MERCK

February 27, 2019

To

The BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400001

The National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400051

Dear Sir / Madam,

Sub: Audited Financial Results for the Financial Year ended December 31, 2018

We are pleased to inform you that a meeting of the Board of Directors of the Company held today, the Audited Financial Results for the Financial Year ended December 31, 2018 were approved.

We are enclosing herewith the following:

a. Audited Financial Results for the Financial Year ended December 31, 2018, as per format prescribed under Regulation 33 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015;
b. Auditor's Report, in respect of the aforementioned Financial Results, as furnished by the Statutory Auditors of the Company; and
c. A declaration with respect to Audit Report with unmodified opinion to the aforementioned Audited Financial Results

We are pleased to further inform you that the Board of Directors of the Company at its meeting held today, *inter alia*, have declared a dividend of Rs. 440/- per Equity Share (Nominal Value of Rs. 10/- each), for the Financial Year ended December 31, 2018, which includes a one-time special dividend of Rs. 416 per Equity share on account of gain on Business Transfer. The divided shall be paid on or before June 29, 2019, on approval of the Members at the 52nd Annual General Meeting.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Merck Limited

MERCK LIMITED INDIA

Jeevan Mondkar
Company Secretary

Merck Limited

Registered Office
Godrej One, 8th Floor, Pirojshanagar
Eastern Express Highway, Vikhroli East
Mumbai 400079, India.
Phone +91 22 62109000
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www.merck.co.in
CIN: L99999MH1967PLC013726

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MERCK LIMITED

Regd. Office: Godrej One, 8th Floor, Eastern Express Highway, Pirojshanagar, Vikhroli (East), Mumbai : 400 079.
CIN No. L99999MH1967PLC013726, email: investorgrievance.im@pg.com

STATEMENT OF AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

(Rs in millions)

Sr. No.	Particulars	3 months ended 31/12/2018	3 months ended 30/09/2018	Corresponding 3 months ended 31/12/2017	Year ended 31/12/2018	Previous year ended 31/12/2017
		Audited [refer note 8]	Unaudited	Audited [refer note 8]	**Audited**	Audited
1.	**Revenue from Operations**	**2,043.93**	2,261.48	1,785.56	**8,489.95**	7,114.68
2.	**Other Income**	**71.75**	60.70	75.19	**243.88**	240.70
3.	**Total income (1+2)**	**2,115.68**	2,322.18	1,860.75	**8,733.83**	7,355.38
4.	**Expenses**					
	a) Cost of materials consumed	**632.85**	519.11	405.58	**2,455.24**	1,853.00
	b) Purchases of stock-in-trade	**52.51**	75.70	119.89	**273.10**	376.50
	c) Changes in inventories of finished goods,work-in-progress and stock in trade	**(20.37)**	109.57	(26.88)	**(34.73)**	139.90
	d) Excise duty	**-**	-	-	**-**	133.40
	e) Employee benefits expense	**383.09**	289.01	280.50	**1,312.75**	1,098.80
	f) Depreciation and amortisation expense	**46.30**	43.22	51.06	**211.20**	191.20
	g) Impairment	**-**	-	172.30	**(7.68)**	172.30
	h) Other expenses	**842.40**	686.13	792.98	**3,009.80**	2,571.10
	Total expenses (4)	**1,936.78**	1,722.74	1,795.43	**7,219.68**	6,536.20
5.	**Profit before exceptional items and tax (3-4)**	**178.90**	599.44	65.32	**1,514.15**	819.18
6.	Less: Exceptional items	**-**	-	(169.99)	**(65.65)**	(169.99)
7.	**Profit before tax (5-6)**	**178.90**	599.44	235.31	**1,579.80**	989.17
8.	**Tax expenses**					
	Current Tax	**24.62**	218.87	134.03	**549.71**	412.80
	Deferred Tax	**19.44**	2.87	(68.73)	**60.15**	(66.60)
	Tax for earlier years	**-**	(33.49)	32.60	**(47.43)**	32.60
9.	**Net Profit for the period from continuing operations (7-8)**	**134.84**	411.19	137.41	**1,017.37**	610.37
10.	**Profit before tax from discontinued operations (refer note 5 and 6)**	**9,260.75**	135.28	225.20	**9,795.88**	532.73
11.	**Tax expense/ (credit) of discontinued operations**	**2,242.19**	23.16	89.90	**2,426.07**	204.00
12.	**Profit for the period from discontinued operations (10-11)**	**7,018.56**	112.12	135.30	**7,369.81**	328.73
13.	**Net profit for the period (9+12)**	**7,153.40**	523.31	272.71	**8,387.18**	939.10
14.	**Other Comprehensive Income**					
	Items that will not be reclassified to profit or loss					
	i. Re-measurement (losses) on defined benefit plans	**0.81**	(9.57)	(23.98)	**(27.90)**	(38.28)
	ii.Income tax effect	**(0.27)**	3.32	8.30	**9.67**	13.25
	Total Other Comprehensive Income, net of tax	**0.54**	(6.25)	(15.68)	**(18.23)**	(25.03)
15.	**Total Comprehensive Income for the period (13+14)**	**7,153.94**	517.06	257.03	**8,368.95**	914.07
16.	Paid-up equity share capital (Face Value Rs 10/- each)	**165.99**	165.99	165.99	**165.99**	165.99
17.	Other equity excluding Revaluation reserve as per Balance sheet				**15,235.11**	**7,166.60**
18.	**Earnings per equity share of continuing operations (of Rs 10/- each) *(not annualised)**					
	(a) Basic and Diluted (in Rs.)	*** 8.12**	* 24.77	* 8.28	**61.29**	36.77
	Earnings per equity share of discontinued operations (of Rs 10/- each) *(not annualised)					
	(a) Basic and Diluted (in Rs.)	*** 422.82**	* 6.75	* 8.15	**443.98**	19.80
	Earnings per equity share of continuing and discontinued operations (of Rs 10/- each) *(not annualised)					
	(a) Basic and Diluted (in Rs.)	*** 430.94**	* 31.53	* 16.43	**505.27**	56.57

