tax	Nil	Nil	
Total	1	0.46	

C. LITIGATIONS INVOLVING THE GROUP COMPANIES**Other pending material litigations filed by the Group Companies of the Company**

Our Group Company, Sphinx Worldbiz GmbH, a technology and software company based in Frankfurt, Germany, entered into three software development agreements with Vinivia AG, a Swiss corporation based in Zug. The agreements involved providing software developers, mainly from India, for specific tasks with hourly rates specified in individual agreements. The development work was managed through the “JIRA” (Project Management Tool) and other management tools. Sphinx Worldbiz GmbH invoiced Vinivia AG monthly for the services provided. While Vinivia AG paid invoices up to a certain point, they stopped paying for services rendered from November 2022 onwards, citing bank errors as the reason for non-payment. Despite promises and acknowledgments of the invoices through emails and WhatsApp messages, Vinivia AG failed to make the payments.

In January 2023, Sphinx Worldbiz GmbH contacted Vinivia AG regarding the outstanding payments, with Vinivia AG again attributing the delays to bank errors. However, on March 3, 2023, Vinivia AG abruptly terminated Sphinx Worldbiz GmbH's access to the “JIRA” management tool without notice, hindering further communication and work delivery. Efforts to resolve the payment issues, including a failed “debt enforcement procedure” in Switzerland, led Sphinx Worldbiz GmbH to file lawsuit no.3-08 0 39/23 before Hon'ble Landgericht Frankfurt am Main, Germany, against Vinivia AG, seeking compensation of EUR 360,294 plus interest (converted to INR 3,33,95,650.86 @ Rs.92.69 per EUR as on September 10, 2024). The legal claim is based on the software development agreements and the acknowledgment of invoices by Vinivia AG through various communications. The case is being handled by DENK Rechtsanwälte, a law firm based in Frankfurt, representing Sphinx Worldbiz GmbH in the legal proceedings. Vide order dated August, 30, 2024, hon'ble court was pleased to record the settlement arrived between the parties and Vinivia had agreed to pay EUR 260,000.00 in seven monthly installments. However, Vinivia has failed to honor the settlement terms and Sphinx Worldbiz GmbH has filed a request for debt collection of CHF 241410 along with interest as per decision of Regional Court of Frankfurt and CHF 10512.26 as per cost of assessment order dated October 10, 2024 along with interest.

Sphinx Worldbiz GmbH had also taken a R+V goods credit insurance policy no. 40691609069341 with an annual premium of 6,211.80 euros. Under the said policy, the insurance cover begins when the customers place the order and it ends with the delivery of service to the customer, upon occurrence of the insured event or with the date on which protective measures are ordered in accordance with the provisions of Insolvency code. Further, the insured event has been stated to occur only in the event of “Insolvency” in accordance with section 3.1 of general conditions of insurance, according to which, the insured party has to provide a request (claim) with the verifiable list of the order, the status of the service and the costs incurred up to that point. In the view of the terms of policy Sphinx Worldbiz GmbH has to wait until the declaration of insolvency of Vinivia AG.s

GOVERNMENT AND OTHER APPROVALS**III. Tax Related Approvals:**

Sr. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue/Renewal	Date of Expiry
2.	Tax Deduction Account Number (TAN)	DELS15246A	Income Tax Act, 1961	Income Tax Department, Government of India	December 10, 2024	Valid until cancelled

VII. Quality Certifications:

Sr. No.	Description	Registration number	Authority	Date of Certificate	Date of Expiry
1	Certificate for Quality Management System of the Company under ISO 27001:2022 with the following scope: Design, Engineering & Software Development Services with support functions.	9931000276	TUV SUD South Asia Private Limited	November 21, 2024	September 19, 2027

VIII. Licenses/ Approvals are yet to be applied by Company: Nil**IX. Licenses/ Approvals for which applications have been made by our Company and are pending:**

- a. We have made application dated May 22, 2024 for  **Sphinx Worldbiz Limited** as trademark in class 42 Application number for the same is 6444549 current status for this application is “Not registered (Formalities Chk Pass)”.

SECTION VIII

ISSUE PROCEDURE

BASIS OF ALLOTMENT

a. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a. The number of Shares to be allocated to the successful Bidders will be arrived in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b. The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares allocated.
- c. Each successful Bidder shall be allotted [●] equity shares.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Material Documents

14. Certificate dated September 28, 2024, issued by Chartered Engineers, certifying the estimation of costs for the establishment of a new manufacturing unit.
15. Search Report dated September 25, 2024, issued by a Practicing Company Secretary.

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Narendra Singh Surana Chairman & Managing Director DIN: 01470765	Sd/-

Date: January 09, 2025

Place: Noida, Uttar Pradesh

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS & CEO OF OUR COMPANY:

Name and Designation	Signature
Sudhanshu Surana Whole Time Director & CEO DIN: 01820114	Sd/-

Date: January 09, 2025

Place: Noida, Uttar Pradesh

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS & CFO OF OUR COMPANY:

Name and Designation	Signature
Avishkar Surana Whole Time Director & CFO DIN: 07633160	Sd/-

Date: January 09, 2025

Place: Noida, Uttar Pradesh

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Ajay Jain Whole Time Director Din: 02704846	Sd/-

Date: January 09, 2025

Place: Noida, Uttar Pradesh

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Prateechi Agarwal Non-Executive Director DIN: 00188395	Sd/-

Date: January 09, 2025

Place: Noida, Uttar Pradesh

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Deepak Jain Independent Director DIN: 10600972	Sd/-

Date: January 09, 2025

Place: Noida, Uttar Pradesh

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Ved Prakash Yajurvedi Independent Director DIN: 08523448	Sd/-

Date: January 09, 2025

Place: Noida, Uttar Pradesh

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Vivek Kumar Independent Director Din: 00206819	Sd/-

Date: January 09, 2025

Place: Noida, Uttar Pradesh

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:

Name and Designation	Signature
Aditya Kumar Sethi Company Secretary & Compliance officer M. No.: A43816	Sd/-

Date: January 09, 2025

Place: Noida, Uttar Pradesh