

MBFSL/CS/2021-22

July 28, 2021

To, Department of Corporate Relations, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	To, National Stock Exchange of India Ltd, Exchange Plaza, C- 1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai– 400051
Scrip Code : 543253	Scrip Symbol : BECTORFOOD

Subject: Clarifications on recommendation of the agenda items of 26th Annual General meeting of Mrs. Bectors Food Specialities Limited in proxy advisory report of IiAS and ISS

Respected Sir/Madam,

With reference to the 26th Annual General Meeting of the Company scheduled on 5th August 2021, the Company has dispatched the AGM Notice along with the Annual Report to the shareholders of the Company and the same is available on the website of the Company.

In the notice, the Company has proposed 11 resolutions, comprising of 6 Ordinary resolutions and 5 Special resolutions for voting of the members.

IiAS and ISS, proxy advisory firms have given “AGAINST” recommendation for a few resolutions in absence of information related to these resolutions. In this regard we would like to clarify the following:

Agenda 6: Approve the appointment of Mr. Suvir Bector as Whole Time Director of the Company for a period of five years

Mr. Suvir Bector, aged 26 years, is the Additional Director of our Company. He has graduated with bachelor’s degree in arts with honours in management with marketing from University of Exeter and has a master’s in global supply chain management from Cass Business School, City University in London. He has joined our Company on July 24, 2018.

Mr. Suvir has been instrumental in creating new export strategies for the Company which has given new dimension to our export business. Company has shifted focus to developed markets to cater to various retailers and under Mrs. Bectors Cremica brand by introducing a wide range of premium products with focus on generating higher margins. The price realisations have increased from Rs. 81 per kg in FY 2018 to more than Rs. 100 per kg in FY 2021. Under his leadership our biscuit export business reported a growth of 34% in FY 2021. The contribution of premium products has increased based on his strategies and initiatives in the company. Export market is expected to be one of the growth levers for the Company.

Mr. Suvir Bector has delivered good results based on his strategies to grow exports business. The Company is focusing on growing the export business and Suvir will dedicate his time on this segment in the future.

Remuneration of Mr. Suvir Bector is recommended by the Nomination & Remuneration Committee, which is chaired by an Independent Director. The Committee has proposed the

Mrs. Bectors Food Specialities Ltd.

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remuneration after a review of the market for compensation which may need to be paid for such a role.

Subsequently the proposed remuneration has been approved by the Board.

Agenda 8: Approval of salary of Mrs. Neha Bector, Assistant General Manager

Mrs. Neha Bector is the Assistant General Manager - Finance & Operation of our Company. She holds a bachelor's degree in commerce from Lady Shri Ram College of Women, University of Delhi, and a Master of Science in finance with a specialist in Corporate Finance from Cass Business School, City University in London.

She has previously worked with Lotus Integrated Texpark Limited as the chief executive officer and Trident Limited as a front-line entrepreneur in the corporate division. She has over eight years of experience in management. She has joined our Company on January 2, 2017.

Remuneration for Mrs. Neha Bector is recommended by the Nomination & Remuneration Committee, which is chaired by an Independent Director. The Committee has proposed the remuneration after a review of the market for compensation which may need to be paid for such a role.

Subsequently, the proposed remuneration has been approved by the Board.

Agenda 9: Approve salary of Mrs. Rajni Bector, for the FY 2021-22, from its Wholly Owned Subsidiary

Mrs. Rajni Bector is the Founder of the Company and has been associated for over 40 years. She has been conferred with Padma Shri for her contribution to trade and industry.

She was also felicitated with an award in 2017 by State Bank of India for her outstanding achievement as an entrepreneur and serving as a role model for the women fraternity. She has been on our Board since September 30, 2006.

She has been the pillar of the Company and her experience and thoughts will help the Company strategically grow in the future times.

She is a driving force for our company and guides us in strengthening our business in terms of launching new products and various new business initiatives that can lead to accelerated growth of the company.

Agenda 10: Approval of ratification of MBFSL - Employee Stock Option Plan 2017

Agenda 11: Approval of ratification to extend benefits of MBFSL - Employee Stock Option Plan 2017 to the Employees/Directors of the Holding Company and Subsidiary Company(ies)

ESOP plan 2017 was in place before the IPO of the Company and all details were fully disclosed in the IPO Prospectus. In accordance with ESOP Plan 2017, the maximum number of Equity Shares exercisable per option granted cannot exceed 572,676 Equity Shares. Out of the 572,676 options reserved under ESOP plan 2017, 143,171 options granted as of March 31st 2021 and balance

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options remain ungranted as of March 2021.

As required by the exchanges at the time of submission for listing approval and as per SEBI (LODR) Regulations 2015 and SEBI (SBEB) Regulations 2014, approval is sought from the existing shareholders post the listing of securities on the exchanges for ratification of the schemes in place to enable issue of ungranted ESOPs from the ESOP schemes.

For Options issued earlier, the exercise price of ESOPs were always fixed by the Board and Shareholders, at a price at the time of grant, based on than the fair market value of the shares, on the basis of a valuation report by independent valuation experts.

For any future grants, our Nomination & Remuneration Committee and the Board will be able to take into account the market price of the shares and appropriate incentivisation levels, for fixing the exercise price for the options.

Approval of Shareholders is being sought to ensure better retention of employees and to authorise the Nomination & Remuneration Committee to approve the ratification to extend benefits depending on the market price of shares and appropriate incentivisation. As and when the company will consider granting the ESOP the same will be done keeping in mind the clear performance expectation goals from each employee.

We would like to mention to the investors and shareholders that the voting recommendations given by Proxy firms are as per their internal guidelines and limited information. We would like shareholders to consider the above-mentioned clarifications on the various agenda items while exercising their vote.

We request you to take the same on record.

Thanking You,

Yours faithfully

For Mrs. Bectors Food Specialities Limited



Atul Sud
Company Secretary and Compliance Officer
M.No. F10412

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