

**TARO PHARMACEUTICAL INDUSTRIES LTD.**

**BALANCE SHEETS**

	March 31, 2021	March 31, 2020
	U.S. Dollars	
	Unaudited	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	20,363,661	98,731,617
Short-term bank deposits	-	-
Marketable Securities	49,835,062	50,486,459
Trade accounts receivable	4,520,851	5,791,397
Other receivables and prepaid expenses:		
Prepaid expenses	4,915,454	3,004,444
Government authorities	1,326,938	381,193
Advances to suppliers	210,426	1,619,295
Derivative instruments	643,696	35,292
Intercompany balances	175,610,551	148,839,001
Other	876,346	1,709,849
TOTAL Other receivables and prepaid expenses	183,583,411	155,589,074
Inventories	58,829,238	58,188,049
TOTAL CURRENT ASSETS	317,132,223	368,786,596
Long Term Receivables and Other Assets	1,253,627,101	1,633,494,449
Long Term Marketable Securities	80,942,354	48,158,753
	1,334,569,455	1,681,653,202
ROU Assets, net	1,398,831	1,768,242
FIXED ASSETS:		
Cost	298,190,708	286,433,621
Less - accumulated depreciation	(185,558,797)	(173,183,849)
	112,631,911	113,249,772
TOTAL ASSETS	\$ 1,765,732,420	\$ 2,165,457,812

**TARO PHARMACEUTICAL INDUSTRIES LTD.****BALANCE SHEETS**

	<u>March 31, 2021</u>	<u>March 31, 2020</u>
	<u>U.S. Dollars</u>	
	<u>Unaudited</u>	
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable:		
Trade payables	17,009,762	10,137,540
Other current liabilities:		
Returns reserve	467,769	400,201
Due to customers	342,092	397,700
Lease Liability	1,335,124	1,040,928
Employees and payroll accruals	11,379,985	11,393,640
Deferred revenue	85,000	-
Accrued income taxes	17,879,024	22,120,025
Legal and audit fees	345,461	314,213
Settlements and loss contingencies	1,496,107	961,107
Accrued expenses	4,580,767	7,053,581
Derivative instruments	299,448	910,126
Suppliers of property, plant and equipment	2,401,033	789,869
Other	782,339	221,640
TOTAL Other current liabilities	<u>41,394,149</u>	<u>45,603,030</u>
TOTAL CURRENT LIABILITIES	<u>58,403,911</u>	<u>55,740,570</u>
LONG-TERM LIABILITIES:		
Deferred income taxes	1,906,974	3,395,173
Derivative instruments	287,475	453,389
Other long-term liabilities	1,487,599	2,005,559
	<u>3,682,048</u>	<u>5,854,121</u>
SHAREHOLDERS' EQUITY	<u>1,703,646,461</u>	<u>2,103,863,121</u>
	<u>\$ 1,765,732,420</u>	<u>\$ 2,165,457,812</u>

Date of approval of the  
financial statements

Daphne Huang  
Group Vice President, Chief Financial Officer  
and Chief Accounting Officer

**TARO PHARMACEUTICAL INDUSTRIES LTD.****STATEMENTS OF INCOME**

	<b>For the Year Ended March 31, 2021</b>	<b>For the Year Ended March 31, 2020</b>
	<b>U.S. Dollars</b>	
	<b>Unaudited</b>	
Sales	\$ 215,149,722	\$ 254,344,887
Cost of sales	115,879,320	111,150,985
Gross profit	99,270,402	143,193,902
Research and development	35,927,914	31,405,830
Selling and marketing expenses	7,357,495	6,624,269
Settlements and loss contingencies	39,692,096	-
General and administrative expenses	15,568,772	18,568,127
Operating income	724,125	86,595,676
Financing income, net	5,634,598	8,181,129
Other expenses	169,182	(248,212)
Income before taxes on income	6,527,905	94,528,593
Taxes on income	4,989,577	2,113,035
Net income for the period before subsidiaries and dividend	1,538,328	92,415,558
Subsidiaries	(388,193,007)	151,825,236
Net income for the period	\$ (386,654,679)	\$ 244,240,794

## Changes in Shareholders' Equity

	Share Capital	Additional paid in capital	Accumulated other comprehensive loss	Treasury stock	Dividend	Retained Earnings	Total Shareholders' Equity
U.S. Dollars							
Un-audited							
<b>Balance at March 31, 2018</b>	680,164	262,445,018	(110,283,992)	(610,008,712)		2,662,326,939	2,205,159,417
Foreign Currency translation adjustments			(45,742,369)				(45,742,369)
Previous years adjustment						36,925,000	36,925,000
Unrealized losses on available for sale marketble securities			11,918,649				11,918,649
Treasury stock				(84,501,194)			(84,501,194)
Issuance of dividend paid					(500,000,000)		(500,000,000)
Net income	-					281,776,227	281,776,227
<b>Balance at March 31, 2019</b>	680,164	262,445,018	(144,107,712)	(694,509,906)	(500,000,000)	2,981,028,166	1,905,535,730
Foreign Currency translation adjustments			(2,513,886)				(2,513,886)
Unrealized losses on available for sale marketble securities			(16,415,486)				(16,415,486)
Treasury stock				(26,984,031)			(26,984,031)
Net income						244,240,794	244,240,794
<b>Balance at March 31, 2020</b>	680,164	262,445,018	(163,037,084)	(721,493,937)	(500,000,000)	3,225,268,960	2,103,863,121
Foreign Currency translation adjustments			3,679,313				3,679,313
Unrealized losses on available for sale marketble securities			7,737,645				7,737,645
Treasury stock				(24,978,939)			(24,978,939)
Net income						(386,654,679)	(386,654,679)
<b>Balance at March 31, 2021</b>	680,164	262,445,018	(151,620,126)	(746,472,876)	(500,000,000)	2,838,614,281	1,703,646,461