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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 6-K**

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE  
SECURITIES EXCHANGE ACT OF 1934

For the month of June, 2006.

Commission File Number 000-22286

**Taro Pharmaceutical Industries Ltd.**

(Translation of registrant's name into English)

**14 Hakitor Street, Haifa Bay 26110, Israel**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_\_

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_.

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**EXHIBIT INDEX**

1. [Notice of Extraordinary General Meeting of Shareholders and Proxy Statement for Extraordinary General Meeting of Shareholders](#)
2. [Proxy for Extraordinary General Meeting of Shareholders](#)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: July 6, 2006

TARO PHARMACEUTICAL INDUSTRIES LTD.

By: /s/ Kevin Connelly

Name: Kevin Connelly

Title: Senior Vice President,

Chief Financial Officer

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**TARO PHARMACEUTICAL INDUSTRIES LTD.**

**NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

Haifa Bay, Israel  
June 28, 2006

Notice is hereby given that an Extraordinary General Meeting of Shareholders (the "Extraordinary General Meeting" or the "Meeting") of Taro Pharmaceutical Industries Ltd. (the "Company") will be held on Thursday, July 27, 2006 at 8:00 a.m. (Israel time), at the offices of the Company, 14 Hakitor Street, Haifa Bay, Israel for the following purpose:

To re-elect the Company's two Statutory Independent Directors, as defined under Israeli law, to the Board of Directors for additional three-year terms and to approve the grant of stock options to the Statutory Independent Directors.

Shareholders of record at the close of business on Wednesday, June 21, 2006 are entitled to notice of and to vote at the Meeting. All shareholders are cordially invited to attend the Extraordinary General Meeting in person.

Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and to return it promptly in the pre-addressed envelope provided. No postage is required if mailed in the United States. You may also submit your proxy vote by telephone or via the Internet by following the proxy voting instructions included with the enclosed materials. Shareholders who subsequently revoke their proxies may vote their shares in person.

By Order of the Board of Directors,

Barrie Levitt, M.D.  
Chairman of the Board of Directors

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**TARO PHARMACEUTICAL INDUSTRIES LTD.**

**14 Hakitor Street  
Haifa Bay 26110, Israel**

**PROXY STATEMENT**

This Proxy Statement is furnished to the holders of Ordinary Shares, nominal (par) value NIS 0.0001 each (the "Ordinary Shares"), of Taro Pharmaceutical Industries Ltd. (the "Company") in connection with the solicitation by the Board of Directors of proxies for use at the Extraordinary General Meeting of Shareholders (the "Extraordinary General Meeting" or the "Meeting"), or any postponement or adjournment thereof, pursuant to the accompanying Notice of Extraordinary General Meeting of Shareholders. The Meeting will be held on Thursday, July 27, 2006 at 8:00 a.m. (Israel time) at the offices of the Company, 14 Hakitor Street, Haifa Bay, Israel.

It is proposed that, at the Meeting, the shareholders approve the re-election of the Company's two statutory independent directors, as defined under Israeli law ("Statutory Independent Directors"), to the Board of Directors for additional three-year terms and the grant of an aggregate of 22,500 stock options to each Statutory Independent Director as follows: 5,000 options to be granted on January 10, 2007, 7,500 options to be granted on January 9, 2008 and 10,000 options to be granted on January 14, 2009.

A form of proxy for use at the Meeting and a return envelope for the proxy are also enclosed. Proxy votes may also be submitted by telephone or via the Internet by following the proxy voting instructions included with the enclosed materials. Shareholders may revoke the authority granted by their execution of proxies at any time before the effective exercise thereof by filing with the Company a written notice of revocation or duly executed proxy bearing a later date, or by voting in person at the Meeting.

Unless otherwise indicated on the form of proxy, shares represented by any proxy in the enclosed form, if the proxy is properly executed and received by the Company prior to the Meeting, will be voted in favor of the matters to be presented at the Meeting, as described above. The Board of Directors of the Company is soliciting proxies for use at the Meeting.

Only shareholders of record at the close of business on Wednesday, June 21, 2006 will be entitled to vote at the Extraordinary General Meeting. Proxies are being mailed to shareholders on or about June 28, 2006 and will be solicited chiefly by mail; however, certain officers, directors, employees and agents of the Company, none of whom will receive additional compensation therefor, may solicit proxies by telephone, fax or other personal contact. The Company will bear the cost of the solicitation of the proxies, including postage, printing and handling, and will reimburse the reasonable expenses of brokerage firms and others for forwarding material to beneficial owners of Ordinary Shares.

