



Press Release
Spacenet Enterprises India Limited
July 30, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Issuer Rating (IR)	0.00	ACUITE BBB- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned its long-term Issuer Rating (IR) of **'ACUITE BBB-'** (read as **ACUITE triple B minust**) to Spacenet Enterprises India Limited (SEIL). The outlook is **'Stable'**.

Rationale for rating

The rating assigned takes into account the long-standing experience of the management and healthy capital structure of the group marked by negligible borrowings and sustained equity infusions through issuance of share warrants. Further, the rating factors the diversification in the revenue streams of the group including commodity trading, IT services and digital advertising business. However, the rating is constrained on account of intensive working capital operations of the group with significant net worth of group being invested in other business ventures. Moreover, the proposed plan of developing tech enabled commodity trading platform is subject to execution and implementation risks.

About the Company

Spacenet Enterprises India Limited (SEIL) (erstwhile Northgate Com Tech Private Limited) is a Hyderabad based company, incorporated on May 28, 2010 by Meenavalli family. The company is primarily engaged in commodity trading and rendering of IT services. The current directors of the company are Mr. Prakash Rao Venkata Surya Dasigi, Mr. Sethurathnam Ravi, Mr. Prathipati Parthasarathi, Mr. Ghanshyam Dass, Mr. Sarat Kumar Malik, Mr. Anima Rajmohan Nair and Mr. Vasudevarao Maraka. Also, company is listed on National Stock Exchange (NSE) since 2017 with market capitalisation of Rs. 390.05 Cr. as on July 23, 2025.

About the Group

Spacenet Enterprises India Limited and its four subsidiaries (referred to as a group) is engaged in the business of commodity trading, IT services and digital advertising. While Thalassa Enterprises Limited and Winteg People Solutions Private Limited have their operations based in India, Spacenet Enterprises FZCO (Dubai) and Spacenet Trade-Tech HK Limited (Hong Kong) cater to the international markets.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

To arrive at the rating of Spacenet Enterprises India Limited (SEIL), Acuité has consolidated the financial and business risk profile of SEIL and all its subsidiaries. The consolidation takes into account the common shareholding, similar line of business and financial linkages between the entities.

Key Rating Drivers

Strengths

Experienced management

SEIL is a professionally managed group led by experienced management having rich experience in various fields such as commodity trading, financial markets and emerging technologies. The key management team comprises of Mr. Prakash Rao (CFO), who brings over 24 years of experience in the agri-commodity trading sector and Mr. S. Ravi, with more than 34 years of experience and a track record of serving on the boards of several reputed companies. Therefore, the experience of the management has enabled the group to venture into trading of commodities like de-oiled rice bran, exotic fruits, etc. and also diversify towards IT business. Going forward, the focus of the group is to establish a tech enabled commodity trading platform in Hong Kong, launch planned by the end of the current financial year.

Diversified revenue streams

The group is engaged into diverse business with SEIL primarily being engaged in commodity trading and its subsidiaries (acquired in FY23 & FY24) being engaged in IT service and digital advertising business. Therefore, while the standalone commodity business of SEIL saw a downtrend over the years (Rs. 101.81 Cr. in FY25, Rs. 102.69 Cr. in FY24, Rs. 142.14 Cr. in FY23), this diversification led to an increase in the group revenues to Rs. 157.05 Cr. in FY25 post a downtrend in the FY24 reported revenues of Rs. 128.21 Cr. as against Rs. 144.54 Cr. in FY23. Further, while margins of the group stood low at 1.87 percent in FY23 owing to bad debt write offs and major focus on commodity business, the same started to improve from FY24 at 8.57 percent and 8.68 percent in FY25 with onset of IT business. However, the proposed plan of SEIL to establish a tech enabled commodity trading platform shall remain a key rating monitorable.

Healthy capital structure

The capital structure of the group stood healthy marked by strong net worth of Rs. 131.40 Cr. as on March 31, 2025 as against Rs. 96.81 Cr. as on March 31, 2024 (excluding intangible assets and goodwill). The increase in net worth is on account of accretion of profits to reserves and funds raised via issuance of share warrants of ~Rs. 40.15 Cr. in FY25. Moreover, the group is almost debt free with minimal outstanding debt of Rs. 1.58 Cr. in FY25 (Rs.0.89 Cr. in FY24) leading to healthy TOL/TNW of 0.29 times in FY25 (0.17 times in FY24).

Weaknesses

Intensive working capital operations

The working capital operations of the group are intensive marked by gross current assets (GCA) of 188 days in FY25 (174 days in FY24). These are majorly driven by the receivables and other current assets. The debtor days stood at 121 days in FY25 (115 days in FY24) owing to higher credit period offered to the customers. Generally, the group receives average credit period of 30 days, however, creditor days stood high at 63 days in FY25 (41 days in FY24).

Acuité expects the working capital operations of the group to remain intensive over the medium term on account of extended credit offered to the customers.

Significant investments in other business ventures

The group on a consolidated basis has invested Rs. 56.91 Cr. (~43 percent of FY25 net worth) in other fintech and infra companies namely Billmart Financial Private Limited, Nashville Infra Services Limited and String Metaverse Limited. While these are strategic investments by the group in the IT space, no returns have been generated from these investments till date and any further significant investments to such ventures may constrain the group's core operations, hence, remain a key rating sensitivity.

Rating Sensitivities

- Significant movement in the operating performance of the group
- Any further elongation in the working capital operations
- Increasing investments in non-group companies thereby constraining the group's liquidity
- Substantial increase in debt levels thereby impacting the financial risk profile

Liquidity Position

Adequate

The liquidity of the company is adequate marked by sufficient net cash accruals of Rs. 13.52 Cr. generated against

negligible repayment obligations for the same period. Going forward, the group is expected to generate net cash accruals in the range of Rs. 13-15 Cr. Further, the current ratio stood healthy at 2.16 times as on March 31, 2025. The group also had cash and bank balances of the group stood at Rs. 2.43 Cr. as on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	157.05	128.21
PAT	Rs. Cr.	12.17	10.68
PAT Margin	(%)	7.75	8.33
Total Debt/Tangible Net Worth	Times	0.01	0.01
PBDIT/Interest	Times	253.05	84.04

Status of non-cooperation with previous CRA (if applicable)

None

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Issuer Rating	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.00	Simple	ACUITE BBB- Stable Assigned

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No.	Company Name
1	Spacenet Enterprises India Limited
2	Thalassa Enterprises Limited
3	Winteg People Solutions Private Limited
4	Spacenet Trade-Tech HK Limited
5	Spacenet Enterprises FZCO

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About Acuité Ratings & Research

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