DOMINOS PIZZA INC
Form DEF 14A
March 17, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under Rule 14a-12

DOMINO S PIZZA, INC.

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Notice of 2016 Annual Meeting of Shareholders

and Proxy Statement

Tuesday, April 26, 2016

10:00 a.m. EDT

(Doors open at 9:30 a.m. EDT)

Domino s Pizza, Inc.

World Resource Center

30 Frank Lloyd Wright Drive

Ann Arbor, Michigan 48105

(734) 930-3030

For further information, call Domino s Investor Relations at 734-930-3008.

Notice of Annual Meeting of Shareholders

Domino s Pizza, Inc.

30 Frank Lloyd Wright Drive

Ann Arbor, Michigan 48105

(734) 930-3030

To the Shareholders of Domino s Pizza, Inc.:

Notice is hereby given that the 2016 Annual Meeting of Shareholders of Domino s Pizza, Inc. (the Company) will be held at the Domino s Pizza World Resource Center, 30 Frank Lloyd Wright Drive, Ann Arbor, Michigan 48105, on April 26, 2016 at 10:00 a.m. Eastern Daylight Time, for the following purposes, all of which are set forth in the accompanying Proxy Statement:

1. To elect the eight Director nominees named in the Proxy Statement, each to serve for a one-year term and until their respective successors are duly elected or qualified;

2. To ratify the selection of PricewaterhouseCoopers LLP as the independent registered public accountants for the Company for the 2016 fiscal year;

3. To hold an advisory and non-binding vote on the compensation of the Company s named executive officers;

4. To consider a shareholder proposal from the New York State Common Retirement Fund regarding deforestation; and

5. To transact such other business as may properly come before the meeting.

Shareholders of record at the close of business on March 7, 2016 are entitled to notice of and to vote at the 2016 Annual Meeting of Shareholders and any adjournments or postponements thereof.

By order of the Board of Directors,

Adam J. Gacek

Corporate Secretary

March 17, 2016

HOW TO VOTE

INTERNET VIA COMPUTER	TELEPHONE	MAIL	IN PERSON
Via the Internet at www.proxyvote.com. You will need the 16-digit number included in your notice, proxy card or voter instruction form.	Dial toll-free (800) 690-6903 or the telephone number on your voter instruction form. You will need the 16-digit number included in your notice, proxy card or voter instruction form.	If you received a paper copy of your proxy materials, send your completed and signed proxy card or voter instruction form using the enclosed postage-paid envelope.	By attending the Annual Meeting and completing a ballot to cast your vote.

Notice of Annual Meeting of Shareholders

YOUR VOTE IS IMPORTANT

We are offering registered shareholders the opportunity to vote their shares electronically through the Internet or by telephone. Please see the Proxy Statement and the enclosed Proxy for details about electronic voting. You are urged to date, sign and promptly return the enclosed Proxy, or to vote electronically through the Internet or by telephone, so that your shares may be voted in accordance with your wishes and so that the presence of a quorum may be assured. Voting promptly, regardless of the number of shares you hold, will aid the Company in reducing the expense of additional Proxy solicitation. You may revoke your Proxy at any time, regardless of your voting method, as fully described on page 4 of the accompanying Proxy Statement.

Voting your shares by the enclosed Proxy, or electronically, does not affect your right to vote in person in the event you attend the meeting. You are cordially invited to attend the meeting, and the Company requests that you indicate your plans in this respect in the space provided on the enclosed form of Proxy or as prompted if you vote electronically. If your shares are held in the name of a broker, trust, bank or other nominee, you will need to bring a proxy or letter from that broker, trust, bank or nominee that confirms you are the beneficial owner of those shares.

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ANNEX A DOMINO S PIZZA, INC. OFFICERS AND DIRECTORS A-1

Proxy Summary

This summary highlights information discussed in more detail elsewhere in this Proxy Statement. As this is only a summary, we encourage shareholders to read the entire Proxy Statement and our 2015 Annual Report before voting their shares.

2016 Annual Meeting of Shareholders

Date and Time	Location	Record Date	Mailing Date
Tuesday, April 26, 2016 10:00 a.m. EDT *Doors open at 9:30 a.m. EDT*	Domino s Pizza World Resource Center 30 Frank Lloyd Wright Drive Ann Arbor, Michigan 48105	March 7, 2016	On or about March 17, 2016

Meeting Agenda and Board Recommendations

Proposals for Your Vote	Board Voting Recommendation	Required Vote	Page Reference
Proposal 1: Election of Directors	FOR each Nominee	Plurality of Votes Cast	6-9
Proposal 2: Ratification of Independent Registered Public Accountants	FOR	Majority of Votes Cast	15
Proposal 3: Advisory Vote to Approve Executive Compensation (Say-on-Pay)	FOR	Majority of Votes Cast	41
Proposal 4: Shareholder Proposal Regarding Deforestation	AGAINST	Majority of Votes Cast	47-48

Director Nominees

This table provides summary information about each Director nominee. As of 2015, our Board of Directors has been declassified, meaning that each of our Directors stands for annual election to a one-year term. Additionally, as of our 2016 Annual Meeting of Shareholders, our Director elections are subject to our Majority Voting Policy.

Nominee	Age	Director Since	Current Principal Occupation	Current Committee Memberships* A	C	NCG	Other Current Public Company Boards
David A. Brandon	63	1999	Chairman and CEO of Toys R Us, Inc.				DTE Energy Herman Miller Inc.

C. Andrew Ballard	43	2015	CEO and Co-founder of Quad Analytix and Founder and Managing Partner of Figtree Partners				
Andrew B. Balson	49	1999	CEO of Match Beyond		**Chair**		Bloomin Brands, Inc.
Diana F. Cantor	58	2005	Partner with Alternative Investment Management, LLC	**Chair**			Media General Universal Corporation
J. Patrick Doyle	52	2010	President and CEO of Domino s Pizza				Best Buy Co., Inc.
Richard L. Federico	61	2011	Executive Chairman of P.F. Chang s China Bistro Inc.				Jamba, Inc.
James A. Goldman	57	2010	Retired President and Chief Executive Officer of Godiva Chocolatier Inc.			**Chair**	
Gregory A. Trojan	56	2010	CEO and President of BJ s Restaurants, Inc.,				BJ s Restaurants, Inc.

*A = Audit Committee / C = Compensation Committee / NCG = Nominating and Corporate Governance Committee

Proxy Summary (continued)

Corporate Governance Highlights

Domino s Pizza demands integrity and is committed to upholding high ethical standards. Our strong corporate governance practices support this goal and provide a framework within which our Board of Directors and management can pursue the strategic objectives of the Company and ensure long-term growth for the benefit of our shareholders. Highlights of our corporate governance practices are summarized below, and are discussed in more detail in the **Corporate Governance Principles and Director Information** section beginning on page 10.

Independence:

- 6 of 8 Director nominees (and 7 of 9 current Directors) are independent
- Board committees are comprised solely of independent Directors
- Independent Directors regularly meet in private without management

Board Practices:

- Board of Directors and each Board committee conducts an annual self-assessment
- Continuing education budget is provided for each Director
- Directors may not stand for re-election after age 72

Leadership Structure:

- Separate Chairman and CEO leadership structure to maintain independence between Board oversight and operating decisions

Accountability:

- All Directors stand for election annually

In uncontested Director elections, our Majority Voting Policy applies

Stock Ownership Requirements:

Executive and Director stock ownership requirements must be met within five years of appointment, as follows:

CEO: 5x annual base salary

Directors: 5x annual retainer fee

President-level executives: 4x annual base salary

Other executives: 3x annual base salary

Highlights regarding our 2015 business performance and changes made to our executive compensation program during fiscal 2015 can be found under the **Executive Summary** beginning on page 20.

Proxy Statement

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the Board of Directors or Board) of Domino s Pizza, Inc. for use at the 2016 Annual Meeting of Shareholders (Annual Meeting) to be held on Tuesday, April 26, 2016 at 10:00 a.m. EDT at the Domino s Pizza World Resource Center, 30 Frank Lloyd Wright Drive, Ann Arbor, Michigan 48105, and at any adjournment thereof. The Company has made these materials available to you on the Internet or, upon your request, has delivered printed copies to you by mail or electronic versions by e-mail. The Company will pay the expenses of solicitation of Proxies. We will request banks, brokers and other custodians, nominees and fiduciaries to solicit Proxies from their customers and will reimburse those banks, brokers and other custodians, nominees and fiduciaries for reasonable out-of-pocket costs for this solicitation. Further solicitation of Proxies may be made by mail, personal interview and/or telephone by officers, directors and other employees of the Company, none of whom will receive additional compensation for assisting with the solicitation.

This Proxy Statement, along with the Notice of Annual Meeting of Shareholders and form of Proxy, was first made available to shareholders on or about March 17, 2016. As used in this Proxy Statement, references to the Company, Domino s or Domino s Pizza, or the first person notations of we and our, refer to Domino s Pizza, Inc.

Voting Information

Record Date, Issued and Outstanding Shares

The record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting was the close of business on March 7, 2016 (the Record Date). On the Record Date, there were 50,323,573 shares of common stock, $0.01 par value per share, the Company s only voting securities, outstanding and entitled to vote at the Annual Meeting. Each share of common stock is entitled to one vote.

Quorum Requirement

Under the Company s By-Laws, the holders of a majority of the shares of common stock outstanding and entitled to vote at the Annual Meeting constitute a quorum for the transaction of business at the Annual Meeting. Shares of common stock represented in person or by proxy, including shares that abstain or do not vote with respect to one or more of the matters presented for shareholder approval, will be counted for purposes of determining whether a quorum is present.

Voting Procedures

The holders of common stock are entitled to one vote per share on any proposal presented at the Annual Meeting. Only shareholders of record at the close of business on the Record Date are entitled to notice of and to vote at the Annual Meeting and any adjournment thereof. Shareholders may choose to vote by any of the following methods: (i) by returning the enclosed Proxy card, (ii) electronically by accessing the Internet site or by using the toll-free telephone number, both of which are stated on the form of Proxy, or (iii) by attending the Annual Meeting and voting in person.

All properly executed Proxies received by mail, and properly authenticated electronic votes recorded through the Internet or by telephone, will be voted as directed by the shareholder. All properly executed Proxies received by mail that do not specify how shares should be voted will be voted in accordance with the Board s recommendation (**FOR** the election of all Director nominees, **FOR** Proposals Two and Three, and **AGAINST** Proposal Four).

Revocation of Proxies

Any Proxy given pursuant to this solicitation may be revoked at any time before it is voted by: (i) signing and returning a new Proxy card with a later date, (ii) submitting a later-dated vote by telephone or via the Internet (only your latest telephone or Internet vote received by 11:59 p.m. Eastern Daylight Time on April 25, 2016 will be counted), (iii) filing with our Corporate Secretary a written notice of revocation dated later than the date of the Proxy being revoked, or (iv) attending the Annual Meeting and revoking or voting in person. Any written notice of revocation should be sent to: Corporate Secretary, Domino s Pizza, Inc., 30 Frank Lloyd Wright Drive, Ann Arbor, Michigan 48105.

The Internet and telephone procedures for voting and for revoking or changing a vote are designed to authenticate shareholders identities, to allow shareholders to give their voting instructions and to confirm that shareholders instructions have been properly recorded. Shareholders that vote through the Internet should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone

companies, which will be borne by the shareholder.

Broker Non-Votes

Brokers are subject to the rules of the New York Stock Exchange (the NYSE). The NYSE rules direct that certain matters submitted to a vote of shareholders are routine items and brokers generally may vote on behalf of beneficial owners who have not furnished voting instructions, subject to the rules of the NYSE concerning transmission of proxy materials to beneficial owners, and subject to any proxy voting policies and procedures of those brokerage firms. Brokers who hold shares in street name for customers who are beneficial owners of such shares are prohibited from giving a proxy to vote such customers shares on non-routine matters in the absence of specific instructions from such customers.

Under current NYSE rules, we believe Proposal Two is a routine matter. Accordingly, if your broker holds shares that you own in street name, the broker may vote your shares on Proposal Two even if the broker does not receive instructions

Voting Information (continued)

from you. We believe Proposal One, Proposal Three and Proposal Four are non-routine matters and, therefore, the broker may not vote your shares on such proposals without receiving instructions from you. If your broker does not vote on a proposal, this is commonly referred to as a broker non-vote. Broker non-votes will not be counted as having voted in person or by proxy.

Votes Required

Under Proposal One, Directors are elected by a plurality of the votes of the shares of common stock represented and voted at the Annual Meeting. If you withhold your vote for a particular nominee, then your vote will not count FOR such nominee. Broker non-votes and votes withheld will not be treated as votes cast with respect to the election of Directors and, therefore, will have no effect on the outcome of the election of Directors.

Beginning this year, we have implemented a Majority Voting Policy for uncontested director elections (elections in which the number of nominees for election does not exceed the number of directors to be elected). In the event that the votes WITHHELD from a nominee s election exceed the votes cast FOR that nominee s election, such nominee shall be required to submit his or her resignation to the Board of Directors for consideration. The Board of Directors will then have the opportunity to determine whether to accept or reject such tendered resignation. The Board of Directors, in making its decision, may consider any factors or other information that it considers appropriate or relevant.

The Board of Directors will act within 120 days following certification of the stockholder vote. Thereafter the Board of Directors will promptly publicly disclose, in a report furnished to the SEC, its decision regarding the tendered resignation, including its rationale for accepting or rejecting the tendered resignation. The Board of Directors may accept a Director s resignation or reject the resignation. If the Board of Directors accepts a Director s resignation, or if a nominee for Director is not elected and the nominee is not an incumbent Director, then the Board of Directors, in its sole discretion, may fill any resulting vacancy or may decrease the size of the Board of Directors, in each case pursuant to our Bylaws. If a Director s resignation is not accepted by the Board of Directors, such Director will continue to serve until the next annual meeting of stockholders and until his or her successor is duly elected, or his or her earlier resignation or removal.

Approval of each of the other proposals requires the affirmative vote of a majority of the shares voted in person or by proxy at the Annual Meeting. Broker non-votes, if any, and abstentions will not be treated as votes cast with respect to these proposals and, therefore, will have no effect on the outcome of the vote.

No matter currently is expected to be considered at the Annual Meeting other than those listed in this Proxy Statement. If any other matters are properly brought before the Annual Meeting for action, it is intended that the persons named in the proxy and acting thereunder will vote in accordance with their discretion on such matters.

Proposal One: Election of Directors

At our 2015 annual meeting of shareholders, our shareholders authorized the Board of Directors to amend the Company s Certificate of Incorporation to declassify the Board and to require that all Directors stand for annual election. Accordingly, this year we are asking our shareholders to elect the eight individuals listed below to terms ending with the 2017 annual meeting of shareholders, until his or her successor is elected or qualified or until his or her earlier death, resignation or removal. Each nominee is currently serving as a Director and has indicated his or her willingness to continue to serve, if elected. However, if a nominee should be unable to serve, the shares of common stock represented by Proxies may be voted for a substitute nominee designated by the Board. Management has no reason to believe that any of the above-mentioned persons will not serve his or her term as a Director.

Under the Board s Corporate Governance Principles, no Director who has attained the age of 72 (the mandatory retirement age) prior to the end of his or her term shall be nominated to serve a new term on the Board. Mr. Hamilton has reached the mandatory retirement age and, therefore, is not on the ballot for re-election at the Annual Meeting and his term will expire on the date of the Annual Meeting.

Board Membership Criteria

Although our Nominating and Corporate Governance Committee does not have any specific, delineated qualifications for the nomination of Director candidates, the Committee takes into account a number of factors, qualifications and skills that it deems appropriate, with the primary goal of ensuring the Board collectively serves the interest of shareholders. The Company and the Board, at a minimum, seek to have Directors with sound business judgment, wisdom and knowledge in his or her field of expertise. Identified and described below are the additional key experiences, qualifications and skills that are important to the Company s business and that were considered in the selection of the Directors, which factors may change from time to time. Director candidates are also evaluated according to the qualifications set forth in the Board s Corporate Governance Principles, as further described on page 12.

Business experience. The Company and the Board believe that the Company benefits from nominating Directors with a substantial degree of business experience. This may include accomplishments in his or her particular field of practice, and a history of achievements that reflect his or her high standards and sound business decisions.

Leadership experience. The Company and the Board believe that Directors with experience in significant leadership positions over an extended period, especially President or Chief Executive Officer positions, provide the Company with strategic insights. These Directors generally possess superior leadership qualities and the ability to identify and develop those qualities in others. They demonstrate a practical understanding of organizations, long-term strategy, risk management and the methods to drive change and growth.

Finance experience. The Company and the Board believe an understanding of finance and financial reporting processes is an important skill for our Directors. The Company uses financial measures to evaluate its performance as well as its accomplishment of financial performance targets. In addition, the Board and the Audit Committee

oversee the required public disclosures of the Company that includes financial statements and related information.

Educational and industry experience. The Company and the Board seek to have directors with relevant education, business expertise and experience as executives, directors, investors or in other leadership positions in the retail sector, including the restaurant industry.

Proposal One: Election of Directors (continued)

Nominees for Election to One-Year Terms Expiring at the 2017 Annual Meeting of Shareholders

Set forth below are the name, age, principal occupation and/or business experience and qualifications of each nominee for election as a Director. The Nominating and Corporate Governance Committee believes that each of the nominees possess the necessary professional experience and qualifications to contribute to the success of the Company. Information with respect to the business experience and other publicly-held companies on which they serve, or served in the past five years, as a director is set forth below. The number of shares of Domino s Pizza, Inc. common stock beneficially owned by each Director appears later in this Proxy Statement.

Our Board of Directors Unanimously Recommends a Vote <u>FOR</u> Each of the Nominees Listed Below ü

David A. Brandon

Non-Executive Chairman

Director since: 1999

Age: 63

Committees:

None

David A. Brandon is currently Chairman and CEO of Toys R Us, Inc., the world s largest specialty retailer of toy and baby products, a position he has held since July 2015. Previously, he was the Director of Athletics at the University of Michigan from March 2010 through October 2014.

Mr. Brandon has served as our Chairman of the Board of Directors since March 1999 and also served as Chief Executive Officer from March 1999 to March 2010. Mr. Brandon was retained by the Company as a Special Advisor from March 2010 to January 2011. Prior to joining Domino s, Mr. Brandon was President and Chief Executive Officer of Valassis, Inc. from 1989 to 1998 and Chairman of the Board of Directors of Valassis, Inc. from 1997 to 1998.

In addition to serving on the Boards of Directors for Domino s and Toys R Us, Mr. Brandon also serves on the Boards of DTE Energy and Herman Miller Inc. He previously served on the Boards of Burger King Corporation, Kaydon Corporation, Northwest Airlines and the TJX Companies, Inc.

Qualifications:

Mr. Brandon served as the Company s Chairman and Chief Executive Officer for eleven years and thereby possesses a deep understanding of the Company s operations, market development objectives, strategic planning and other internal business aspects of the Company. Mr. Brandon brings to the Board extensive executive experience in marketing and sales. His service on the Boards of Directors of several other companies, including retailers, also makes him qualified for service as a Director of the Company.

C. Andrew Ballard

Independent Director

Director since: 2015

Age: 43

Committees:

Compensation Committee

C. Andrew Ballard currently serves as the CEO and Co-founder of Quad Analytix, a technology and data company, a position he has held since December 2012. Mr. Ballard is also the Founder of Figtree Partners, an investment firm focused on digital media, and has served as its Managing Partner since November 2012. In addition, Mr. Ballard has served as a Senior Advisor at the private equity firm Hellman & Friedman from December 2012 through the present, and previously served as Managing Director from 2006 through December 2012 and as a Director from January 2004 through 2006. Prior to joining Hellman & Friedman in 2003, Mr. Ballard worked at Bain Capital in San Francisco and Boston, as well as Bain & Company from 1994 to 2002.

Mr. Ballard has served on Domino s Board of Directors since July 2015 and became a member of the Compensation Committee in February 2016. In addition to serving on Domino s Board, Mr. Ballard is the Chair of the Board of Trustees and Chair of the Investment Committee of the San Francisco Foundation. He is actively involved with Family Connections, a tuition-free preschool for under-served families. Mr. Ballard is currently also Vice Chairman of Zignal Labs, and has held previous Board roles at Activant Solutions, Catalina Marketing, DoubleClick, Getty Images, Internet Brands and Vertafore.

Qualifications:

Mr. Ballard brings to the Board strategic business and acquisition experience, as well as overall business acumen through his experience at Hellman & Friedman and Bain Capital. Mr. Ballard also provides valuable technology and digital knowledge making him qualified for service as a Director of the Company.

Proposal One: Election of Directors (continued)

Andrew B. Balson

Independent Director

Director since: 1999

Age: 49

Committees:

Compensation (Chairperson)

Andrew B. Balson is currently the CEO of Match Beyond, a position he has held since January 2015. Match Beyond, in partnership with Southern New Hampshire University s College For America, is building a college whose objective is to enable low-income students to graduate with Associate s and Bachelor s degrees and to create career-track employment paths at unprecedented rates. Match Beyond currently serves students in Boston, MA. Prior to becoming the CEO of Match Beyond, Mr. Balson was a Managing Director at Bain Capital, a global investment company, from 2001 to 2013. Mr. Balson became a Principal of Bain Capital in June 1998.