## **Proposal 1 — RE-ELECTION OF STATUTORY INDEPENDENT DIRECTORS; STOCK OPTION GRANTS TO STATUTORY INDEPENDENT DIRECTORS**

At the Extraordinary General Meeting, it is intended that proxies (other than those directing the proxy holders not to vote for the listed nominees) will be voted for the re-election of the Company's two Statutory Independent Directors who, if elected, will each hold office for an additional three-year term, unless their office is earlier vacated under any relevant provision of law or our Articles of Association.

Under the Israel Companies Law – 1999 (the "Companies Law"), companies incorporated under the laws of the State of Israel whose shares are listed for trading on a stock exchange or have been offered to the public by a prospectus and are held by the public are required to elect at least two Statutory Independent Directors.

The Companies Law further provides that a person may not be initially elected as a Statutory Independent Director if the person or the person's relative (as defined in the Companies Law), partner, employer or any entity under the person's control has, as of the date of the person's election to serve as a Statutory Independent Director, or had, during the two years preceding that date, any affiliation (as defined below) with:

- a) our company;
- b) any entity controlling our company; or
- c) any entity controlled by our company or under common control with our company.

The term "affiliation" includes an employment relationship, a business or professional relationship maintained on a regular basis, control of the company, or service as an office holder (as defined below).

The Companies Law defines the term "office holder" as a director, general manager, chief business manager, deputy general manager, vice general manager, any other person assuming the responsibilities of any of the forgoing positions without regard to such person's title, or any manager that reports directly to the general manager.

The Companies Law further provides that no person can serve as a Statutory Independent Director if the person's other positions or other business creates, or may create, a conflict of interest with the person's responsibilities as a Statutory Independent Director or may otherwise interfere with the person's ability to serve as a Statutory Independent Director.

Until the lapse of two years from termination of office, a company may not engage a Statutory Independent Director to serve as an office holder and cannot employ or receive services from such person, either directly or indirectly, including through a corporation controlled by such person.

A person shall be qualified to serve as a Statutory Independent Director only if he or she possesses accounting and financial expertise or professional qualifications, as such terms are defined in the regulations promulgated under the Companies Law. At least one Statutory Independent Director must possess accounting and financial expertise.

The initial term of a Statutory Independent Director is three years and may be extended for an additional three-year term. A Statutory Independent Director may be removed from office only by the same percentage of shareholders as is required for election or by a court, if the Statutory Independent Director ceases to meet the statutory qualifications for appointment or if he or she violates their duty of loyalty to the company. Each committee of a company's board of directors is required to include at least one Statutory Independent Director, except for the audit committee which is required to include all the Statutory Independent Directors. Each Statutory Independent Director must receive the same remuneration, which must be fixed and agreed upon with the company prior to the acceptance of the nomination.

Our Statutory Independent Directors, Ben Zion Hod and Haim Fainaro, were elected by our shareholders in 2003 for initial three-year terms, which will end on July 31, 2006 and August 28, 2006, respectively, and are being submitted as nominees for re-election for additional three-year terms. If re-elected, their new three-year terms will commence upon the termination of their initial terms and they will receive fixed remuneration, both annual fees and fees for participation in meetings of the Board of Directors and its committees, in an amount prescribed by Israeli law. These amounts, in New Israeli Shekels, today equal approximately \$10,000 as an annual fee and approximately \$400 as a meeting participation fee.

Mr. Hod is a certified public accountant in Israel and for the past 11 years has served as company controller for Zim Integrated Shipping Services Ltd. Prior to joining Zim, he served as a senior manager at Kesselman & Kesselman, the Israeli affiliate of PricewaterhouseCoopers. Mr. Hod holds a B.A. in economics from the Haifa University.

Mr. Fainaro is a certified public accountant in Israel where he has managed a private accounting practice since 1969. Mr. Fainaro previously served as the Company's internal auditor and as its public director from 1988 to 1993. He holds a B.A. in accounting from the Hebrew University of Jerusalem.

The Board of Directors has determined that both candidates are deemed to have "expertise in finance and accounting" as such term is defined in the regulations promulgated under the Companies Law.

Under regulations promulgated under the Companies Law, if a company wishes to grant options to its Statutory Independent Directors, such grant may not be less than the number of options granted to any other non-executive director (as defined in such regulations) nor more than the average number of options granted to such other non-executive directors. In addition, the number of options to be granted to the Statutory Independent Directors must be fixed prior to their acceptance of the nomination, and such grant must be approved by each of the Company's Audit Committee, Board of Directors and shareholders, in that order.

On May 30, 2002, the shareholders adopted a resolution whereby “the aggregate number of options which the Company may grant to each of its directors, other than to its directors who are controlling shareholders, during any fiscal year, shall not exceed 50,000 options, subject to adjustment pursuant to the terms of the applicable plan under which such options are granted and for reasons stated therein including but not limited to stock splits, stock dividends and mergers in which the Company is the surviving corporation, the exact number of options and date of grants to be determined and approved by the Company’s Stock Option Committee, Audit Committee and Board of Directors.”

