

**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

February 19, 2017

The Manager
Listing Department
 BSE Ltd.
 P J Towers, Dalal Street
 Mumbai - 400 001
 Scrip Code: 517518

The Manager
Listing Department
 National Stock Exchange of India Ltd.
 "Exchange Plaza Bandra-Kurla Complex,
 Bandra (E), Mumbai 400 051
 NSE Symbol: LLOYDELENG

Sub: Outcome of Board Meeting held on February 18, 2017

Dear Sir,

This is to inform you that the Board of Directors of the Company at its meeting held on February 18, 2017, inter-alia have considered and approved the following items:

- 1) Sale and exit of the Consumer Durables 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 on a going concern slump sale basis, subject to receipt of requisite approvals from shareholders, regulators and fulfillment of the closing conditions.
- 2) Ceasing the usage of the brand, logo, trademark and all other intellectual property associated with "Lloyd" with respect to its business and all other purposes (except with a limited license from the buyer for its existing remaining business of the division called "Lloyd Electric & Engineering" for a limited period as to be set out in the definitive agreements), on or before the completion of the Proposed Transaction;
- 3) Ceasing the usage of the brand, logo, trademark and all other intellectual property associated with "Lloyd" by the subsidiaries, affiliates, group companies, associated entities, promoter group, firms of the Company for ceasing the usage of the brand, logo, trademark or any other intellectual property associated with "Lloyd" in its business, in its corporate name and all other purposes on or before the completion of the Proposed Transaction;
- 4) Change of name of the Company as may be approved by the appropriate authorities to remove the word "Lloyd", on or before the completion of the Proposed Transaction, subject to the execution of the definitive documents and consummation of the proposed transaction.

For Lloyd Electric & Engineering Limited


 Chairman & Managing Director

- 5) Approved the conduct of Postal Ballot process for seeking approval of the shareholders for the above matters.

The disclosure as prescribed under regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements), 2015 alongwith the press release providing details of "sale of consumer durable business" by the Company.

This is for your kind information and record please. Kindly acknowledge the receipt.

Thanking You,

Yours faithfully,

For Lloyd Electric and Engineering Ltd.



Brij Raj Punj
Chairman & Managing Director

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Disclosure as per regulation 30 of the of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

S.no.	Particulars	Details
1	Description of the Unit being sold	The Consumer Durables Business of the Company comprising of business 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".
2	Amount and percentage of the turnover or revenue or income and net worth contributed by the unit during the last financial year	Annual Turnover of Consumer Durables as on 31 March 2016 was Rs.1384 Crores (59% of total turnover).
3	Date on which the agreement for sale has been entered into	18 February 2017
4	The expected date of completion of sale/disposal	Subject to receipt of regulatory approval and closing conditions.
5	Consideration received from such sale or disposal	Transaction value of Rs.1,550 Crore subject to the closing conditions.
6	Brief details of the buyers	Havells India Limited, a company incorporated under the Companies Act, 1956, having its registered office at 904, 9 th Floor, Surya Kiran Building, K.G. Marg, Connaught Place, New Delhi-110001.
7	Whether the buyer belong to the promoter / promoter group / group companies. If yes, details thereof.	No/ NA
8	Whether the transaction would fall within related party transaction? If yes, whether the same is done at "arms' length"?	No/NA
9.	Rationale for Sale	Please refer press release for the same.
10.	Brief Details of Change of Shareholding Pattern	There will be no change in shareholding pattern of the Company.

For Lloyd Electric & Engineering Limited


 Chairman & Managing Director

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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:

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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