

February 26, 2016

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

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

Dear Sir/ Madam,

**Sub: Outcome of the Board meeting held today.**

***Approval of Audited Financial Accounts:***

With reference to the above captioned subject, we are enclosing herewith a copy of Audited Financial Results for the quarter and year ended December 31, 2015 as approved by the Board of Directors of the Company at its meeting held on February 26, 2016 along with Auditors' Report and Form 'A' (audit report for un-modified opinion)

The Audited Financial Results will be published in the newspapers within the stipulated time as per the SEBI Listing Regulations.

***Dividend:***

The Board has recommended a dividend at the rate of Rs.7.50 (Rupees Seven and Fifty paise) per equity share of Rs.10/- each for the year ended December 31, 2015.

***Convening of the 49<sup>th</sup> Annual General Meeting and Book Closure:***

The 49<sup>th</sup> Annual General Meeting of the Company will be held on Tuesday, April 26, 2016.

Further, we hereby inform you that the Register of Members and the Share Transfer Books of the Company will remain closed from Sunday, April 24, 2016 to Tuesday, April 26, 2016 (both days inclusive) for the purposes of payment of dividend for the year ended December 31, 2015, if approved by members at the above mentioned AGM.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,

For Merck Limited



**Vikas R. Gupta**  
**General Counsel & Company Secretary**

Encl: as above



Merck Limited

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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.  
**AUDITED FINANCIAL RESULTS FOR YEAR ENDED 31ST DECEMBER, 2015**  
 CIN No. L99999MH1967PLC013726, email : corpsec@merckgroup.com

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)		
	3 months ended 31/12/2015	Year to date figures for the current year ended 31/12/2015	Previous year ended 31/12/2014
[Refer notes below]	Audited	Audited	Audited
<b>1. Income from operations</b>			
a) Net Sales/Income from operations ( Net of excise duty)	23,198.66	90,832.71	83,244.84
b) Other Operating Income	549.64	3,117.33	3,504.27
<b>Total income from operations (net)</b>	<b>23,748.30</b>	<b>93,950.04</b>	<b>86,749.11</b>
<b>2. Expenses</b>			
a) Cost of Materials consumed	6,350.07	25,692.54	26,631.74
b) Purchases of stock-in-trade	4,184.64	17,993.67	15,017.87
c) Changes in inventories of finished goods, work-in-progress and stock in trade	343.73	(161.57)	(1,602.85)
d) Employee benefits expense	2,748.06	12,338.50	11,356.39
e) Depreciation and amortisation expense	843.31	2,341.61	1,268.32
f) Other expenses	7,619.55	29,742.26	29,454.91
<b>Total Expenses</b>	<b>22,089.38</b>	<b>67,947.01</b>	<b>62,126.38</b>
<b>3. Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>1,658.95</b>	<b>6,003.04</b>	<b>4,622.73</b>
<b>4. Other Income</b>	<b>684.65</b>	<b>2,329.82</b>	<b>2,033.41</b>
<b>5. Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>2,343.60</b>	<b>8,332.86</b>	<b>6,656.14</b>
<b>6. Finance Cost</b>	-	-	-
<b>7. Profit from ordinary activities after finance costs and before exceptional items (5-6)</b>	<b>2,343.60</b>	<b>8,332.86</b>	<b>6,656.14</b>
<b>8. Exceptional items</b>	-	-	-
<b>9. Profit from ordinary activities before tax (7+8)</b>	<b>2,343.60</b>	<b>8,332.86</b>	<b>6,656.14</b>
<b>10. Tax expense</b>	<b>866.79</b>	<b>2,976.59</b>	<b>2,333.72</b>
<b>11. Net Profit from Ordinary activities after tax (9-10)</b>	<b>1,456.81</b>	<b>5,356.27</b>	<b>4,322.42</b>
<b>12. Extraordinary items (net of tax expense)</b>	-	-	-
<b>13. Net Profit for the period (11+12)</b>	<b>1,456.81</b>	<b>5,356.27</b>	<b>4,322.42</b>
<b>14. Paid-up equity share capital (Face Value of the share Rs 10/-)</b>	<b>1,659.94</b>	<b>1,659.94</b>	<b>1,659.94</b>
<b>15. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year</b>	-	<b>57,494.00</b>	<b>53,770.38</b>
<b>16.i Earnings per share (before extraordinary items) (of Rs 10/- each) (not annualised):</b>			
(a) Basic	8.78	32.27	26.04
(b) Diluted	8.78	32.27	26.04
<b>16.ii Earnings per share (after extraordinary items) (of Rs 10/- each) (not annualised):</b>			
(a) Basic	8.78	32.27	26.04
(b) Diluted	8.78	32.27	26.04

