

February 22, 2018

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Mumbai 400 051

Bombay Stock Exchange Limited
1st Floor, Rotunda Building, Dalal
Street, Fort, Mumbai 400 001

Dear Sir/ Madam,

Sub: Outcome of the Board meeting held today, Thursday, February 22, 2018

Approval of Audited Financial Accounts:

The Board at its meeting held today, February 22, 2018 has approved the Audited Financial Results for the quarter and year ended December 31, 2017, copy of the same along with Audit Report and declaration in respect of Audit Report with unmodified opinion for the year ended December 31, 2017 are enclosed herewith.

The Audited Financial Results will be published in the newspapers within the stipulated time as per the SEBI Listing Regulations and will be available on the Company's website, www.merck.co.in

Dividend:

The Board has recommended payment of dividend at the rate of Rs.15/- (Rupees Fifteen only) per equity share of Rs.10/- each for the year ended December 31, 2017. The details of next 51st Annual General Meeting including book closure dates will be announced later.

The Board Meeting commenced at 12.45 p.m. and concluded at 15.45 p.m.

Thanking you,

Yours faithfully,

For Merck Limited



Vikas R. Gupta
General Counsel & Company Secretary



Merck Limited

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Godrej One, 8th Floor, Pirojshanagar
Eastern Express Highway, Vikhroli East
Mumbai 400079, India.
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www.merck.co.in
CIN: L99999MH1967PLC013726

MERCK LIMITED

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

STATEMENT OF AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017

(Rs in lakhs)

	Particulars	3 months ended 31/12/2017 Audited [refer note 6]	Preceding 3 months ended 30/09/2017 Unaudited	Corresponding 3 months ended 31/12/2016 Audited [refer note 6]	Current year ended 31/12/2017 Audited	Previous year ended 31/12/2016 Audited
1.	Revenue from Operations	30,413.02	31,272.56	25,950.11	111,945.13	102,977.42
2.	Other Income	539.69	645.58	816.45	2,396.90	2,440.73
3.	Total income (1+2)	30,952.71	31,918.14	26,766.56	114,342.03	105,418.15
4.	Expenses					
	a) Cost of materials consumed	5,057.45	6,892.33	6,366.98	23,656.30	24,024.53
	b) Purchases of stock-in-trade	7,215.13	4,566.12	4,492.83	20,160.80	17,197.01
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	(725.11)	1,521.55	(1,421.83)	290.20	(67.99)
	d) Excise duty	-	-	966.02	1,549.10	3,721.40
	e) Employee benefits expense	4,490.40	4,223.90	4,025.74	16,964.30	15,423.05
	f) Depreciation and amortisation expense	706.54	665.59	612.47	2,640.32	2,481.14
	g) Impairment [Refer note 5]	1,723.48	-	848.86	1,723.48	848.86
	h) Other expenses	9,579.39	8,404.20	8,293.42	33,838.20	30,272.85
	Total expenses (4)	28,047.28	26,273.69	24,184.49	100,822.70	93,900.85
5.	Profit before exceptional items and tax (3-4)	2,905.43	5,644.45	2,582.07	13,519.33	11,517.30
6.	Exceptional items [Refer note 7]	(1,699.86)	-	-	(1,699.86)	-
7.	Profit before tax (5-6)	4,605.29	5,644.45	2,582.07	15,219.19	11,517.30
8.	Tax expenses					
	Current Tax	2,430.00	1,820.00	1,090.00	6,350.00	4,650.00
	Deferred Tax	(1,054.10)	655.79	(401.31)	(1,024.17)	(994.38)
	Tax for earlier years	502.42	-	(51.00)	502.42	(51.00)
9.	Profit for the period (7-8)	2,726.97	3,168.66	1,944.38	9,390.94	7,912.68
10.	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss					
	i. Re-measurement (losses) on defined benefit plans	(239.84)	(26.52)	(130.35)	(382.80)	(199.16)
	ii. Income tax effect	83.02	9.18	45.12	132.50	68.93
	Total Other Comprehensive Income, net of tax	(156.82)	(17.34)	(85.23)	(250.30)	(130.23)
11.	Total Comprehensive Income for the period (9+10)	2,570.15	3,151.32	1,859.15	9,140.64	7,782.45
12.	Paid-up equity share capital (Face Value Rs 10/- each)	1,659.94	1,659.94	1,659.94	1,659.94	1,659.94
13.	Other equity excluding Revaluation reserve as per Balance sheet				71,666.51	64,722.35
14.	Earnings per equity share (of Rs 10/- each) *(not annualised)					
	(a) Basic	* 16.43	* 19.09	* 11.71	56.57	47.67
	(b) Diluted	* 16.43	* 19.09	* 11.71	56.57	47.67



