



AFC/F&A/MS/2015-16

Date: 19.11.2015

The Manager,
Listing Dept.,
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Dear Sir,

Ref: Compliance under Listing Agreement for the half year ending on 30.09.2015.

With reference to the above, we submit herewith the information and documents as per the provisions of SEBI (Issue & Listing of Debt Securities) Regulations, 2008 and SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012 and the Listing Agreement thereunder, for dissemination to the debenture holders as mentioned below:

1. Following issues of Non-Convertible Debentures have been listed with your Stock Exchange : **Details of listed NCDs:**

| Series | Date of Allotment | Date of listing | No. of NCDs | Face value (Rs. in cr.) | Amt. of Issue (Rs. in cr.) | Latest Credit Rating |
|--------|-------------------|-----------------|-------------|-------------------------|----------------------------|--|
| II | 27.03.2008 | 21.05.2008 | 1290 | 0.10 | 129.00 | 1. CRISIL BBB+(SO)/Watch Negative. 2. Rating by India Rating Agency- Rating Watch evolving. |
| III | 03.01.2009 | 25.03.2009 | 1000 | 0.10 | 100.00 | 1. CRISIL BBB+(SO)/Watch Negative. 2. Rating by India Rating Agency Rating Watch evolving. |
| IV | 29.12.2009 | 22.03.2012 | 1210 | 0.10 | 121.00 | 1. CRISIL BBB+(SO)/Watch Negative. 2. Rating by India Rating Agency Rating Watch evolving. |
| V | 28.03.2012 | 19.04.2012 | 2000 | 0.10 | 200.00 | 1. CRISIL BBB+(SO)/Watch Negative. 2. Rating by India Rating Agency -Rating Watch evolving. |



| | | | | | | |
|------|------------|------------|------|------|--------|---|
| VI | 20.03.2013 | 02.04.2013 | 3200 | 0.10 | 320.00 | 1. BRICKWORK - Rating watch with Developing Implications. 2. India Rating Agency- Rating Watch evolving. |
| VII | 24.03.2014 | 06.06.2014 | 580 | 0.10 | 58.00 | 1. CRISIL BBB+(SO)/Watch Negative. 2. Brickwork Ratings – Rating Watch with developing implications. |
| VIII | 28.03.2014 | 09.04.2014 | 1500 | 0.10 | 150.00 | 1. CRISIL BBB+(SO)/Watch Negative. 2. Brickwork Ratings – Rating Watch with developing implications. |

2. The latest Credit Rating in respect of the said issues is mentioned in the statement under Sr. No. 1 above. Consequent upon bifurcation of the erstwhile Andhra Pradesh State into Andhra Pradesh (Residual) and Telangana States, the rating agencies (CRISIL, INDIA Ratings & Brickwork) have placed the outstanding ratings assigned to the above issues of APSFC under Rating Watch.
3. The said Non-SLR Bonds are secured by guarantee of erstwhile Government of Andhra Pradesh.
4. The Debt-Equity Ratio is 4.56 as on 31.03.2015
5. The due date of payment of Principal and Interest and actual date of payment for the half year ending 30.09.2015 are as under.

| SERIES | TYPE (INTEREST /PRINCIPAL) | DUE DATE OF PAYMENT | AMOUNT Rs. | ACTUAL DATE OF PAYMENT Rs. |
|---------------|----------------------------------|------------------------|-------------------|---|
| Series – II | Interest | 27.09.2015* | 34130223.00 | 28.09.2015 |
| Series – III | Interest | 03.07.2015 | 36497544.00 | 03.07.2015 |
| Series – IV | Interest | 29.06.2015 | 51585789.00 | 29.06.2015 |
| Series – V | Interest | 28.09.2015 | 97595615.00 | 28.09.2015 |
| Series – VI | Interest | 20.09.2015** | 148405476.00 | 21.09.2015 |
| Series – VII | Interest | 24.09.2015*** | 28662328.00 | 25.09.2015 |
| Series – VIII | Interest | 28.09.2015 | 74482194.00 | 28.09.2015 |