Mr. Balson has served on our Board of Directors since March 1999 and serves as the Chairperson of the Compensation Committee of the Board of Directors. Mr. Balson also serves on the Board of Directors of Bloomin Brands, Inc. and previously served on the Boards of Directors of FleetCor Technologies, Inc., Dunkin Brands, Inc., Skylark Co., Ltd., as well as numerous private companies.

Qualifications:

Mr. Balson brings to the Board strategic acquisition experience, a high level of financial literacy and overall business acumen through his executive experience at Bain Capital, LLC. His public and private company directorship experience and his familiarity with the Company and other restaurant companies, as well as his extended tenure on our Board, make him qualified for service as a Director of the Company.

Diana F. Cantor

Independent Director

Director since: 2005

Diana F. Cantor has been a Partner with Alternative Investment Management, LLC since January 2010. She is the Vice Chairman of the Virginia Retirement System, where she also serves on the Audit and Compliance Committee. Ms. Cantor was a Managing Director with New York Private Bank and Trust from January 2008 through the end of 2009. Ms. Cantor served as founding Executive Director of the Virginia College Savings Plan, the state s 529 college savings program, from 1996 to January 2008. Ms. Cantor served seven years as Vice President of Richmond Resources, Ltd. from 1990 through 1996, and as Vice President of Goldman, Sachs & Co. from 1985 to 1990.

Age: 58

Committees:

Audit (Chairperson)

Nominating and Corporate Governance

Ms. Cantor has served on our Board of Directors since October 2005, serves as the Chairperson of the Audit Committee of the Board of Directors and also serves on the Nominating and Corporate Governance Committee of the Board of Directors. Ms. Cantor also serves on the Boards of Directors of Media General Inc. and Universal Corporation, and she previously served on the Boards of Directors of Revlon, Inc., The Edelman Financial Group Inc., Vistage International, Knowledge Universe-US, Edelman Financial Services and Service King Body and Paint LLC.

Qualifications:

Ms. Cantor possesses extensive financial skills and brings to the Board an important financial perspective. Ms. Cantor also provides valuable consumer product and marketing knowledge, as well as significant public company directorship experience, making her qualified for service as a Director of the Company.

J. Patrick Doyle

President and CEO

Director since: 2010

Age: 52

Committees:

None

J. Patrick Doyle has served as President and Chief Executive Officer of Domino s Pizza, Inc. since March 2010 and as a Director since February 2010. Mr. Doyle served as President, Domino s USA from September 2007 to March 2010, Executive Vice President, Team USA from 2004 to 2007, Executive Vice President of International from May 1999 to October 2004 and as interim Executive Vice President of Build the Brand from December 2000 to July 2001. Mr. Doyle served as Senior Vice President of Marketing from the time he joined Domino s in 1997 until May 1999.

Prior to joining Domino s, Mr. Doyle was Vice President and General Manager of Gerber Products Company s U.S. baby food business. During his six years with Gerber, Mr. Doyle also served as Vice President and General Manager of Gerber s Canadian operations. Prior to joining Gerber, he was European General Manager of Intervascular SA in LaCiotat, France, and spent five years at First Chicago Corporation as Corporate Finance Officer.

Mr. Doyle also serves on the Board of Directors of Best Buy Co., Inc. and previously served on the Board of Directors of G&K Services, Inc.

Qualifications:

Mr. Doyle s 19 years of executive roles within the Company provides him with a deep understanding of the Company s operations, market development objectives, strategic planning and other internal business aspects of the Company. Mr. Doyle s extensive experience and knowledge of the brand, along with his public company directorship experience, make him qualified for service as a Director of the Company.

Proposal One: Election of Directors (continued)

Richard L. Federico

Independent Director

Director since: 2011

Age: 61

Committees:

Compensation

Richard L. Federico currently serves as Executive Chairman of P.F. Chang s China Bistro Inc., a position he has held since March 2015. He previously served as the Chairman and Chief Executive Officer or Co-Chief Executive Officer of P.F. Chang s from September 1997 to March 2015. Mr. Federico joined P.F. Chang s as President in 1996, when he also began his service on its Board of Directors. Mr. Federico started his career in the restaurant industry as a Manager at Steak & Ale, and later at Orville Beans and Bennigan s restaurants. He went on to develop Grady s Goodtimes, serving as Co-founder/Partner and Vice President of Operations until Brinker International acquired Grady s in 1989. Upon joining Brinker International, Mr. Federico served as Senior Vice President and concept head for Macaroni Grill before being promoted to President of the Italian Concept division. As President, he directed operations and development for Macaroni Grill and Spageddies.

Richard Federico has served on Domino s Board of Directors since February 2011 and is a member of the Compensation Committee of the Board of Directors. He also serves as Chairman of the Board of Directors of Jamba, Inc. Mr. Federico is a Founding Director of Chances for Children.

Qualifications:

Mr. Federico brings to the Board experience in leading a successful publicly-held restaurant concept and overall business acumen, making him qualified for service as a Director of the Company.

James A. Goldman

Independent Director

Director since: 2010

James A. Goldman served as President and Chief Executive Officer of Godiva Chocolatier Inc. from 2004 to 2014, and also served on its Board of Directors. Mr. Goldman was President of the Food and Beverage Division at Campbell Soup Company from 2001 to 2004. He worked in various executive positions at Nabisco Inc. from 1992 to 2000. Prior to his work at Nabisco Inc., Mr. Goldman was a senior consulting associate at McKinsey & Co.

Mr. Goldman has served on our Board of Directors since March 2010, serves as Chairperson of the Nominating and Corporate Governance Committee, and also serves on the Audit Committee of the Board of Directors. Mr. Goldman served on the Board of Directors of The Children s Place Retail from 2006 to 2008, and served on its Compensation Committee. Mr. Goldman is currently on the Board of Trustees of Save the Children in Fairfield, Connecticut,

Age: 57

the Board of Directors of the International Tennis Hall of Fame in Newport, Rhode Island and the Advisory Board of FEED Projects in New York, New York. He also previously served on the Board of Trustees at the YMCA Camps Becket and Chimney Corners in Becket, Massachusetts.

Committees:

Nominating and Corporate Governance (Chairperson)
Audit

Qualifications:

Mr. Goldman brings to the Board experience in leading successful retail companies, including more than 30 years in the global food industry, overall business acumen and public company directorship experience, making him qualified for service as a Director of the Company.

Gregory A. Trojan

Independent Director

Director since 2010

Age: 56

Gregory A. Trojan has served as President and a member of the Board of Directors of BJ s Restaurants, Inc., a casual dining restaurant company located in Huntington Beach, California, since December 2012 and also as its Chief Executive Officer since February 2013. Prior to joining BJ s, he was the CEO of Guitar Center, Inc. from 2010 through 2012, where he served as President and Chief Operating Officer from 2007 to 2010. From 1998 to 2006, Mr. Trojan was CEO of House of Blues Entertainment, Inc., having served as the company s President from 1996 to 1998. Mr. Trojan worked in various executive positions at PepsiCo Inc. from 1990 to 1996, most recently as CEO of California Pizza Kitchen. Prior to that, he was a consultant at Bain & Company, The Wharton Small Business Development Center and Arthur Andersen & Co.

Mr. Trojan has served on our Board of Directors since March 2010 and also serves on the Audit Committee and the Nominating and Corporate Governance Committee of the Board of Directors. In addition to Domino s and BJ s Restaurants, he previously served on the Board of Directors of Oakley, Inc.

Committees:

Audit

Nominating and Corporate Governance

Qualifications:

Mr. Trojan brings to the Board experience in leading several successful restaurant and retail concepts, overall business experience and financial expertise, making him qualified for service as a Director of the Company.

Corporate Governance Principles and Director Information

Domino s Pizza has a commitment to strong corporate governance practices. These practices provide a framework within which the Company s Board and management can pursue the strategic objectives of Domino s Pizza and ensure its long-term growth for the benefit of shareholders. The Company s corporate governance principles and practices are reviewed annually by the Nominating and Corporate Governance Committee and any changes are recommended to the Board for approval. The Company s Corporate Governance Principles are posted on Domino s corporate and investor website biz.dominos.com under the Investors Corporate Governance section and are available free of charge upon request from the Company s Corporate Secretary. The Company s corporate and investor website (Investors Corporate Governance section on biz.dominos.com) also contains the Nominating and Corporate Governance Committee Charter, the Compensation Committee Charter and the Audit Committee Charter. All the referenced charters and the other documents referenced herein are available free of charge upon request from the Company s Corporate Secretary.

The Corporate Governance Principles and the Charter of the Nominating and Corporate Governance Committee set forth the Company s policies with respect to Board structure, membership (including nominee qualifications), performance, operations and management oversight. Pursuant to the Corporate Governance Principles, the Board meets at least quarterly in an independent director session, an executive session and in a non-management executive session. The current discussion leader for executive session is generally Mr. Brandon and the current discussion leader for the independent Director session is generally Mr. Balson. The independent Directors meet separately at each quarterly Board meeting.

The entire Board of Directors is engaged in risk management oversight. At the present time, the Board has not established a separate committee to facilitate its risk oversight responsibilities. The Board will continue to monitor and assess whether such a committee would be appropriate. In accordance with NYSE listed company rules, the Audit Committee assists the Board of Directors in its oversight of Domino s Pizza s company-wide risk management and the process established to identify, measure, monitor, and manage risks, in particular major financial risks. The Board of Directors receives regular reports from management, as well as from the Audit Committee and other standing committees regarding relevant risks and the actions taken by management to adequately address those risks.

The Company is required to have a majority of its Board be independent Directors. The Company s Corporate Governance Principles contain the Company s standards for director independence. A Director will be designated as independent if he or she (i) has no material relationship with the Company or its subsidiaries, (ii) satisfies the other criteria specified by NYSE listed company rules, (iii) has no business conflict with the Company or its subsidiaries, and (iv) otherwise meets applicable independence criteria specified by law, regulation, exchange requirement or the Board. The Board has affirmatively determined that the following Directors serving in the 2015 fiscal year are independent under that definition:

C. Andrew Ballard

Andrew B. Balson

Diana F. Cantor

Richard L. Federico

James A. Goldman

Vernon Bud O. Hamilton

Gregory A. Trojan

The Corporate Governance Principles further provide that the Directors are invited and expected to attend the Company s annual meetings of shareholders. All eight Directors serving at the time attended the 2015 annual meeting of shareholders.

The Company has adopted a Code of Professional Conduct for Senior Financial Officers that applies to all executive officers of the Company, including the Chief Executive Officer and Chief Financial Officer, as well as all of the Company s other financial officers and other employees with senior financial roles. In addition, the Company has adopted a Code of Business Conduct and Ethics for Directors, Officers and Employees that applies to all Directors, officers and employees. The Code of Professional Conduct and the Code of Business Conduct and Ethics are posted on the Company s corporate and investor website (Investors Corporate Governance section on biz.dominos.com). The Company intends to satisfy the disclosure requirement regarding any amendment to, or waiver of, a provision of the Code of Professional Conduct for the Chief Executive Officer, Chief Financial Officer, Corporate Controller or persons performing similar functions, by posting such information on its website.

Corporate Governance Principles and Director Information (continued)

A total of seven meetings of the Board of Directors of the Company were held during 2015, and the Board acted via unanimous written consent on one other occasion. Additionally, one special meeting of the Pricing Committee of the Board of Directors was held in 2015 in connection with the Company s refinancing transaction in October 2015. Each Director attended at least 75% of the aggregate of (i) the total number of meetings of the Board, and (ii) the total number of meetings held by all committees of the Board on which that Director served during the period each served as a Director.

In accordance with NYSE requirements, the Board has a Nominating and Corporate Governance Committee, a Compensation Committee and an Audit Committee, all of which are comprised solely of independent Directors, as defined by Section 303A of the NYSE listed company rules. Each committee of the Board has designated responsibilities and regularly reports on their activities to the entire Board. In February 2016, the Board of Directors revised the composition of each committee.

The Company s current leadership structure, as established in March 2010, separates the Chairman and Chief Executive Officer roles into two positions. David A. Brandon is the Chairman of the Board and J. Patrick Doyle is the Chief Executive Officer. The Company has determined what leadership structure it deems appropriate based on factors such as the experience of the applicable individuals, the current business environment of the Company, or other relevant criteria. After considering these factors, the Company determined that separating the positions of Chairman of the Board and Chief Executive Officer is the appropriate leadership structure. The Chief Executive Officer is responsible for the strategic direction of the Company and the day-to-day leadership and performance of the Company, while the Chairman of the Board provides guidance to the Chief Executive Officer, sets the agenda for the Board meetings and presides over meetings of the Board. The Company and the Board believe that this is appropriate under current circumstances, because it allows management to make the operating decisions necessary to manage the business, while helping to keep a measure of independence between the oversight function of our Board of Directors and operating decisions. The Company and the Board feel that this division provides an appropriate balance of operational focus, flexibility and oversight, and they support this structure.

As described under Votes Required on page 5, the Company has implemented a majority voting policy with respect to uncontested director elections beginning with this Annual Meeting.

Nominating and Corporate Governance Committee

For the 2015 fiscal year, the members of the Nominating and Corporate Governance Committee were Messrs. Hamilton (Chair) and Balson and Ms. Cantor. As of February 25, 2016, the members of the Committee are Messrs. Goldman (Chairperson) and Trojan and Ms. Cantor. The independence of each member of the Nominating and Corporate Governance Committee is determined annually by the full Board of Directors in accordance with Section 303A.05 of the NYSE listed company rules. The Board of Directors has determined that each member of the Nominating and Corporate Governance Committee during 2015, as well as each of its current members, is independent. The Committee held two meetings in 2015. A Nominating and Corporate Governance Committee Charter, as approved by the Board, can be found on the Company s corporate and investor website (Investors Corporate Governance section on biz.dominos.com).

The Committee s functions include assisting the Board in determining the desired qualifications of Directors, identifying potential individuals meeting those qualifications, proposing to the Board a slate of nominees for election by the shareholders and reviewing candidates nominated by shareholders. In addition, further functions include reviewing the succession planning process for senior management of the Company, reviewing the Corporate Governance Principles, making recommendations to the Board with respect to other corporate governance principles applicable to the Company, recommending Directors to serve on committees, overseeing the determinations of director independence, overseeing the annual evaluation of the Board and management and reviewing Board succession plans.

Evaluation of Director Candidates. The Nominating and Corporate Governance Committee meets regularly to discuss, among other things, identification and evaluation of potential candidates for nomination as a Director. The Nominating and Corporate Governance Committee may use a paid outside search firm to identify possible Directors. In addition to

Corporate Governance Principles and Director Information (continued)

the experience, qualifications and skills for Directors listed under Proposal One, Director candidates will be evaluated according to the qualifications as set forth in the Board s Corporate Governance Principles, including the following desirable characteristics:

- High personal and professional ethics, integrity and values;
- Possession of a range of talents, skills and expertise to provide sound and prudent guidance with respect to the operations and interests of the Company;
- Expertise that is useful to the Company and complementary to the background and experience of other Board members;
- Ability to devote the time necessary for the diligent performance of the duties and responsibilities of Board membership;
- Commitment to serve on the Board over a period of several years to develop knowledge about the Company and its operations;
- Willingness to represent the long-term interests of all shareholders and objectively appraise management s performance; and
- Board diversity and other relevant factors as the Board may determine.

Board Diversity. While the Nominating and Corporate Governance Committee does not have a written policy regarding diversity in identifying director candidates, the Nominating and Corporate Governance Committee considers diversity in its search for the best candidates to serve on the Board of Directors. The Committee looks to incorporate diversity into the Board through a number of demographics, skills, experiences (including operational experience) and viewpoints, all with a view to identify candidates that can assist the Board with its decision making. The Committee believes that the current Board of Directors reflects diversity on a number of these factors.

Shareholder Submission of Director Nominees. The Nominating and Corporate Governance Committee will consider nominees recommended by shareholders for the 2017 annual meeting of shareholders, provided that the names of such nominees are submitted in writing, not later than February 25, 2017, to the Corporate Secretary of Domino s Pizza, Inc. at 30 Frank Lloyd Wright Drive, Ann Arbor, Michigan 48105. Each such submission must include a statement of the qualifications of the nominee, a consent signed by the nominee evidencing a willingness to serve as a Director, if elected, and a commitment by the nominee to meet personally with the Nominating and

Corporate Governance Committee members.

Other than the submission requirements set forth above, there are no differences in the manner in which the Nominating and Corporate Governance Committee evaluates a nominee for Director recommended by a shareholder.

Compensation Committee

For the 2015 fiscal year, the members of the Compensation Committee were Messrs. Balson (Chair), Federico and Goldman. As of February 25, 2016, the members of the Committee are Messrs. Balson (Chair), Ballard and Federico. The independence of each member of the Compensation Committee is determined annually by the full Board of Directors in accordance with Section 303A.05 of the NYSE listed company rules. The Board of Directors has determined that each member of the Compensation Committee during 2015, as well as each of its current members, is independent. The Compensation Committee met three times during 2015, and acted via unanimous written consent on four other occasions, to conduct its required business in accordance with the Compensation Committee Charter. The Compensation Committee Charter authorizes the Compensation Committee to delegate to subcommittees of the Compensation Committee any responsibilities of the full committee. The Compensation Committee Charter, as approved by the Board, reflects the Compensation Committee s responsibilities, and the Compensation Committee reviews the charter at least once annually. The charter was last reviewed in July 2015 and can be found on the Company s corporate and investor website (Investors Corporate Governance section on biz.dominos.com).

The Compensation Committee s functions include examining the levels and methods of compensation employed by the Company with respect to the Chief Executive Officer and other executive officers, making recommendations with respect

Corporate Governance Principles and Director Information (continued)

to other executive officer compensation, reviewing and approving the compensation package of the Chief Executive Officer, making recommendations to the Board with respect to Director compensation, making recommendations to the Board with respect to incentive compensation plans and equity-based plans, making plan administration and compensation decisions under equity compensation plans approved by the Board, and implementing and administering one or more incentive bonus plans, subject to shareholder approval, that will qualify as compensation paid thereunder as performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (Section 162(m)).

The AIP was most recently approved by shareholders at the 2015 annual meeting of shareholders. In February 2015, the Compensation Committee established the annual performance measure, list of participants and target incentive amounts for executives under the Domino s Pizza Senior Executive Annual Incentive Plan (the AIP) for senior executives of the Company. For 2015, all of the named executive officers were participants under the AIP, with the exception of Mr. Lawrence whose annual performance incentive was granted under the Company s bonus plan for non-executives, rather than the AIP, because he was not eligible to participate in the AIP at the time of his 2015 grant.

Audit Committee

For the 2015 fiscal year, the members of the Audit Committee were Ms. Cantor (Chairperson) and Messrs. Hamilton and Trojan. As of February 25, 2016, the members of the Committee are Ms. Cantor (Chairperson) and Messrs. Goldman and Trojan. The independence of each member of the Audit Committee is determined annually by the full Board of Directors in accordance with Section 303A.05 of the NYSE listed company rules. The Board of Directors has determined that each member of the Audit Committee during 2015, as well as each of its current members, is independent. The Committee met six times during 2015. The Audit Committee Charter, as approved by the Board, can be found on the Company s corporate and investor website (Investors Corporate Governance section on biz.dominos.com).

The Board has determined that three of its independent members, Ms. Cantor, Mr. Goldman and Mr. Trojan, are Audit Committee financial experts under Item 407(d)(5) of Regulation S-K. The Audit Committee s functions include: (i) providing assistance to the Board in fulfilling its oversight responsibility relating to the Company s financial statements and the financial reporting process, compliance with legal and regulatory requirements, the qualifications and independence of the Company s independent registered public accountants, the Company s system of internal controls, the internal audit function and the Company s code of ethical conduct, (ii) retaining and, if appropriate, terminating the independent registered public accountants, and (iii) approving audit and non-audit services to be performed by the independent registered public accountants.

The Audit Committee has adopted a policy under which audit and non-audit services to be rendered by the Company s independent public registered accountants are pre-approved. This policy can be found on the Company s corporate and investor website (Investors Corporate Governance section on biz.dominos.com).

Audit and Other Service Fees

The following table sets forth the aggregate fees for professional services. All such services were pre-approved by the Audit Committee and rendered by PricewaterhouseCoopers LLP for each of the last two fiscal years (dollars in

thousands):

	2015	2014
Audit fees[1]	$ 1,472	$ 1,193
Audit-related fees[2]	85	60
All other fees[3]	2	2
Total	$ 1,559	$ 1,255

(1) Includes services rendered for the audit of the Company s annual financial statements, review of financial statements included in the Company s quarterly reports on Form 10-Q, the audits of certain subsidiaries and other audit services normally provided by PricewaterhouseCoopers LLP in connection with statutory and regulatory filings or engagements. The amounts also include services related to Sarbanes-Oxley Act compliance, as well as fees for services related to the Company s recapitalization transaction in 2015.

(2) Includes fees for services related to the audit of the Domino s advertising fund subsidiary and discussions concerning financial accounting and reporting standards.

