February 27, 2017

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, Monday, February 27, 2017

Approval of Audited Financial Accounts:

We are pleased to enclose herewith a copy of Audited Financial Results for the quarter and year ended December 31, 2016 as approved by the Board of Directors of the Company at its meeting held on February 27, 2017 along with the declaration in respect of Audit Report with unmodified opinion for the year ended December 31, 2016.

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 a dividend at the rate of Rs.11/-(Rupees Eleven only) per equity share of Rs.10/- each for the year ended December 31, 2016.

Convening of the 50th Annual General Meeting and Book Closure:

The 50th Annual General Meeting(AGM) of the Company will be held on Thursday, May 04, 2017.

Further, we hereby inform you that the Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, May 02, 2017 to Thursday, May 04, 2017 (both days inclusive) for the purposes of payment of dividend for the year ended December 31, 2016, if approved by members at the above mentioned AGM.

Re-appointment of Mr. Anand Nambiar as the Managing Director:

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, has recommended the re-appointment of Mr. Anand Nambiar as the Managing Director of the Company for a period of five years with effect from October 01, 2017 subject to the approval of the shareholders at their ensuing meeting.

Re-appointment of Mr. N. Krishnan as the Executive Director(Finance):

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, has recommended the re-appointment of Mr. N. Krishnan as the Executive Director(Finance) of the Company for a period of five years with effect from October 22, 2017 subject to the approval of the shareholders at their ensuing meeting.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,

For **Merck Limited**

Vikas R. Gupta
General Counsel & Company Secretary
Encl: as above

Merck Limited

Registered Office
Godrej One, 8th Floor, Pirojshanagar
Eastern Express Highway, Vikhroli East
Mumbai 400079, India.
Phone +91 22 62109000
Fax +91 22 62109999
www.merck.co.in
CIN: L99999MH1967PLC013726

MERCK LIMITED

Regd. Office: Godrej One, 8th Floor, Eastern Express Highway, Pirojshanagar, Vikhroli (East), Mumbai : 400 079.

AUDITED FINANCIAL RESULTS FOR YEAR ENDED 31ST DECEMBER, 2016

CIN No. L99999MH1967PLC013726, email : corpsec@merckgroup.com

(Rs. in Lakhs)

Particulars [Refer notes below]	3 months ended 31/12/2016 Audited	Preceding 3 months ended 30/09/2016 Unaudited	Corresponding 3 months ended 31/12/2015 in the previous year Audited	Year to date figures for the current year ended 31/12/2016 Audited	Previous year ended 31/12/2015 Audited
1. Income from operations					
a) Net Sales/income from operations (Net of excise duty)	24,000.85	26,284.66	23,198.66	96,833.75	90,832.71
b) Other Operating Income	1,153.66	604.82	549.64	2,799.67	3,117.33
Total Income from operations (net)	25,154.51	26,889.48	23,748.30	99,633.42	93,950.04
2. Expenses					
a) Cost of Materials consumed	5,731.04	6,041.29	6,350.07	24,023.50	25,692.54
b) Purchases of stock-in-trade	4,603.72	4,787.12	4,184.64	17,307.90	17,993.67
c) Changes in inventories of finished goods,work-in-progress and stock in trade	(1,422.56)	586.44	343.73	(68.72)	(161.57)
d) Employee benefits expense	3,400.88	3,973.12	2,748.06	14,867.00	12,338.50
e) Depreciation and amortisation expense [Refer note 3]	886.33	620.29	843.31	2,755.00	2,341.61
f) Impairment [Refer note 7]	575.30	-	-	575.30	-
f) Other expenses	9,800.56	6,991.87	7,619.55	31,575.00	29,742.26
Total Expenses	23,575.27	23,000.13	22,089.36	91,034.98	87,947.01
3. Profit from operations before other income, finance costs and exceptional Items (1-2)	1,579.24	3,889.35	1,658.94	8,598.44	6,003.03
4. Other Income	812.77	410.09	684.65	2,423.97	2,329.82
5. Profit from ordinary activities before finance costs and exceptional Items (3+4)	2,392.01	4,299.44	2,343.59	11,022.41	8,332.85
6. Finance cost	-	-	-	-	-
7. Profit from ordinary activities after finance costs but before exceptional Items (5-6)	2,392.01	4,299.44	2,343.59	11,022.41	8,332.85
8. Exceptional items	-	-	-	-	-
9. Profit from ordinary activities before tax (7+8)	2,392.01	4,299.44	2,343.59	11,022.41	8,332.85
10. Tax expense	571.56	1,545.34	886.79	3,433.00	2,976.59
11. Net Profit from ordinary activities after tax (9-10)	1,820.45	2,754.10	1,456.81	7,589.41	5,356.27
12. Extraordinary items (net of tax expense)	-	-	-	-	-
13. Net Profit for the period (11±12)	1,820.45	2,754.10	1,456.81	7,589.41	5,356.27
14. Paid-up equity share capital (Face Value of the Share Rs 10/-)	1,659.94	1,659.94	1,659.94	1,659.94	1,659.94
15. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	62,885.76	57,494.00
16.i Earnings per share (before extraordinary items) (of Rs 10/- each) (not annualised):					
(a) Basic	10.97	16.59	8.78	45.72	32.27
(b) Diluted	10.97	16.59	8.78	45.72	32.27
16.ii Earnings per share (after extraordinary items) (of Rs 10/- each) (not annualised):					
(a) Basic	10.97	16.59	8.78	45.72	32.27
(b) Diluted	10.97	16.59	8.78	45.72	32.27

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 27th February 2017. The statutory auditors have expressed an unqualified opinion. The audit report has been filed with stock exchange and is available on the company's website.
2. Figures for the previous quarter/year have been re-grouped/re-arranged wherever necessary.
3. Depreciation includes accelerated depreciation of Rs.273.86 lakhs towards lower utilisation of one production line of vitamin e plant.
4. During the current quarter, basis a recent judgement passed by the High Court of Bombay, the Company has made a provision of Rs.320.4 lakhs, towards a possible liability on some pharma products which may accrue to the Company.
5. The figures of last quarter are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the current financial year and previous financial year
6. The Board of Directors at its meeting held on 27th February, 2017 recommended a dividend of Rs.11/- per share for the year ended 31st December, 2016
7. During the current year, the Company has made provision for impairment loss of Rs.575.31 Lakhs on the Oxynex plant assets. This has been considered in the results of the Chemicals segment.

