



LLOYD ELECTRIC & ENGINEERING LIMITED

159, Okhla Industrial Estate, Phase - III, New Delhi-110 020 (INDIA)

Phone : +91-11-40627200, 40627300 Fax : +91-11-41609909

Website : www.lloydengg.com

CIN : L29120RJ1987PLC012841

For immediate release

"Lloyd Electric and Engineering Limited announces sale of Consumer Durables Business "

New Delhi (India), February 19, 2017 – Lloyd Electric and Engineering Limited (referred to as "Lloyd" or "the Company", NSE: LLOYDELENG, BSE: 517518), largest manufacturer of evaporator and condenser coils for air conditioners and heat exchangers / radiators serving the entire spectrum of Heating, Ventilation, Air Conditioning and Refrigeration (HVAC&R) Industry and also an 'Original Equipment Manufacturer' (OEM) supplier to manufacturers of air-conditioners in India, and provides customized air-conditioning solutions for institutional clients like Railways, Metro Rail Defence Industry etc. caters to both domestic and international markets and prominent brand in consumer durables business has announced sale of its consumer durable business ("CDB") comprising of importing, trading, marketing, exporting, distribution, sale of air conditioners, televisions, washing machines and other household appliances and assembling of televisions, under the brand "LLOYD" and all of the rights, title, interest and assets, licenses, intellectual property including the brand, logo, trade mark "LLOYD" to Havells India Limited.

Deal Structure:

Lloyd has entered to an agreement with Havells India Limited ("Buyer") for sale of the CDB together with all of the rights, title, interest and asset, licenses, intellectual property including the brand, logo, trade mark "LLOYD" on a slump sale basis as a going concern basis for the transaction value of INR 1,550 Crores to the buyer, subject to satisfactory due diligence and closing conditions.

Post the transaction, the Company's OEM business would however continue to supply room air conditioners to the Buyer as a third party supplier and to ensure continuity of business and revenue, the Company shall enter into a supply arrangement / manufacturing agreement with the buyer for the supply of room air conditioners

The sale of the CDB will not have any impact on the Company's existing B2B air conditioning business.

Commenting on the acquisition, Mr. Brij Raj Punj, Chairman & Managing Director of Lloyd, said, the Company had ventured into the consumer durable segment in 2011, by acquiring

For Lloyd Electric & Engineering Limited Page 1 of 2


Chairman & Managing Director

distribution network and "Lloyd" logo from its associate company, Fedders Lloyd Corporation Limited. However, in light of the changing economic scenario and due to increasing competitive environment, the Consumer Durable Business of the Company has reached a stage where substantial growth capital would be needed to create and sustain further growth momentum, which in the present circumstances would not be possible for the Company to invest as this would substantially increase the leverage on the Company's Balance Sheet and would involve a huge risk especially in light of the high competitive intensity in the Consumer Durable Industry.

The net proceeds from the sale of the CDB would be partially utilised towards downsizing the over leveraged balance sheet by reducing the working capital debt and also towards investing in high potential and high margin businesses in the B2B segment among others.

The Closing shall be subject to the receipt of regulatory approval and closing conditions.

Ernst & Young (EY India) acted as exclusive financial advisors.

For further information, please contact:

Mr. Nipun Singhal
Wholetime Director
Contact No. : +91-9711499999
Email id : nipun.singhal@lloydmail.com

Safe Harbour

This release contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Lloyd Group's (Lloyd Electric and Engineering Limited and/or its subsidiaries and associates) future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Lloyd Group undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

For Lloyd Electric & Engineering Limited


Chairman & Managing Director