

Publication	The Times of India
Date	13 th January 2012
Headline	Sistema Shyam raises Rs 1280 crore

Sistema Shyam raises ₹1280 crore

Sistema Shyam TeleServices Limited (SSTL), that operates under the MTS brand, announced the raising of a loan of Rs1280 crore on Thursday through non convertible debentures (NCD). Deutsche Bank is the lead banker of the issue. The entire amount of Rs1280 crore has been received by SSTL. The eight year debt is payable by 2019. TNN

Publication	The Economic Times
Date	13 th January 2012
Headline	Sistema Indian arm raises Rs 1,280 cr loan via NCDs

Sistema Indian Arm Raises ₹1,280-Cr Loan Via NCDs

OUR BUREAU
NEW DELHI

The Indian arm of Russian conglomerate Sistema, that offers mobile services under the MTS brand, has raised ₹1280 crore loan from a consortium of banks through Non Convertible Debentures (NCD). Deutsche Bank is the lead banker for the issue.

This is the second time in the last six months the company has raised money to fund its expansion plans. In September 2011, it has raised ₹ 920 crore loan from Barclays Bank and ICICI Bank. The telco, which has about 15 million customers, also said it currently had several other facilities in the pipeline.

The entire amount of ₹1280 crore has been received by SSTL. The eight-year debt is payable by 2019, the company said in a statement. "It was quite challenging to raise such significant funds with such long tenor under current uncertain regulatory environment in India, but business has to continue and grow. We are planning to utilise the proceeds to further scale up our telecom operations and repayment of maturing loan,"

Sergey Savchenko, chief financial officer of Sistema Shyam Teleservices Ltd said.

The company also got about \$600 million when the Russian government bought about 20% stake in it in December 2010. Post this deal, Sistema's stake in the JV has declined to about 54%.

There are no changes in the Shyam group's shareholding and continues to have about 24% in the JV. Other minority shareholders own the residual 2% in the telco.

This is the second time in the last six months the company has raised money to fund its expansion plans

Indian banks are limiting their exposure to telcos in the wake of the 2G spectrum scam and poor offtake for 3G or high-end services.

According to estimates of professional services and audit firm PwC, the total exposure of Indian banks to telcos stood at ₹ 94,319 crore as on June, 2011. Oflate, most banks, including SBI have introduced stricter processes for providing loans to mobile phone companies.

Publication	The Economic Times
Date	13 th January 2012
Headline	Shades of grades

Shades of Grades

With the economy swinging low, companies are being forced to revise business goals and employee targets. The star performers in these companies will be those who can deliver on cost-savings, cut risks and tweak processes to keep the bottomline in shape. The slackers won't get away lightly, either. Here's a quick look at how companies in different sectors are judging employee performance this year

ES MTS India

All for One

THE TELECOM company has a quarterly appraisal process, with various sets of key performance indicators (KPIs). The Budget KPI, which is associated with revenues and operating income before depreciation and amortisation, is assigned weightage commensurate to levels across the organisation. At the senior-most levels, it could be as high as 70%, but varies from 50% to 10% weightage at other levels of management, including department, vertical and sub-vertical heads.

OTHER KPIS

FUNCTIONAL AND individual KPIs are also considered at middle and junior management levels. "Since at the senior level, 'functional KPI' signifies the functional head's achievement, there is no separate category of individual KPIs," says Vaid Pozdyshov, chief customer experience & organisational excellence officer.



CHANGE IN COURSE

MTS ALTERED its appraisal process in 2011, wherein all levels of management were made accountable for overall performance. "As the company was earlier in stabilisation mode in India, the middle and junior management incumbents were appraised on individual performance. That changed in January 2011. We wanted to ensure that everyone's role and performance was in tandem with organisational goals," says Vaid.

DOs

- ✓ **BEFORE DISCUSSION:** Ask questions, review your work plan, document your performance, prepare a list of changes and improvements you have made during the year, make a list of issues you want to cover.
- ✓ **DURING APPRAISAL:** Give your supervisor concise, objective information about your achievements. Speak up and make sure you help to make it truly a discussion, not a lecture from your supervisor.
- ✓ **POST-APPRAISAL:** Be open to changing the way you do things and to taking on different responsibilities.



Spencer's Retail

Check Goals, Targets Online

THE COMPANY follows the balanced business score card methodology and there is a mid-year review too, says Nihar Ranjan Ghosh, head - HR. This year, the company introduced an online performance management system. Department heads and employees can check their goals and targets at any time and administrative hassles are minimal.

