

Mr. Siddharth Jain (IAS)
 Managing Director
 Andhra Pradesh State Financial Corporation,
 Plot OS No.2, 2nd Cross,
 3rd Road, Industrial Park,
 Autonagar, Vijayawada - 520 007
 Andhra Pradesh.

January 17, 2020

Kind Attn: Mr. Siddharth Jain (IAS), Managing Director

Dear Sir,

Re: Rating of Andhra Pradesh State Financial Corporation's Bond Issuance and bank Facilities.

India Ratings and Research (Ind-Ra) has undertaken the following rating actions on Andhra Pradesh State Financial Corporation's (APSFC) bonds and bank facilities:

Instrument Type	Size of Issue (billion)	Rating/Outlook	Rating Action	Historical Rating/Outlook/Rating Watch as on 10 May 2019
Bonds*	INR5.20 (reduced from INR6.41)	IND BB/Stable	Upgraded	IND B/Negative
Long-term loans	INR1.75 (reduced from INR4.00)	IND BB/Stable	Upgraded	IND D

Details of the bond issue and bank facilities are mentioned in the Annexure

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

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In this letter, "**India Ratings**" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact the undersigned at +91 22 4000 1700.

Sincerely,

India Ratings



Rakesh Valecha
Senior Director



Abhishek Bhattacharya
Director


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