* 27.09.2015 being Sunday paid on 28.09.2015

** 20.09.2015 being Sunday paid on 21.09.2015

*** 24.09.2015 being holiday paid on 25.09.2015



6. The due date of principal and interest of the above said NCDs during next half year i.e. 01.10.2015 to 31.03.2016 are as under:

| SERIES | TYPE (INTEREST/PRINCIPAL) | DUE DATE OF PAYMENT | AMOUNT (In Rs.) |
|---------------|------------------------------|------------------------|--------------------|
| Series-II | Principal | 27.03.2016* | 258000000.00 |
| | Interest | 27.03.2016 | 33485016.00 |
| Series-III | Principal* | 03.01.2016 | 200000000.00 |
| | Interest* | 03.01.2016 | 37304110.00 |
| Series – IV | Principal | 29.12.2015 | 242000000.00 |
| | Interest | 29.12.2015 | 51869220.00 |
| Series – V | Interest | 28.03.2016 | 96271038.00 |
| Series – VI | Interest | 20.03.2016** | 145600000.00 |
| Series – VII | Interest | 24.03.2016 | 27965984.00 |
| Series – VIII | Interest | 28.03.2016 | 73471311.00 |

* 27.03.2016 being Sunday will be paid on 28.03.2016

**20.03.2016 being Sunday will be paid on 21.03.2016

Corporation does not expect default in payment of Principal/Interest due in next half-year.

7. The half-yearly results for the half year ended 30.09.2015 are attached as per the format in Annexure –I of the Listing Agreement. The same were published on 13.11.2015 and the same is enclosed for reference.
8. No event as detailed in clause 19 of the Listing Agreement has taken place during half year ending on 30.09.2015, requiring the Corporation to notify Stock Exchange or Debenture Trustees.
9. Composition of the Board Of Directors /Management of the Company t during half-year ending on 30.09.2015 is enclosed in Annexure -5
10. The name, designation and contact details of “Compliance Officer” of this Corporation are as under:
- (A) Name of Compliance Officer : E. Chengalrayulu
 (B) Designation : Executive Director
 (C) Correspondence Address : 5-9-194, Chirag Ali Lane, Abids, Hyderabad
 (D) Phone, Fax No. : 040-2320 1646, 040-23200174.
 (E) Email ID : finance@apsfc.com



11. We confirm that the information submitted as above is true and correct and the undersigned has authority to submit the same to you and that we are aware that above information is expected to be placed on the website of your Stock Exchange and that of Debenture Trustees.

Thanking you,
Yours sincerely,



E. CHENGALRAYULU,
EXECUTIVE DIRECTOR
Andhra Pradesh State Financial Corporation



Countersigned by:
GDA Trusteeship Ltd.
Debenture Trustee

ఆంధ్రప్రదేశ్ రాష్ట్ర ఆర్థిక సంస్థ
Andhra Pradesh State Financial Corporation
(A Government Statutory Corporation under SFCs Act, 1951)



AFC/F&A/MS/2015-16/

November 13, 2015

The Asst.General Manager
Department of Corporate Services
The Bombay Stock Exchange Ltd.
Floor 25, PJ Towers,
Dalal Street,
Mumbai – 400 001.

Sir,

Sub: Privately placed debentures/Bonds in WDM Segment- Furnishing of Un-audited half yearly results for the period ended 30.09.2015 and Limited Review Report – Reg.

