

March 6, 2019

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

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

Dear Sir / Madam,

Sub: Clarification to queries received from Investors on Financial Results for quarter and year ended December 31, 2018

We would like to inform you that the Company had announced its audited financial results for quarter and year ended December 31, 2018 on February 27, 2019. Post announcement of the said results, the Company has been receiving numerous queries from the investors requesting clarification on reasons for increase in 'Employee Expenses' and 'Other Expenses'. Considering the several queries received, we would like to make the clarification available to all investors by disseminating it on the Stock Exchange websites, as explained below:

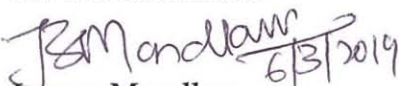
- Reason for increase in Employee expenses:
The personnel cost variance is primarily driven by increase in provision for Long Time Service Award & Leave Encashment based on actuarial valuation and higher performance bonus.
- Reason for increase in Other Expenses:
The inflation in other expenses is on account of phasing of big promotional events for some of our brands in the 4th Quarter ended December 31, 2018

We request you to take the same on record.

Thanking you,

Yours faithfully,

For Merck Limited


Jeevan Mondkar
Company Secretary



Merck Limited