

Subject: Policy on Succession plan of HIL (India) Limited.

1.0 Introduction

- Succession Planning is an ongoing process that identifies necessary competencies. It is identifying successors for future vacancies. It is often summarized as the right people, in right place at right time to ensure a continuity of leadership for all critical positions.
- It is a specific strategy, which spells out the particular steps to be followed to achieve the Company's mission, goals, and initiatives identified through Manpower Planning.
- It is a plan formulated to implement, and customize and meet the business needs of organization thereby contributing for the organizational manpower requirements.

2.0 Objective of Succession Planning

- To meet manpower requirements of the company in terms of the approved Human Resource Plan or Business Plan and thereby supporting the endeavour of the company to keep its customers & stakeholders satisfied for business initiatives.
- To fulfill requirements of competent personnel in terms of requisite capabilities, skills, qualifications, aptitude, merit and suitability with a view to fulfill Company objectives.
- To attract, select and retain the best talent available keeping in view the changing needs of the Company.
- To ensure an objective and reliable system of selection.
- To provide suitable induction points for intake and thereby achieve the desirable level of qualification, skill and age mix as required to strengthen the Human Resource of the Company.

3.0 Steps to execute Succession Planning

- Identification of the Key/critical positions in each Division/ Department.
- Identification of the key competencies and skills.

- Determine the likelihood of these positions getting vacant in future.
- Identification of number of potential successor.
- Analyze and match the competencies between the selected position & Employees who closely match the required competencies.
- Decide on a successor for the selected position.
- Employee with closest match to competency requirements of position will be the successor to the position.
- Design & implement career development strategies.
- Track overall progress.

4.0 Implementation

- Succession Planning shall be carried out across different Divisions/ Departments of the company.
- In case of critical position getting vacant and no internal successor is identified, recourse will be taken to hire external candidate to ensure smooth functioning.
- In the entry level of the Executive grade i.e. E-1, the induction would be normally through hiring from external sources unless there is eligible and competent candidate in the Workman grade (W-6).
- For the posts of middle management & higher management i.e. Dy. Manager (E-3), Manager (E-4), Dy. General Manager (E-5) & General Manager (E-6) HIL will try to fill the position through internal candidates through promotion and in case suitable candidate is not available, post may be filled up from external sources.
- Leadership position identification in the succession plan shall be resorted generally at the level of Dy. General Manager & General Manager i.e. E-5 & E-6 grades of the hierarchy, the posts which are of critical nature for the company. Stock of all such critical posts/vacancies in the identified leadership positions anticipated to arise in

the coming 05 years will be done and further attempted to fill the identified key post in time to ensure continuity in leadership pipeline.

- Succession planning in HIL shall begin with aiming to identify the key posts in below board level explained above, while first the available vacancies shall be determined keeping in view the sanctioned strength of the posts & present working strength of employees, as well as looking at the futuristic vision statement of HIL which includes business plan for next 05 years with the new business segment added on like seed business, biopesticides, LLIN & upcoming bio-fertilizers to our conventional business of agri-chemical products. Accordingly assessment will be made on the manpower requirement for manning the critical key positions with new set of skill/competencies to survive in the competitive marketplace.
- To fill the available vacancies arrived at, for manning these posts / vacancies, shall be addressed through Replacement Planning either way by Direct Recruitment/ Promotion through DPC/ Contractual Manpower/ Deputation as per company's requirement & as per laid down guidelines.

5.0 Reduction in Attrition

The turnover due to resignations is not very significant. Overall attrition of young Managers is due to personal reasons. Appropriate initiatives shall be taken for such talent retention. In few cases through analysis of exit interviews, by taking proper steps to overcome market pull factors. This will help in proper Succession Planning.

6.0 Training

Proper arrangement for imparting training/mentoring the executives to equip them with the specialized skills in line with their individual specific development plans will be ensured to fill up the key positions from the internal candidates.

To identify the potential successors working in next down below grade/position for preparing them to take over in time such critical post identified, Following Competency Assessment of the potential successors working in next below post will be followed:

Competency Assessment of Potential Successor

Sl. NO.	Competency Assessment of Potential Successor	Factor (In %)
1.	Taking 5 years APARs ratings	51
2.	Qualification (Acquired from Tier I/II/III Institute /college)	9
3.	Experience in the post	10
4.	Assessment through Personnel Interview (Formal Interview)	20
5.	Psychometric Test	10
	Total	100

7.0 Future Plans

- Manpower projections are based on benchmarking with similar plants and our requirement for future growth. Main emphasis will be on deployment of manpower to ensure optimum utilization. Imbalance in ratio of qualified to unqualified manpower will be minimized by fresh intake of qualified personnel on a selective basis, by controlling the intake through promotions at first rank supervisory level and enhancing skill development of less qualified manpower.
- To review and plan for better performance.
- To understand the gaps in knowledge and skill with a view to provide guidance and training.
- To identify the potential of individual executives so that a dependable Management Succession Plan can be built in.

This issued with the approval of the Competent Authority.



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