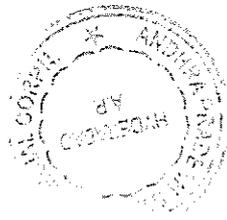
* * * * *

The Corporation had raised APSFC Non-SLR Bonds – 8.50%(Series II-2008) (INE695F09391) of Rs.129.00 crore, APSFC Non-SLR Bonds – 9.00% (Series III-2008) (ISIN No.INE695F09409) of Rs.100 crore, APSFC Non-SLR Bonds – 8.35% (Series IV-2009) (ISIN No.INE695F09417) of Rs.121 crore, APSFC Non-SLR Bonds – 9.48% (Series V-2012) (ISIN No.INE695F09425) of Rs.200 crore , APSFC Non-SLR Bonds – 9.15% (Series VI-2013) (ISIN No.INE695F09433) of Rs.320 crore, APSFC Non-SLR Bonds - 9.75% (Series VII-2014) (ISIN No. INE695F09441) of Rs. 58 crore and APSFC Non-SLR Bonds -9.85% (Series VIII-2014) ISIN NO. INE695F09458 of Rs.150 crores through private placement during August 2007, March 2008, December 2008, December 2009, February/March 2012 , January to March 2013 and January/March 2014 respectively. Further, the Corporation had entered into listing agreement with BSE and the said bonds were duly listed with BSE in WDM segment.

In line with the terms and conditions of the said listing agreement, we are herewith submitting the unaudited financial results for the half year ended 30.09.2015 alongwith the Limited Review Report duly certified by Chartered Accountant. Further, we wish to inform that the said results were published in Financial Express (English paper) in all India edition on 13.11.2015.

This is for your kind information and records.

Thanking You,



Yours faithfully,


EXECUTIVE DIRECTOR

Copy to:
GDA Trusteeship Ltd.
GDA House” Plot No.85,
S.NO. 94/95, Bhusari Colony (Right)
Paud Road, PUNE-411038.

Encl: As above



5-9-194, Post Box No. 165, Chirag Ali Lane, Hyderabad - 500 001 (A.P.)
Ph.Nos.: 98665 12501 - 04, (040) 2320 1397, 2320 1646, 2320 2547, 2320 2550-53
Fax: 40-2320 2972, E-mail: ho@apsfc.com, Website : www.apsfc.com



Hari Vara Prasada & Associates

CHARTERED ACCOUNTANTS

Limited Review Report

We have reviewed the accompanying statement of unaudited half-yearly financial results of Andhra Pradesh State Financial Corporation for the period ended 30.09.2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

In the conduct of our review, we have relied upon various returns received from the branches of the Andhra Pradesh State Financial Corporation.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited half yearly financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 29 of the Listing Agreement for debt securities including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India/SIDBI in respect of income recognition, asset classification, provisioning and other related matters.

For Hari Vara Prasada & Associates
CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 10.11.2015



(Signature of Y. Hari Vara Prasada RAO)
(Y.HARI VARA PRASADA RAO)
M.No.29740



ANDHRA PRADESH STATE FINANCIAL CORPORATION::HYDERABAD

Un-audited financial results for the half year ended 30.09.2015

(Rs.in Lakhs)