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

MERCK LIMITED INDIA

MERCK LIMITED

Regd. Office: Godrej One, 8th Floor, Eastern Express Highway, Pirojshanagar, Vikhroli (East), Mumbai : 400 079.
CIN No. L99999MH1967PLC013726, email: investorgrievance.im@pg.com

Notes:

1. The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on 27 February 2019. The statutory auditors have expressed an unmodified audit opinion. The audit report has been filed with stock exchange and is available on the Company's website.

2. Figures for the previous periods/ year have been re-grouped/re-arranged wherever necessary.

3. Post implementation of Goods and Services Tax ("GST") with effect from 1 July 2017, revenue from operations is disclosed net of GST. Revenue from operations for the earlier periods included excise duty which is now subsumed in the GST. Revenue from operations for the year ended 31 December 2017 includes excise duty upto 30 June 2017. Accordingly, revenue from operations for year ended 31 December 2018 is not comparable with that of the previous year presented.

4. Results for all the above periods are in compliance with Indian Accounting Standards (Ind-AS).

5. The shareholders have vide their resolution dated June 12, 2018, approved the execution of a business transfer agreement (BTA) with Merck Life Science Private Limited (MLSPL) to sell, lease or otherwise transfer certain businesses of the Company comprising exclusively of the biopharma, performance materials and life science segments ("BPL business") to MLSPL (or to an affiliate of MLSPL, as directed by MLSPL), for an overall consideration of INR 10,520 million on a slump sale basis (the Business Transfer). After receiving the necessary approvals, the Business Transfer has been completed on November 30, 2018. The Company has received the consideration as stated above and the resulting gain on Business Transfer of Rs 9,135.74 million has been included under Profit before tax from discontinued operations.

6. In line with requirements of Ind AS 105 " Non-current Assets Held for Sale and Discontinued Operations", the results of operations of BPL business have been disclosed under discontinued operations for all the periods presented in the results and the assets and liabilities of BPL business as on December 31, 2017 have not been reclassfied as Assets held for sale.
Further, the internal organization of the Company and reportable segments have changed. The Company will now operate under only one segment i.e. Pharmaceuticals which is its continuing operations.

7. Procter & Gamble Overseas India B.V. has acquired 1,847 equity shares of the Company from public shareholders pursuant to an open offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on November 27, 2018 and 85,99,224 equity shares of the Company from the Merck KGaA group on December 3, 2018 aggregating to 86,01,071 equity shares of the Company (51.82% of the paid-up equity share capital of the Company). Consequently, Procter & Gamble Overseas India B.V. has become the holding company and The Procter & Gamble Company, USA has become the ultimate holding company of the Company effective December 3, 2018.

8. Figures of the quarter ended 31 December 2018 and 31 December 2017 are the balancing figures between the audited figures in respect of the full financial year and the reviewed figures upto the third quarter of the relevant financial year.

