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## Towards Financial Close in Asset Recycling

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***On this page:** Find how to prevent unacceptable delay between contract execution and financial close. Read more below, or visit the [Guidelines for Implementing Asset Recycling Transactions](#) section and [Content Outline](#), or [Download the Full Report](#).*

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Financial close typically will coincide with the legally binding commitments of equity holders and debt financiers to provide or mobilize funding for the transaction. Financial close, in most cases, indicates the commencement of the project period.

Adequate time should be given for financial close. In case of delays in financial close, there should be appropriate penalties defined in the contract. The Relevant Authority and its advisors may be called upon to support the process of achieving financial close, particularly in addressing some concerns of potential lenders to the project. This support may take the form of providing additional information / data / documents or participating in some meetings with potential lenders and responding to some of their queries / concerns.

There may be specific government approvals such as the approvals of licenses or granting permits that may need to be resolved before financial close.

It is important that the number of such matters outstanding at contract execution is kept to an absolute minimum to prevent unacceptable delay between contract execution and financial close.

## Box 8: Case Study on Sample Transaction Documents of TOT Model

### [Sample Transaction Documents, TOT Model, India](#)

The National Highways Authority of India (NHAI) has adopted a single stage two-part system for selection of the bidder for award of the projects under TOT model.

Under this process, bids are invited under two parts. The eligibility and qualifications of the Bidder is first assessed based on details submitted in their technical bids based on criteria prescribed in the request for proposal (RFP). The financial bid is to be opened only for bidders that qualify after assessing their technical bids.

The transaction and tender documents are made available in the public domain in case of TOT model of highway monetization in India, which provides a high degree of transparency for participants of future TOT tenders.

Find Request for Proposal, Model Concession Agreement, Modification to Concession Agreement and Investor Presentation [here](#).

#### Related Content

- [The PPPRC Asset Recycling Section](#)
- [Executive Summary: Asset Recycling](#)
- [Asset Recycling Projects](#)
- [Asset Recycling Programs](#)
- [Table of Contents for Asset Recycling](#)

#### Additional Resources

- [Managing PPP Transactions](#)
- [Managing PPP Contracts](#)
- [Bid Evaluation and Award in Asset Recycling](#)

*The Guidelines have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific*

transactions.

To find more, visit the *Guidelines to Implementing Asset Recycling Transactions* [Section Overview](#) and [Content Outline](#), or [Download the Full Report](#).