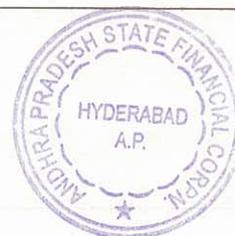
| Sl. No. | Particulars | Half Year ended | | Year ended | |
|---------|--|---------------------------|---------------------------|-------------------------|-------------------------|
| | | 30.09.2015 (Unaudited) | 30.09.2014 (Unaudited) | 31.03.2015 (Audited) | 31.03.2014 (Audited) |
| 1 | Interest earned (a)+(b)+(c) +(d) | 16782.60 | 19038.45 | 44740.20 | 41990.47 |
| (a) | Interest on Loans & Advances | 16730.41 | 18230.06 | 43726.12 | 40829.86 |
| (b) | Income on Investments | 13.91 | 137.13 | 205.66 | 319.76 |
| (c) | Interest on deposits with Bank | 13.75 | 638.48 | 723.30 | 652.08 |
| (d) | Others | 24.53 | 32.78 | 85.12 | 188.77 |
| 2 | Other Income | 603.20 | 532.12 | 3030.75 | 3349.12 |
| 3 | Total Income(1+2) | 17385.80 | 19570.57 | 47770.95 | 45339.59 |
| 4 | Interest Expended | 10718.30 | 12688.88 | 24385.78 | 23020.16 |
| 5 | Operating Expenses(i)+(ii) | 2931.94 | 3166.20 | 16557.08 | 14322.91 |
| (i) | Employees Cost | 2589.38 | 2798.81 | 6640.50 | 6601.11 |
| (ii) | Other operating expenses including bad debts written off | 342.56 | 367.39 | 9916.58 | 7721.80 |
| 6 | Total Expenditure (4+5) excluding provisions & contingencies | 13650.24 | 15855.08 | 40942.86 | 37343.07 |
| 7 | Operating Profit before Provisions and Contingencies (3 - 6) | 3735.56 | 3715.49 | 6828.09 | 7996.52 |
| 8 | Provisions (other than tax) and Contingencies | 0.00 | 0.00 | 989.42 | 1994.63 |
| 9 | Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 |
| 10 | Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9) | 3735.56 | 3715.49 | 5838.67 | 6001.89 |
| 11 | Tax Expense | 1097.09 | 1133.74 | 1985.39 | 1987.78 |
| 12 | Net Profit(+)/Loss(-) from Ordinary Activities after tax (10 - 11) | 2638.47 | 2581.75 | 3853.28 | 4014.11 |
| 13 | Extraordinary items(net of tax expense) | 0.00 | 0.00 | 0.00 | 0.00 |
| 14 | Net Profit(+)/Loss(-) for the period (12-13) | 2638.47 | 2581.75 | 3853.28 | 4014.11 |
| 15 | Paid-up equity share capital | 16472.24 | 16472.24 | 16472.24 | 16472.24 |
| 16 | Reserves excluding Revaluation Reserves | 28700.62 | 25809.25 | 26062.15 | 23227.50 |
| 17 | Analytical Ratios | | | | |
| (i) | Capital Adequacy Ratio | 16.56% | 14.46% | 15.37% | 13.26% |
| (ii) | Earnings Per Share(EPS) | 16.02 | 15.67 | 23.39 | 24.37 |
| 18 | NPA Ratios | -- | -- | | |
| (a) | Net NPA | -- | -- | 15549.35 | 13513.62 |
| (b) | % of Net NPA | -- | -- | 5.94% | 4.83% |
| (c) | Return on assets | -- | -- | 1.14% | 1.19% |

Note: Provision for Non-performing Assets will be assessed and provided as per the guidelines of Small Industries Development Bank of India at the end of the year.

For Hari Vara Prasada & Associates

Hari Vara Prasada

Chartered Accountant
M.No: 29749





ANDHRA PRADESH STATE FINANCIAL CORPORATION

Head Office: 5-9-194, Chirag Ali Lane, Hyderabad-500001
Ph: 23201646, 23202550 to 2553, Fax: 040-23202972

Un-audited financial results for the half year ended 30.09.2015 (Rs. In Lakhs)