Segment Wise Revenue, Results and Capital Employed

(Rs. in Lakhs)

Particulars	3 months ended 31/12/2016 Audited	Preceding 3 months ended 30/09/2016 Unaudited	Corresponding 3 months ended 31/12/2015 in the previous year Audited	Year to date figures for the current year ended 31/12/2016 Audited	Previous year ended 31/12/2015 Audited
1. Segment Revenue					
a) Pharmaceuticals	18,854.33	20,793.94	17,281.43	76,573.29	66,590.82
b) Chemicals	6,300.18	6,095.54	6,594.18	23,060.13	28,043.20
Total	25,154.51	26,889.48	23,875.61	99,633.42	94,634.02
Less : Inter segment revenue	-	-	127.31	-	683.98
Income from operations (net)	25,154.51	26,889.48	23,748.30	99,633.42	93,950.04
2. Segment Results (Profit before Tax and Interest from each segment)					
a) Pharmaceuticals	1,466.06	3,183.02	2,307.86	7,803.69	5,055.48
b) Chemicals	366.91	755.96	112.29	1,781.38	2,141.97
Total	1,832.97	3,938.98	2,420.15	9,585.07	7,197.45
Less : Other un-allocable expenditure net off un-allocable income	(559.04)	(360.46)	76.56	(1,437.34)	(1,135.40)
Total Profit before Tax	2,392.01	4,299.44	2,343.59	11,022.41	8,332.85
3. Capital Employed					
Segment Assets					
a) Pharmaceuticals	31,910.61	30,851.50	28,155.16	31,910.61	28,155.16
b) Chemicals	16,261.27	16,827.50	21,421.43	16,261.27	21,421.43
c) Unallocated	40,111.25	36,979.35	28,820.17	40,111.25	28,820.17
Total Assets	88,283.13	84,658.35	78,396.76	88,283.13	78,396.76
Segment Liabilities					
a) Pharmaceuticals	17,046.87	15,638.32	13,137.16	17,046.87	13,137.16
b) Chemicals	3,446.60	3,464.64	3,836.33	3,446.60	3,836.33
c) Unallocated	3,243.96	632.48	2,269.33	3,243.96	2,269.33
Total Liabilities	23,737.43	19,735.44	19,242.82	23,737.43	19,242.82
Capital Employed					
a) Pharmaceuticals	14,863.74	15,213.18	15,018.00	14,863.74	15,018.00
b) Chemicals	12,814.67	13,362.86	17,585.10	12,814.67	17,585.10
c) Unallocated	36,867.29	36,346.87	26,550.84	36,867.29	26,550.84
Total	64,545.70	64,922.91	59,153.94	64,545.70	59,153.94

Statement of Assets and Liabilities

Particulars	As at Current year year end 31.12.2016	As at Previous year end 31.12.2015
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share capital	1,659.94	1,659.94
(b) Reserves and surplus	62,885.76	57,494.00
Sub-total-Shareholders' funds	64,545.70	59,153.94
2 Non- current liabilities		
(a) Other non-current liabilities	512.00	444.00
(b) Long-term provisions	2,384.48	2,212.00
Sub-total-Non-current liabilities	2,896.48	2,656.00
3 Current liabilities		
(a) Trade payables	7,510.30	6,555.00
(b) Other current liabilities	6,824.64	6,158.82
(c) Short-term provisions	6,506.01	3,873.00
Sub-total-Current liabilities	20,840.95	16,586.82
TOTAL- EQUITY AND LIABILITIES	88,283.13	78,396.76
B ASSETS		
1 Non-current assets		
(a) Fixed assets	14,065.32	13,873.04
(b) Deferred tax asset (net)	1,734.41	568.38
(b) Long-term loans and advances	8,390.23	6,714.63
Sub-total - Non-current assets	24,189.96	21,156.05
2 Current assets		
(a) Current investments	2,777.96	4,228.00
(b) Inventories	16,588.69	16,686.00
(c) Trade receivables	11,040.82	12,657.04
(d) Cash and cash equivalents	27,926.32	18,841.86
(e) Short-term loans and advances	3,996.97	3,444.73
(f) Other current assets	1,762.41	1,383.08
Sub-total - Current assets	64,093.17	57,240.71
TOTAL - ASSETS	88,283.13	78,396.76

For and on behalf of MERCK LIMITED

Anand Nambiar
Managing Director

Place : Mumbai
Date : 27th February 2017

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

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Auditors' Report on financial results of Merck Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of Merck Limited

We have audited the accompanying annual financial results of Merck Limited ('the Company') for the year ended 31 December 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended 31 December 2016 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results up to the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 which are notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these financial results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(ii) give a true and fair view of the net profit and other financial information for the year ended 31 December 2016.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
27 February 2017

27 February 2017.

To
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,

Subject: 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 31 December 2016.

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

Thanking You,

For **Merck Limited**

N. Krishnan
CFO & Director (Finance)

Merck Limited

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Eastern Express Highway, Vikhroli East
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