WEIGHTAGES

THE WEIGHTAGE is in financial goals, which includes revenue and cost management, process-related, customer service orientation, and human resource management and innovation. For revenue roles, the financial goal is at 40% and for non-revenue roles, it is at 25% in the junior and middle management level. Weightage for process is 20%, customer service orientation is at 20% and the balance is in HR management and innovation. This year, the weightage is a little higher for finance and process.

DOs

- ✓ Employees should have a clear understanding of their goals, vis-à-vis the department and organisation.
- ✓ They should also have a clear idea from their boss on how to achieve the goals and should monitor their performance throughout the year.

JSP



WEIGHTAGES

FOR THOSE at the CG1 level, KRAs and goals account for 50% weightage; behavioural competencies for the other half. At the CG5 level, KRAs and goals have an 80% weightage; competencies have a 20% weightage.

Going to the Core

THE PERFORMANCE Management System at Jindal Steel & Power is based on assessing KRAs and behavioural competencies, standardised at all levels. Behavioural competencies are based on the company's values. Different weightages are assigned to competencies across career groups or CGs, which reflect levels of management. For instance, CG1 refers to senior levels, while CG5 refers to the lowest level in the workforce.

CHANGE IN COURSE

IN THE past one year, in order to align the company's values and principles to the competencies on which employees are appraised, it has brought in the Jindal Leadership Model. "It serves two core purposes," says Rajeev Bhaduria, director - group HR. "It helps in getting these values imbibed in our working culture and in propagating them in the senior leadership," he adds. Another practice the company has introduced is profiling senior management. "This helps not only in appraising employees on the basis of goals completed in the past year but also takes a bird's eye view of their potential and standing in the organisation," says Bhaduria. The company uses a profile sheet for this purpose, which comprises of tools like 360-degree feedback, total work experience and duration in JSP, and direct reports to the employee.

Godrej Consumer

Leadership Counts

THE PERFORMANCE management process considers achievement of specific goals based on the Balanced Scorecard perspective and how they are achieved with reference to capabilities relevant to Godrej, which are designed for each level. The capability framework comprises three pillars: leading self, leading others and leading business. While there is no specific weightage on capabilities, a certain threshold is expected at every stage.

CHANGE IN COURSE

THE PERFORMANCE management system now includes measures to review capabilities and behaviour listed under the Godrej capability framework, says executive VP (corporate HR) Sumit Mitra. Hence, a manager evaluates the team based on achievement of goals as well as the behaviours which have enabled this. The rating nomenclature has also been made sharper, which eventually impacts rewards and future growth.

DOs

- ✓ Employees should complete their self assessment on their goals objectively and write specific instances on each goal which will enable meaningful dialogue.
- ✓ They should be open to feedback and listen their boss carefully.
- ✓ If they disagree with a point or rating which they think has not been rightly appraised, they must make a note of it and discuss it with the supervisor with supporting examples.
- ✓ After the review is completed, employees should take full ownership of the feedback and utilise it to ensure delivery of the goals.



ICICI Prudential Life Insurance

Employee, Judge Thyself

THE KPI for each role is derived from the organisational KPIs. There is a balanced mix of KPIs in quantitative and qualitative parameters, says HR chief Jyoti Das. The process involves self-appraisal, and each employee has the option of participating in a discussion with the manager and presenting his/her view. This allows employees a platform to present their performance in the context of the environment, challenges faced and outcomes achieved.

CHANGE IN COURSE

OVER THE past few years, the company has moved to a more moderated performance differentiation as the sector is going through a flux, post-regulatory changes. This has necessitated a sharper focus on quality, risk and profitability. "We believe performance needs to be evaluated over a significant period of time for talent differentiation and promotions," says Das.

THE STAGES

THE PERFORMANCE rating is a call taken by the manager, skip level manager and the function head along with HR, and is determined vis-à-vis the performance of others in the same level and function. In the frontline sales system, performance is measured against pre-defined targets. Also, employees who have opted for tough and challenging assignments are assured that their ratings will be protected. Rewards are assigned on the basis of performance rating.

DOs

- ✓ Employees should set and document KPIs carefully.
- ✓ They should review performance at periodic intervals & evaluate it in the context of environment and business challenges.



Igate Patni

Quarter Cut

PERFORMANCE APPRAISAL takes place every quarter and the incentive, instead of being given once a year, is divided into four parts, explains S Kandula - HR head.

WEIGHTAGE

AN EMPLOYEE is judged on tasks and goals achieved, which constitute 40% of the appraisal. Potential competency is another area introduced three years ago, where an employee is judged on his competencies, behavioural pattern and his approach towards a particular task. This too has a weightage of 40% and requires employees go through behavioural and personality tests. The remaining 20% is dependent on contextual performance.