| Sl. No. | Particulars | Half Year ended | | Year ended | |
|---------|---|---------------------------|---------------------------|-------------------------|-------------------------|
| | | 30.09.2015 (Unaudited) | 30.09.2014 (Unaudited) | 31.03.2015 (Audited) | 31.03.2014 (Audited) |
| 1 | Interest earned (a)+(b)+(c)+(d) | 16782.60 | 19038.45 | 44740.20 | 41990.47 |
| | (a) Interest on Loans & Advances | 16730.41 | 18230.06 | 43726.12 | 40829.86 |
| | (b) Income on Investments | 13.91 | 137.13 | 205.66 | 319.76 |
| | (c) Interest on deposits with Bank | 13.75 | 638.48 | 723.30 | 652.08 |
| | (d) Others | 24.53 | 32.78 | 85.12 | 188.77 |
| 2 | Other Income | 603.20 | 532.12 | 3030.75 | 3349.12 |
| 3 | Total Income(1+2) | 17385.80 | 19570.57 | 47770.95 | 45339.59 |
| 4 | Interest Expended | 10718.30 | 12688.88 | 24385.78 | 23020.16 |
| 5 | Operating Expenses(i)+(ii) | 2931.94 | 3166.20 | 16557.08 | 14322.91 |
| | (i) Employees Cost | 2589.38 | 2798.81 | 6640.50 | 6601.11 |
| | (ii) Other operating expenses including bad debts written off | 342.56 | 367.39 | 9916.58 | 7721.80 |
| 6 | Total Expenditure (4+5) excluding provisions & contingencies | 13650.24 | 15855.08 | 40942.86 | 37343.07 |
| 7 | Operating Profit before Provisions and Contingencies (3 - 6) | 3735.56 | 3715.49 | 6828.09 | 7996.52 |
| 8 | Provisions (other than tax) and Contingencies | 0.00 | 0.00 | 989.42 | 1994.63 |
| 9 | Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 |
| 10 | Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9) | 3735.56 | 3715.49 | 5838.67 | 6001.89 |
| 11 | Tax Expense | 1097.09 | 1133.74 | 1985.39 | 1987.78 |
| 12 | Net Profit(+)/Loss(-) from Ordinary Activities after tax (10 - 11) | 2638.47 | 2581.75 | 3853.28 | 4014.11 |
| 13 | Extraordinary items(net of tax expense) | 0.00 | 0.00 | 0.00 | 0.00 |
| 14 | Net Profit(+)/Loss(-) for the period (12-13) | 2638.47 | 2581.75 | 3853.28 | 4014.11 |
| 15 | Paid-up equity share capital | 16472.24 | 16472.24 | 16472.24 | 16472.24 |
| 16 | Reserves excluding Revaluation Reserves | 28700.62 | 25809.25 | 26062.15 | 23227.50 |
| 17 | Analytical Ratios | | | | |
| | (i) Capital Adequacy Ratio | 16.56% | 14.46% | 15.37% | 13.26% |
| | (ii) Earnings Per Share(EPS) | 16.02 | 15.67 | 23.39 | 24.37 |
| 18 | NPA Ratios | | | | |
| | (a) Net NPA | -- | -- | 15549.35 | 13513.62 |
| | (b) % of Net NPA | -- | -- | 5.94% | 4.83% |
| | (c) Return on assets | -- | -- | 1.14% | 1.19% |

Note: Provision for Non-Performing Assets will be assessed and provided as per the guidelines of Small Industries Development Bank of India at the end of the year.