(3) Annual license fee for technical accounting research software.

Audit Committee Report

The following Report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Act of 1934, except to the extent the Company specifically incorporates this Report.

The Audit Committee is governed by a written charter which was adopted by the Company s Board of Directors and is reviewed annually by the Audit Committee. The Audit Committee is responsible for overseeing the quality and integrity of the Company s accounting, auditing, financial reporting and internal control practices. The Audit Committee is responsible for, in addition to other activities, the appointment, retention and compensation of the Company s independent registered public accountants. The Audit Committee has a policy with respect to the pre-approval of non-audit services.

Each member of the Audit Committee is independent as required under the NYSE listed company rules, including those rules applicable to audit committee members. The Board has determined that two of its independent members during 2015, Ms. Cantor and Mr. Trojan, were audit committee financial experts under Item 407(d)(5) of Regulation S-K. The Audit Committee met six times during 2015.

In performing its responsibilities, the Audit Committee, in addition to other activities; (i) reviewed and discussed the Company s audited financial statements with management, (ii) discussed with PricewaterhouseCoopers LLP, the Company s independent registered public accountants, the matters required to be discussed by Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 16 (Communications With Audit Committees), as modified or supplemented, and (iii) received the letter from PricewaterhouseCoopers LLP required by the PCAOB regarding the independent accountants communications with the Audit Committee concerning independence and discussed with PricewaterhouseCoopers LLP the firm s independence. Based on these reviews, discussions and activities, the Committee recommended to the Board of Directors that the audited financial statements be included in the Company s Annual Report on Form 10-K for fiscal 2015 for filing with the SEC (SEC).

The Audit Committee considered whether the provision of non-audit services by PricewaterhouseCoopers LLP was compatible with maintaining such firm s independence. After reviewing the services provided by PricewaterhouseCoopers LLP, including all non-audit services, the Audit Committee, in accordance with its charter, authorized the reappointment of PricewaterhouseCoopers LLP as the independent registered public accountants of the Company, with such reappointment to be ratified by the shareholders at the Annual Meeting.

Respectfully submitted,

Audit Committee

Diana F. Cantor, Chairperson

Vernon Bud O. Hamilton

Gregory A. Trojan

Proposal Two: Ratification of Independent Registered Public Accountants

The Company s Audit Committee has selected PricewaterhouseCoopers LLP as the independent registered public accountants of the Company for the current fiscal year. Management expects that representatives of PricewaterhouseCoopers LLP will be present at the Annual Meeting with the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

The affirmative vote of the holders of a majority of the votes cast at the meeting in person or by proxy is necessary to ratify the selection of the Company s independent registered public accountants for the current year. Under applicable law, listed company rules and the Company s By-Laws, abstentions are not counted as votes cast and will have no effect on the outcome of the vote. Unless otherwise indicated, the persons named in the Proxy will vote all Proxies in favor of ratification. If the selection of PricewaterhouseCoopers LLP is not ratified, the Audit Committee will reconsider the selection of independent registered public accountants.

Even if the selection of PricewaterhouseCoopers LLP is ratified by shareholders, the Audit Committee, in its discretion, could decide to terminate the engagement of PricewaterhouseCoopers LLP and to engage another firm if the Committee determines such action to be necessary or desirable. Conversely, if the selection of PricewaterhouseCoopers LLP is not ratified by shareholders, the Audit Committee, in its discretion, could still decide to engage PricewaterhouseCoopers LLP for the 2016 audit if the Company determines such action to be necessary or desirable.

Our Board of Directors Unanimously Recommends a Vote FOR Ratification of the Selection of PricewaterhouseCoopers LLC as the Independent Registered Public Accountants of the Company for the 2016 Fiscal Year ü

Stock Ownership Information

Security Ownership of Certain Beneficial Owners

The following table sets forth information (based upon filings with the SEC) with respect to the persons believed by the Company to own beneficially more than 5% of the outstanding common stock, par value $0.01 per share, of the Company as of December 31, 2015:

	Common Stock, par value $0.01 per share	
Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership**	**Percentage of Class**
FMR LLC[1] Abigail P. Johnson 245 Summer Street Boston, Massachusetts 02110	8,062,641	16.18%
Capital World Investors[2][8] 333 South Hope Street Los Angeles, CA 90071	5,099,453	10.24%
BlackRock, Inc.[3] 55 East 52nd Street New York, New York 10055	4,604,357	9.24%
Capital Research Global Investors[4][8] 333 South Hope Street Los Angeles, CA 90071	4,031,500	8.09%
The Vanguard Group[5] 100 Vanguard Blvd. Malvern, Pennsylvania 19355	3,880,906	7.79%
SMALLCAP World Fund, Inc.[6][8] 333 South Hope Street Los Angeles, CA 90071	3,125,769	6.27%
Renaissance Technologies LLC[7] Renaissance Technologies Holdings Corporation 800 Third Avenue New York, NY 10022	2,639,900	5.30%

(1) Based on a Schedule 13G filed by the shareholder on February 12, 2016, FMR LLC has sole voting power of 368,026 shares of common stock of the Company and sole dispositive power of 8,062,641 shares of common stock of the Company. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares of common stock owned directly by the Fidelity funds, which power resides with the funds Boards of Trustees. FMR Co., Inc. owns more than five percent of the total outstanding common stock of the Company.

(2) Based on a Schedule 13G filed by the shareholder on February 12, 2016, Capital World Investors, a division of Capital Research and Management Company (CRMC), beneficially owns and has sole dispositive power and sole voting power of 5,099,453 shares of common stock of the Company as a result of CRMC acting as investment advisor to various investment companies registered under section 8 of the Investment Company Act of 1940.

(3) Based on a Schedule 13G filed by the shareholder on January 26, 2016, BlackRock, Inc. beneficially owns and has sole dispositive power with respect to 4,604,357 shares of common stock of the Company and has sole voting power with respect to 4,270,669 shares of common stock of the Company. Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the common stock of the Company. No one person s interest in the common stock of the Company is more than five percent of the total outstanding common stock.

(4) Based on a Schedule 13G filed by the shareholder on February 16, 2016, Capital Research Global Investors, a division of CRMC, beneficially owns and has sole dispositive power and sole voting power of 4,031,500 shares of common stock of the Company as a result of CRMC acting as investment advisor to various investment companies registered under section 8 of the Investment Company Act of 1940.

(5) Based on a Schedule 13G filed by the shareholder on February 11, 2016, The Vanguard Group is the beneficial owner of 3,880,906 shares of common stock of the Company, has sole voting power of 40,290 shares of common stock of the Company, shared voting power of 3,100 shares of common stock of the Company, sole dispositive power of 3,840,816 shares of common stock of the Company and shared dispositive power of 40,090 shares of common stock of the Company. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 36,990 shares of common stock of the Company as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 6,400 shares of common stock of the Company as a result of its serving as investment manager of Australian investment offerings.

Stock Ownership Information (continued)

(6) Based on a Schedule 13G filed by SMALLCAP World Fund, Inc. (SMALLCAP) on February 16, 2016, SMALLCAP, an investment company registered under the Investment Company Act of 1940 which is advised by CRMC, is the beneficial owner of 3,125,769 shares of common stock of the Company. Under certain circumstances, SMALLCAP may vote the shares of the fund. As disclosed in SMALLCAP s Schedule 13G, these shares may also be reflected in a filing made by Capital Research Global Investors, Capital International Investors, and/or Capital World Investors.

(7) Based on a Schedule 13G filed by the shareholder on February 11, 2016, Renaissance Technologies LLC (RTC) and Renaissance Technologies Holdings Corporation (RTHC), because of RTHC s majority ownership of RTC, are each deemed to beneficially own 2,639,900 shares of common stock of the Company, have sole voting power with respect to 2,507,190 shares of common stock of the Company, sole dispositive power with respect to 2,574,885 shares of common stock of the Company and shared dispositive power with respect to 65,015 shares of common stock of the Company.

(8) Based on information from the shareholders, SMALLCAP World Fund, Inc. (SMALLCAP) is co-managed by Capital World Investors and Capital Research Global Investors. The ownership indicated by SMALLCAP is a subset of the positions indicated for Capital World Investors and Capital Research Global Investors. The total aggregate ownership position across all of Capital World Investors, Capital Research Global Investors and SMALLCAP is 18.33%.

The foregoing information is based upon Schedule 13G reports or amendments filed with the SEC by the above beneficial owners in 2016, with respect to their holdings of the common stock of Domino s Pizza, Inc. as of December 31, 2015.

Security Ownership of Management

The following table sets forth, as of January 3, 2016, the end of the Company s last fiscal year, information with respect to the Company s common stock, par value $0.01 per share, owned beneficially by each Director, by each nominee for election as a Director of the Company, by the named executive officers listed in the Summary Compensation Table starting on page 32 of this Proxy Statement, and by all Directors and executive officers as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
J. Patrick Doyle[(1)]	1,127,038	2.26%
Russell J. Weiner[(2)]	244,660	*
Richard E. Allison, Jr.[(3)]	171,775	*
Jeffrey D. Lawrence[(4)]	51,668	*
Scott R. Hinshaw[(5)]	150,911	*
David A. Brandon	17,921	*
C. Andrew Ballard	921	*
Andrew B. Balson[(6)]	90,883	*
Diana F. Cantor[(7)]	17,010	*

Richard L. Federico	7,860	*
James A. Goldman	17,322	*
Vernon Bud O. Hamilton[8]	79,757	*
Gregory A. Trojan	5,010	*
All Directors and executive officers as a group (19 persons)[9]	2,505,136	5.03%

* *Less than 1%.*

(1) *Includes 1,037,587 shares of common stock issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days following January 3, 2016.*

(2) *Includes 210,000 shares of common stock issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days following January 3, 2016.*

(3) *Includes 140,459 shares of common stock issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days following January 3, 2016. Also includes 300 shares of common stock owned by Mr. Allison s children.*

(4) *Includes 35,892 shares of common stock issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days following January 3, 2016.*

(5) *Includes 122,532 shares of common stock issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days following January 3, 2016.*

(6) *Includes 35,000 shares of common stock issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days following January 3, 2016. Also includes 27,310 shares of common stock held in the Andrew B. Balson 2004 Irrevocable Family Trust, and 8,870 shares of common stock held in the Andrew B. Balson 2011 Irrevocable Family Trust.*

(7) *Includes 6,000 shares of common stock issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days following January 3, 2016.*

(8) *Includes 44,000 shares of common stock issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days following January 3, 2016.*

(9) *Includes an aggregate of 2,039,930 shares of common stock issuable upon exercise of outstanding options that are currently exercisable or will become exercisable within 60 days following January 3, 2016.*

Stock Ownership Information (continued)

The information with respect to beneficial ownership is based upon information furnished by each Director, nominee or executive officer, or information contained in filings made with the SEC.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company s Directors, certain executive officers and persons who own more than 10% of Domino s Pizza, Inc. common stock to file initial reports of ownership and reports of changes in ownership of Domino s Pizza, Inc. common stock with the SEC and the NYSE. The Company assists its Directors and certain executive officers in completing and filing those reports. Domino s is required to disclose in its proxy statement any failure to file these reports by the required due dates. The Company believes that all filing requirements applicable to its Directors, executive officers and shareholders who own more than 10% of Do, Serif; margin: 0pt 0; text-align: justify">

In addition, the Series E Designation provides that on any matter presented to the holders of our Common Stock for their action or consideration at any meeting of our stockholders (or by written consent of stockholders in lieu of meeting), Epic, as a holder of Series E Preferred Stock, will be entitled to cast the number of votes equal to the number of shares of Common Stock into which the shares of Series E Preferred Stock held by Epic are convertible as of the record date for determining the stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of the Series E Designation, Epic will vote together with the holders of Common Stock, as a single class. In addition, pursuant to the Epic Strategic Alliance Agreement and the Series E Designation, Elite has agreed that, between the date of the initial closing under the Epic Strategic Alliance Agreement and the date which is the earlier of (x) the date the Epic Directors constitute a majority of the Board of Directors and (y) ninety days following the fifth anniversary of the Initial Closing Date, except as Epic otherwise agrees in writing, we may conduct our operations only in the ordinary and usual course of business consistent with past practice. Further, pursuant to the Epic Strategic Alliance Agreement and the Series E Designation, we must obtain the prior written consent of Epic in order to take the actions specifically enumerated therein. Accordingly, as a result of such concentration of ownership, Epic will have the ability to exert further influence over us and may have the effect of preventing a change of control of Elite. For more detailed information about the Epic Strategic Alliance Agreement please see “Description of Business; Epic Strategic Alliance Agreement.”

Also, as disclosed above in “The issuance of additional shares and securities convertible into or exercisable for shares of Commons Stock pursuant to existing agreements or otherwise will cause existing holders of our Common Stock to experience substantial dilution”, we may issue significant additional shares of Common Stock, Common Stock Warrants and convertible Series E Preferred Stock to Epic upon the happening of certain events. If we are required to issue such securities, Epic may beneficially own in excess of 50% of our issued and outstanding shares of Common Stock or other voting securities. Under the Epic Strategic Alliance Agreement, at such time as Epic owns more than 50% of our issued and outstanding Common Stock or other voting securities, the number of Epic Directors that Epic will be entitled to designate will be equal to a majority of the Board of Directors.

Holders of our preferred stock may exercise their veto rights to make it more difficult for us to take an action or consummate a transaction that may be deemed by the Board to be in our best interest or the best interest of the other stockholders.

The holders of Series B Preferred Stock, Series C Preferred Stock and Series E Preferred Stock have certain veto rights that may be exercised to prevent us from taking an action or consummating a transaction that may be deemed by the Board to be in our best interest and the best interest of the holders of our Common Stock if the holders of our preferred stock believe such action or transaction would be adverse to their own interests. If the holders of our preferred stock exercise their veto rights to prevent us from taking any such action or consummating any such transaction, our ability to achieve our strategic objectives may be hindered. The ability of holders of our preferred stock to affect our actions through use of their veto rights might limit the price that certain investors would be willing to pay in the future for shares of our Common Stock. See also, "Epic has the ability to exert substantial influence over us" above.

Our Common Stock is considered a "penny stock". The application of the "penny stock" rules to our Common Stock could limit the trading and liquidity of our Common Stock, adversely affect the market price of our Common Stock and increase the transaction costs to sell shares of our Common Stock.

Our common stock is a "low-priced" security or "penny stock" under rules promulgated under the Securities Exchange Act of 1934, as amended. In accordance with these rules, broker-dealers participating in transactions in low-priced securities must first deliver a risk disclosure document which describes the risks associated with such stocks, the broker-dealers duties in selling the stock, the customer's rights and remedies and certain market and other information. Furthermore, the broker-dealer must make a suitability determination approving the customer for low- priced stock transactions based on the customer's financial situation, investment experience and objectives. Broker-dealers must also disclose these restrictions in writing to the customer, obtain specific written consent from the customer, and provide monthly account statements to the customer. The effect of these restrictions will likely decrease the willingness of broker-dealers to make a market in our Common Stock, will decrease liquidity of our Common Stock and will increase transaction costs for sales and purchases of our Common Stock as compared to other securities.

We voluntarily delisted our Common Stock from NYSE Amex in May 2009. Our Common Stock is now quoted on the Over-the- Counter Bulletin Board. The Over-the-Counter Bulletin Board is a quotation system, not an issuer listing service, market or exchange, therefore, buying and selling stock on the Over-the-Counter Bulletin Board is not as efficient as buying and selling stock through an exchange. As a result, it may be difficult to sell our Common Stock for an optimum trading price or at all.

The Over-the-Counter Bulletin Board (the “OTCBB”) is a regulated quotation service that displays real-time quotes, last sale prices and volume limitations in over-the-counter securities. Because trades and quotations on the OTCBB involve a manual process, the market information for such securities cannot be guaranteed. In addition, quote information, or even firm quotes, may not be available. The manual execution process may delay order processing and intervening price fluctuations may result in the failure of a limit order to execute or the execution of a market order at a significantly different price. Execution of trades, execution reporting and the delivery of legal trade confirmations may be delayed significantly. Consequently, one may not be able to sell shares of our Common Stock at the optimum trading prices.

When fewer shares of a security are being traded on the OTCBB, volatility of prices may increase and price movement may outpace the ability to deliver accurate quote information. Lower trading volumes in a security may result in a lower likelihood of an individual’s orders being executed, and current prices may differ significantly from the price one was quoted by the OTCBB at the time of the order entry. Orders for OTCBB securities may be canceled or edited like orders for other securities. All requests to change or cancel an order must be submitted to, received and processed by the OTCBB. Due to the manual order processing involved in handling OTCBB trades, order processing and reporting may be delayed, and an individual may not be able to cancel or edit his order. Consequently, one may not be able to sell shares of Common Stock at the optimum trading prices.

The dealer’s spread (the difference between the bid and ask prices) may be large and may result in substantial losses to the seller of securities on the OTCBB if the Common Stock or other security must be sold immediately. Further, purchasers of securities may incur an immediate “paper” loss due to the price spread. Moreover, dealers trading on the OTCBB may not have a bid price for securities bought and sold through the OTCBB. Due to the foregoing, demand for securities that are traded through the OTCBB may be decreased or eliminated.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 2. PROPERTIES.

We own a facility located at 165 Ludlow Avenue, Northvale, New Jersey (“165 Ludlow”) which contains approximately 15,000 square feet of floor space. This real property and the improvements thereon are encumbered by a mortgage in favor of the New Jersey Economic Development Authority (“NJEDA”) as security for a loan through tax-exempt bonds from the NJEDA to Elite. The mortgage contains certain customary provisions including, without limitation, the right of NJEDA to foreclose upon a default by Elite. The NJEDA has declared the payment of this bond to be in default. We are currently using the Facility as a laboratory, manufacturing, storage and office space.

We entered into a lease for a portion of a one-story warehouse, located at 135 Ludlow Avenue, Northvale, New Jersey (“135 Ludlow”), consisting of approximately 15,000 square feet of floor space. The lease term began on July 1, 2010. The lease includes an initial term of 5 years and 6 months and we have the option to renew the lease for two additional terms, each of 5 years. The property related to this lease will be used for the storage of pharmaceutical finished goods, raw materials, equipment and documents as well as engaging in manufacturing, packaging and distribution activities. This property requires significant construction and qualification as a prerequisite to achieving suitability for such intended future use. Approximately 3,500 square feet of this property was constructed and qualified as suitable for use for storage of pharmaceutical finished goods, raw materials, equipment and documents and was placed into service on or before the expiration of the lease for the warehouse at 80 Oak Street, as noted below. Construction and qualification as suitable for manufacturing, packaging and distribution operations are expected to be achieved within two years from the beginning of the lease term. These are estimates based on current project plans, which are subject to change. There can be no assurance that the construction and qualification will be accomplished during the estimated time frames, or that the property located at 135 Ludlow Avenue, Northvale, New Jersey will ever achieve qualification for intended future utilization.

165 Ludlow and 135 Ludlow are hereinafter referred to as the “Facilities”.

Properties used in our operation are considered suitable for the purposes for which they are used, at the time they are placed into service, and are believed adequate to meet our needs for the reasonably foreseeable future.

ITEM 3. LEGAL PROCEEDINGS.

In the ordinary course of business we may be subject to litigation from time to time. There is no current, pending or, to our knowledge, threatened litigation or administrative action to which we are a party or of which our property is the subject (including litigation or actions involving our officers, directors, affiliates, or other key personnel, or holders of record or beneficially of more than 5% of any class of our voting securities, or any associate of any such party) which in our opinion has, or is expected to have, a material adverse effect upon our business, prospects financial condition or operations.

ITEM 4. MINE SAFETY DISCLOSURES.

Not Applicable.

PART II

ITEM 5. MARKET FOR COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Market Information

Our Common Stock was traded on NYSE Amex (formerly, the American Stock Exchange) under the symbol "ELI" until May 21, 2009, at which time Elite's Common Stock began to be quoted on the Over-the-Counter Bulletin Board (OTCBB) under the ticker symbol "ELTP". The following table shows, for the periods indicated, the high and low bid prices per share of our Common Stock as by OTC Bulletin Board. Over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Common Stock

Quarter ended	High	Low
Fiscal Year ending March 31, 2012:		
March 31, 2012	$0.13	$0.09
December 31, 2011	$0.10	$0.07
September 30, 2011	$0.14	$0.07
June 30, 2011	$0.24	$0.07
Fiscal Year ending March 31, 2011:		
March 31, 2011	$0.08	$0.04
December 31, 2010	$0.07	$0.04
September 30, 2010	$0.07	$0.05
June 30, 2010	$0.10	$0.07

On June 21 2012, the last reported sale price of our Common Stock, as quoted by the OTC Bulletin Board, was $0.13 per share

Holders

As of June 22, 2012, there were, respectively, approximately 141, 0, 8 and 1 holders of record of our Common Stock, Series B Preferred Stock, Series C Preferred Stock and Series E Preferred Stock.

Dividends

We have never paid cash dividends on our Common Stock. We currently anticipate that we will retain all available funds for use in the operation and expansion of our business.

Recent Sales of Unregistered Securities

There were no sales of unregistered securities during the quarter ended March 31, 2012.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth certain information regarding Elite's equity compensation plans as of March 31, 2012.

