

February 20, 2026

CUBE HIGHWAYS AND INFRASTRUCTURE V PTE. LTD.: Issuer rating assigned; rating withdrawn for bank facilities

Summary of rating action

Instrument*	Previous rated amount	Current rated amount	Rating action
Long-term – Non-fund based – Others	USD 37.98 million	0.00	[ICRA]AA (Stable); reaffirmed and withdrawn
Total	USD 37.98 million	0.00	
Issuer rating	-	-	[ICRA]AA (Stable); assigned

*Instrument details are provided in Annexure-I; Amount in Rs. crore unless specified.

Rationale

The assigned rating reflects Cube Highways and Infrastructure V Pte. Ltd.'s (CH-V) status as one of the principal holding companies for road assets of the Cube Highways Group in India, with an established operating track record of its underlying investee companies/special purpose vehicles (SPVs), which are expected to generate stable cash flows through distribution income, including interest, dividends and redemption of subordinate debt. The rating action factors in the anticipated change in the status of CH-V, following its proposed induction as the sponsor of Cube Highways Trust (CHT/the Trust, rated at [ICRA]AAA (Stable)), which has already been approved by the Board of Directors (BoD) of CHT, and is pending for unitholder's approval. The investee portfolio of CH-V, at present, comprises three build-operate-transfer (BOT) toll assets — Baharampore-Farakka Highways Limited (BFHL, rated [ICRA]AA- (Stable)), Devanahalli Tollway Private Limited (DTPL), and Western MP Infrastructure & Toll Roads Pvt. Ltd. (WMPTPL). It also has two toll-operate-transfer (TOT) bundles, namely TOT-11 and TOT-14.

ICRA notes that the entire equity stake in the three BOT-Toll assets viz., BFHL, DTPL and WMPTPL, is proposed to be transferred to CHT through a share-swap by the end of Q1 FY2027, with the BoD of CHT having approved the transaction and the underlying enterprise value of these assets in January 2026. Upon completion of the proposed transaction, CH-V will become one of the unitholders of CHT, with improved visibility on cash flows in the form of dividend distribution income. This is supported by the regulatory framework prescribed by the Securities and Exchange Board of India (SEBI) for InvITs, which mandates the distribution of at least 90% of the net distributable cash flows to unitholders. Further, a right of first offer (ROFO) agreement with CHT will provide CH-V with a predictable and low-risk route for monetising the operational assets, supporting capital recycling and balance-sheet flexibility.

While upstreaming of cash flows from investee companies has been limited so far, due to the stabilisation phase post-acquisition, the underlying assets have been generating healthy cash surpluses. Moreover, CH-V had no external fund-based borrowings as on December 31, 2025, with adequate liquidity. The rating benefits from the financial flexibility that CH-V derives from being a part of the Cube Highways Group, which is promoted by reputed and resourceful investors and the sponsors' established global track record in managing investments across diverse sectors. The rating favourably factors in the absence of external fund-based debt at CH-V's level and likelihood of continuation of the same, with any future external borrowings remaining a key rating monitorable.

The rating, however, is constrained by CH-V's subordinated position to external senior lenders under the waterfall structure governing surplus cash flow distribution from the respective assets. Additionally, the company remains exposed to risks stemming from limited asset diversification and the inherent susceptibility of the toll-based revenue model to the traffic risk.

The Stable outlook reflects ICRA's expectation that CH-V's asset portfolio will continue generating strong and predictable cash flows, thereby ensuring access to surplus liquidity. This surplus could be up streamed to support comfortable coverage metrics in the event of an increase in the company's borrowings.

The bank loan ratings are being withdrawn, at the request of the company and based on the no objection certificate (NOC) received from the banker, and in accordance with ICRA's policy on withdrawal.

Key rating drivers and their description

Credit strengths

Robust financial flexibility by virtue of being a part of Cube Highways Group – CH-V benefits from the backing of multiple investors, with I Squared Capital (ISQ) and Abu Dhabi Investment Authority (ADIA) holding a majority stake. The strong sponsor group, their proven global track record in infrastructure asset management and extensive experience in operating road assets in India provide comfort and enhance financial flexibility.

Strong cash flow and healthy operational track record of underlying assets – CH-V holds a portfolio of six operational road assets and is expected to benefit from the stable cash flows, supported by healthy traffic potential, advantageous project locations, expected sustained upstreaming of distribution income from CHT (upon completion of the share-transfer of three proposed assets), and an extensive operating track record. The surplus cash flows to be up-streamed from these assets are expected to be sufficient in meeting CH-V's funding requirements, including any potential external debt obligations. In absence of any debt servicing obligations, these surplus cash flows are likely to be re-patriated to the investors in the form of dividend.

Credit challenges

Ring-fenced cash flows at SPVs; subordinated rights over cash flows from the assets – The company's right to cash flows from the underlying assets is subordinated to external lenders, with upstreaming permitted only after fulfilling debt servicing obligations and maintaining prescribed reserves. This structural subordination elevates cash flow risk. However, the strong credit quality of the assets, coupled with an adequate liquidity buffer, provides partial mitigation.

Modest asset diversification – Despite the company having a diversified portfolio comprising six assets, its cash flow generation is significantly concentrated in two assets, which together account for around 60% of pre-debt servicing cash flows in FY2026P. This concentration introduces a degree of cash flow risk. Moreover, the concentration is likely to increase with the prospective transfer of three BOT-Toll assets to CHT, in exchange of unitholding of CHT. Nevertheless, the long operational track record, consistent cash flow performance of these key assets and CHT's strong credit profile provides a mitigating factor, partially offsetting the concentration risk.