By Order of the Board of Directors

Place : Hyderabad
Date : 05.11.2015

Sd/-
Managing Director



STATEMENT SHOWING STATUS OF NON-SLR BONDS ISSUED

| Series No. | Date of Trust Deed | ISIN No. | Date of Allotment | Amount Rs/Crore | Rate of interest | Date of Redemption | Amount Redeemed during the year Rs/Crore | Balance Outstanding Rs/Crore | Interest due dates | Date of Payment of interest | Credit Rating at the time of issue |
|------------|--------------------|--------------|-------------------|-----------------|------------------|--------------------|--|------------------------------|----------------------------|-----------------------------|------------------------------------|
| II | 25.06.2008 | INE695F09391 | 27.03.2008 | 129.00 | 8.70% | 27.03.2018 | 0.00 | 77.40 | 27 th March | Paid on Due dates | CRISIL – A(SO)/Stable |
| | | | | | | | | | 27 th September | | FITCH – A+(IND)/(SO) |
| III | 07.03.2009 | INE695F09409 | 03.01.2009 | 100.00 | 9.20% | 03.01.2019 | 0.00 | 80.00 | 3 rd January | Paid on Due dates | CRISIL – A(SO)/Stable |
| | | | | | | | | | 3 rd July | | FITCH – A(IND)/(SO) |
| IV | 10.03.2010 | INE695F09417 | 29.12.2009 | 121.00 | 8.35% | 29.12.2019 | Nil | 121.00 | 29 th June | Paid on Due dates | CRISIL – A(SO)/Stable |
| | | | | | | | | | 29 th December | | FITCH – A(IND)/(SO) |
| V | 25.06.2012 | INE695F09425 | 28.03.2012 | 200.00 | 9.48% | 28.03.2022 | Nil | 200.00 | 28 th March | Paid on Due dates | CRISIL – A(SO)/Stable |
| | | | | | | | | | 28 th September | | FITCH – A(IND)/(SO) |
| VI | 12.06.2013 | INE695F09433 | 20.03.2013 | 320.00 | 9.15% | 20.03.2023 | Nil | 320.00 | 20 th March | Paid on Due dates | BWR – A+(SO)/Stable |
| | | | | | | | | | 20 th September | | IND A(SO)/(Exp) |
| VII | 28.05.2014 | INE695F09441 | 24.03.2014 | 58.00 | 9.75% | 24.03.2024 | Nil | 58.00 | 24 th March | Paid on Due dates | BWR – A+(SO)/Stable |
| | | | | | | | | | 24 th September | | CRISIL – A(SO)/(Exp) |
| VIII | 28.05.2014 | INE695F09458 | 28.03.2014 | 150.00 | 9.85% | 28.03.2024 | Nil | 150.00 | 28 th March | Paid on Due dates | BWR – A+(SO)/Stable |
| | | | | | | | | | 28 th September | | CRISIL – A(SO)/(Exp) |
| | | | | | | | 0.00 | 1006.40 | | | |



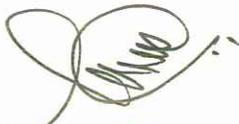
Annexure – 3

Date: 16.11.2015

Declaration

We hereby certify and declare that ---

- (A) the proceeds the respective issues of NCDs / Bonds of the Corporation, were utilized for the purpose as mentioned in the respective Information Memorandum of the respective issues;
- (B) The Cash-Flow of the Corporation is adequate for payment of interest and redemption of principal of the NCDs issued.
- (C) This Corporation is 'State Financial Corporation' and the NCDs mentioned above are privately placed and hence no 'Debenture Redemption Reserve' is required to be created.
- (D) All the general and specific terms and conditions of each issue of debentures/Bonds of the Corporation are complied with and there is no breach of any of them.
- (E) The Corporation has complied with all the statutory and regulatory compliances and there are no proceedings initiated / pending against the Corporation for non-compliance.

**Authorized Signatory**

For Hari Vara Prasada & Associates

4. 
Chartered Accountants
M.No: 29740

Chartered Accountant

Annexure – 4

Details of Complaints:

A) Status of Investor Grievance:

| No. of Complaints pending at the end of previous half-year (30.09.2015) | No. of Complaints received during the half-year (01.04.2015 to 30.09.2015) | No. of Complaints resolved during the half-year |
|---|--|---|
| NIL | NIL | NIL |
| | | |
| | | |

B) Details of complaints pending for more than 30 days:

| No. of Complaints pending for more than 30 days | Nature of complaints | | | Steps taken for redressal | Status of complaint (if redressed, date of redressal) |
|---|------------------------------|--------------------------------|-----------|---------------------------|---|
| | Delay in payment of interest | Delay in payment of redemption | Any other | | |
| NIL | NIL | NA | - | - | - |
| | | | | | |