Plan Category		Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price per share of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))	
Equity compensation plans approved by security holders	(1)	2,999,000	$ 1.53	7,001,000	
Equity compensation plans not approved by security holders		—	—	1,123,152	(2)
Total		2,999,000	$ 1.53	8,124,152	

(1) Represents options issued under the 2004 Stock Option Plan

(2) Represents securities reserved and available for grant under the 2009 Equity Incentive Plan

2004 Stock Option Plan

Our 2004 Stock Option Plan (the "*Stock Option Plan*") permits us to grant both incentive stock options ("*Incentive Stock Options*" or "*ISOs*") within the meaning of Section 422 of the Internal Revenue Code (the "*Code*") to employees, and other options which do not qualify as Incentive Stock Options (the "*Non-Qualified Options*") to employees, officers, Directors of and consultants to Elite.

Unless earlier terminated by the Board of Directors, the Stock Option Plan (but not outstanding options issued thereunder) terminates on March 1, 2014, after which no further awards may be granted under the Stock Option Plan. The Stock Option Plan is administered by the Board of Directors.

Recipients of options under the Stock Option Plan ("*Optionees*") are selected by the Board of Directors. The Board of Directors determines the terms of each option grant including (1) the purchase price of shares subject to options, (2)

the dates on which options become exercisable and (3) the expiration date of each option (which may not exceed ten years from the date of grant). The minimum per share purchase price of options granted under the Stock Option Plan for Incentive Stock Options is the fair market value (as defined in the Stock Option Plan) or for Nonqualified Options is 85% of fair market value of one share of the Common Stock on the date the option is granted.

Optionees have no voting, dividend or other rights as stockholders with respect to shares of Common Stock covered by options prior to becoming the holders of record of such shares. The purchase price upon the exercise of options may be paid in cash, by certified bank or cashier's check, by tendering stock held by the Optionee, as well as by cashless exercise either through the surrender of other shares subject to the option or through a broker. The total number of shares of Common Stock available under the Stock Option Plan, and the number of shares and per share exercise price under outstanding options will be appropriately adjusted in the event of any stock dividend, reorganization, merger or recapitalization or similar corporate event. Subject to limitations set forth in the Stock Option Plan, the terms of option agreements will be determined by the Board of Directors, and need not be uniform among Optionees.

The Board of Directors may at any time terminate the Stock Option Plan or from time to time make such modifications or amendments to the Stock Option Plan as it may deem advisable and the Board of Directors may adjust, reduce, cancel and re-grant an unexercised option if the fair market value declines below the exercise price except as may be required by any national stock exchange or national market association on which the Common Stock is then listed. In no event may the Board of Directors, without the approval of stockholders, amend the Stock Option Plan to increase the maximum number of shares of Common Stock for which options may be granted under the Stock Option Plan or change the class of persons eligible to receive options under the Stock Option Plan.

2009 Equity Incentive Plan

Our Equity Incentive Plan was adopted by the Board on November 24, 2009, to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of Elite and its subsidiaries, by offering them an opportunity to participate in our future performance through awards of Options, the right to purchase Common Stock and Stock Bonuses. An aggregate of 8,000,000 common shares are reserved for grant and issuance pursuant to the Equity Incentive Plan. The Equity Incentive Plan is administered and interpreted by our Compensation Committee (the "Compensation Committee"). Under the Equity Incentive Plan, we are permitted to grant both incentive stock options ("*Incentive Stock Options*" or "*ISOs*") within the meaning of Section 422 of the Internal Revenue Code (the "*Code*") to employees, and other options which do not qualify as Incentive Stock Options (the "*Non-Qualified Options*") to employees, officers, Directors of and consultants to Elite. The per share purchase price of options granted under the Equity Incentive Plan may not be less than the fair market value of the shares on the date of the grant, provided that the exercise price of any ISO granted to a ten percent stockholder will not be less than 110% of the fair market value on the date of the grant. Recipients of ISO's and Non-Qualified Options have no voting, dividend or other rights as stockholders with respect to shares of Common Stock covered by options prior to becoming the holders of record of such shares.

Under the Equity Incentive Plan, we also are permitted to offer stock awards ("Equity Incentive Plan Stock Awards") to eligible persons. The Equity Incentive Plan defines such stock awards as an offer by us to sell to an eligible person shares that may or may not be subject to restrictions. The purchase of price of shares sold pursuant to an Equity Incentive Plan Stock Award may not be less than the fair market value of the shares on the grant date, provided, however, that the number of shares issued for the payment of employee and officers' salaries, or directors' fees will be

computed using the average daily closing price, which is defined as the simple average of the closing price of each trading day in the quarter or other applicable period for which payment is due.

We also are permitted to award stock bonuses under the Equity Incentive Plan ("Equity Incentive Plan Stock Bonuses"), which defines such stock bonuses as an award of shares for extraordinary services rendered to the Company.

ITEM 6 SELECTED FINANCIAL DATA

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

General

The following discussion and analysis should be read with the financial statements and accompanying notes, included elsewhere in this Annual Report on Form 10-K and the information described in Item 1A "Risk Factors" and in "Special Note Regarding Forward Looking Statements" above. The following discussion is intended to assist the reader in understanding and evaluating our financial position.

Critical Accounting Policies and Estimates

Management's discussion addresses our Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its estimates and judgment, including those related to bad debts, intangible assets, income taxes, workers compensation, and contingencies and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management believes the following critical accounting policies, among others, affect its more significant judgments and estimates used in the preparation of its Consolidated Financial Statements. Our most critical accounting policies include the recognition of revenue upon completion of certain phases of projects under research and development contracts. We also assess a need for an allowance to reduce our deferred tax assets to the amount that we believe is more likely than not to be realized. We assess the recoverability of inventory, long-lived assets and intangible assets whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. We assess our exposure to current commitments and contingencies. It should be noted that actual results may differ from these estimates under different assumptions or conditions.

Liquidity and Capital Resources

Going concern considerations

As of March 31, 2012, the Company had a working capital deficit of $3.1 million, losses from operations totaling $2.0 million for the fiscal year ended March 31, 2012, other expenses totaling $13.6 million for the fiscal year ended March 31, 2012 and a net loss of $15.1 million for the fiscal year ended March 31, 2012. Please note that the Company's other income/(expenses) are significantly influenced by the fluctuations in the fair value of outstanding preferred share and warrant derivatives, and that such fair values strongly correlate to and vary inversely with the market share price of the Company's Common Stock.

The Company does not anticipate being profitable for the fiscal year ending March 31, 2013.

Revenues and operating profits for the foreseeable future are expected to be significantly and adversely effected by the FDA removal of the Lodrane® Extended Release Products from the market. The Lodrane® Extended Release Products, which constituted approximately 97% of the Company's revenues in the periods immediately preceding March 31, 2011, were included on a list of approximately 500 cough/cold and allergy products which were removed from the U.S. market pursuant to a directive from the FDA.

In addition, the Company has received Notice of Default from the Trustee of the NJEDA Bonds as a result of the utilization of the debt service reserve being used to pay interest payments. See "NJEDA Bonds" below.

As of March 31, 2012, we had cash reserves of $0.7 million. The completion of all transactions contemplated by the Epic Strategic Alliance agreement is expected to provide additional funds to permit us to continue development our product pipeline. Despite the successful completion of the initial, second and third closings of the Epic Strategic Alliance Agreement, and the first five of a total of twelve quarterly payments of $62,500 each, there can be no assurances that we will be able to consummate the remaining seven quarterly payments due under the Epic Strategic Alliance Agreement. If such transactions are consummated, we will receive additional cash proceeds of $0.4375 million. Even if we were to receive the remaining quarterly payments due pursuant to the Epic Strategic Alliance Agreement, we still most likely will be required to seek additional capital in the future and there can be no assurances that we will be able to obtain such additional capital on favorable terms, if at all.

Furthermore, with regards to our product pipeline, please note that significant delays in the commercialization of Naltrexone 50 mg are expected as a result of the a notification received from the FDA reclassifying to a Prior

Approval Supplement, the Company's Changes Being Effected in 30 Days Supplement ("CBE-30") related to a change the manufacturing and packaging site of Naltrexone 50 mg.

Based upon our current cash position, management has undertaken a review of our operations and implemented cost-cutting measures in an effort to eliminate any expenses which are not deemed critical to our current strategic objectives. We will continue this process without impeding our ability to proceed with our critical strategic goals, which, as noted above, include developing our pain management and other products and manufacturing our current products.

For the fiscal year ended March 31, 2012, we sustained a negative cash flow from operations of approximately $0.4 million, compared with a positive cash flow from operations of approximately $1.6 million achieved during the prior fiscal year. Our working capital deficit at March 31, 2012 was approximately $3.2 million compared with working capital deficit of approximately $1.5 million at March 31, 2011. Please note that the working capital deficits include the entire principal amount due in relation to the NJEDA Bonds. This amount, totaling $3.4 million, is classified as a current liability due to the Notice of Default received from the Trustee in relation to the NJEDA Bonds. Please see "NJEDA Bonds" below.

Cash and cash equivalents at March 31, 2012, were approximately $0.7 million, a decrease of approximately $1.2 million from the approximately $1.9 million at March 31, 2011.

As of March 31, 2012, our principal source of liquidity was approximately $0.7 million of cash and cash equivalents. Additionally, we may have access to funds through the exercise of outstanding stock options and warrants. There can be no assurance that the exercise of outstanding warrants or options will generate or provide sufficient cash.

Treppel $500,000 Bridge Revolving Credit Line.

On June 12, 2012 (the "Effective Date"), we entered into a bridge loan agreement (the "Loan Agreement") with Jerry Treppel, our Chairman and CEO. Under the terms of the Loan Agreement, we have the right, in our sole discretion, to a line of credit (the "Credit Line") in the maximum principal amount of up to $500,000 at any one time. Mr. Treppel provided the Credit Line for the purpose of supporting the acceleration of our product development activities. The outstanding amount will be evidenced by a promissory note which shall mature on the earlier of (i) such date as we raise at least $2,000,000 in gross proceeds from the sale of any of our equity securities or (ii) July 31, 2013, at which time the entire unpaid principal balance plus accrued interest thereon shall be due and payable in full. We may prepay any amounts owed without penalty. Any such prepayments shall first be attributable to interest due and owing and then to principal. Interest only shall be payable quarterly on July 1, October 1, January 1 and April 1 of each year. Prior to maturity or the occurrence of an Event of Default as defined in the Loan Agreement, we may borrow, repay, and reborrow under the Credit Line through maturity. Amounts borrowed under the Credit Line will bear interest at the rate of ten percent (10%) per annum. For more detailed information, please see the Loan Agreement filed as an exhibit to our Current Report on Form 8-K filed with the SEC on June 13, 2012 , which Form 8-K and exhibit are incorporated by reference herein.

NJEDA Bonds

On August 31, 2005, the Company successfully completed a refinancing of a prior 1999 bond issue through the issuance of new tax-exempt bonds (the "Bonds"). The refinancing involved borrowing $4,155,000, evidenced by a 6.5% Series A Note in the principal amount of $3,660,000 maturing on September 1, 2030 and a 9% Series B Note in the principal amount of $495,000 maturing on September 1, 2012. The net proceeds, after payment of issuance costs, were used (i) to redeem the outstanding tax-exempt Bonds originally issued by the Authority on September 2, 1999, (ii) refinance other equipment financing and (iii) for the purchase of certain equipment to be used in the manufacture of pharmaceutical products. As of December 31, 2011, all of the proceeds were utilized by the Company for such stated purposes.

Interest is payable semiannually on March 1 and September 1 of each year. The Bonds are collateralized by a first lien on the Company's facility and equipment acquired with the proceeds of the original and refinanced Bonds. The related Indenture requires the maintenance of a $415,500 Debt Service Reserve Fund consisting of $366,000 from the Series A Notes proceeds and $49,500 from the Series B Notes proceeds. The Debt Service Reserve is maintained in restricted cash accounts that are classified in Other Assets. $1,274,311 of the proceeds had been deposited in a short-term restricted cash account to fund the purchase of manufacturing equipment and development of the

Company's facility.

Bond issue costs of $354,000 were paid from the bond proceeds and are being amortized over the life of the bonds. Amortization of bond issuance costs amounted to $14,132 for the fiscal year March 31, 2012.

The NJEDA Bonds require the Company to make an annual principal payment on September 1st of varying amounts as specified in the loan documents and semi-annual interest payments on March 1st and September 1st, equal to interest due on the outstanding principal at the applicable rate for the semi-annual period just ended.

The interest payments due on March 1st and September 1st of 2009, 2010 and 2011, as well as the interest payment due on March 1st 2012, totaling $806,925 for all seven payments, were paid from the debt service reserved held in the restricted cash account, due to the Company not having sufficient funds to make such payments when they were due.

The principal payment due on September 1, 2009, totaling $210,000 was paid from the debt service reserve held in the restricted cash account, due to the Company not having sufficient funds to make the payment when due.

The Company did not have sufficient funds available to make the principal payments due on September 1, 2010, totaling $225,000 and requested that the Trustee withdraw such funds from the debt service reserve. The Company's request was denied and accordingly the principal payment due on September 1, 2010, totaling $225,000 was not made.

The Company did not have sufficient funds available to make the principal payments due on September 1, 2011, totaling $470,000, with such amount including the principal payments due on September 1, 2010 and not paid. There were not sufficient funds available in the debt service reserve and accordingly, the principal payment totaling $470,000 was not made.

Pursuant to the terms of the NJEDA Bonds, the Company is required to replenish any amounts withdrawn from the debt service reserve and used to make principal or interest payments in six monthly installments, each being equal to one-sixth of the amount withdrawn and with the first installment due on the 15th of the month in which the withdrawal from debt service reserve occurred and the remaining five monthly payments being due on the 15th of the five immediately subsequent months. The Company has, to date, made all payments required in relation to the withdrawals made from the debt service reserve on March 1, 2009, September 1, 2009, March 1, 2010, September 1, 2010, March 1, 2011, September 1, 2011 and March 1, 2012.

The Company does not expect to have sufficient available funds as of September 1, 2012, to make principal payments, totaling $730,000, and consisting of $260,000 due on September 1, 2012, $245,000 which was due on September 1, 2011 and not paid and $225,000 which was due on September 1, 2010 and not paid.

The Company has received Notice of Default from the Trustee of the NJEDA Bonds in relation to the withdrawals from the debt service reserve, and has requested a postponement of principal payments due on September 1st of 2010, 2011 and 2012, with an aggregate of all such postponed principal payments being added to the principal payments due on September 1, 2013. Resolution of the Company's default under the NJED Bonds and our request for postponement of principal payments will have a significant effect on our ability to operate in the future.

Due to issuance of a Notice of Default being received from the Trustee of the NJEDA Bonds, and until the event of default is waived or rescinded, the Company has classified the entire principal due, an amount aggregating $3.385 million, as a current liability.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that would be considered material to investors.

Effects of Inflation

We are subject to price risks arising from price fluctuations in the market prices of the products that we sell. Management does not believe that inflation risk is material to our business or our consolidated financial position, results of operations, or cash flows.

Results of Consolidated Operations:

Year Ended March 31, 2012 as compared to the Year Ended March 31, 2011

Our revenues for the year ended March 31, 2012 were $2,424,118 a decrease of $1,841,845 or approximately 43% from revenues for the comparable period of the prior year, and consisted of $1,120,050 in manufacturing fees, $655,857 in lab and product development fees and $648,211 in royalties and license fees. Revenues for the year ended March 31, 2011, consisted of $3,086,183 in manufacturing fees, $348,242 in lab and product development fees, and $831,538 in royalties and license fees. Manufacturing fees decreased by approximately 64% due to the removal from the market of the Lodrane® Extended Release Products, pursuant to a directive from the FDA issued in March 2011. Lab and product development fees increased by approximately 88% due to product development fees earned from the Hi-Tech Development Agreement and the Mikah Development Agreement, and fees earned from Elite's Development and License Agreement with a private Hong Kong-based company, offset by decreased lab stability study revenues relating the discontinuance of the Lodrane® Extended Release Products. Royalties and license fees decreased by 22% due to the removal from the market of the Lodrane® Extended Release Products as of August 30, 2011, offset by milestone payments received pursuant to the Precision Dose Agreement and related to the April 2011 launch of Phentermine 37.5 mg tablets and the March 2012 launch of Hydromorphone 8mg tablets. In-market sales of the Lodrane® Extended Release Products were only permitted for five of the twelve months in the year ended March 31, as compared to a full year of sales occurring during the comparable period of the prior year.

Research and development costs for the year ended March 31, 2012 were $1,735,689, an increase of $350,478 or approximately 25% from $1,385,211 of such costs for the comparable period of the prior year. The increase was primarily due to the shifting of personnel and operational resources from commercial manufacturing to product development as a result of the discontinuance of the Lodrane® Extended Release Products.

General and administrative expenses for the year ended March 31, 2012, were $1,410,192, an increase of $534,178, or approximately 61% from $876,014 of general and administrative expenses for the comparable period of the prior year. The increase was primarily due to overhead costs related to excess capacity at the Northvale Facility which has resulted from the discontinuance of the Lodrane® Extended Release Products, increased real estate taxes at the Northvale Facility and increased legal fees related to the conversion of Series B, C, D and E Preferred Shares to

Common Shares, and the preparation of the preliminary and final proxy statements which were filed during Fiscal 2012.

Depreciation and amortization for the year ended March 31, 2012 was $206,248, an increase of $32,884, or approximately 19%, from $173,364 for the comparable period of the prior year. The increase was primarily due to depreciation expense related to excess capacity at the Northvale Facility which has resulted from the discontinuance of the Lodrane® Extended Release Products.

Non-cash compensation through the issuance of stock options and warrants for the year ended March 31, 2012 was $24,453, a decrease of $17,563, or approximately 42% from $42,016 for the comparable period of the prior year. The decrease was due to the timing of the amortization schedule established at the time of issuance of the related stock options and warrants.

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As a result of the foregoing, our loss from operations for the year ended March 31, 2012 was $1,966,138, compared to a loss from operations of $885,760 for the year ended March 31, 2011.

Other expenses for the year ended March 31, 2012 were a net expense of $13,576,088, an increase in other net expenses of $578,277 from the net other expense of $12,997,812 for the comparable period of the prior year. The increase in other expenses was due to derivative expenses relating to changes in the fair value of our preferred shares and outstanding warrants during the year ended March 31, 2012 totaling $12,672,032, as compared to a net derivative expense of $11,714,374 for the comparable period of the prior year. Please note that derivative income/(expenses) are most significantly determined by the closing price of the Company’s Common Stock as of the end of each annual or quarterly reporting period, and also as of the date on which shares of the Company’s convertible preferred stock are converted into common stock, with incomes being generated by decreases in such closing prices and expenses being incurred by increases in such closing prices. The closing price of the Company’s Common Stock as of March 31, 2012 was $0.090, as compared to a closing price of $0.078 as of March 31, 2011. Closing prices on the various dates on which shares of convertible preferred stock were converted to common stock ranged from $0.07 to $0.24 during the year ended March 31, 2012. These variances in the closing price of the Company’s Common Stock as compared with the closing price at the end of the immediately preceding fiscal year end were significant factors in the derivative income recorded during the year ended March 31, 2012.

As a result of the foregoing, our net loss for the year ended March 31, 2012 was $15,058,274, compared to a net loss of $13,582,159 for the year ended March 31, 2011.

Material Changes in Financial Condition

Our working capital (total current assets less total current liabilities), decreased to a working capital deficiency of $3,051,269 as of March 31, 2012 from a working capital deficiency of $1,521,956 as of March 31, 2011, primarily due to the loss from operations sustained during Fiscal 2012.

We experienced negative cash flows from operations of $394,082 for the year ended March 31, 2012, primarily due to our net loss of $15,058,274, offset by non-cash expenses totaling $14,292,415, included in the net loss, combined with decreases in accounts receivable and inventory of $174,820 and $311,480, respectively and an increase in accounts payable and accrued expenses of 133,749.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Attached hereto and filed as a part of this Annual Report on Form 10-K are our Consolidated Financial Statements, beginning on page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive and Chief Financial Officers, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”) as of the end of the period covered by this Annual Report on Form 10-K. Based upon that evaluation, our Chief Executive and Chief Financial Officers concluded that our disclosure controls and procedures as of the end of the period covered by this report were not effective so that that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and (ii) accumulated and communicated to our management to allow for timely decisions regarding disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Management has determined that, as of March 31, 2012, there were material weaknesses in both the design and effectiveness of our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

The deficiencies in our internal controls over financial reporting and disclosure controls and procedures are related to the lack of segregation of duties due to the size of our accounting department, which replaced an outside accounting firm and non-employee Chief Financial Officer on July 1, 2009, and limited enterprise resource planning systems. When our financial position improves, we intend to hire additional personnel and implement enterprise resource planning systems required to remedy such deficiencies.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America ("GAAP").

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of our assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, that receipts and expenditures are being made only in accordance with authorization of our management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements or fraudulent actions. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm because we are not an accelerated filer or a large accelerated filer.

