Early Warning System

IFC-45754

Cube Invit

Quick Facts

Countries	India
Specific Location	Ghaziabad, Dadri, Sikandrabad, Bulandshahr, Khurja, Gabhana, Aligarh
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	A
Voting Date	2022-07-13
Borrower	Cube Highways Trust
Sectors	Construction, Infrastructure, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 278.00 million
Loan Amount (USD)	$ 278.00 million
Project Cost (USD)	$ 1,346.00 million

Project Description

As stated by the IFC, Cube Highways Trust, a private listed InvIT, currently has 18 road assets (toll and annuity) under it and can acquire 7 more assets (toll and HAM) under ROFO arrangement with Sponsors of Trust. The Company has raised debt at the Company level to replace individual project finance debt, and conduct maintenance capex of the operating road assets.

The use of proceeds from IFC's investment has been defined for this one road asset, namely Ghaziabad Aligarh Expressway Private Limited: A 125.175 km 4 laned road to be expanded to 6 lane, wherein 4 lanes have been operational since 2016, and acquired by Cube in 2022 connecting Ghaziabad to Aligarh in the state of Uttar Pradesh.

The project involves: (i) expanding from four to six lane effectively for about 83.4 km (as the remaining length includes: 14.7 km of structures which are already built as per six lane configurations; 20.3 km of Aligarh bypass which will be retained as 4-lane; 7.1 km of existing road which will be provided for development of Power plant at Khurja (as 9.3-km greenfield bypass road is being constructed by NHAI through a separate EPC contractor as described below); and 0.750 km toll plaza pavement length; and (ii) operations and maintenance of the road. The greenfield bypass road has been constructed by the National Highway Authority of India (NHAI) in order to replace a stretch of approximately 7.1 km of the existing road falling within the premises of a super thermal power plant to be constructed at Khurja. Land acquisition for the Khurja bypass is the responsibility of NHAI along with ensuring all regulatory compliances. NHAI will hand over the constructed and ready to operate bypass to the concessionaire. Provisional completion certificate for the existing road was received from NHAI in June 2015 for 103.9 km and in November 2016 for 9.4 km stretch. The road traverses through predominantly agricultural land and built-up areas and towns, including the towns of Ghaziabad, Dadri, Sikandrabad, Bulandshahr, Khurja, Gabhana and Aligarh where bypasses have been provided.

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

As stated by Bloomberg, Cube Highways Trust operates as an infrastructure investment trust. The Company invests, develops, and manages roads and highways projects. Cube Highways Trust serves customers in India.

As stated by the IFC, the Trust is owned by Cube Highways Group (59.50%), British Columbia Investments Management Corporation (BCI; 19%), Mubadala Investment Company PJSC (Mubadala; 6%), domestic mutual funds insurance companies and other domestic institutional investors (15.50%) calculated basis ordinary units. BCI is one of the largest asset managers in Canada and provides investment management services to public sector entities in British Columbia. Mubadala is the sovereign investment fund of the Government of Abu Dhabi with a portfolio that spans across six continents in multiple sectors and asset classes.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
British Columbia Investment Management Corp	Investor	Finance	invests in	Cube Highways Trust	Client	Infrastructure
Cube Highways Group	Parent Company	Infrastructure	owns	Cube Highways Trust	Client	Infrastructure
Mubadala Investment Co PJSC	Investor	Finance	invests in	Cube Highways Trust	Client	Infrastructure

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Bank Documents

- Environmental and Social Review Summary

Other Related Projects

- IFC-34415 Road Holdco