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STATEMENT OF AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017**Notes:**

- The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on 22nd February 2018. The statutory auditors have expressed an unmodified opinion. The audit report has been filed with stock exchange and is available on the company's website.
- Figures for the previous quarter/year have been re-grouped/re-arranged wherever necessary.
- 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 the quarter and year ended 31 December 2017 are not comparable with those of the previous periods presented.
- Results for the quarter ended 31 December 2017, 30 September 2017 and year ended 31 December 2017 are in compliance with Indian Accounting Standards (Ind-AS) notified by the Ministry of Corporate Affairs. Consequently the results for the quarter ended 31 December 2016 and year ended 31 December 2016 have also been restated to comply with Ind AS and make them comparable.
- During the current year, the Company has made provision for impairment loss of Rs.1,723.48 Lakhs on its Power Plant assets used for captive consumption. This has been considered in the results of pharmaceuticals and chemicals segments.
- Figures for the quarter ended 31 December 2017 and 31 December 2016 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.
- Exceptional items comprise of profit from the sale of Office premises and residential flat located at Mumbai which were held for sale.
- Subject to approval of shareholders at the annual general meeting, Board of Directors have recommended dividend of 150% (at the rate of Rs 15/- per share of Rs 10 each) on 16,599,382 equity shares.
- Reconciliation between the financial results previously reported (referred to as previous GAAP) and Ind AS for the quarter and year ended 31 December 2016.

Sr No	Particulars	Rs. in lakhs	
		Quarter ended 31 December 2016	Year ended 31 December 2016
	Net Profit for the period after tax under previous GAAP	1,820.45	7,589.41
a.	Difference in Provision for doubtful debts based on expected credit loss method under Ind AS 109	92.40	195.04
b.	Other adjustments	(2.60)	(8.20)
c.	Physician samples- timing difference on recognition of expense	(30.10)	108.90
d.	Deferred tax on above adjustments	(21.00)	(102.70)
	Total Comprehensive income for the period under Ind AS	1,859.15	7,782.45

- Reconciliation of equity previously reported (referred to as Previous GAAP) and Ind AS are as under:

Sr. No.	Particulars	Rs. in lakhs	
		As at 31 December 2016	
a	Equity as per Previous GAAP	64,545.70	
b	Physician samples- timing difference on recognition of expense	(195.26)	
c	Proposed Dividend (including Tax) accounted in the year of Shareholder's approval	2,198.00	
d	Difference in Provision for doubtful debts based on expected credit loss method under Ind AS 109	(337.50)	
e	Others	(19.78)	
f	Deferred tax on above adjustments	191.13	
g	Equity as per Ind AS	66,382.29	

For Merck Limited

N. Krishnan
Chief Financial Officer and Executive Director



Place : Mumbai
Date : 22 February 2018

Please visit us at our website www.merck.co.in

Balance Sheet as at 31 December 2017

(Rs. in lakhs)

Particulars	As at 31.12.2017 Audited	As at 31.12.2016 Audited
ASSETS		
Non current assets		
Property, plant and equipment	11,427.70	11,049.50
Capital work in progress	890.40	2,998.40
Other Intangible assets	79.10	17.43
Financial assets		
i. Loans	12.54	18.84
ii. Others	861.40	641.27
Deferred tax assets (net)	3,079.73	1,924.52
Other non current assets	1,413.28	1,761.55
Non current tax asset (net)	6,125.10	5,900.00
	23,889.25	24,311.51
Current assets		
Inventories	15,773.78	16,393.94
Financial Assets		
i. Investments	6,997.40	2,778.00
ii. Trade receivables	12,265.92	10,703.83
iii. Cash and cash equivalents	1,032.20	2,626.82
iv. Bank balance other than (iii) above	26,786.00	25,300.00
v. Loans	10.28	20.83
vi. Others	1,454.94	1,162.64
Other current assets	10,290.78	3,736.84
Assets held for sale	621.70	888.00
	75,233.00	63,610.90
TOTAL ASSETS	99,122.25	87,922.41
EQUITY & LIABILITIES		
Equity		
Equity share capital	1,659.94	1,659.94
Other equity	71,666.51	64,722.35
	73,326.45	66,382.29
Non - Current liabilities		
Provisions	2,666.80	2,384.48
Other non-current liabilities	603.10	512.00
	3,269.90	2,896.48
Current liabilities		
Financial liabilities		
i. Trade payables	8,328.30	7,510.10
ii. Other financial liabilities	6,341.50	5,509.12
Provisions	3,915.50	3,373.99
Other current liabilities	1,869.20	1,313.53
Current tax liabilities (net)	2,061.40	936.90
Liabilities towards assets held for sale	10.00	-
	22,525.90	18,643.64
TOTAL EQUITY & LIABILITIES	99,122.25	87,922.41



