

Wisemore Advisory Private Limited

December 31, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Non-Convertible Debentures#	500.00	Provisional CARE A+ (CE); Stable [Provisional Single A Plus (Credit Enhancement); Outlook: Stable]*	Assigned
Total Long Term Instruments	500.00 (Rs. Five Hundred Crore Only)		

Details of instruments/facilities in Annexure-1

Proposed Credit enhancement in the form of unconditional and irrevocable corporate guarantee to be provided by Renew Power Private Limited (RPPL, rated CARE A+; Stable/CARE A1+) available for the full tenure of the proposed NCDs and covering the entire maturity amount under the proposed NCDs.

* Ratings assigned are Provisional and shall be confirmed upon receipt of final executed documents to the satisfaction of CARE Ratings Limited

Unsupported Rating ¹	CARE B [Single B] (Assigned)
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Detailed Rationale & Key Rating Drivers for credit enhanced NCDs

The rating assigned to the proposed Non-Convertible Debentures (NCDs) of Wisemore Advisory Private Limited (WAPL) is based on proposed credit enhancement in the form of unconditional and irrevocable corporate guarantee to be provided by Renew Power Private Limited (RPPL, rated CARE A+; Stable/CARE A1+) for the benefit of debenture holders/investors.

Further, the above rating is provisional and will be finalized upon fulfillment of the following conditions to the satisfaction of CARE:

- Execution of various debenture documents including but not limited to Debenture Trust Deed, Debenture Trustee Appointment Agreement, IM/PAS-4, etc.
- Executed copy of Corporate Guarantee from Renew Power Private Limited (RPPL).
- Copy of Board Approval confirming RPPL extending Corporate Guarantee in favor of investors/Debenture Trustee of Wisemore Advisory Pvt Ltd.
- No Dues confirming prepayment of outstanding NCDs in WAPL

Detailed Rationale & Key Rating Drivers of Renew Power Private Limited (Corporate Guarantor)

The detailed rationale of the Corporate Guarantee provider, Renew Power Private Limited is available on www.careratings.com

Detailed Rationale & Key Rating Drivers of Wisemore Advisory Private Limited

The unsupported standalone rating assigned to the NCDs of WAPL factors in 100% shareholding of the investment vehicle by Mr. Sumant Sinha (CEO & founder of RPPL which is one of the largest renewable energy company in India). The ratings are, however, constrained by no other income source for WAPL apart from dependency on dividend income from RPPL. Going forward, timely raising of funds through IPO/stake sale to investor/refinancing for timely repayment of NCDs would be a key monitorable.

Key Rating Sensitivities

The key rating sensitivities for the rating assigned to WAPL's proposed NCDs shall be in-line with the key rating sensitivities of the Corporate Guarantee provider viz. RPPL

Detailed description of the key rating drivers

The detailed rationale of the corporate guarantee provider, Renew Power Private Limited is available on www.careratings.com

¹ As stipulated vide SEBI circular no SEBI/ HO/ MIRSD/ DOS3/ CIR/ P/ 2019/ 70 dated June 13, 2019

Proposed Corporate Guarantee from RPPL

As per the proposed terms, RPPL will be providing an unconditional and irrevocable corporate guarantee in favour of debenture trustee for the benefit of debenture holders. The guarantee proposed to be issued by the Guarantor shall be binding upon the Guarantor and shall remain effective till the Issuer duly repays all its dues payable to the debenture holders under the transaction documents for the proposed NCDs issue, and till the Final Settlement Date. Further, the guarantor shall be released of its guarantee obligations under the transaction documents only upon the Debenture Trustee notifying in writing to the Guarantor that the Final Settlement Date has occurred. On occurrence of the event of default on behalf of the issuer (WAPL), Corporate Guarantee of RPPL can be invoked by Debenture Trustee acting on the instructions of the Debenture Holders post which RPPL has to pay off the entire outstanding obligations of WAPL under the transaction documents within a period of 3 business days.