LIST OF BOARD OF DIRECTORS AS ON DATE

| SL. NO | NAME | ADDRESS | EFF. FROM | ELECTED / NOMINATED |
|--------|---------------------------------|--|------------|--|
| 01. | Sri T.S.Appa Rao, IAS (Retd.) | Plot No.109 Prashashan Nagar Road No.72 Jubilee Hills Hyderabad-500 033 | 18.04.2012 | Nominated by SIDBI as Chairman. U/s 10(a) and Sec. 15(i) of SFCs Act. |
| 02. | Sri Shamsheer Singh Rawat, IAS, | Secretary to Govt. & CIP, Ind. & Com. Dept. A.P.Secretariat, Hyd. | 28.05.2015 | Nominated as Director by A.P.State Government. U/s 10(b) of SFCs Act |
| 03. | Sri Kartikeya Misra, IAS, | Director of Industries & Sugar, Hyderabad | 28.05.2015 | Nominated as Director by A.P.State Government. U/s 10(b) of SFCs Act |
| 04. | Sri Namgial | Chief General Manager & Country Head, Small Industries Development Bank of India, SME Devt. Centre Plot No.C-11, 'G' Block Bandra Kurla Complex Bandra (East), Mumbai-400 051. | 13.08.2014 | Nominated as Director by SIDBI U/s 10(c) of SFCs Act |
| 05. | Sri G.Sampath Kumar | General Manager, Small Industries Development Bank of India, Hyderabad. | 22.06.2015 | Nominated as Director by SIDBI U/s 10(c) of SFCs Act |
| 06. | Sri MD Azeezuddin | S.D.M., LIC of India, Secunderabad Divisional Office, Sy.No.110/113/114, Behind NTR Stadium Near Indira Park Hyderabad - 500 080. | 12.06.2013 | Nominated by LIC of India U/s 10(d) of SFCs Act |
| 07. | Sri Koteswara Rao SSR | 403 & 404, Golden Green Apartments Erramanzil Colony Hyderabad-500 082. | 27.04.2013 | Elected as Director by Individual Shareholders. U/s 10(e)(i) of SFCs Act |
| 08. | Sri K.Harish Chandra Prasad | H.No.8-2-674/B/4 Road No.12 Banjara Hills Hyderabad-500 034. | 27.04.2013 | Elected as Director by Individual Shareholders. U/s 10(e)(i) of SFCs Act |
| 09. | Sri Sabyasachi Ghosh, IAS | H.No. 8-2-310/A/118 Road No.14, Banjara Hills Behind Nandi Nagar Hyderabad - 500 034. | 07.07.2015 | Co-opted Director nominated by Board U/s 10(e) (iv) SFCs Act |
| 10. | Sri M.B.N.Rao | A 404, Kundanbagh Apartments, 3-6-1192, Sardar Patel Road, Begumpet, Hyderabad - 500 016. | 11.02.2013 | Co-opted Director nominated by Board U/s 10(e) (iv) SFCs Act |
| 11. | Sri WVR Murthy, IAS | Flat No. A3, Trendset Vantage, Road No.14, Banjara Hills Hyderabad. | 09.02.2015 | Appointed as Managing Director by A.P.State Govt. U/s 10(f) & Sec. 17(i) of SFCs Act. |



Shri. Dr. P S Rajeswara Prasad,
Executive Director,
Andhra Pradesh State Financial Corporation
5-9-194, Post Box No.165, Chirag Ali Lane
Hyderabad 500001
Tel: 040 – 23202871/1398, 23201646, 23202547, 23202550-53
Fax: 040 – 23202972

~~AGM (CRA) / 14/9~~
~~14/9~~
~~DGM (F&A)~~
~~[Signature]~~
14/9

July 23, 2015,

Kind Attn: Shri Dr. P S Rajeswara Prasad, Executive Director

Dear Sir,

Re: Bond Issuances and Bank Facilities Ratings for Andhra Pradesh State Financial Corporation (APSFC)

India Ratings and Research (Ind-Ra) maintains the following ratings on Rating Watch Evolving (RWE):-

Bond issuances:

- INR1.29bn Series II – 2008: 'IND A(SO)'
- INR1bn Series III – 2008: 'IND A(SO)'
- INR1.21bn Series IV – 2009: 'IND A(SO)'
- INR2bn Series V – 2012: 'IND A(SO)'
- INR3.2bn Series VI – 2013: 'IND A(SO)'

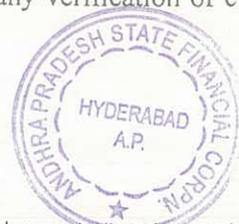
Bank facilities:

- INR250m secured overdraft: 'IND BBB+'

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's 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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can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

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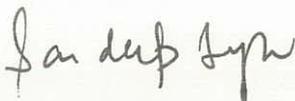
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We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact the undersigned at +91 22 4000 1700.

