

Taro Pharmaceuticals USA, Inc.

BALANCE SHEET

	March 31, 2019	March 31, 2018
	US Dollars	
	Unaudited	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 2,548,175	\$ 6,827,601
Marketable Securities	-	-
Trade:Open Accounts+Ch.Rec.	204,443,754	181,930,076
<b>Other receivables and prepaid expense:</b>		
Accounts Receivable - Other	3,397,105	4,693,331
Deferred Taxes	-	-
Corporate Taxes Receivable	9,442,384	67,725,414
<b>Total Other receivables and prepaid expense:</b>	<b>12,839,489</b>	<b>72,418,745</b>
Inventories	123,677,036	124,998,918
<b>TOTAL CURRENT ASSETS</b>	<b>343,508,454</b>	<b>386,175,340</b>
<b>LONG-TERM RECEIVABLES AND OTHER ASSETS</b>		
Long term investments	1,487,081	1,547,942
Long term marketable securities	760,800	-
<b>FIXED ASSETS</b>		
Cost	64,285,587	71,841,211
Less-Accum.Depreciation	(24,806,292)	(34,595,746)
	39,479,295	37,245,465
<b>INTANGIBLE ASSETS AND DEFERRED COSTS, NET</b>		
INTANGIBLE ASSETS AND DEFERRED COSTS, NET	-	-
OTHER ASSETS	57,642,931	61,129,399
<b>TOTAL ASSETS</b>	<b>\$ 442,878,561</b>	<b>\$ 486,098,146</b>

Taro Pharmaceuticals USA, Inc.  
BALANCE SHEET

	March 31, 2019	March 31, 2018
	US Dollars	
	Unaudited	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable: Suppliers	5,080,873	2,024,311
<b>Other current liabilities:</b>		
Returns reserve	59,848,184	68,182,053
Intercompany Payables	347,436,470	390,853,519
Employees and payroll accruals	8,511,430	6,102,759
Legal and audit fees	1,035,086	488,750
Accrued Expenses Payable - Others	36,288,233	44,159,978
Taxes Payable	126,305	56,685
<b>TOTAL Other current liabilities</b>	<b>453,245,708</b>	<b>509,843,744</b>
Deferred Taxes	-	730,833
Amount Accrued/ Other long term	-	-
<b>TOTAL LONG TERM LIABILITIES</b>	<b>-</b>	<b>730,833</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>(15,448,021)</b>	<b>(26,500,742)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 442,878,560</b>	<b>\$ 486,098,146</b>

Taro Pharmaceuticals USA, Inc.  
STATEMENTS OF OPERATIONS

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
	US Dollars	
	Unaudited	
<b>Sales - Income</b>	<b>\$ 528,517,121</b>	<b>\$ 537,592,551</b>
Cost of Sales	460,031,346	463,536,706
Cost of Sales Impairment	-	-
<b>Gross Profit</b>	<b>68,485,775</b>	<b>74,055,845</b>
Research & Development	278,728	(286,752)
Selling and Marketing Expenses	29,034,121	29,084,249
General and Administrative Expenses	19,497,697	20,692,605
Settlements and loss contingencies	-	-
<b>Operating Income</b>	<b>19,675,229</b>	<b>24,565,743</b>
Financial Expenses	9,562,767	16,411,667
Other Income	(1,511,253)	(2,055,020)
<b>Income before taxes on Income</b>	<b>11,623,715</b>	<b>10,209,096</b>
Taxes on Income	570,994	44,504,008
<b>Net (loss) income for the period</b>	<b>\$ 11,052,721</b>	<b>\$ (34,294,912)</b>

Taro Pharmaceuticals USA, Inc.

STATEMENTS OF COMPREHENSIVE INCOME

	For the Year Ended	
	March 31, 2019	March 31, 2018
	US Dollars	
Unaudited		
<b>Net (loss) income</b>	<b>\$ 11,052,721</b>	<b>\$ (34,294,912)</b>
Loss from marketable securities	-	(125,040)
<b>Total other comprehensive loss</b>	<b>-</b>	<b>(125,040)</b>
<b>Total comprehensive (loss) income</b>	<b>\$ 11,052,721</b>	<b>\$ (34,419,952)</b>

Taro Pharmaceuticals USA, Inc.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Additional Paid in Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total Shareholders' Equity
	US Dollars				
	Unaudited				
<b>Balance as of March 31, 2016</b>	<b>\$ 145,000</b>	<b>\$ 8,278,828</b>	<b>\$ 194,347</b>	<b>\$ (10,535,985)</b>	<b>\$ (1,917,810)</b>
Loss on available for sale marketable securities	-	-	(69,307)	-	(69,307)
Net income	-	-	-	9,906,327	9,906,327
<b>Balance as of March 31, 2017</b>	<b>145,000</b>	<b>8,278,828</b>	<b>125,040</b>	<b>(629,658)</b>	<b>7,919,210</b>
Loss on available for sale marketable securities	-	-	(125,040)	-	(125,040)
Net income	-	-	-	(34,294,912)	(34,294,912)
<b>Balance as of March 31, 2018</b>	<b>\$ 145,000</b>	<b>\$ 8,278,828</b>	<b>\$ -</b>	<b>\$ (34,924,570)</b>	<b>\$ (26,500,742)</b>
Net income	-	-	-	11,052,721	11,052,721
<b>Balance as of March 31, 2019</b>	<b>\$ 145,000</b>	<b>\$ 8,278,828</b>	<b>\$ -</b>	<b>\$ (23,871,849)</b>	<b>\$ (15,448,021)</b>

*Date of approval of the financial statements*

*AVP, US Controller*