Liquidity Analysis: Adequate

The liquidity profile of the corporate guarantee provider, Renew Power Private Limited is available on www.careratings.com

Impact of COVID-19: WAPL is an investment company and has no operational projects under its portfolio and hence there was no impact of COVID-19 in the company's performance. The company has not availed any moratorium on any repayments.

Analytical Approach:

CE Rating for proposed NCDs: Credit Enhancement in the form of proposed unconditional and irrevocable corporate guarantee to be provided by Renew Power Private Limited (RPPL, rated CARE A+; Stable/CARE A1+)

Unsupported Rating: Standalone

Applicable Criteria

[Rating Methodology: Factoring Linkages in Ratings](#)

[Criteria of Rating Credit Enhanced Debt](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's policy on Default Recognition](#)

[Financial Ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

About the Company – Wisemore Advisory Private Limited

Wisemore Advisory Private Limited (WAPL), incorporated in January 2017, is a closely-held investment company of Mr. Sumant Sinha, founder of Renew Power Private Limited (RPPL, rated CARE A+; Stable/CARE A1+, erstwhile Renew Power Limited). WAPL is 93.57% owned by Sivatar Sinha's Family Trust (belongs to Mr Sumant Sinha and family members) and 6.43% directly by Mr Sumant Sinha. WAPL is acting as a holding company which holds around 4.58% shareholding in RPPL as on August 2020.

About the Credit Enhancement provider – Renew Power Private Limited

RPPL, founded by Mr Sumant Sinha in 2011, is engaged in renewable power generation business (wind and solar power). GS Wyvern Holdings Limited (GSH), an investment arm of Goldman Sachs group holds majority stake in the company, while other investors [GEF SACEF India (SACEF), Abu Dhabi Investment Authority (ADIA), Jera Co. Inc and Canada Pension Plan Investment Board (CPPIB)] and WAPL, Mr Sumant Sinha & Cognisa Investment are minority shareholders. As on September, 2020, RPPL has operational capacity of around 5.47 GW (60% - Wind and 40% - Solar). In addition, the company also has more than 4 GW of projects under construction which are expected to become operational in next 2-3 years in phases.

Also, in terms of location of the operational projects, the company is diversified. The company is providing power to a diversified set of off-takers having moderate to weak financial risk profile, though the risk is mitigated from diversification.

Brief Financials – WAPL Standalone (Rs. crore)	FY19 (A)	FY20 (A)
Total Operating Income	0.15	0.18
PBILDT	-0.05	0.06
PAT	-55.08	-64.79
Overall gearing (times)	1.96	5.94
Interest coverage (times)	0	0

A: Audited

Brief Financials of RPPL is available on www.careratings.com

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures	N.A.*	-	-	-	500.00	Provisional CARE A+ (CE); Stable
Un Supported Rating	-	-	-	-	0.00	CARE B

*NCDs are yet to be issued

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Debentures-Non Convertible Debentures	LT	209.80	CARE BB (CE); Stable	1)CARE BB (CE); Stable (01-Oct-20)	1)CARE BB (CE); Stable (07-Oct-19)	1)CARE BB (SO); Stable (03-Oct-18)	1)CARE BB (SO); Stable (07-Feb-18)
2.	Debentures-Non Convertible Debentures	LT	65.35	CARE BB (CE); Stable	1)CARE BB (CE); Stable (01-Oct-20)	1)CARE BB (CE); Stable (07-Oct-19)	1)CARE BB (SO); Stable (03-Oct-18)	1)Provisional CARE BB (SO); Stable (07-Feb-18)
3.	Un Supported Rating	LT	0.00	CARE B	1)CARE B (01-Oct-20)	1)CARE B; Stable (07-Oct-19)	-	-
4.	Debentures-Non Convertible Debentures	LT	500.00	Provisional CARE A+ (CE); Stable	-	-	-	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
5.	Un Supported Rating	LT	0.00	CARE B	-	-	-	-

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities

Name of the Instrument - NCDs	Detailed explanation
Financial covenants	N.A.*
Non financial covenants	N.A.*

*NCDs are yet to be issued

Annexure 4: Complexity level of various instruments rated for this Company

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Simple
2.	Un Supported Rating	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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