Our management assessed the effectiveness of our internal control over financial reporting as of March 31, 2012. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework. Based on that assessment under those criteria, management has determined that, at March 31, 2012, there were material weaknesses in both the design and effectiveness of our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

The deficiencies in our internal controls over financial reporting and disclosure controls and procedures are related to the lack of segregation of duties due to the size of our accounting department, which replaced an outside accounting firm and non-employee Chief Financial Officer on July 1, 2009, and limited enterprise resource planning systems. When our financial position improves, we intend to hire additional personnel and implement enterprise resource planning systems required to remedy such deficiencies.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth quarter of Fiscal 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On June 20, 2012, we requested that the Commission withdraw the registration statement on Form S-1 that we had filed on March 1, 2012 related to the transactions contemplated by the Securities Purchase Agreement with Socius CG II, Ltd. After discussions with the Commission, we determined that the Socius transaction as structured in the Socius

Agreement could not be implemented. Accordingly, we will not be proceeding with the Socius financing.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following sets forth biographical information about each of our directors and executive officers:

Name	Age	Position	Director / Officer Since
Jerry Treppel[1]	58	Chairman and Chief Executive Officer	November 2008
Barry Dash, Ph. D.	80	Director	April 2005
Chris Dick[2]	57	President, Chief Operating Officer and Director	October 2009[3]
Ashok G. Nigalaye, Ph.D.	60	Chief Scientific Officer and Director	June 2009[4]
Jeenarine Narine	62	Director	June 2009
Ram Potti	59	Director	June 2009
Jeffrey Whitnell	56	Director	October 2009
Carter J. Ward	48	Chief Financial Officer, Secretary and Treasurer	July 2009

(1) Mr. Treppel also served as Chairman of the Board since November 6, 2008 and CEO since September 15, 2009.
(2) Mr. Dick also serves as our Chief Operating Officer and, President.
(3) Mr. Dick previously served on our Board of Directors from October 2008 to June 2009, and was re-nominated and re-elected to the Board at the 2009 Stockholder meeting held on October 23, 2009.
(4) Dr. Nigalaye has served as a Director since June 2009 and as Chief Scientific Officer since September 2009.

The principal occupations and employment of each Director during the past five years is set forth below. In each instance in which dates are not provided in connection with a nominee's business experience, such nominee has held the position indicated for at least the past five years.

Jerry Treppel has served as a Director since October 28, 2008, Chairman of the Board since November 6, 2008 and Chief Executive Officer since September 15, 2009. Mr. Treppel served as the managing member of Wheaten Capital Management LLC, a capital management company focusing on investment in the health care sector from 2003 to 2009. In October 2008, Mr. Treppel was appointed managing director of Ledgemont Capital Group LLC, a boutique merchant bank that provides access to capital and corporate advisory services to public and private companies. Over the past 20 years, Mr. Treppel was an equity research analyst focusing on the specialty pharmaceuticals and generic drug sectors at several investment banking firms including Banc of America Securities, Warburg Dillon Read LLC (now UBS), and Kidder, Peabody & Co. He previously served as a healthcare services analyst at various firms, including Merrill Lynch & Co. He also held administrative positions in the healthcare services industry early in his career. From 2003 to 2009, Mr. Treppel served as a member of the board of directors of Akorn, Incorporated (NASDAQ: AKRX), a specialty pharmaceutical company engaged in the development, manufacturing and marketing of branded and multi-source pharmaceutical products and vaccines. Mr. Treppel also served as the Chair of Akorn's Nominating and Corporate Governance Committee and as a member of its Audit Committee and Compensation

Committee. Mr. Treppel holds a BA in Biology from Rutgers College in New Brunswick, N.J., an MHA in Health Administration from Washington University in St. Louis, Mo., and an MBA in Finance from New York University. Mr. Treppel has been a Chartered Financial Analyst (CFA) since 1988. Mr. Treppel's knowledge of the pharmaceutical industry as well as his education credentials and his experience as a member of the board of directors of Akorn, Incorporated led to the conclusion that he is qualified to serve as a director.

Dr. Barry Dash has served as a Director since April 2005, Member of the Audit Committee since April 2005, Member of the Nominating Committee since April 2005 and Member and Chairman of the Compensation Committee since June 2007. Dr. Dash has been, since 1995, President and Managing Member of Dash Associates, LLC., an independent consultant to the pharmaceutical and health industries. From 1983 to 1996 he was employed by Whitehall-Robins Healthcare, a division of American Home Products Corporation (now known as Wyeth), initially as Vice President of Scientific Affairs, then as Senior Vice President of Scientific Affairs and then as Senior Vice President of Advanced Technologies, during which time he personally supervised six separate departments: Medical and Clinical Affairs, Regulatory Affairs, Technical Affairs, Research and Development, Analytical R&D and Quality Management/Q.C. Dr. Dash had been employed by the Whitehall Robins Healthcare from 1960 to 1976, during which time he served as Director of Product Development Research, Assistant Vice President of Product Development and Vice President of Scientific Affairs. Dr. Dash had been employed by J.B. Williams Company (Nabisco Brands, Inc.) from 1978 to 1982. From 1976 to 1978 he was Vice President and Director of Laboratories of the Consumer Products Division of American Can Company. He currently serves on the board of directors of GeoPharma, Inc. (NASDQ: GORX). Dr. Dash holds a Ph.D. from the University of Florida and M.S. and B.S. degrees from Columbia University where he was Assistant Professor at the College of Pharmaceutical Sciences from 1956 to 1960. He is a member of the American Pharmaceutical Association, the American Association for the Advancement of Science and the Society of Cosmetic Chemist, American Association of Pharmaceutical Scientists, Drug Information Association, American Foundation for Pharmaceutical Education, and Diplomate American Board of Forensic Examiners. He is the author of scientific publications and patents in the pharmaceutical field. Dr. Dash's extensive education in pharmaceutical sciences and his experience in the development of scientific products, including his experience in regulatory affairs, led to the conclusion that he is qualified to serve as a director.

Chris Dick has served as Chief Operating Officer since October 2008, acting Chief Executive Officer from November 2008 to September 15, 2009, and President since April 2009; Director from October 20, 2008 to June 24, 2009, and since October 23, 2009. Mr. Dick began at Elite in November 2002 as Vice President of Business Development. Since March 2006, Mr. Dick has been Executive Vice President of Corporate Development. From 1999 to 2002, Mr. Dick served as Director of Business Development for Elan Drug Delivery, Inc. responsible for licensing and business development of Elan's portfolio of drug delivery technologies. From 1978 to 1999, he held various business and technical positions at FMC Corporation which included responsibility for business development and marketing for EnTec, a drug delivery business unit within FMC Corporation's Pharmaceutical Division and marketing for its pharmaceutical functional coatings product line. Mr. Dick holds an M.B.A. from the Stern School of Business, New York University, and a B.S. and M.S. in Chemical Engineering from Cornell University. Mr. Dick's experience and qualifications in the pharmaceutical industry, specifically in the area of business and product development, provides specific attributes and qualifications to serve as a director, President and COO for the Company.

Dr. Ashok G. Nigalaye has served as a Director since June 24, 2009, member of the Compensation Committee since October 23, 2009 and Chief Scientific Officer since September 15, 2009. Dr. Nigalaye was elected as a member of Elite's Board in June 2009 as one of three directors designated by Epic pursuant to the terms of the Epic Strategic Alliance Agreement. Since December 2010, Dr. Nigalaye has been the Chairman and Chief Executive Officer of Epic Pharma, LLC, a manufacturer of generic pharmaceuticals and Elite's strategic partner pursuant to the Epic Strategic Alliance Agreement. From July 2008 to December 2010, Dr. Nigalaye served as Epic Pharma's President and Chief Executive Officer. From August 1993 to February 2008, Dr. Nigalaye served as Vice President of Scientific Affairs and Operations of Actavis Totowa LLC, a manufacturer of generic pharmaceuticals, where he was responsible for directing and organizing company activities relating to pharmaceutical drug manufacturing, regulatory affairs and

research and development. Dr. Nigalaye currently serves as a director of GTI Inc., a privately held company. Dr. Nigalaye holds a B.S. in Pharmacy from the University of Bombay, an M.S. in Industrial Pharmacy from Long Island University, and a Ph.D. in Industrial Pharmacy from St. John's University. Dr. Nigalaye is also a licensed pharmacist in the State of New York. Dr. Nigalaye's extensive education in pharmaceutical sciences and experience as a director and officer of pharmaceutical companies led to the conclusion that he is qualified to serve as a director.

Jeenarine Narine has served as a Director since June 24, 2009 and member of the Nominating Committee since October 23, 2009. Mr. Narine was elected as a member of Elite's Board in June 2009 as one of three directors designated by Epic pursuant to the terms of the Epic Strategic Alliance Agreement. Since December 2010, Mr. Narine has been the President and Chief Operating Officer of Epic Pharma, LLC, a manufacturer of generic pharmaceuticals and Elite's strategic partner pursuant to the Epic Strategic Alliance Agreement, in which capacity he oversees all manufacturing operations. From July 2008 to December 2010, Mr. Narine served as Epic Pharma's Executive Vice President of Manufacturing and Operations. Mr. Narine is also the current President of Eniran Manufacturing Inc., a contract manufacturer of dietary and nutritional supplements, and has held such office since 2000. In addition, Mr. Narine has been since 1989 the President of A&J Machine Inc., a company owned by Mr. Narine that is engaged in the sales of new and used pharmaceutical manufacturing equipment. In addition to this professional experience, Mr. Narine graduated from the Guyana Industrial Institute, where he studied Metalology and Welding. Mr. Narine's experience as President and Chief Operating Officer and, previously, as Executive Vice President of Manufacturing and Operations of Epic Pharma LLC and his knowledge of pharmaceutical manufacturing equipment led to the conclusion that he is qualified to serve as a director.

Ram Potti has served as a Director since June 24, 2009, chairman of the Nominating Committee since October 23, 2009 and member of the Audit Committee since October 23, 2009. Mr. Potti was elected as a member of Elite's Board in June 2009 as one of three directors designated by Epic pursuant to the terms of the Epic Strategic Alliance Agreement. Since December 2010, Mr. Potti has been the Vice President of Epic Pharma, LLC, a manufacturer of generic pharmaceuticals and Elite's strategic partner pursuant to the Epic Strategic Alliance Agreement, in which capacity he handles the company's new ventures and products. From July 2008 to December 2010, Mr. Potti served as Epic Pharma's Vice President of Business Development. Mr. Potti is also the founder and current President of RSMB Investments LLC, an investment company that specializes in startup ventures in the healthcare and technology sectors. In addition, from 2002 to 2006, Mr. Potti was the President and Chief Operating Officer of Trigen Laboratories, a company which he founded that manufactures generic pharmaceutical products. Mr. Potti holds a B.S. in Chemistry from the University of Kerala, St. Albert's College. Mr. Potti's experience in developing business and products for Epic Pharma LLC led to the conclusion that he is qualified to serve as a director.

Jeffrey Whitnell has served as a Director since October 23, 2009, Chairman of the Audit Committee since October 23, 2009, member of the nominating committee since October 23, 2009 and designated by the Board as an "audit committee financial expert" as defined under applicable rules under the Securities Exchange Act of 1934, as amended, since October 23, 2009. Since September 2010, Mr. Whitnell has been the Chief Financial Officer of Neurowave Medical Technologies, a medical device company. From June 2009 to June 2010, Mr. Whitnell provided financial consulting services to various healthcare companies, including Neurowave Medical Technologies. From June 2004 to June 2009, Mr. Whitnell was Chief Financial Officer and Senior Vice President of Finance at Akorn, Inc. From June 2002 to June 2004, Mr. Whitnell was Vice President of Finance and Treasurer for Ovation Pharmaceuticals. From 1997 to 2001, Mr. Whitnell was Vice President of Finance and Treasurer for MediChem Research. Prior to 1997, Mr. Whitnell held various finance positions at Akzo Nobel and Motorola. Mr. Whitnell began his career as an auditor with Arthur Andersen & Co. He is a certified public accountant and holds an M.B.A. in Finance from the University of Chicago and a B.S. in Accounting from the University of Illinois. Mr. Whitnell's qualifications as an accounting and audit expert provide specific experience to serve as a director for the Company.

Carter J. Ward has served as Chief Financial Officer, Secretary and Treasurer of the Company since July 1, 2009. Prior to joining the Company, from July 2005 to April 2009, Mr. Ward filled multiple finance and supply chain leadership roles with the Actavis Group and its U.S. subsidiary, Amide Pharmaceuticals. From September 2004 to June 2005, Mr. Ward was a consultant, mainly engaged in improving internal controls and supporting Sarbanes Oxley compliance of Centennial Communications Inc., a NASDAQ listed wireless communications provider. From 1999 to September 2004, Mr. Ward was the Chief Financial Officer for Positive Healthcare/Ceejay Healthcare, a U.S.-Indian joint venture engaged in the manufacture and distribution of generic pharmaceuticals and nutraceuticals in India. Mr. Ward began his career as a certified public accountant in the audit department of KPMG and is a Certified Supply Chain Professional (“CSCP”). Mr. Ward holds a B.S. in Accounting from Long Island University, Brooklyn, NY, from where he graduated summa cum laude. Mr. Ward’s experience and expertise in the area of finance and more specifically, as a Certified Supply Chain Professional, provides the qualifications, attributes and skills to serve as an officer for the Company.

Each director holds office until the next annual meeting of stockholders or until such director’s death, resignation or removal. There are no family relationships between any of our directors and executive officers.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires our Officers, Directors, and persons who own more than ten percent of a registered class of equity securities, to file reports with the Securities and Exchange Commission reflecting their initial position of ownership on Form 3 and changes in ownership on Form 4 or Form 5. Based solely on a review of the copies of such Forms received by us, we found that, during the fiscal year ended March 31, 2012, three of our Officers and Directors and two entities that had beneficial ownership of more than ten percent of a registered class of equity securities had not complied with all applicable Section 16(a) filing requirements on a timely basis with regard to transactions occurring in Fiscal 2012. Specifically, as follows:

Name	Late Filings	No. of Transactions
Ashok Nigalaye	4	7
Ram Potti	4	7
Jeenarine Narine	4	7
Epic Investments LLC	4	7
Epic Pharma LLC	4	7

Committees of the Board

The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating Committee.

Audit Committee

During Fiscal 2012, the members of the Audit Committee were Jeffrey Whitnell (Chairman of the Audit Committee), Ram Potti and Dr. Barry Dash. We deem Messrs. Whitnell and Dash to be independent and Mr. Whitnell to be qualified as an audit committee financial expert. The Board of Directors has determined that Messrs. Whitnell and Dash are independent directors as (i) defined in Rule 10A-3(b)(1)(ii) under the Exchange Act and (ii) under Sections 803A(2) and 803B(2)(a) of the NYSE MKT LLC Company Guide (although our securities are not listed on the NYSE MKT LLCE or any other national exchange).

Nominating Committee

During Fiscal 2012, the members of the Nominating Committee were Ram Potti (Chairman of the Nominating Committee), Dr. Barry Dash and Jeenarine Narine. There were no material changes to the procedures by which security holders may recommend nominees to our Board of Directors since the filing of our last Annual Report on Form 10-K.

Compensation Committee

During Fiscal 2012, the members of the Compensation Committee were Dr. Barry Dash (Chairman of the Nominating Committee), Dr. Ashok Nigalaye and Jeffrey Whitnell.

Code of Conduct and Ethics

At the first meeting of the Board of Directors following the annual meeting of stockholders held on June 22, 2004, the Board of Directors adopted a Code of Business Conduct and Ethics that is applicable to the Company's directors, officers and employees. A copy of the Code of Business Conduct and Ethics is available on our website at www.elitepharma.com, under Investor Relations.

ITEM 11. EXECUTIVE COMPENSATION

Compensation discussion and analysis summary

Our approach to executive compensation, one of the most important and complex aspects of corporate governance, is influenced by our belief in rewarding people for consistently strong execution and performance. We believe that the ability to attract and retain qualified executive officers and other key employees is essential to our long-term success.

Compensation Linked to Attainment of Performance Goals

Our plan to obtain and retain highly skilled employees is to provide significant incentive compensation opportunities and market competitive salaries. The plan was intended to link individual employee objectives with overall company strategies and results, and to reward executive officers and significant employees for their individual contributions to those strategies and results. Furthermore, we believe that equity awards serve to align the interests of our executives with those of our stockholders. As such, equity is a key component of our compensation program.

Role of the Compensation Committee and its Advisors

The Company formed the Compensation Committee in June 2007. Since the formation of the Compensation Committee all elements of the executives' compensation are determined by the Compensation Committee, which is comprised of a two independent non-employee directors, and one director who is also the Company's Chief Scientific Officer. However, the Compensation Committee's decisions concerning the compensation of the Company's Chief Executive Officer are subject to ratification by the independent directors of the Board of Directors. As of March 31, 2012, the members of the Compensation Committee were Barry Dash, Ashok Nigalaye and Jeffrey Whitnell. The Committee operates pursuant to a charter. Under the Compensation Committee charter, the Compensation Committee has authority to retain compensation consultants, outside counsel, and other advisors that the committee deems appropriate, in its sole discretion, to assist it in discharging its duties, and to approve the terms of retention and fees to be paid to such consultants.

Named Executive Officers and Key Employees

The named executive officers and key employees for the fiscal year ending March 31, 2012 are:

- Jerry Treppel, Chief Executive Officer for the full year

- Chris C. Dick, President and Chief Operating Officer for the full year
- Carter J. Ward, Chief Financial Officer, Secretary and Treasurer for the full year.

These individuals are referred to collectively in this Annual Report on Form 10-K as the "Named Executive Officers".

Our executive compensation program

Overview

The primary elements of our executive compensation program are base salary, incentive cash and stock bonus opportunities and equity incentives typically in the form of stock option grants or payment of a portion of annual salary as stock. Although we provide other types of compensation, these three elements are the principal means by which we provide the Named Executive Officers with compensation opportunities.

The annual bonus opportunity and equity compensation components of the executive compensation program reflect our belief that a portion of an executive's compensation should be performance-based. This compensation is performance-based because payment is tied to the achievement of corporate performance goals. To the extent that performance goals are not achieved, executives will receive a lesser amount of total compensation.

Elements of our executive compensation program

Base Salary

We pay a base salary to certain of the Named Executive Officers, with such payments being made in either cash, Common Stock or a combination of cash and Common Stock. In general, base salaries for the Named Executive Officers are determined by evaluating the responsibilities of the executive's position, the executive's experience and the competitive marketplace. Base salary adjustments are considered and take into account changes in the executive's responsibilities, the executive's performance and changes in the competitive marketplace. We believe that the base salaries of the Named Executive Officers are appropriate within the context of the compensation elements provided to the executives and because they are at a level which remains competitive in the marketplace.

Bonuses

The Board of Directors may authorize us to give discretionary bonuses, payable in cash or shares of Common Stock, to the Named Executive Officers and other key employees. Such bonuses are designed to motivate the Named

Executive Officers and other employees to achieve specified corporate, business unit and/or individual, strategic, operational and other performance objectives.

Stock Options

Stock options constitute performance-based compensation because they have value to the recipient only if the price of our Common Stock increases. Stock options for each of the Named Executive Officers generally vest over time, obtainment of a corporate goal or a combination of the two.

The grant of stock options at Elite is designed to motivate our Named Executive Officers to achieve our short-term and long-term corporate goals.

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Retirement and Deferred Compensation Benefits

We do not presently provide the Named Executive Officers with a defined benefit pension plan or any supplemental executive retirement plans, nor do we provide the Named Executive Officers with retiree health benefits. We have adopted a deferred compensation plan under Section 401(k) of the Code. The plan provides for employees to defer compensation on a pretax basis subject to certain limits, however, Elite does not provide a matching contribution to its participants.

The retirement and deferred compensation benefits provided to the Named Executive Officers are not material factors considered in making other compensation determinations with respect to Named Executive Officers.

Post-Termination/Change of Control Compensation

We do not presently provide the Named Executive Officers with any plan or arrangement in connection with any termination, including, without limitation, through retirement, resignation, severance or constructive termination (including a change in responsibilities) of such Named Executive Officer's employment with the Company. We also do no presently provide the Named Executive Officers any plan or arrangement in connection with a change in control of the Company.

Perquisites

As described in more detail below, the perquisites provided to certain of the Named Executive Officers consist of car allowances and life insurance premiums. These perquisites represent a small fraction of the total compensation of each such Named Executive Officer. The value of the perquisites we provide are taxable to the Named Executive Officers and the incremental cost to us of providing these perquisites is reflected in the Summary Compensation Table. The Board of Directors believes that the perquisites provided are reasonable and appropriate. For more information on perquisites provided to the Named Executive Officers, please see the "All Other Compensation" column of the Summary Compensation Table and "Agreements with Named Executive Officers," below.