9. Subject to approval of shareholders at the annual general meeting, Board of Directors have recommended dividend of 4400% (at the rate of Rs. 440/- per share of Rs 10 each) on 16,599.382 equity shares, which includes a one-time special dividend of 4160% (at the rate of Rs 416/- per share of Rs 10 each) on account of gain on Business Transfer as detailed in Note no. 5.

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

MERCK LIMITED INDIA

For Merck Limited

Milind Thatte
Managing Director
DIN No.08092990

Place : Mumbai
Date : 27th February, 2019
Please visit us at our website www.merck.co.in

Balance Sheet as at 31 December 2018

(Rs in Millions)

		As at December 31, 2018 [Audited]	As at December 31, 2017 [Audited]
Non-current assets			
(a)	Property, plant and equipment	993.30	1,142.77
(b)	Capital work in progress	173.52	89.04
(c)	Investment property	38.15	-
(d)	Other Intangible assets	4.32	7.91
(e)	Financial assets		
	i. Loans	0.64	1.25
	ii. Other financial assets	38.98	86.14
(f)	Deferred tax assets (net)	180.34	307.97
(g)	Other non current assets	35.78	141.33
(h)	Non current tax asset (net)	786.61	612.51
	Total non-current assets	2,251.64	2,388.92
Current assets			
(a)	Inventories	1,133.46	1,577.38
(b)	Financial assets		
	i. Investments	-	699.74
	ii. Trade and other receivables	661.70	1,226.59
	iii. Cash and cash equivalents	11,196.09	103.22
	iv. Bank balances other than (iii) above	1,238.10	2,678.60
	v. Loans	0.61	1.03
	vi. Other financial assets	253.62	145.50
(c)	Other current assets	859.39	1,029.08
(d)	Assets held for sale	-	62.17
	Total current assets	15,342.97	7,523.31
	TOTAL ASSETS	17,594.61	9,912.23
	EQUITY AND LIABILITIES		
	Equity		
(a)	Equity share capital	165.99	165.99
(b)	Other equity	15,235.11	7,166.60
	Total Equity	15,401.10	7,332.59
	Non-Current Liabilities		
(a)	Provisions	210.92	266.70
(b)	Other non-current liabilities	22.42	60.30
	Total non-current liabilities	233.34	327.00
	Current liabilities		
(a)	Financial liabilities		
	i. Trade and other payables	914.19	832.84
	ii. Other financial liabilities	569.71	634.20
(b)	Other current liabilities	39.26	186.90
(c)	Provisions	236.14	391.60
(d)	Current tax liabilities (net)	200.87	206.10
(e)	Liabilities towards assets held for sale	-	1.00
	Total current liabilities	1,960.17	2,252.64
	TOTAL EQUITY & LIABILITIES	17,594.61	9,912.23

BHARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

MERCK LIMITED INDIA

Auditor's Report on Annual Ind AS Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Merck Limited

1. We have audited the accompanying Statement of Annual Ind AS Financial Results of Merck Limited ('the Company') for the year ended December 31, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. This Statement has been prepared on the basis of the annual Ind AS financial statements. Our responsibility is to express an opinion on this Statement, based on our audit of such annual Ind AS financial statements, which have been prepared in accordance with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India.

2. We conducted our audit of the Statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management.

3. We believe that the audit evidences obtained by us is sufficient and appropriate to provide a reasonable basis for our opinion on the Statement.

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

4. Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, the Statement:
   (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
   (ii) gives a true and fair view of the net profit (financial performance including other comprehensive income) and other financial information of the Company for the year ended December 31, 2018.

5. The Statement includes the results for the Quarter ended December 31, 2018, being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

Bhavik L. Shah
Partner
Membership No.: 122071

Place: Mumbai
Date: February 27, 2019

February 27, 2019

To

The BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400001

The National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400051

Dear Sir/Madam,

Sub: Declaration with respect to Audit Report with unmodified opinion to the Audited Financial Results for the Financial Year ended December 31, 2018

We hereby declare that Audited Financial Results for the Financial Year ended December 31, 2018 which have been approved by the Board of Directors of the Company at meeting held today, i.e., February 27, 2019, the Statutory Auditors, Haribhakti & Co. LLP have not expressed any modified opinion(s) in their Audit Report.

The above declaration is made pursuant to Regulation 33 (3) (d) of the Securities Exchange and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Yours faithfully,

For **Merck Limited**

MERCK LIMITED INDIA

Jeevan Mondkar
Company Secretary

Merck Limited

Registered Office
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