Segment Wise Revenue, Result and Capital Employed			
Particulars	(Rs. in Lakhs)		
	3 months ended 31/12/2015 Audited	Year to date figures for the current year ended 31/12/2015 Audited	Previous year ended 31/12/2014 Audited
<b>1. Segment Revenue</b>			
a) Pharmaceuticals	17,281.43	66,590.82	58,514.09
b) Chemicals	5,594.10	20,043.20	29,480.32
<b>Total</b>	<b>23,875.61</b>	<b>94,634.02</b>	<b>87,994.41</b>
Less: Inter segment revenue	127.31	683.98	1,245.30
<b>Net Sales and Other Operating Income from operations</b>	<b>23,748.30</b>	<b>93,950.04</b>	<b>86,749.11</b>
<b>2. Segment Results (Profit before Tax and Interest from each segment)</b>			
a) Pharmaceuticals	2,307.86	5,055.48	2,674.77
b) Chemicals	112.29	2,141.97	2,497.78
<b>Total</b>	<b>2,420.15</b>	<b>7,197.45</b>	<b>5,172.55</b>
Less: Other un-allocable expenditure net off un-allocable income	76.55	(1,135.41)	(1,483.59)
<b>Total Profit before Tax</b>	<b>2,343.60</b>	<b>8,332.86</b>	<b>6,656.14</b>
<b>3. Capital Employed</b>			
a) Pharmaceuticals	15,018.00	15,018.00	14,710.72
b) Chemicals	17,585.10	17,585.10	18,319.20
c) Unallocated	26,550.84	26,550.84	22,400.40
<b>Total</b>	<b>59,153.94</b>	<b>59,153.94</b>	<b>55,430.32</b>

Statement of Assets and Liabilities		
Particulars	As at Current year year end 31.12.2015	As at Previous year end 31.12.2014
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' Funds</b>		
(a) Share capital	1,659.94	1,659.94
(b) Reserves and surplus	57,494.00	53,770.38
<b>Sub-total-Shareholders' funds</b>	<b>59,153.94</b>	<b>55,430.32</b>
<b>2 Non-current liabilities</b>		
(a) Other non-current liabilities	444.00	-
(b) Long-term provisions	2,212.00	1,871.34
<b>Sub-total-Non-current liabilities</b>	<b>2,656.00</b>	<b>1,871.34</b>
<b>3 Current liabilities</b>		
(a) Trade payables	6,555.00	4,376.70
(b) Reserves and surplus	6,156.82	5,961.89
(c) Short-term provisions	3,873.00	3,182.16
<b>Sub-total-Current liabilities</b>	<b>16,586.82</b>	<b>13,520.75</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>78,396.76</b>	<b>70,822.41</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets	13,873.04	13,733.55
(b) Deferred tax asset (net)	568.38	217.37
(c) Long-term loans and advances	6,714.63	7,007.24
<b>Sub-total - Non-current assets</b>	<b>21,156.05</b>	<b>20,958.17</b>
<b>2 Current assets</b>		
(a) Current investments	4,228.00	2,386.66
(b) Inventories	16,686.00	17,731.73
(c) Trade receivables	12,657.04	10,453.23
(d) Cash and cash equivalents	16,941.86	16,395.21
(e) Short-term loans and advances	3,444.73	2,315.34
(f) Other current assets	1,383.08	582.05
<b>Sub-total - Current assets</b>	<b>57,240.71</b>	<b>49,864.24</b>
<b>TOTAL - ASSETS</b>	<b>78,396.76</b>	<b>70,822.41</b>

Particulars	3 months ended
<b>B INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed of during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

- Notes :-
- The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on 26th February 2016. 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.
  - Figures for the previous quarter/year have been re-grouped/re-arranged wherever necessary.
  - The Company has adopted the useful lives of various fixed assets as specified in Schedule II to the Companies Act, 2013, with effect from 1 January 2015, as against the useful lives adopted earlier as specified in Schedule XIV to the Companies Act, 1956. Accordingly, the depreciation charge for the year ended 31st December 2015 is higher by Rs.627.4 lakhs (Upto 30 September 2015, is higher by Rs.246.07 lakhs) and in respect of assets where the remaining useful life as per Schedule II is Nil as on 1 January 2015, an amount of Rs. 201.05 lakhs is recognized in the opening balance of general reserves.
  - 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.
  - The Board of Directors at its meeting held on 26th February, 2016 recommended a dividend of Rs 7/- per share for the year ended 31st December, 2015.

For MERCK LIMITED



*Anand Nambiar*

Anand Nambiar  
MANAGING DIRECTOR

Place : Mumbai  
Date : 26th February 2016  
Please visit us at our website www.merck.co.in

# B S R & Co. LLP

Chartered Accountants

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Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

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

For **B S R & Co. LLP**  
Chartered Accountants

Firm's Registration No: 101248W/W-100022

  
**Vikas R Kasat**  
Partner

Membership No: 105317

Mumbai  
26 February 2016

**Form A (for audit report with unmodified opinion)**

**Auditors' Report – Clause 33 (d) of the SEBI (Listing Obligations & Disclosures Requirements) 2015**

Pursuant to Clause 33 (d) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, we give below in Form A (for unmodified opinion) along with the Auditors' Report for the year ended 31 December 2015.

1	Name of the company	Merck Limited
2.	Annual financial statements for the year ended	31 December 2015
3.	Type of Audit observation	Un Modified /
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	<p style="text-align: center;"><i>Anand Nambiar</i></p> <p>CEO/Managing Director: Anand Nambiar</p> <p>CFO &amp; Director Finance : N. Krishnan</p> <p>Auditor of the Company: For B S R &amp; Co. LLP, Chartered Accountants (Name of the partner)</p> <p style="text-align: center;"><i>VIRAJ R KASAT</i></p> <p>Audit Committee Chairman: S.N. Talwar</p>	



Merck Limited

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