Agreements with Named Executive Officers

Jerry Treppel

On December 1, 2008, Elite entered into a compensation agreement with Mr. Treppel (the "*First Treppel Agreement*") providing for the terms under which Mr. Treppel will serve as the non-executive Chairman of the Board. Pursuant to the First Treppel Agreement, Mr. Treppel will serve as the non-executive Chairman of the Board until immediately prior to the next annual meeting of the Company's stockholders; provided, however, that following such annual meeting, and each subsequent annual meeting of the Company's stockholders, if the Board elects Mr. Treppel as the

non-executive Chairman of the Board, the term of the First Treppel Agreement will be extended through the earlier of (a) the date of the next subsequent annual meeting of the Company's stockholders and (b) the date upon which Mr. Treppel no longer serves as the non-executive Chairman.

During the term of the First Treppel Agreement, including any applicable extensions thereof, Mr. Treppel is entitled to cash compensation of $2,083.33 on a monthly basis in lieu of, and not in addition to, any cash directors' fees and other compensation paid to other non-employee members of the Board. Mr. Treppel is also entitled to reimbursement of any expenses reasonably incurred in the performance of his duties under the First Treppel Agreement upon presentation of proper written evidence of such expenditures.

In addition, pursuant to the terms of the First Treppel Agreement, Elite granted to Mr. Treppel under its 2004 Stock Option Plan non-qualified stock options to purchase 180,000 shares of Common Stock of Elite, par value $0.001 per share, exercisable for a period of 10 years at an exercise price per share of $0.06, subject to the terms and conditions of the related option agreement.

Under the First Treppel Agreement, Elite has also agreed to indemnify Mr. Treppel to the fullest extent permitted by law in accordance with the By-Laws of Elite against (a) reasonable expenses, including attorneys' fees, incurred by him in connection with any threatened, pending, or completed civil, criminal, administrative, investigative, or arbitrative action, suit, or proceeding (and any appeal therein) seeking to hold him liable for actions taken in his capacity as Chairman of the Board, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine (including assessment of excise tax with respect to an employee benefit plan), penalty or settlement for which he may have become liable in any such action, suit or proceeding, provided that any such expenses or payments are not the result of Mr. Treppel's gross negligence, willful misconduct or reckless actions.

Either party may terminate the First Treppel Agreement, effective immediately upon the giving of written notice to the other party. If no such written notice is given, then the term of the First Treppel Agreement shall end immediately prior to the next annual meeting of the Company's stockholders (the "Treppel Term"), provided however, that following such annual meeting, and each subsequent meeting of the Company's stockholders, if the Board elects Mr. Treppel to continue to serve as the non-executive Chairman of the Board, the Treppel Term shall be extended through the earlier of (a) the date of the next subsequent annual meeting of the Company's stockholders and (b) the date upon which Mr. Treppel shall no longer serve as the non-executive Chairman of the Board.

On September 15, 2009, Mr. Treppel was appointed Chief Executive Officer of the Company. He continues to also serve as Chairman of the Board and he has agreed to forego any additional compensation related to his activities and Chief Executive Officer. Accordingly, Mr. Treppel's compensation as Chief Executive Officer and Chairman of the Board remains unchanged from the First Treppel Agreement.

On October 23, 2009, at the meeting of the Board held immediately after the annual stockholders meeting, Mr. Treppel's compensation as Chairman of the Board was revised to an annual amount of $30,000, payable in common shares of the Company. The amount of common shares to be issued to Mr. Treppel in payment of compensation due to him as Chairman of the Board is calculated on a quarterly basis, and is equal to the quotient of the quarterly amount due of $7,500, divided by the average daily closing price of the Company's Common Stock for the quarter just ended.

Mr. Treppel agreed to forego any additional compensation for his services as Chief Executive Officer of the Company.

Chris C. Dick

In November 13, 2009, we entered into an employment agreement with Mr. Dick as our President and Chief Operating Officer (the "Dick Employment Agreement"). The Dick Employment Agreement is terminable at the will of either the Company or Mr. Dick, with or without notice and for any reason or no reason.

The Dick Employment Agreement provides for a base salary of $200,000, with $175,000 of this amount being paid in cash and $25,000 of this amount being paid in restricted shares of the Company's Common Stock. The Common Stock component of Mr. Dick's compensation is to be paid on a quarterly basis, with the number of shares issued equal to the quotient of the quarterly amount due of $6,250 divided by the average daily closing price of the Company's Common Stock for the quarter just ended.

In addition, the Dick Agreement provides for 25 days of paid vacation, the right to participate in all health insurance plans maintained by the Company for its employees, a monthly auto allowance of $700 and term life insurance in the amount of $500,000 payable to Mr. Dick's estate.

The Dick Agreement also required Mr. Dick's execution of a Proprietary Rights Agreement.

Carter J. Ward

On November 12, 2009, the Company entered into an employment agreement (the "Ward Employment *Agreement*"). Pursuant to the terms of the Ward Employment Agreement, Mr. Ward continues as an at-will employee of the Company as its Chief Financial Officer. Mr. Ward receives a base salary of $150,000, with $125,000 of such amount being paid in accordance with the Company's payroll practices and $25,000 of such amount being paid by the issuance of restricted shares of Common Stock, in lieu of cash. The Common Stock component of Mr. Ward's compensation is to be paid on a quarterly basis, with the number of shares issued equal to the quotient of the quarterly amount due of $6,250 divided by the average daily closing price of the Company's Common Stock for the quarter just ended.

Hedging Policy

We do not permit the Named Executive Officers to "hedge" ownership by engaging in short sales or trading in any options contracts involving securities.

Options Exercises and Stock Vested

No options have been exercised by our Named Executive Officers during the 2012 Fiscal Year.

Pension Benefits

We do not provide pension benefits to the Named Executive Officers

Nonqualified Deferred Compensation

We do not have any defined contribution or other plan that provides for the deferral of compensation on a basis that is not tax-qualified.

Potential Payments Upon Termination or Change of Control

We do not presently provide the Named Executive Officers with any plan or arrangement in connection with any termination, including, without limitation, through retirement, resignation, severance or constructive termination (including a change in responsibilities) of such Named Executive Officer's employment with the Company. We also do not presently provide the Named Executive Officers any plan or arrangement in connection with a change in control of the Company.

Compensation of named executive officers

Summary Compensation Table

Name And Principal Position	Fiscal Year ($)	Salary ($)	Bonus ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Jerry Treppel						
Chairman of the Board and	2012 (1)	—	—	—	30,000 (2)	30,000
Chief Executive Officer	2011 (1)	—	—	—	30,000 (2)	30,000
Chris Dick						
President and	2012 (1)	200,000 (3)	—	—	8,400 (4)	208,400
Chief Operating Officer	2011 (1)	200,000 (3)	—	—	8,400 (4)	208,400
Carter J. Ward						
Chief Financial Officer	2012 (1)	150,000 (5)	—	—	—	150,000
Secretary and Treasurer	2011 (1)	150,000 (5)	600 (6)	—	—	150,600

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(1) Represents the fiscal years ended March 31, 2012 and 2011, respectively.

(2) Represents compensation due to Mr. Treppel for his service as Chairman of the Board of Directors. Mr. Treppel receives no salary or additional compensation for his service as Chief Executive Officer. Compensation due to Mr. Treppel is paid via the issuance of Common Stock, pursuant to the Company's Director compensation policy.

A total of 503,332 shares of Common Stock were issued to Mr. Treppel in payment of compensation due to him for Fiscal 2011. A total of 210,601 shares of Common Stock were issued to, and 73,927 shares of Common Stock are due and owing to, Mr. Treppel in payment of compensation due to him for Fiscal 2012.

(3) Represents total salaries due to Mr. Dick pursuant to the Dick Employment. Of the total salary amount, $175,000 was paid in cash as salary in accordance with the Company's payroll practices, and $25,000 is to be paid via the issuance of Common Shares in lieu of cash. A total of 419,443 shares of Common Stock were issued to Mr. Dick in payment of salaries due to him for Fiscal 2011. A total of 175,501 shares of Common Stock were issued to, and 61,606 shares of Common Stock are due and owing to, Mr. Dick in payment of salaries due to him for Fiscal 2012.

(4) Represents amounts paid for auto allowance

(5) Represents total salaries due to Mr. Ward pursuant to the Ward Employment. Of the total salary amount, $125,000 was paid in cash as salary in accordance with the Company's payroll practices, and $25,000 is to be paid via the issuance of Common Shares in lieu of cash. A total of 419,443 shares of Common Stock were issued to Mr. Ward in payment of salaries due to him for Fiscal 2011. A total of 175,501 shares of Common Stock were issued to, and 61,606 shares of Common Stock are due and owing to, Mr. Ward in payment of salaries due to him for Fiscal 2012.

(6) Represents discretionary bonuses award to Mr. Ward by the Chief Executive Officer

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Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning stock option awards held by Named Executive Officers as of March 31, 2012:

Name	Number of securities underlying unexercised options Exercisable (#)		Number of securities underlying unexercised options Unexercisable (#)	Equity Incentive Plan Awards: Number of securities underlying unexercised unearned options (#)		Options Exercise Price ($)	Option Expiration Date
Chris Dick							
	10,000	(1)	—	—		2.34	10/31/2012
	10,000	(1)	—	—		2.34	10/31/2012
	10,000	(1)	—	—		2.34	10/31/2012
	10,000	(2)	—	—		2.21	6/13/2013
	10,000	(2)	—	—		2.21	6/13/2013
	10,000	(2)	—	—		2.21	6/13/2013
	40,000	(3)	—	—		2.80	7/14/2015
	250,000	(4)	—	—		2.25	11/13/2016
	—		—	150,000	(5)	2.25	11/13/2016
	—		—	150,000	(5)	2.25	11/13/2016
	—		—	200,000	(7)	2.25	11/13/2016
	133,333	(8)	—	66,667	(8)	0.10	1/17/2020
Jerry Treppel							
	60,000	(9)	—	—		0.06	12/1/2018
	60,000	(10)	—	—		0.06	12/1/2018
	60,000	(11)	—	—		0.06	12/1/2018
Carter J. Ward							
	133,333	(8)	—	66,667	(8)	0.10	1/17/2020

(1) Options vested on November 1, 2003, 2004 and 2005, respectively.

(2) Options vested on June 13, 2004, 2005 and 2006, respectively.

(3) Options vested on July 14, 2005.

(4) Options vested on November 3, 2006.

(5) These options vest upon the closing of an exclusive product license for the first of the United States national market, the entire European Union market or the Japan market or product sale transaction of all of our ownership rights in the United States (only once for each individual product) for our first Non-Generic Opioid Product.

(6) Reserved

(7) These options vest as follows: upon the commencement of the first Phase III clinical trial relating to the first "Non-Generic Opioid Product" developed by the Company as to 125,000 options and relating to the second "Non-Generic Opioid Product" developed by the Company as to 75,000 options.

(8) Total of 200,000 options granted with such options vesting in annual increments on January 18, 2011, 2012 and 2013, with each increment equal to one-third of the total options granted.

(9) Options vested on December 1, 2009

(10) Options vested on December 1, 2010

(11) Options vest on December 1, 2011

DIRECTOR COMPENSATION

The following table sets forth information concerning director compensation for the year ended March 31, 2012:

Name	Fees Earned or Paid In Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compen-sation ($)	Non-qualified Deferred Compen-sation ($)	All Other Compen-sation ($)	Total ($)
Barry Dash	—	15,000 (1)	—	—	—	5,000 (2)	20,000
Ashok Nigalaye	—	15,000 (1)	—	—	—	5,000 (2)	20,000
Jeenarine Narine	—	15,000 (1)	—	—	—	5,000 (2)	20,000
Ram Potti	—	15,000 (1)	—	—	—	5,000 (2)	20,000
Jeffrey Whitnell	—	15,000 (1)	—	—	—	5,000 (2)	20,000

(1) Represents directors fees earned during the quarters ended June 30, 2011, September 30, 2011 and December 31, 2011. Each Director received 140,401 shares of Common Stock in payment of these director fees, pursuant to the Company’s policy regarding payment of Directors’ fees.

(2) Represents directors fees earned during the quarter ended March 31, 2012 for which 49,285 shares of Common Stock is due and owing to each Director. As of the date of this Annual Report on Form 10-K, such shares have not yet been issued.

Director Fee Compensation

The Company's policy regarding director fees is as follows: ((i) Directors who are employees or consultants of the Company (and/or any of its subsidiaries), except for Mr. Jerry Treppel, Chief Executive Officer and Dr. Ashok Nigalaye, Chief Scientific Officer, receive no additional remuneration for serving as directors or members of committees of the Board; (ii) all Directors are entitled to reimbursement for out-of-pocket expenses incurred by them in connection with their attendance at the Board or committee meetings; (iii) Directors who are not employees or consultants of the Company (and/or any of its subsidiaries) receive $20,000 annual retainer fee, payable on a quarterly basis, in arrears, for their service on the Board and all committees; (iv) The Chairman of the Board receives a $30,000 annual retainer fee, payable on a quarterly basis, in arrears; (v) Directors and the Chairman do not receive any additional compensation for attendance at or chairing of any meetings. (vi) Mr. Jerry Treppel receives no additional compensation, above the annual retainer fee due to the Chairman of the Board, for his services as Chief Executive Officer (vii) Dr. Ashok Nigalaye receives no additional compensation, above the annual retainer fee due to Directors, for his services as Chief Scientific Officer. (viii) All Director and Chairman fees are paid via the issuance of Common Stock of the Company, in lieu of cash, as described below.

Director Equity Compensation

Members of the Board of Directors and the Chairman are paid their annual retainer fees via the issuance of restricted shares of Common Stock of the Company, in lieu of cash. The number of shares to be issued to each Director and the Chairman is equal to the quotient of the quarterly amount due to each Director and the Chairman, respectively, divided by the average daily closing price of the Company's stock for the quarter just ended.

Members of the Board of Directors during the fiscal years ended March 31, 2012 and March 31, 2011 did not receive any options or equity compensation for serving as directors other than shares of Common Stock earned in lieu of cash in relation to Director and Chairman fees due.

Other

The Company's Articles of Incorporation provide for the indemnification of each of the Company's directors to the fullest extent permitted under Nevada General Corporation Law.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information, as of June 22, 2012 (except as otherwise indicated), regarding beneficial ownership of our Common Stock by (i) each person who is known by us to own beneficially more than 5% of the Common Stock, (ii) each of our directors and nominees for director, (iii) each of the Named Executive Officers

(as defined below) and (iv) all our directors and executive officers as a group. As of June 22, 2012, we had 346,216,612 shares of Common Stock outstanding (exclusive of 100,000 treasury shares). The 1,750 shares of Series E Preferred Stock outstanding as of Jun 22, 2012 are entitled to vote, on an as-converted basis, with the Common Stock on any matter presented to the holders of our Common Stock for their action or consideration at any meeting of our stockholders (or by written consent of stockholders in lieu of meeting). The 1,450 shares of Series C Preferred Stock outstanding as of June 22, 2012 are nonvoting. As of June 22, 2012, none of the individuals listed below beneficially owned any shares of Series C Preferred Stock or Series E Preferred Stock, except for the following (as further described in the footnotes to the table): (a) 1,750 shares of Series E Preferred Stock were beneficially owned by Messrs. Ashok G. Nigalaye, Jeenarine Narine and Ram Potti.

As used in the table below and elsewhere in this Annual Report on Form 10-K, the term beneficial ownership with respect to a security consists of sole or shared voting power, including the power to vote or direct the vote, and/or sole or shared investment power, including the power to dispose or direct the disposition, with respect to the security through any contract, arrangement, understanding, relationship, or otherwise, including a right to acquire such power(s) during the 60 days immediately following June 22, 2012. Except as otherwise indicated, the stockholders listed in the table have sole voting and investment powers with respect to the shares indicated.

Name and Address Of Beneficial Owner of Common Stock	Amount and Nature of Beneficial Ownership***		Percent (%) of Class Beneficially Owned	
Chris Dick, President and Chief Operating Officer	1,260,672	(1)		**
Barry Dash, Director	790,238	(2)		**
Jerry Treppel, Chairman of the Board and Chief Executive Officer	4,096,498	(3)		**
Ashok G. Nigalaye, Chief Scientific Officer and Director *	205,011,455	(4)	48	%
Jeenarine Narine, Director *	205,011,455	(4)	48	%
Ram Potti, Director *	204,603,506	(4)	48	%
Jeffrey Whitnell	621,872	(5)		**
Carter J. Ward, Chief Financial Officer	2,732,353	(6)		**
Epic Investments LLC 227-15 North Conduit Ave. Laurelton, NY 11413	204,322,588	(4)	48	%
Epic Pharma LLC 227-15 North Conduit Ave. Laurelton, NY 11413	204,322,588	(4)	48	%
All Directors and Officers as a group	210,052,206	(7)	50	%

* The address is c/o Epic Investments LLC, 227-15 North Conduit Ave., Laurelton, NY 11413

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(1) Includes vested options to purchase 483,333 shares of Common Stock, 715,733 shares of Common Stock and 61,606 shares of Common Stock due and owing to Mr. Dick as of March 31, 2012, for salaries earned for the quarter then ended, pursuant to the employment agreement between the Company and Mr. Dick dated November 13, 2009 (the “Dick Agreement”). In addition, Mr. Dick has been granted options to purchase 566,667 shares of Common Stock under the Company’s 2004 Equity Incentive Plan which were not vested as on June 22, 2012 and accordingly not included as part of Mr. Dick’s beneficial ownership. 500,000 of these non-vested options, having exercise prices that range from $2.21 per share to $2.34 per share, will vest upon the occurrence of certain events and 66,667 of the non-vested options, having an exercise price of $0.10 per share, are scheduled to vest on January 18, 2013.

(2) Includes options to purchase 120,000 shares of Common Stock, warrants to purchase 12,434 shares of Common Stock, 608,519 shares of Common Stock and 49,285 shares of Common Stock due and owing to Dr. Dash as of March 31, 2012 for Director’s fees earned by Dr. Dash for the quarter then ended, pursuant to the Company’s policy regarding payment of Directors’ fees.

(3) Includes 419,059 shares of restricted Common Stock, 1,432,082 shares of unrestricted Common Stock, warrants to purchase up to 1,991,430 shares of Common Stock, an option to purchase up to 180,000 shares of Common Stock, and 73,927 shares of Common Stock due and owing to Mr. Treppel as of March 31, 2012 for Chairman’s fees earned by Mr. Treppel for the quarter then ended, pursuant to the Company’s policy regarding payment of the Chairman’s fee.

(4) Includes 1,750 shares of Series E Preferred Stock convertible into 71,688,118 shares of Common Stock, 25,112,722 shares of Common Stock and warrants to purchase 107,519,998 shares of Common Stock held by Epic Investments, LLC, a Delaware limited liability company. Messrs. Nigalaye, Narine and Potti are executive officers and equity owners of Epic Pharma, LLC, a Delaware limited liability company, and Epic Investments, LLC, a Delaware limited liability company. Epic Pharma, LLC is an equity owner of Epic Investments, LLC. Epic Pharma LLC and Messrs. Nigalaye, Narine and Potti share voting and investment control over, and are indirect beneficial owners of, the shares. The interest of Epic Pharma LLC and Messrs. Nigalaye, Narine and Potti in the shares is limited, and each disclaims beneficial ownership of such shares except to the extent of its pecuniary interest in Epic Investments, LLC. Please note that the number of shares of Common Stock held by Epic Investments, LLC was compiled from Statements of Changes in Beneficial Ownership on Form 4 that were filed by Epic Investments LLC since June of 2009.

In addition to beneficial interests related to Epic Investments, Dr. Nigalaye and Mr. Narine each own 639,582 shares of Common Stock and each have 49,285 shares of Common Stock due and owing to them as of March 31, 2012 for Director’s fees earned by each of them for the quarter then ended, pursuant to the Company’s policy regarding payment of Directors’ fees.

In addition to beneficial interests related to Epic Investments, Mr. Potti owns 231,633 shares of Common Stock and has 49,285 shares of Common Stock due and owing to him as of March 31, 2012 for Director’s fees earned for the quarter then ended, pursuant to the Company’s policy regarding payment of Directors’ fees.

(5) Includes 572,587 shares of Common Stock and 49,285 shares of Common Stock due and owing to Mr. Whitnell as of March 31, 2012 for Director's fees earned by Mr. Whitnell for the quarter then ended, pursuant to the Company's policy regarding payment of Directors' fees.

(6) Includes vested options to purchase 133,333 shares of Common Stock, warrants to purchase 666,667 shares of Common Stock, 1,870,747 shares of Common Stock and 61,606 shares of Common Stock due and owing to Mr. Ward as of March 31, 2012, for salaries earned for the quarter then ended, pursuant to the employment agreement between the Company and Mr. Ward dated November 13, 2009 (the "Ward Agreement"). In addition, Mr. Ward has been granted options to purchase 66,667 shares of Common Stock under the Company's 2004 Equity Incentive Plan which were not vested as on June 22, 2012 and accordingly not included as part of Mr. Ward's beneficial ownership. These non-vested options, having an exercise price of $0.10 per share, are scheduled to vest on January 18, 2013.

(7) Includes 1,750 shares of Series E Preferred Stock convertible into 71,688,118 shares of Common Stock, warrants to purchase 110,190,529 shares of Common Stock, vested options to purchase 916,667 shares of Common Stock, 26,811,578 shares of Common Stock and 443,564 shares of Common Stock due and owing to the Chairman, Directors and Officers as of March 31, 2012, for Chairman Fees, Directors Fees and salaries earned for the quarter then ended, pursuant to the Company's policy regarding payment of Directors' fees, the Dick Agreement and the Ward Agreement, as applicable.

