

TARO PHARMACEUTICALS INC.

BALANCE SHEETS

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
	CAD Dollars	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 721,828,291	\$ 623,994,228
Short-term bank deposits	\$ -	104,154,009
Marketable securities	\$ 635,122,488	409,876,206
Trade accounts receivable	\$ 29,892,905	17,287,270
Other receivables and prepaid expenses:		
Prepaid expenses	4,730,130	2,800,459
Deferred income taxes	-	-
Government authorities	22,968,921	42,549,479
Advances to suppliers	233,485	1,215,853
Derivative instruments	-	352,462
Intercompany balances	204,886,967	231,131,967
Other	9,814,022	5,160,040
TOTAL Other receivables and prepaid expenses	242,633,525	283,210,260
Inventories	82,021,558	61,588,042
TOTAL CURRENT ASSETS	1,711,498,766	1,500,110,015
LONG-TERM RECEIVABLES AND OTHER ASSETS	313,805,509	92,311,339
FIXED ASSETS:		
Cost	136,428,668	128,025,145
Less - accumulated depreciation	(64,703,261)	(59,611,925)
	71,725,406	68,413,220
GOODWILL	368,629	368,629
INTANGIBLE ASSETS AND DEFERRED COSTS, NET	183,499,789	232,560,380
DEFERRED INCOME TAXES	-	1,077,918
TOTAL ASSETS	\$ 2,280,898,100	\$ 1,894,841,501

TARO PHARMACEUTICALS INC.

BALANCE SHEETS

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
	CAD Dollars	
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable:		
Trade payables	\$ 11,121,439	\$ 12,977,047
Other current liabilities:		
Returns reserve	4,658,629	2,967,811
Due to customers	-	-
Intercompany balances	267,616,352	25,251,333
Employees and payroll accruals	5,052,444	4,147,926
Deferred revenue	306,143	287,000
Medicaid and indirect rebates	13,935,271	8,623,301
Accrued income taxes	-	-
Legal and audit fees	-	-
Accrued expenses	16,823,720	7,322,797
Interest payable	-	-
Derivative instruments	2,826,401	761,693
Deferred taxes	-	-
Other	29,394	856,288
TOTAL Other current liabilities	311,248,354	50,218,150
TOTAL CURRENT LIABILITIES	322,369,793	63,195,196
LONG-TERM LIABILITIES:		
Deferred income taxes	1,955,156	2,795,090
Other long-term liabilities	4,006,568	2,394,397
	5,961,724	5,189,487
SHAREHOLDERS' EQUITY	1,952,566,584	1,826,456,818
	\$ 2,280,898,100	\$ 1,894,841,501

Date of approval of the  
financial statements

Harold Parks  
Executive Director, Finance

## TARO PHARMACEUTICALS INC.

## STATEMENTS OF INCOME

	For the year Ended March 31, 2019 (Unaudited)	For the year Ended March 31, 2018 (Unaudited)	For the year Ended March 31, 2017 (Unaudited)
	CAD Dollars		
Sales	\$ 363,451,951	\$ 350,220,956	\$ 484,359,805
Cost of sales	<u>194,146,268</u>	<u>146,237,063</u>	<u>125,246,550</u>
Gross profit	169,305,683	203,983,893	359,113,255
Research and development	41,192,787	38,339,637	21,707,124
Selling and marketing expenses	11,282,659	9,415,014	8,702,413
General and administrative expenses	<u>11,028,244</u>	<u>9,515,285</u>	<u>6,507,206</u>
Operating income	105,801,993	146,713,957	322,196,511
Financing income (expenses), net	66,873,692	(29,716,122)	37,240,818
Other income (expense)	<u>1,335,331</u>	<u>2,400,453</u>	<u>4,391,277</u>
Income before taxes on income	174,011,016	119,398,288	363,828,606
Taxes on income	<u>50,226,492</u>	<u>23,494,758</u>	<u>88,095,847</u>
Net income for the period before subsidiaries and divid	123,784,525	95,903,529	275,732,758
Dividend income, net	-	-	-
Subsidiaries	<u>-</u>	<u>-</u>	<u>-</u>
Net income for the period	<u>\$ 123,784,525</u>	<u>\$ 95,903,529</u>	<u>\$ 275,732,758</u>



TARO PHARMACEUTICALS INC.

Changes in Shareholders' Equity

CAD Dollars

	Number of Shares (Unaudited)	Share Capital (Unaudited)	Additional Paid-in Capital (Unaudited)	Accumulated Other Comprehensive Income (Loss) (Unaudited)	Retained Earnings (Unaudited)	Total Taro Shareholders' Equity (Unaudited)	Noncontrolling Interest (Unaudited)	Total Shareholders' Equity (Unaudited)
Balance at April 1, 2016	10	10	295,107	-	1,208,512,055	1,208,807,172	-	1,208,807,172
Comprehensive income, net of tax	-	-	-	-	-	-	-	-
Net income	-	-	-	-	275,732,758	275,732,758.33	-	275,732,758
Balance at March 31, 2017	10	10	295,107	-	1,484,244,813	1,484,539,931	-	1,484,539,931
Issuance of shares to TNA	-	241,354,403	-	-	-	241,354,403.00	-	241,354,403
Comprehensive income, net of tax	-	-	-	4,658,955	-	4,658,955	-	4,658,955
Net income	-	-	-	-	95,903,530	95,903,529.50	-	95,903,530
Balance at March 31, 2018	10	241,354,413	295,107	4,658,955	1,580,148,343	1,826,456,818	-	1,826,456,818
Reduction of shares issued to TNA	-	(11,015,723)	-	-	-	(11,015,723)	-	(11,015,723)
Comprehensive income, net of tax	-	-	-	13,340,963	-	13,340,963	-	13,340,963
Net income	-	-	-	-	123,784,525	123,784,525	-	123,784,525
Balance at March 31, 2019	10	230,338,690	295,107	17,999,918	1,703,932,868	1,952,566,584	-	1,952,566,584