MERCK LIMITED

(Rs in lakhs)

Segment Wise Revenue, Result and Capital Employed

Sr. No.	Particulars	3 months ended 31/12/2017 Audited [refer note 6]	Preceding 3 months ended 30/09/2017 Unaudited	Corresponding 3 months ended 31/12/2016 Audited [refer note 6]	Current year ended 31/12/2017 Audited	Previous year ended 31/12/2016 Audited
1.	Segment Revenue					
	a) Pharmaceuticals	22,419.92	24,531.88	19,641.06	86,238.03	79,909.16
	b) Chemicals	7,993.10	6,740.68	6,309.05	25,707.10	23,068.26
	Total	30,413.02	31,272.56	25,950.11	111,945.13	102,977.42
	Less : Inter segment revenue	-	-	-	-	-
	Revenue from operations (net)	30,413.02	31,272.56	25,950.11	111,945.13	102,977.42
2.	Segment Results (Profit before Tax and Interest from each segment)					
	a) Pharmaceuticals	1,270.76	4,838.30	1,613.72	9,909.80	8,218.87
	b) Chemicals	743.56	624.07	409.33	1,738.17	1,861.09
	Total	2,014.32	5,462.37	2,023.05	11,647.97	10,079.96
	Less : Other un-allocable expenditure net off un-allocable Income	(2,590.97)	(182.08)	(559.02)	(3,571.22)	(1,437.34)
	Total Profit before Tax	4,605.29	5,644.45	2,582.07	15,219.19	11,517.30
3.	Capital Employed					
	Segment Assets					
	Pharmaceuticals	33,272.84	33,959.40	31,588.18	33,272.84	31,588.18
	Chemicals	20,371.81	17,772.74	16,100.70	20,371.81	16,100.70
	Unallocated	45,477.60	43,112.92	40,233.53	45,477.60	40,233.53
	Total Assets	99,122.25	94,845.06	87,922.41	99,122.25	87,922.41
	Segment Liabilities					
	Pharmaceuticals	18,934.82	17,182.95	17,046.87	18,934.82	17,046.87
	Chemicals	4,429.98	4,647.20	3,446.60	4,429.98	3,446.60
	Unallocated	2,431.00	2,258.32	1,046.65	2,431.00	1,046.65
	Total Liabilities	25,795.80	24,088.47	21,540.12	25,795.80	21,540.12
	Capital Employed					
	Pharmaceuticals	14,338.02	16,776.45	14,541.31	14,338.02	14,541.31
	Chemicals	15,941.83	13,125.54	12,654.10	15,941.83	12,654.10
	Unallocated	43,046.60	40,854.60	39,186.88	43,046.60	39,186.88
	Total	73,326.45	70,756.59	66,382.29	73,326.45	66,382.29



**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, 2017 ("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 Rule 7 of the Companies (Account) Rules, 2014 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.

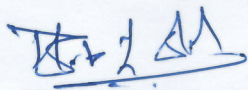


4. Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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, 2017.
5. The Statement includes the results for the Quarter ended December 31, 2017, 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.
6. The comparative financial information of the Company for the year ended 31st December 2016 is based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by B S R & Co. LLP whose report for the year ended 31st December 2016 dated March 1, 2017 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Bhavik L. Shah

Partner

Membership No.122071



Place: Mumbai

Date: February 22, 2018

22 February 2018

National Stock Exchange of India
Limited Exchange Plaza, Bandra Kurla
Complex Mumbai - 400051

Bombay Stock Exchange Ltd.
1st Floor, Rotunda Building,
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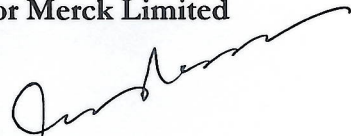
Dear Sir/Madam,

Sub: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 – Declaration in respect of Audit Report with unmodified opinion for the financial year December 2017.

Pursuant to the SEBI Circular No: CIR/CFD/CMD/56/2016 dated 27 May 2016, this is hereby declared and confirmed that the Statutory Auditors of the Company, M/s. Haribhakti & Co. LLP, Chartered Accountants has issued the Audit Report for the Financial Statements for the financial year ended 31 December 2017 as prepared under the Companies Act 2013 and Financial Results for the financial year ended 31 December 2017 as prepared under SEBI Listing Regulations with **'unmodified opinion'**

Thanking you,

For Merck Limited



N. Krishnan

CFO & Director Finance



Merck Limited

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