In addition, there are options to purchase up to 633,333 Common Shares that are not vested as of June 22, 2012, and are accordingly not included as part of the aggregate beneficial ownership of the Company's Directors and Officers.

2,085,640 shares of Common Stock issued to the Chairman and Directors in payment of Chairman and Director Fees pursuant to the Company's policy regarding payment of Chairman and Directors Fees, 852,384 shares of Common Stock issued pursuant to employment contracts with Officers, 3,112.5 shares of Series E Preferred Stock convertible into 126,674,934 shares of Common Stock, Warrants to purchase 121,271,942 shares of Common Stock, Options to purchase 1,416,668 shares of Common Stock, 979,799 shares of Common Stock, 1,505,601 of Common Shares due and owing to the Chairman and Directors as of December 31, 2011 for Chairman's and Director's Fees earned during the 12 month period ending on such date pursuant to the Company's policy regarding payment of Chairman and Director's Fees, and 579,078 shares of Common Stock due and owing to Officers as of December 31, 2011 for salaries earned during the 12 month period ended on such date pursuant to the employment contracts of each Officer. In addition, there are options to purchase 133,332 shares of Common Stock which have been granted to Officers of the Company but which were not vested as on February 21, 2012, and accordingly not included in the beneficial ownership amounts. These options are scheduled to vest on January 18, 2013.

Changes in Control

The following information is provided with respect to any arrangements known to the Company the operation of which may at a subsequent date result in a change of control of the Company.

As of June 29, 2012, Epic held a beneficial interest in an aggregate of 204,322,588 shares of Common Stock, as further described in footnote 4 of the above table listing the amount and nature of beneficial ownership. Further, the 1,750 shares of Series E Preferred Stock in which Epic has a beneficial interest as of June 29, 2012 are entitled to vote 71,688,118 shares of Common Stock on any matter presented to the holders of our Common Stock for their action or consideration at any meeting of our stockholders (or by written consent of stockholders in lieu of meeting).

In addition, in connection with subsequent closings of the transactions contemplated by the Epic Strategic Alliance Agreement, Epic could acquire an additional 437.5 shares of Series E Preferred Stock. Further, with respect to the products developed by Epic at the Facility under the Epic Strategic Alliance Agreement, the Company would also be obligated to issue to Epic (a) warrants to purchase up to an aggregate of 56,000,000 shares of its Common Stock upon the receipt by Elite from Epic of written notices of Epic's receipt of an acknowledgment from the FDA that the FDA accepted for filing an ANDA for certain controlled-release and immediate-release products developed by Epic at Elite's facility and (b) up to an aggregate of 36,000,000 additional shares of its Common Stock following the receipt by Elite from Epic of written notices of Epic's receipt from the FDA of approval for certain controlled-release and immediate-release products developed by Epic at the Facility.

If Elite is required to issue such additional securities to Epic in accordance with the Epic Strategic Alliance Agreement, Epic could beneficially own in excess of 50% of the issued and outstanding Common Stock or other voting securities of the Company. Further, under the Epic Strategic Alliance Agreement, at such time as Epic owns more than 50% of the issued and outstanding Common Stock or other voting securities of Elite, the number of Epic Directors that Epic will be entitled to designate under the Epic Strategic Alliance Agreement will be equal to a majority of the Board of Directors.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Certain Related Person Transactions

Transactions with Epic Pharma LLC, Epic Investments LLC and Jerry Treppel

On March 18, 2009, the Company entered into the Epic Strategic Alliance Agreement with Epic Pharma, LLC and Epic Investments, LLC, a subsidiary controlled by Epic Pharma LLC, as disclosed in Item 1. "Business: Epic Strategic Alliance Agreement" in Part I and Item 10. "Directors, Executive Officers and Corporate Governance" and in our Current Reports on Form 8-K, filed with the SEC on March 23, 2009, May 6, 2009 and June 5, 2009, which disclosures are incorporated herein by reference. Ashok G. Nigalaye, Jeenarine Narine and Ram Potti, each were elected as members of our Board of Directors, effective June 24, 2009, as the three directors that Epic is entitled to designate for appointment to the Board pursuant to the terms of the Epic Strategic Alliance Agreement. Messrs. Nigalaye, Narine and Potti are also officers of Epic Pharma, LLC, in the following capacities:

- Mr. Nigalaye, Chairman and Chief Executive Officer of Epic Pharma, LLC;
- Mr. Narine, President and Chief Operating Officer of Epic Pharma, LLC;
- Mr. Potti, Vice President of Epic Pharma, LLC.

As part of the operation of the strategic alliance, the Company and Epic identified areas of synergy, including, without limitation, raw materials used by both entities, equipment purchases, contract manufacturing/packaging and various regulatory and operational resources existing at Epic that could be utilized by the Company.

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With regards to synergies related to raw materials usage, the strategic alliance allowed the Company to purchase such raw materials from Epic, at the Epic acquisition cost, without markup. In all cases, the acquisition cost of Epic was lower than those costs available to the Company, mainly as a result of efficiencies of scale generated by significantly larger volumes purchased by Epic during the course of their normal operations. During the fiscal years ended 3/31/2012 and 3/31/2011, an aggregate amount of $15,552 and $232,305, respectively, in such materials was purchased from Epic Pharma LLC. All purchases were at Epic Pharma's acquisition cost, without markup and evidenced by supporting documents of Epic Pharma LLC's acquisition cost.

With regards to synergies related to regulatory and operational resources, the strategic alliance allowed the Company to utilize Epic's substantial resources and technical competencies on an "as needed" basis at a cost equal to Epic's actual cost for only the resources utilized by the Company. Without such access to Epic's resources, the Company would have to invest significant amounts in human resources and fixed assets as well as incur substantial costs with third party providers to provide the same resources provided by Epic and necessary for the operations of the Company.

During the fiscal year ended 3/31/2012, an aggregate amount of $133,003 was paid to Epic as reimbursement for costs associated with facility maintenance, engineering and regulatory resources utilized by the Company. During the fiscal year ended 3/31/2011, an aggregate amount of $73,440 was paid to Epic as reimbursement for costs associated with facility maintenance, engineering and regulatory resources utilized by the Company.

During the fiscal year ended March 31, 2012, the Company incurred a total of $275,768 in contract manufacturing and/or packaging costs for the Company's Phentermine, Hydromorphone, Methadone and Immediate Release Lodrane products.

During the fiscal years ended March 31, 2012 and 2011, equipment purchases from Epic totaled $52,000 and $140,000, respectively.

The Company also purchased an ANDA for Phentermine 37.5mg tablets from Epic Pharma LLC for a cost of $450,000. Please refer to Exhibit 10.7 of the Quarterly Report on Form 10-Q filed with SEC on November 15, 2010 for further details on this ANDA purchase.

Total purchases from Epic by the Company during the fiscal years ended March 31, 2012 and 2011 were $476,323 and $895,745, respectively.

During the fiscal year ended March 31, 2011, the Company also performed method development services for Epic Pharma LLC, for which it was paid $25,000, sold retired equipment to Epic for $30,000 and sold excess raw materials to Epic for a total of $2,903.

On June 12, 2012, we entered into a bridge loan agreement with Jerry Treppel, our Chairman and CEO, pursuant to which, we have the right, in our sole discretion, to a line of credit in the maximum principal amount of up to $500,000 at any one time. For more information, please see “Treppel $500,000 Bridge Revolving Credit Line” in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results Of Operation; Liquidity and Capital Resources”.

Director Independence

All related person transactions are reviewed and, as appropriate, may be approved or ratified by the Board of Directors. If a Director is involved in the transaction, he or she may not participate in any review, approval or ratification of such transaction. Related person transactions are approved by the Board of Directors only if, based on all of the facts and circumstances, they are in, or not inconsistent with, our best interests and the best interests of our stockholders, as the Board of Directors determines in good faith. The Board of Directors takes into account, among other factors it deems appropriate, whether the transaction is on terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the related person's interest in the transaction. The Board of Directors may also impose such conditions as it deems necessary and appropriate on us or the related person in connection with the transaction.

In the case of a transaction presented to the Board of Directors for ratification, the Board of Directors may ratify the transaction or determine whether rescission of the transaction is appropriate.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The Company's independent registered public accounting firm is Demetrius and Company LLC ("*Demetrius*").

The following table presents fees, including reimbursements for expenses, for professional audit services rendered by Demetrius for the audits of our financial statements and interim reviews of our quarterly financial statements for Fiscal 2011 and Fiscal 2012.

	Fiscal 2012	Fiscal 2011
Audit Fees	76,250	78,250
Audit-Related Fees	3,000	—
Tax Fees	—	—
All Other Fees	475	1,175

Audit Fees

Represents fees for professional services provided for the audit of our annual financial statements, services that are performed to comply with generally accepted auditing standards, and review of our financial statements included in

our quarterly reports and services in connection with statutory and regulatory filings.

Audit-Related Fees

Represents the fees for assurance and related services that were reasonably related to the performance of the audit or review of our financial statements.

The Audit Committee has determined that Demetrius' rendering of these audit-related services was compatible with maintaining auditor's independence. The Board of Directors considered Demetrius to be well qualified to serve as our independent public accountants. The Committee also pre-approved the charges for services performed in Fiscal 2012 and 2011.

The Audit Committee pre-approves all auditing services and the terms thereof (which may include providing comfort letters in connection with securities underwriting) and non-audit services (other than non-audit services prohibited under Section 10A(g) of the Exchange Act or the applicable rules of the SEC or the Public Company Accounting Oversight Board) to be provided to us by the independent auditor; provided, however, the pre-approval requirement is waived with respect to the provisions of non-audit services for us if the "de minimus" provisions of Section 10A (i)(1)(B) of the Exchange Act are satisfied. This authority to pre-approve non-audit services may be delegated to one or more members of the Audit Committee, who shall present all decisions to pre-approve an activity to the full Audit Committee at its first meeting following such decision.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS AND SCHEDULES.

(a) The following are filed as part of this Annual Report on Form 10-K

(1) The financial statements and schedules required to be filed by Item 8 of this Annual Report on Form 10-K and listed in the Index to Consolidated Financial Statements.

(2) The Exhibits required by Item 601 of Regulation S-K and listed below in the "Index to Exhibits required by Item 601 of Regulation S-K."

(b) The Exhibits are filed with or incorporated by reference in this Annual Report on Form 10-K

(c) None

Index to Exhibits required by Item 601 of Regulation S-K.

Exhibit No.	Description
2.1	Agreement and Plan of Merger between Elite Pharmaceuticals, Inc., a Delaware corporation ("Elite-Delaware") and Elite Pharmaceuticals, Inc., a Nevada corporation ("Elite-Nevada"), incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on January 9, 2012.
3.1(a)	Articles of Incorporation of Elite-Nevada, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on January 9, 2012.
3.1(b)	Certificate of Incorporation of the Company, together with all other amendments thereto, as filed with the Secretary of State of the State of Delaware, incorporated by reference to (a) Exhibit 4.1 to the Registration Statement on Form S-4 (Reg. No. 333-101686), filed with the SEC on December 6, 2002 (the "Form S-4"), (b) Exhibit 3.1 to the Company's Current Report on Form 8-K dated July 28, 2004 and filed with the SEC on July 29, 2004, (c) Exhibit 3.1 to the Company's Current Report on Form 8-K dated June 26, 2008 and filed with the SEC on July 2, 2008, and (d) Exhibit 3.1 to the Company's Current Report on Form 8-K dated December 19, 2008 and filed with the SEC on December 23, 2008.*
3.1(c)	Certificate of Designations, Preferences and Rights of Series A Preferred Stock, as filed with the Secretary of the State of Delaware, incorporated by reference to Exhibit 4.5 to the Current Report on Form 8-K dated

	October 6, 2004, and filed with the SEC on October 12, 2004.*
3.1(d)	Certificate of Retirement with the Secretary of the State of the Delaware to retire 516,558 shares of the Series A Preferred Stock, as filed with the Secretary of State of Delaware, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated March 10, 2006, and filed with the SEC on March 14, 2006.*

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3.1(e)	Certificate of Designations, Preferences and Rights of Series B 8% Convertible Preferred Stock, as filed with the Secretary of the State of Delaware, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated March 15, 2006, and filed with the SEC on March 16, 2006.*
3.1(f)	Amended Certificate of Designations of Preferences, Rights and Limitations of Series B 8% Convertible Preferred Stock, as filed with the Secretary of State of the State of Delaware, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated April 24, 2007, and filed with the SEC on April 25, 2007.*
3.1(g)	Certificate of Designations, Preferences and Rights of Series C 8% Convertible Preferred Stock, as filed with the Secretary of the State of Delaware, incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K dated April 24, 2007, and filed with the SEC on April 25, 2007.*
3.1(h)	Amended Certificate of Designations, Preferences and Rights of Series C 8% Convertible Preferred Stock, as filed with the Secretary of the State of Delaware, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated April 24, 2007, and filed with the SEC on April 25, 2007.*
3.1(i)	Amended Certificate of Designations of Preferences, Rights and Limitations of Series B 8% Convertible Preferred Stock, as filed with the Secretary of State of the State of Delaware, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated September 15, 2008, and filed with the SEC on September 16, 2008.*
3.1(j)	Amended Certificate of Designations, Preferences and Rights of Series C 8% Convertible Preferred Stock, as filed with the Secretary of the State of Delaware, incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K dated September 15, 2008, and filed with the SEC on September 16, 2008.*
3.1(k)	Amended Certificate of Designations of Preferences, Rights and Limitations of Series D 8% Convertible Preferred Stock, as filed with the Secretary of State of the State of Delaware, incorporated by reference to Exhibit 3.3 to the Current Report on Form 8-K dated September 15, 2008, and filed with the SEC on September 16, 2008.*
3.1(l)	Certificate of Designation of Preferences, Rights and Limitations of Series E Convertible Preferred Stock, as filed with the Secretary of State of the State of Delaware, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated June 1, 2009, and filed with the SEC on June 5, 2009.*
3.1(m)	Amended Certificate of Designations of the Series D 8% Convertible Preferred Stock as filed with the Secretary of State of the State of Delaware on June 29, 2010, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K, dated June 24, 2010 and filed with the SEC on July 1, 2010.*
3.1(n)	Amended Certificate of Designations of the Series E Convertible Preferred Stock as filed with the Secretary of State of the State of Delaware on June 29, 2010, incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K, dated June 24, 2010 and filed with the SEC on July 1, 2010.*
3.2(a)	By-Laws of Elite-Nevada, incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed with the SEC on January 9, 2012.

3.2(b)	By-Laws of the Company, as amended, incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form SB-2 (Reg. No. 333-90633) made effective on February 28, 2000 (the "Form SB-2").*
4.1	Socius Warrant to Purchase Common Stock, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on January 5, 2012.
4.2	Form of specimen certificate for Common Stock of the Company, incorporated by reference to Exhibit 4.1 to the Form SB-2.*
4.3	Form of specimen certificate for Series A 8% Convertible Preferred Stock of the Company, incorporated by reference to Exhibit 4.5 to the Current Report on Form 8-K, dated October 6, 2004, and filed with the SEC on October 12, 2004.*
4.4	Form of specimen certificate for Series B 8% Convertible Preferred Stock of the Company, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, dated March 15, 2006 and filed with the SEC on March 16, 2006.*
4.5	Form of specimen certificate for Series C 8% Convertible Preferred Stock of the Company, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, dated April 24, 2007 and filed with the SEC on April 25, 2007.*
4.6	Warrant to purchase 100,000 shares of Common Stock issued to DH Blair Investment Banking Corp., incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the period ended September 30, 2004.*
4.7	Warrant to purchase 50,000 shares of Common Stock issued to Jason Lyons incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q for the period ended June 30, 2004.*
4.8	Form of Warrant to purchase shares of Common Stock issued to designees of lender with respect to financing of an equipment loan incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the period ended June 30, 2004.*
4.9	Form of Short Term Warrant to purchase shares of Common Stock issued to purchasers in the private placement which initially closed on October 6, 2004 (the "Series A Financing"), incorporated by reference to Exhibit 4.6 to the Current Report on Form 8-K, dated October 6, 2004, and filed with the SEC on October 12, 2004.*
4.10	Form of Long Term Warrant to purchase shares of Common Stock issued to purchasers in the Series A Financing, incorporated by reference to Exhibit 4.7 to the Current Report on Form 8-K, dated October 6, 2004, and filed with the SEC on October 12, 2004.*
4.11	Form of Warrant to purchase shares of Common Stock issued to the Placement Agent, in connection with the Series A Financing, incorporated by reference to Exhibit 4.8 to the Current Report on Form 8-K, dated October 6, 2004, and filed with the SEC on October 12, 2004.*

4.12	Form of Replacement Warrant to purchase shares of Common Stock in connection with the offer to holders of Warrants in the Series A Financing (the “Warrant Exchange”), incorporated by reference as Exhibit 4.1 to the Current Report on Form 8-K, dated December 14, 2005, and filed with the SEC on December 20, 2005.*
4.13	Form of Warrant to purchase shares of Common Stock to the Placement Agent, in connection with the Warrant Exchange, incorporated by reference as Exhibit 4.2 to the Current Report on Form 8-K, dated December 14, 2005, and filed with the SEC on December 20, 2005.*
4.14	Form of Warrant to purchase shares of Common Stock issued to purchasers in the private placement which closed on March 15, 2006 (the “Series B Financing”), incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, dated March 15, 2006 and filed with the SEC on March 16, 2006.*
4.15	Form of Warrant to purchase shares of Common Stock issued to purchasers in the Series B Financing, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, dated March 15, 2006 and filed with the SEC on March 16, 2006.*
4.16	Form of Warrant to purchase shares of Common Stock issued to the Placement Agent, in connection with the Series B Financing, incorporated by reference to Exhibit 4.4 to the Current Report on Form 8-K, dated March 15, 2006 and filed with the SEC on March 16, 2006.*
4.17	Form of Warrant to purchase 600,000 shares of Common Stock issued to Indigo Ventures, LLC, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, dated July 12, 2006 and filed with the SEC on July 18, 2006.*
4.18	Form of Warrant to purchase up to 478,698 shares of Common Stock issued to VGS PHARMA, LLC, incorporated by reference as Exhibit 3(a) to the Current Report on Form 8-K, dated December 6, 2006 and filed with the SEC on December 12, 2006.*
4.19	Form of Non-Qualified Stock Option Agreement for 1,750,000 shares of Common Stock granted to Veerappan Subramanian, incorporated by reference as Exhibit 3(b) to the Current Report on Form 8-K, dated December 6, 2006 and filed with the SEC on December 12, 2006.*
4.20	Form of Warrant to purchase shares of Common Stock issued to purchasers in the private placement which closed on April 24, 2007 (the “Series C Financing”), incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, dated April 24, 2007 and filed with the SEC on April 25, 2007.*
4.21	Form of Warrant to purchase shares of Common Stock issued to the placement agent in the Series C Financing, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, dated April 24, 2007 and filed with the SEC on April 25, 2007.*
4.22	Form of specimen certificate for Series D 8% Convertible Preferred Stock of the Company, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, dated September 15, 2008 and filed with the SEC on September 16, 2008.*

4.23	Form of Warrant to purchase shares of Common Stock issued to purchasers in the private placement which closed on September 15, 2008 (the “Series D Financing”), incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, dated September 15, 2008 and filed with the SEC on September 16, 2008.*
4.24	Form of Warrant to purchase shares of Common Stock issued to the placement agent in the Series D Financing, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, dated September 15, 2008 and filed with the SEC on September 16, 2008.*
4.25	Form of specimen certificate for Series E Convertible Preferred Stock of the Company, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, dated June 1, 2009, and filed with the SEC on June 5, 2009.*
4.26	Warrant to purchase shares of Common Stock issued to Epic Investments, LLC in the initial closing of the Strategic Alliance Agreement, dated as of March 18, 2009, by and among the Company, Epic Pharma, LLC and Epic Investments, LLC, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, dated June 1, 2009, and filed with the SEC on June 5, 2009.*
10.1	2004 Employee Stock Option Plan approved by stockholders on June 22, 2004, incorporated by reference to Exhibit A to the Proxy Statement filed on Schedule 14A with respect to the Annual Meeting of Stockholders held on June 22, 2004.
10.2	Form of Confidentiality Agreement (corporate), incorporated by reference to Exhibit 10.7 to the Form SB-2.
10.3	Form of Confidentiality Agreement (employee), incorporated by reference to Exhibit 10.8 to the Form SB-2.
10.4	Amended and Restated Employment Agreement dated as of September 2, 2005 between Bernard Berk and the Company, incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, dated September 2, 2005, and filed with the SEC on September 9, 2005.
10.5	Option Agreement between Bernard Berk and the Company dated as of July 23, 2003 incorporated by reference to Exhibit 10.7 to the Quarterly Report on Form 10-Q for three months ended June 30, 2003 (the “June 30, 2003 10Q Report”).
10.6	Option Agreement between Bernard Berk and the Company dated as of July 23, 2003, incorporated by reference to Exhibit 10.8 to the June 30, 2003 10Q Report.
10.7	Amendment, dated as of September 2, 2005, by and between, the Company and Bernard Berk, to the Stock Option Agreement, dated as of July 23, 2003, incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, dated September 2, 2005, and filed with the SEC on September 9, 2005.
10.8	Stock Option Agreement, dated as of September 2, 2005, by and between the Company and Bernard Berk, incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K, dated September 2, 2005, and filed with the SEC on September 9, 2005.