DOs

- ✓ For the HR head, it is important that both the boss and the subordinate discuss their goals upfront so that there is no grey area.
- ✓ During the performance review, constructive criticism should help motivate an employee rather than put him or her on the backfoot.

NetApp

A Wider Universe

EMPLOYEES HAVE an informal mid-year review followed by a final appraisal in June and July. Every year, the company lists three important goals, on which KRAs are based. The goals of all employees amalgamate into the top three goals of the company.

CHANGE IN COURSE NEARLY 20 years ago, the company had only four parameters to appraise an employee, but now, it has categories like exceeding expectations and exceeding some, falling below and unacceptable performance.

DOs

- ✓ Both parties must discuss learning, development and the employee's career roadmap.
- ✓ One should be open to feedback and address the gaps. The manager must give objective feedback.

Publication	The Hindu Business Line
Date	13 th January 2012
Headline	Sistema Shyam raises Rs 1,280-cr debt

Sistema Shyam raises Rs 1,280-cr debt

Our Bureau

New Delhi, Jan 12

Sistema Shyam TeleServices Ltd announced the raising of a loan amounting to Rs 1,280 crore through Non-Convertible Debentures (NCD). Deutsche Bank is the lead banker of the issue. The eight-year debt is payable by 2019.

According to Mr Sergey Savchenko, Chief Financial Officer of Sistema Shyam Teleservices Ltd, "It was quite challenging to raise such significant funds with such long tenor under current uncertain regulatory environment in India, but business has to continue and grow."

The company had earlier raised Rs 920 crore loan from Barclays Bank and ICICI Bank in September last year.

The operator plans to utilise the proceeds to further scale up telecom operations and repayment of maturing loan.

Publication	Financial Chronicle
Date	13 th January 2012
Headline	Sistema Shyam raises Rs 1,280 crore through NCD

Sistema Shyam raises ₹1,280 crore through NCD

KUMAR SHANKAR ROY

New Delhi

SISTEMA Shyam TeleServices (SSTL) that nationally operates its telecom services under the MTS brand on Thursday announced mobilizing a loan of Rs 1,280 crore through non-convertible debentures (NCDs).

SSTL is planning to utilise the proceeds to further scale up its telecom operations and repay existing loans.

Deutsche Bank was the lead banker to the issue. The eight-year debt is repayable by 2019. However, the company did not disclose the coupon rate for the bond issue and investors that subscribed to the issue.

Sergey Savchenko, chief financial officer of Sistema Shyam Teleservices, said: "It was quite challenging to raise such significant funds with such a long tenure in an uncertain regulatory environment in India, but business has to continue and grow."

MTS in India has secured over 15 million wireless subscribers and under the MBlaze brand provides mobile broadband services to more than 1,200,000 customers in over 200 cities across the country.

The Rs 1,280 crore debt was raised after the company had in September 2011 mobilised Rs 920 crore from Barclays Bank and ICICI Bank. SSTL is a venture, involving equity participation by Sistema of Russia, the Russian Federation and Shyam Group of India. Sistema is the majority shareholder in the company.

Publication	The Telegraph
Date	13 th January 2012
Headline	Cellular operator overcomes loan odds

Cellular operator overcomes loan odds

OUR SPECIAL CORRESPONDENT

New Delhi, Jan. 12: Sistema Shyam Teleservices Ltd, which operates under the MTS brand, has obtained a Rs 1,280-crore loan from Deutsche Bank at a time financial institutions are staying away from lending to mobile companies.

Sistema Shyam wants to utilise the funds for network expansion.

The company has raised the loan through non-convertible debentures. Deutsche Bank is the lead banker to the issue, and the tenor of the entire amount is eight years repayable by 2019, the firm said.

In September, the company had raised a loan of Rs 920 crore from Barclays Bank and ICICI Bank. The loan is payable by 2014.

The domestic telecom sector is battling a cash crunch in the backdrop of the 2G scam, which has impacted the credibility of firms, making it difficult for them to raise money.

With muted 3G uptake and new 2G players hit by deepening losses, Indian banks are nervous to give more money.

The depreciating rupee is another cause for concern as banks have borrowed from the foreign market to lend to the domestic telecom companies.

"We are planning to utilise the proceeds to scale up our telecom operations and the repayment of maturing loan," said Sergey Savchenko, chief financial officer of Sistema Shyam. The company claims to have a subscriber base of over 15 million, besides 1.2 million data users.

"It was quite challenging to raise such significant funds with such long tenor under the current uncertain regulatory environment in India, but business has to continue and grow," Savchenko said.