

**[FORM - AA]**  
**Form of Bank Gurantee**  
**[Rule 30]**

In consideration of the Governor of Andhra Pradesh hereinafter called “the Government” having agreed to exempt Sri ..... (hereinafter called “said contractor”) from the demand under the relevant rules of Andhra Pradesh Excise (Lease of Right to Sell Liquor in Retail) Rules, and Andhra Pradesh Excise (Arrack and Toddy Licences General Conditions) Rules, and as agreed under the terms and conditions agreed, dated ..... made between Excise Superintendent and said contractor for the fulfilment by the said contractors of terms and conditions contained in the said rules and said agreement on production of a Bank Gurantee for Rs..... in words (.....) we ..... (indicate the name of the Bank) (hereinafter referred to the Bank) at the request of the said contractor do hereby undertake to pay to the Government an amount not exceeding Rs.....against any liability of the said contractor to the Government arising by reason of any breach of the said contractor of the said rules and the agreement.

2. We ..... (indicate the name of Bank) do hereby undertake to pay amounts due to payable under this guarantee without any demur, merely on a demand from the Government. Any such demand made on the Bank shall be conclusive both as regards breach of the terms and conditions and the amount due under the rules and the contract. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. ....

3. We also undertake to pay interest at the rate of 18% for the period over and above 15 days from the date of receipt of demand of claim for payment in writing from you to the date of actual payment made by us.

4. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the contractor(s) in any suit or proceeding pending before any Court or Tribunal relating thereto in the absence of jurisdiction or prohibitory order, our liability under this present being absolute and unequivocal.

The payment so made by us under this bond shall be a valid discharge of our liability for payment thereunder and the contractor(s) shall have no claim against us for making such payment.

5. We (indicate the name of Bank) further agree that guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said rules and the Agreement have been fully paid and its claims satisfied or discharges or till ..... office/department Ministry of ..... certify that the terms and conditions of the said agreement have been fully and properly carried out by the said contractor(s) and accordingly discharge this guarantee.

6. We ..... (indicate the name of Bank) further agree with the Government that the Government shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said agreement or to extend time of performance by the said contractor(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and shall not be relieved from our liability by reason of any such variation, or extension being granted to the said contractor (s) or for any forbearance, act or omission on the part of the Government of any indulgence by the Government to the said contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision have effect of so relieving us.

7. This guarantee will not be discharged due to the change in the constitution of the Bank or the contractor(s).

8. We ..... (indicating the name of Bank) undertake not to revoke this guarantee during its currency except with the previous consent of the Government in writing.

9. We ..... (indicate the name of Bank) lastly state that this guarantee will remain in force for a period of fifteen months from the date of execution or clearance certificate is obtained from the Government whichever is earlier and ..... unless a demand or claim under guarantee is made against us within the said validity period of guarantee i.e., ..... (date) all your rights, under this guarantee shall be forfeited, and we shall be released and discharged from all liabilities thereunder”.

Date the ..... day of ..... 19.....

for .....  
(indicate the name of Bank)