Each of the Company’s Stock Option Committee, Audit Committee and Board of Directors have approved the grant of an aggregate of 22,500 stock options with identical terms to each of the Company’s non-executive directors and Statutory Independent Directors, as follows: 5,000 options to be granted on January 10, 2007, 7,500 options to be granted on January 9, 2008 and 10,000 options to be granted on January 14, 2009. The exercise price of the options will be equal to the fair market value of the Company’s Ordinary Shares on the date of grant and the remaining terms and conditions of such options shall be as is customary for grants to the Company’s non-executive directors.

The Board of Directors will present the following Resolution at the Extraordinary General Meeting of Shareholders:

**“RESOLVED** to re-appoint Mr. Ben Zion Hod and Mr. Haim Fainaro as Statutory Independent Directors of the Company for additional three-year terms commencing as of July 31, 2006 and August 28, 2006, respectively, and to grant an aggregate of 22,500 stock options to each Statutory Independent Director as follows: 5,000 options to be granted on January 10, 2007, 7,500 options to be granted on January 9, 2008 and 10,000 options to be granted on January 14, 2009. The exercise price of the options shall be equal to the fair market value of the Company’s Ordinary Shares on the date of grant and the remaining terms and conditions of such options shall be as is customary for grants to non-executive directors.”

3

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Under the Companies Law, the affirmative vote of the holders of a majority of the voting power of the Company represented at the meeting in person or by proxy and voting thereon is necessary for approval of the Resolution approving the re-election of each of Mr. Hod and Mr. Fainaro as Statutory Independent Directors, provided that the approval of this Resolution also requires that either: (i) the said majority include at least one-third of the votes of the non-controlling shareholders (as defined in the Israeli Securities Law -1968) who are present in person or by proxy and voting on the Resolution, or (ii) the total votes cast in opposition to the Resolution by the non-controlling shareholders does not exceed 1% of the aggregate voting rights in the Company.

BY ORDER OF THE BOARD OF DIRECTORS,

A handwritten signature in black ink, appearing to read "Barrie Levitt", is written over a horizontal line.

Barrie Levitt, M.D.

Chairman of the Board of Directors

Dated: June 28, 2006

4

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**TARO PHARMACEUTICAL INDUSTRIES LTD.**  
 PROXY FOR EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS ON JULY 27, 2006  
 THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF  
 TARO PHARMACEUTICAL INDUSTRIES LTD.

The undersigned hereby appoints Hannah Bayer, Zahava Rafalowicz and Samuel Rubinstein, and each or any of them, with full power of substitution and revocation to each of them, the attorney, agent and proxy of the undersigned, as to all Ordinary Shares of TARO PHARMACEUTICAL INDUSTRIES LTD. (the "Company") which the undersigned is entitled to vote at the Extraordinary General Meeting of Shareholders of the Company to be held at the offices of the Company, 14 Hakitor Street, Haifa Bay, Israel on Thursday, July 27, 2006 at 8:00 a.m. (Israel time) and at any and all adjournments thereof, to vote as fully and with the same force and effect as the undersigned might or could do if personally present and acting, with respect to the matters on the reverse side.

IF NO DIRECTIONS ARE INDICATED THE SHARES REPRESENTED BY THE PROXY WILL BE VOTED "FOR" THE MATTER ON THE REVERSE SIDE AND AS DETERMINED BY THE HOLDERS OF THE PROXIES WITH RESPECT TO ALL OTHER MATTERS TO COME BEFORE THE MEETING.

(To be Continued and Signed on the Other Side)

**TARO PHARMACEUTICAL INDUSTRIES LTD.**  
**c/o AMERICAN STOCK TRANSFER**  
**59 MAIDEN LANE**  
**NEW YORK, NY 10038**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until **11:59 p.m. Eastern Time on July 24, 2006**. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until **11:59 p.m. Eastern Time on July 24, 2006**. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to TARO PHARMACEUTICAL INDUSTRIES LTD., c/o ADP, 51 Mercedes Way, Edgewood, NY 11717. Your proxy card must be received on or before **11:59 p.m. Eastern Time on July 24, 2006**.

**ELECTRONIC DELIVERY OF FUTURE SHAREHOLDER COMMUNICATIONS**

If you would like to reduce the costs incurred by TARO PHARMACEUTICAL INDUSTRIES LTD. in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years.

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

TARO PHARMACEUTICAL INDUSTRIES LTD.

Vote On Statutory Independent Directors

1.

Election of Directors and approval of stock option grants thereto

01) Haim Fainaro  
02) Ben Zion Hod

For All

Withhold All

For All Except

To withhold authority to vote, mark "For All Except" and write the nominee's number on the line below.

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Signature [PLEASE SIGN WITHIN BOX]Date

Signature (Joint Owners)Date