*[ALL USER NOTES/FOOT NOTES SHOULD BE REMOVED BEFORE SIGNING]*

[[1]](#footnote-2)LETTER OF COMFORT - DRAFT

To:

\_\_\_\_\_\_\_\_\_\_\_\_\_

Dear Sir,

Sub: [●] (“Borrower”)

We, [●](“Company”), refer to letter dated [●] ([[2]](#footnote-3)“CAL”/”Sanction Letter”, as amended and renewed from time to time) issued by ICICI Bank Limited (“ICICI”) to the Borrower. In consideration of ICICI agreeing to lend and advance Rs. [●] (“Facility”) to the Borrower, on the terms and conditions set forth in the CAL/Sanction Letter, the Company hereby irrevocably and unconditionally agree, confirm and undertake as follows:

OR

In consideration of you having agreed to grant to the Borrower, facility of Rs. [●] (“Facility”) in terms of facility agreement dated [●] (“Facility Agreement” which term shall include any amendments made to it from time to time) executed between the Borrower and ICICI Bank Limited (“ICICI”), we, [●] (“Company”), do hereby irrevocably and unconditionally agree, confirm and undertake as follows:

1. The Company shall ensure that the Borrower abides by and complies with all the terms and conditions applicable to the Facility, including those set out in the transaction documents executed in relation to the Facility (“Transaction Documents”).
2. The Company shall ensure that the Borrower repays the Facility along with all interest, liquidated damages, front end fee, premia on pre-payment, costs, charges and expenses and other monies, due and payable by the Borrower to ICICI under the Transaction Documents on the stipulated dates. In the event the funds of the Borrower being insufficient to meet any such debt obligations, the Company shall make funds available to the Borrower to ensure payment by the Borrower to ICICI on the stipulated dates of all its debt obligations under the Transaction Documents. In the aforesaid event(s) and/or in the event the Borrower defaults in any of its obligations to ICICI, the Company shall immediately pay to ICICI any amounts that ICICI may, in its sole discretion, call upon the Company to pay in this connection.

1. In the aforesaid event(s) and/or in the event the Borrower defaults in any of its obligations to ICICI, the Company shall indemnify and keep ICICI indemnified against all losses, damages, costs, claims and expenses whatsoever which ICICI may suffer, incur or pay by reason of such default on the part of the Borrower (including legal proceedings taken against the Borrower and/or the Company for recovery of all monies under the Transaction Documents).
2. Till the Facility is repaid in full to the satisfaction of ICICI, the Company shall not without prior written approval of ICICI: avail any loans, whether secured or unsecured; or issue preference shares or convertible instruments (interest bearing or deep discount); or execute guarantees/ letters of comfort; if the sum total of such loans, preference shares, convertible instruments, guarantees/ letters of comfort exceeds 2.0 times the sum of the paid-up equity share capital and reserves and surplus of the Company.[[3]](#footnote-4)
3. The Company shall take all steps, as may be required, (including but not limited to subscribing to the equity/preference shares of the Borrower and/or making sufficient funds available to the Borrower) to ensure that the Borrower does not undergo or endure any insolvency or bankruptcy event [including without limitation, initiation of insolvency resolution process under the Insolvency and Bankruptcy Code, 2016, as amended from time to time (“Code”)].
4. The Company shall not dilute its equity holding in the Borrower, without the prior written approval of ICICI.

This undertaking is irrevocable and constitutes legal and binding obligations upon the Company and its successors and permitted assigns, and shall continue to be in full force and effect notwithstanding any change, modification, and/or waiver in the terms and conditions of the Transaction Documents.

This undertaking shall be governed by and construed in accordance with the laws of India and the Company hereby irrevocably submits to the exclusive jurisdiction of the competent courts at [●][[4]](#footnote-5). Nothing contained in this clause shall limit the right of ICICI to commence any legal action or proceedings in any other court, tribunal or other appropriate forum and the Company hereby consents to that jurisdiction.

The Company hereby gives specific consent to ICICI for submitting/disclosing the ‘financial information’ as defined in the Code, in respect of the contractual comforts given for securing the Facility to Information Utilities (as defined in the Code) and/or pursuant to any directions issued by Reserve Bank of India to the banks from time to time and hereby specially agree to promptly authenticate and verify the ‘financial information’ submitted by ICICI, as and when requested by Information Utilities.

The Company hereby declares that it has the power and capacity to execute this undertaking and the same has been executed, for and on behalf of the Company, under proper authority and the Company has obtained all requisite approvals (including but not limited to corporate authorizations) in this regard. The entry into, delivery and performance by the Company of the transactions contemplated under this undertaking does not and will not conflict with any document which is binding upon the Company.

The Company recognizes that it is on the faith of this undertaking that ICICI has agreed to lend and advanced the Facility.

Yours faithfully,

\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorised Signatory

For the Company

Dated this [●] day of [●],[●] at [●][[5]](#footnote-6).

1. This is **a format of letter of comfort** provided by a third party (a company) in respect of the facility provided to the borrower by ICICI Bank. It needs to be stamped as an undertaking + indemnity. You may use this format after filling the commercials and related details. Further, all corporate authorization checks (including without limitation Section 185/186 of the Companies Act, 2013) need to be done.

   **Please Note:** The contents of the draft may vary, based on the understanding/negotiation between the parties and shall be finalized in consultation with the concerned legal team. Modifications/changes to the present format may be approved by Business and Risk in line with the methodology used in WBG matrix. [↑](#footnote-ref-2)
2. Delete what is not applicable [↑](#footnote-ref-3)
3. Any deviation / waiver to this clause may be approved by Risk Team and Business Team- Senior Client Banker. [↑](#footnote-ref-4)
4. To be inserted as per the place where this document is to be executed. [↑](#footnote-ref-5)
5. Please insert the place where this document is being executed. [↑](#footnote-ref-6)