Liquidity position: Adequate

CH-V had unencumbered cash balance of around Rs. 64.7 crore as on September 30, 2025, and no external fund-based borrowings. The distribution of cash surplus from the underlying investment companies is expected to be sufficient to meet the operational expenses.

Rating sensitivities

Positive factors – The rating may be upgraded if there is a sustained and material upstreaming of cash flows from the underlying assets, resulting in consistent maintenance of strong debt coverage metrics.

Negative factors – The rating could witness a downward revision in case of weakening in the credit profile of the underlying assets or unexpected support requirement from CH-V to these assets. Pressure on the rating could also arise if any debt-funded acquisitions result in a material increase in debt levels and deterioration in coverage metrics on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Investment Companies Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings
Parent/group Support	Not Applicable
Consolidation/standalone	The rating is based on the standalone financials of CH-V.

About the company

Cube Highways and Infrastructure V Pte. Ltd. (CH-V), incorporated in June 2021, is a Singapore-based entity focused on investment activities in road infrastructure projects. Its primary objective is to deliver long-term equity returns to investors. CH-V is owned by multiple investors, with ISQ and ADIA holding the majority share. Operating as an independent, professionally managed platform, it leverages the deep transportation expertise of its management and advisory teams to execute projects effectively.

Key financial indicators (audited)

CH-V (Standalone)	CY2023 [^]	CY2024 [*]	9M CY2025 (unaudited) ^{**}
Operating income	-	-	-
PAT	227.8	1,791.9	-81.4
OPBDIT/OI	-	-	-
PAT/OI	-	-	-
Total outside liabilities/Tangible net worth (times)	1.4	1.0	1.1
Total debt/OPBDIT (times)	-7.9	-48.8	-59.3
Interest coverage (times)	-	-	-

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; [^]For CY2023, conversion rates applied are Rs. 82.57/ USD for P&L figures and Rs. 83.25/ USD for balance sheet figures. ^{*}For CY2024, conversion rates are Rs. 83.67/USD for P&L figures and Rs. 84.97/USD for balance sheet figures; ^{**}For 9M CY2025, conversion rates are Rs. 86.49/USD for P&L figures and Rs. 88.27/USD for balance sheet figures; Net profits are driven by fair value gain/loss routed through P&L; Net profits are driven by fair value gain/loss routed through P&L.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for past three years

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	February 20, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Issuer	Long-term	-	[ICRA]AA(Stable)	- - - - - -							
Non-fund based - Others	Long-term	USD 37.98 million	[ICRA]AA(Stable); reaffirmed and withdrawn	November 19, 2025	[ICRA]AA (Stable)	-	-	-	-	-	-

Amount in Rs. crore unless specified

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer	NA
Long-term - Non-fund based - Others	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance / sanction	Coupon rate	Maturity date	Amount rated	Current rating and outlook
NA	Issuer rating	NA	NA	NA	-	[ICRA]AA (Stable)
NA	Non-fund based - Others	NA	NA	NA	USD 37.98 million	[ICRA]AA (Stable); reaffirmed and withdrawn

Source: Company, ICRA Research; Amount in Rs. crore unless specified.

[Please Click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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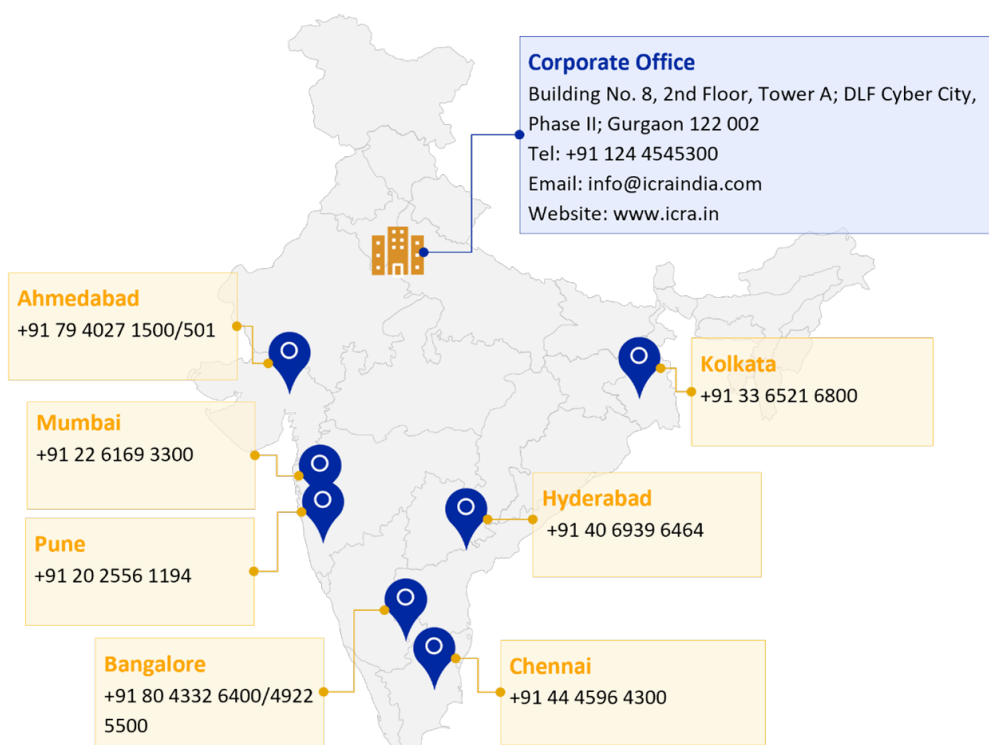


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