Sincerely,

India Ratings



Sandeep Singh
Senior Director



Sudarshan Shreenivas
Director

CONFIDENTIAL



TS/CR/APSFC/2015/ CH470
October 13, 2015

Mr. E. Chengalrayulu
Executive Director - Finance
Andhra Pradesh State Financial Corporation
5-9-194, Post No.165, Chirag Ali Lane,
Hyderabad - 500 001
Tel (040)2320 1646 / 2550

Handwritten: Sri MS, KSD, 17/10

Dear Sir,

Handwritten: KSD, 17/10

Handwritten: g/c (FEA), up for not

Re: Review of CRISIL Rating for the Bonds of Andhra Pradesh State Financial Corporation aggregating to Rs.6.86 billion backed by unconditional and irrevocable guarantee from the Government of Andhra Pradesh

All ratings assigned by CRISIL are kept under continuous surveillance and review.

CRISIL has, after due consideration, downgraded the rating for the captioned Debt Programme to "CRISIL BBB+(SO)" (pronounced as "Triple B plus structured obligation") from "CRISIL A(SO)" (pronounced "CRISIL Single A Structured Obligation") and placed it under "Rating Watch with Negative Implications". The revised rating indicates moderate degree of safety with regard to timely payment of interest and principal on the instrument. Such instruments carry moderate credit risk. The Rating Watch reflects an emerging situation, which may affect the credit profile of the rated entity.

Handwritten: SIL 1, 17/10

As per our Rating Agreement, CRISIL would disseminate the rating through its publications and other media, and keep the rating under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw, or revise the rating assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

As per the latest SEBI circular¹ on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com. Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,

Signature of Sushmita Majumdar
Sushmita Majumdar
Director - Corporate and Infrastructure Ratings

Signature of Tushar Shah
Tushar Shah
Associate Director - Corporate and Infrastructure Ratings



¹ Please refer to SEBI circular (bearing reference number: CIR/IMD/DF/17/2013) on Centralized Database for Corporate bonds/ Debentures dated October 22, 2013

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor.

CRISIL has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. For the latest rating information on any instrument of any company rated by CRISIL, please contact CRISIL RATING DESK at CRISILratingdesk@crisil.com or at (+91 22) 3342 3001 - 09.



CRISIL Limited
Corporate Identity Number: L67120MH1987PLC042363

ANNEXURE

Bonds of Andhra Pradesh State Financial Corporation aggregating to Rs.6.86 billion

| Series | Amount (Rs. in billion) | Outstanding Rating |
|-------------------------------|----------------------------|---|
| 9.48% Bond Series V/2012* | 2.00 | CRISIL BBB+(SO)/Watch Negative (Downgraded from 'CRISIL A(SO)/Watch Developing') |
| 8.5% Bond Series II/2008* | 0.77 | CRISIL BBB+(SO)/Watch Negative (Downgraded from 'CRISIL A(SO)/Watch Developing') |
| 9% Bond Series III/2008* | 0.80 | CRISIL BBB+(SO)/Watch Negative (Downgraded from 'CRISIL A(SO)/Watch Developing') |
| 8.35% Bond Series IV/2009* | 1.21 | CRISIL BBB+(SO)/Watch Negative (Downgraded from 'CRISIL A(SO)/Watch Developing') |
| Bonds Series VII & VIII/2014* | 2.08 | CRISIL BBB+(SO)/Watch Negative (Downgraded from 'CRISIL A(SO)/Watch Developing') |
| Total | 6.86 | |

*Amount outstanding as on March 31, 2015