10.9	Stock Option Agreement, dated as of September 2, 2005, by and between the Company and Bernard Berk, incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K, dated September 2, 2005, and filed with the SEC on September 9, 2005.
10.10	Engagement letter dated February 26, 1998, between Gittelman & Co. P.C. and the Company incorporated by reference to Exhibit 10.10 to the Form 10-K for the period ended March 31, 2004 filed with the SEC on June 29, 2004.
10.11	Product Development and Commercialization Agreement, dated as of June 21, 2005, between the Company and IntelliPharmaceutics, Corp., incorporated by reference as Exhibit 10.1 to the Current Report on Form 8-K, dated June 21, 2005 and originally filed with the SEC on June 27, 2005, as amended on the Current Report on Form 8-K/A filed September 7, 2005, as further amended by the Current Report on Form 8-K/A filed December 7, 2005 (Confidential Treatment granted with respect to portions of the Agreement).
10.12	Agreement, dated December 12, 2005, by and among the Company, Elite Labs, and IntelliPharmaCeutics Corp., incorporated by reference as Exhibit 10.1 to the Current Report on Form 8-K, dated December 12, 2005, and originally filed with the SEC on December 16, 2005, as amended by the Current Report on Form 8-K/A filed March 7, 2006 (Confidential Treatment granted with respect to portions of the Agreement).
10.13	Loan Agreement, dated as of August 15, 2005, between New Jersey Economic Development Authority (“NJEDA”) and the Company, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated August 31, 2005 and filed with the SEC on September 6, 2005.
10.14	Series A Note in the aggregate principal amount of $3,660,000.00 payable to the order of the NJEDA, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, dated August 31, 2005 and filed with the SEC on September 6, 2005.
10.15	Series B Note in the aggregate principal amount of $495,000.00 payable to the order of the NJEDA, incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K, dated August 31, 2005 and filed with the SEC on September 6, 2005.
10.16	Mortgage from the Company to the NJEDA, incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K, dated August 31, 2005 and filed with the SEC on September 6, 2005.
10.17	Indenture between NJEDA and the Bank of New York as Trustee, dated as of August 15, 2005, incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K, dated August 31, 2005 and filed with the SEC on September 6, 2005.
10.18	Form of Warrant Exercise Agreement, between the Registrant and the signatories thereto, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated December 14, 2005 and filed with the SEC on December 20, 2005.
10.19	Form of Registration Rights Agreement, between the Registrant and signatories thereto, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, dated December 14, 2005 and filed with the SEC on December 20, 2005.

10.20	Form of Securities Purchase Agreement, between the Registrant and the signatories thereto, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated March 15, 2006 and filed with the SEC on March 16, 2006.
10.21	Form of Registration Rights Agreement, between the Registrant and the signatories thereto, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, dated March 15, 2006 and filed with the SEC on March 16, 2006.
10.22	Form of Placement Agent Agreement, between the Registrant and Indigo Securities, LLC, incorporated by reference as Exhibit 10.3 to the Current Report on Form 8-K, dated March 15, 2006, and filed with the SEC on March 16, 2006.
10.23	Financial Advisory Agreement between the Registrant and Indigo Ventures LLC, incorporated by reference as Exhibit 10.1 to the Current Report on Form 8-K dated July 12, 2006 and filed with the SEC on July 18, 2006.
10.24	Seconded Amended and Restated Employment Agreement between the Registrant and Bernard Berk, incorporated by reference as Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 and filed with the SEC on November 14, 2006.
10.25	Employment Agreement between the Registrant and Charan Behl, incorporated by reference as Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 and filed with the SEC on November 14, 2006.
10.26	Employment Agreement between the Registrant and Chris Dick, incorporated by reference as Exhibit 10.3 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 and filed with the SEC on November 14, 2006.
10.27	Product Collaboration Agreement between the Registrant and ThePharmaNetwork LLC, incorporated by reference as Exhibit 10.1 to the Current Report on Form 8-K, dated November 10, 2006 and filed with the SEC on November 15, 2006. (Confidential Treatment granted with respect to portions of the Agreement).
10.28	Strategic Alliance Agreement among the Registrant, VGS Pharma ("VGS") and Veerappan S. Subramanian ("VS"), incorporated by reference as Exhibit 10(a) to the Current Report on Form 8-K, dated December 6, 2006 and filed with the SEC on December 12, 2006.
10.29	Advisory Agreement, between the Registrant and VS, incorporated by reference as Exhibit 10(b) to the Current Report on Form 8-K, dated December 6, 2006 and filed with the SEC on December 12, 2006.
10.30	Registration Rights Agreement between the Registrant, VGS and VS, incorporated by reference as Exhibit 10(c) to the Current Report on Form 8-K, dated December 6, 2006 and filed with the SEC on December 12, 2006.
10.31	Employment Agreement between Novel Laboratories Inc. ("Novel") and VS, incorporated by reference as Exhibit 10(d) to the Current Report on Form 8-K, dated December 6, 2006 and filed with the SEC on December 12, 2006.

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10.32	Stockholders' Agreement between Registrant, VGS, VS and Novel, incorporated by reference as Exhibit 10(e) to the Current Report on Form 8-K, dated December 6, 2006 and filed with the SEC on December 12, 2006.
10.33	Amended and Restated Employment Agreement, between the Registrant and Charan Behl, incorporated by reference as Exhibit 10.1 to the Current Report on Form 8-K, dated February 9, 2007 and filed with the SEC on February 14, 2007.
10.34	Form of Securities Purchase Agreement, between the Registrant and the signatories thereto, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated April 24, 2007 and filed with the SEC on April 25, 2007.
10.35	Form of Registration Rights Agreement, between the Registrant and the signatories thereto, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, dated April 24, 2007 and filed with the SEC on April 25, 2007.
10.36	Form of Placement Agent Agreement, between the Company and Oppenheimer & Company, Inc., incorporated by reference as Exhibit 10.3 to the Current Report on Form 8-K, dated April 24, 2007 and filed with the SEC on April 25, 2007.
10.37	Form of Securities Purchase Agreement, between the Registrant and the signatories thereto, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated July 17, 2007 and filed with the SEC on July 23, 2007.
10.38	Form of Registration Rights Agreement, between the Registrant and the signatories thereto, incorporated by reference as Exhibit 10.2 to the Current Report on Form 8-K, dated July 17, 2007 and filed with the SEC on July 23, 2007.
10.39	Consulting Agreement, dated as of July 27, 2007, between the Registrant and Willstar Consultants, Inc., incorporated by reference as Exhibit 10.1 to the Quarterly Report on Form 10-Q for the period ending September 30, 2007 and filed with the SEC on November 14, 2007.
10.40	Consulting Agreement, dated as of September 4, 2007, between the Registrant, Bridge Ventures, Inc. and Saggi Capital, Inc., incorporated by reference as Exhibit 10.2 to the Quarterly Report on Form 10-Q for the period ending September 30, 2007 and filed with the SEC on November 14, 2007.
10.41	Employment Agreement, dated as of January 3, 2008, by and between the Registrant and Dr. Stuart Apfel, incorporated by reference as Exhibit 10.1 to the Current Report on Form 8-K dated January 3, 2008 and filed with the SEC on January 9, 2008.
10.42	Form of Securities Purchase Agreement, between the Company and the signatories thereto, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated September 15, 2008 and filed with the SEC on September 16, 2008.
10.43	Form of Placement Agent Agreement, between the Company, ROTH Capital Partners, LLC and Boenning & Scattergood, Inc., incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K, dated September 15, 2008 and filed with the SEC on September 16, 2008.

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10.44	Separation Agreement and General Release of Claims, dated as of October 20, 2008, by and between the Company and Stuart Apfel, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated October 15, 2008 and filed with the SEC on October 21, 2008.
10.45	Consulting Agreement, dated as of October 20, 2008, by and between the Company and Parallex Clinical Research, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, dated October 15, 2008 and filed with the SEC on October 21, 2008.
10.46	Separation Agreement and General Release of Claims, dated as of November 3, 2008, by and between the Company and Charan Behl, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated October 28, 2008 and filed with the SEC on November 3, 2008.
10.47	Consulting Agreement, dated as of November 3, 2008, by and between the Company and Charan Behl, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, dated October 28, 2008 and filed with the SEC on November 3, 2008.
10.48	Separation Agreement and General Release of Claims, dated as of November 5, 2008, by and between the Company and Bernard J. Berk, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated November 6, 2008 and filed with the SEC on November 6, 2008.
10.49	Amendment to Employment Agreement, dated as of November 10, 2008, by and between the Company and Chris Dick, incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the period ended September 30, 2008 and filed with the SEC on November 14, 2008.
10.50	Compensation Agreement, dated as of December 1, 2008, by and between the Company and Jerry I. Treppel, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated December 1, 2008 and filed with the SEC on December 4, 2008.
10.51	Strategic Alliance Agreement, dated as of March 18, 2009, by and among the Company, Epic Pharma, LLC and Epic Investments, LLC, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated March 18, 2009 and filed with the SEC on March 23, 2009.
10.52	Amendment to Strategic Alliance Agreement, dated as of April 30, 2009, by and among the Company, Epic Pharma, LLC and Epic Investments, LLC, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated April 30, 2009 and filed with the SEC on May 6, 2009.
10.53	Second Amendment to Strategic Alliance Agreement, dated as of June 1, 2009, by and among the Company, Epic Pharma, LLC and Epic Investments, LLC, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated June 1, 2009, and filed with the SEC on June 5, 2009.
10.54	Employment Agreement, dated as of July 1, 2009, by and between the Company and Carter J. Ward, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K dated July 1, 2009 and filed with the SEC on July 8, 2009.
10.55	Third Amendment to Strategic Alliance Agreement, dated as of Aug 18, 2009, by and among the Company, Epic Pharma LLC and Epic Investments, LLC, incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q, for the period ending June 30, 2009 and filed with the SEC on August 19, 2009.

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10.56	Employment Agreement, dated as of November 13, 2009, by and between the Company and Chris Dick, , incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q, for the period ending September 30, 2009 and filed with the SEC on November 16, 2009.
10.57	Employment Agreement, dated as of November 13, 2009, by and between the Company and Carter J. Ward, incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q, for the period ending September 30, 2009 and filed with the SEC on November 16, 2009.
10.58	Elite Pharmaceuticals Inc. 2009 Equity Incentive Plan, as adopted November 24, 2009, incorporated by reference to Exhibit 10.1 to the Registration Statement Under the Securities Act of 1933 on Form S-8, dated December 18, 2009 and filed with the SEC on December 22, 2009.
10.59	Stipulation of Settlement and Release, dated as of June 25, 2010, by and among the Company, Midsummer Investment, Ltd., Bushido Capital Master Fund, LP, BCMF Trustees, LLC, Epic Pharma, LLC and Epic Investments, LLC, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated June 25, 2010 and filed with the SEC on July 1, 2010
10.60	Amendment Agreement, dated as of June 25, 2010, by and among the Company, and the investors signatory thereto, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, dated June 25, 2010 and filed with the SEC on July 1, 2010
10.61	Amendment Agreement, dated as of June 2010, by and among the Company, Epic Pharma, LLC and Epic Investments, LLC, incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K, dated June 25, 2010 and filed with the SEC on July 1, 2010
10.62	Asset Purchase Agreement dated as of May 18, 2010, by and among Mikah Pharma LLC and the Company, incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q, for the period ended September 30, 2010 and filed with the SEC on November 15, 2010.
10.63	Asset Purchase Agreement, dated as of August 27, 2010, by and among Mikah Pharma LLC and the Company, incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q, for the period ended September 30, 2010 and filed with the SEC on November 15, 2010 (Confidential Treatment granted with respect to portions of the Agreement).
10.64	Master Development and License Agreement, dated as of August 27, 2010, by and among Mikah Pharma LLC and the Company incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q, for the period ended September 30, 2010 and filed with the SEC on November 15, 2010 (Confidential Treatment granted with respect to portions of the Agreement).

10.65	Purchase Agreement, dated as of September 10, 2010, by and among Epic Pharma LLC and the Company, incorporated by reference to Exhibit 10.7 to the Quarterly Report on Form 10-Q, for the period ended September 30, 2010 and filed with the SEC on November 15, 2010 (Confidential Treatment granted with respect to portions of the Agreement).
10.66	License Agreement, dated as of September 10, 2010, by and among Precision Dose Inc. and the Company, incorporated by reference to Exhibit 10.8 to the Quarterly Report on Form 10-Q, for the period ended September 30, 2010 and filed with the SEC on November 15, 2010 (Confidential Treatment granted with respect to portions of the Agreement).
10.67	Manufacturing and Supply Agreement, dated as of September 10, 2010, by and among Precision Dose Inc. and the Company, incorporated by reference to Exhibit 10.9 to the Quarterly Report on Form 10-Q, for the period ended September 30, 2010 and filed with the SEC on November 15, 2010 (Confidential Treatment granted with respect to portions of the Agreement).
10.68	Product Development Agreement between the Company and Hi-Tech Pharmacal Co., Inc. dated as of January 4, 2011, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated January 4, 2011 and filed with the SEC on January 10, 2011 (Confidential Treatment granted with respect to portions of the Agreement).
10.69	Settlement Agreement between the Company and ThePharmaNetwork, LLC, dated as of March 11, 2011, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated March 11, 2011 and filed with the SEC on March 17, 2011.
10.70	Manufacturing & Supply Agreement between the Company and Mikah Pharma LLC, dated as of June 1, 2011, incorporated by reference to Exhibit 10.70 to the Annual Report on Form 10-K, for the period ended March, 31, 2011 and filed with the SEC on June 29, 2011 (Confidential Treatment granted with respect to portions of the Agreement).
10.71	Manufacturing & Supply Agreement between the Company and ThePharmaNetwork, LLC, dated as of June 23, 2011, incorporated by reference to Exhibit 10.71 to the Annual Report on Form 10-K, for the period ended March, 31, 2011 and filed with the SEC on June 29, 2011 (Confidential Treatment granted with respect to portions of the Agreement).
10.72	Amendment, dated as of November 1, 2011, to the Master Development and License Agreement, dated as of August 27, 2010, by and amount Mikah Pharma LLC and the Company (Confidential Treatment granted with respect to portions of the Agreement), incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q for three and nine months ended December 31, 2011.

10.73	Securities Purchase Agreement with Socius dated December 30, 2011, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on January 5, 2012.
10.74	Amendment to Agreement with Socius dated February 28, 2012, incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K/A filed with the SEC February 29, 2012.
10.75	Form of Lock-Up Agreement (included as Exhibit D to the Securities Purchase Agreement with Socius mentioned in 10.2 above), incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on January 5, 2012.
10.76	Treppel $500,000 Bridge Loan Agreement dated June 12, 2012, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on June 13, 2012.
10.77	Development And License Agreement between the Company and a Hong Kong-based client dated March 16, 2012.** Confidential portions of this exhibit have been redacted and filed separately with the Commission pursuant to a confidential treatment request in accordance with Rule 24b-2 of the Securities Exchange Act of 1934, as amended.
21	Subsidiaries of the Company.**
23	Consent of Demetrius & Company LLC, Independent Registered Public Accounting Firm**
101***	The following materials from Elite Pharmaceuticals' Annual Report on Form 10-K, related to the audited financial statements as and for the fiscal years ended March 31, 2012 and 2011, formatted in eXtensible Business Reporting Language ("XBRL"): (i) the Consolidated Statements of Income; (ii) the Consolidated Balance Sheets; (iii) the Consolidated Statements of Cash Flows; and (iv) Notes to Consolidated Financial Statements.**

31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**
32.1****	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
32.2****	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

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* On January 5, 2011, the Company changed its domicile from Delaware to Nevada. All corporate documents from Delaware have been superseded by Nevada corporate documents filed or incorporated by reference herein. All outstanding Delaware securities certificates are now outstanding Nevada securities certificates.

** Filed herewith.

*** As contemplated by SEC Release No. 33-8212, these exhibits are furnished with this Annual Report on Form 10-K and are not deemed filed with the Securities and Exchange Commission and are not incorporated by reference in any filing of Elite Pharmaceuticals, Inc. under the Securities Act or the Securities Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filings.

**** Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Act of 1934 and otherwise are not subject to liability.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

ELITE
PHARMACEUTICALS,
INC.

By: /s/ Jerry Treppel
Jerry Treppel
Chief Executive Officer

Dated: June 29, 2012

By: /s/ Carter J. Ward
Carter J. Ward
Chief Financial Officer

Dated: June 29, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Jerry Treppel	Chairman, Chief Executive Officer	June 29, 2012
/s/ Chris Dick	President, Chief Operating Officer, Director	June 29, 2012
/s/ Carter J. Ward	Chief Financial Officer, Treasurer, Secretary	June 29, 2012
/s/ Barry Dash	Director	June 29, 2012
/s/ Jeenarine Narine	Director	June 29, 2012
/s/ Ashok Nigalaye	Director	June 29, 2012
/s/ Ram Potti	Director	June 29, 2012
/s/ Jeffrey Whitnell	Director	June 29, 2012

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ELITE PHARMACEUTICALS, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

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Report of Independent Registered Public Accounting Firm

To The Board of Directors and

Shareholders of Elite Pharmaceuticals, Inc. & Subsidiaries

We have audited the accompanying consolidated balance sheets of Elite Pharmaceuticals, Inc. and Subsidiaries ("the Company") as of March 31, 2012 and 2011 and the related consolidated statements of operations, stockholders' deficit and cash flows for each of the years in the two-year period ended March 31, 2012. The Company's management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Elite Pharmaceuticals, Inc. and Subsidiaries as of March 31, 2012 and 2011 and the results of their operations and their cash flows for each of the years in the two year period ended March 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that Elite Pharmaceuticals, Inc. and Subsidiaries will continue as a going concern. As shown in the consolidated financial statements, the Company has experienced significant losses resulting in a working capital deficiency and shareholders' deficit. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are more fully described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

/s/Demetrius & Company, L.L.C.

Wayne, New Jersey

June 29, 2012

ELITE PHARMACEUTICALS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2012 and 2011

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$668,407	$1,825,858
Accounts receivable (net of allowance for doubtful accounts of -0-)	396,847	571,667
Inventories (net of reserve of $93,338 and $1,047,456, respectively)	304,882	616,362
Prepaid expenses and other current assets	127,704	133,472
Total Current Assets	1,497,840	3,147,359
PROPERTY AND EQUIPMENT - net of accumulated depreciation of $4,659,670 and $4,189,618, respectively	4,284,786	4,118,274
INTANGIBLE ASSETS – net of accumulated amortization of $-0- and $-0-, respectively	642,848	597,556
OTHER ASSETS		
Investment in Novel Laboratories, Inc.	3,329,322	3,329,322
Security deposits	14,913	28,377
Restricted cash – debt service for EDA bonds	280,585	291,420
EDA bond offering costs, net of accumulated amortization of $93,030 and $78,898, respectively	261,423	275,554
Total Other Assets	3,886,243	3,924,673
TOTAL ASSETS	$10,311,717	$11,787,862

The accompanying notes are an integral part of the consolidated financial statements

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ELITE PHARMACEUTICALS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2012 and 2011

	2012	2011
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
EDA bonds payable	$3,385,000	$3,385,000
Short term loans and current portion of long-term debt	13,316	13,105
Accounts payable and accrued expenses	1,066,494	935,797
Customer Deposits	—	39,400
Deferred revenues – current	13,333	13,333
Preferred share derivative interest payable	70,966	282,680
Total Current Liabilities	4,549,109	4,669,315
LONG TERM LIABILITIES		
Deferred revenues	165,558	178,890
Other long term liabilities	87,404	75,463
Derivative liability – preferred shares	8,506,106	14,192,329
Derivative liability – warrants	11,987,222	10,543,145
Total Long Term Liabilities	20,746,290	24,989,827
TOTAL LIABILITIES	25,295,399	29,659,142
STOCKHOLDERS' DEFICIT		
Common stock – par value $0.001, Authorized 690,000,000 shares Issued and outstanding – 331,649,728 shares and 180,545,657 shares, respectively	331,650	180,546
Additional paid-in-capital	114,910,812	97,116,044
Accumulated deficit	(129,919,303)	(114,861,029)
Treasury stock at cost (100,000 common shares)	(306,841)	(306,841)
TOTAL STOCKHOLDERS' DEFICIT	(14,983,682)	(17,871,280)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$10,311,717	$11,787,862

The accompanying notes are an integral part of the consolidated financial statements

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ELITE PHARMACEUTICALS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended March 31, 2012	2011
REVENUES		
Manufacturing Fees	$1,120,050	$3,086,183
Royalties and Profit Splits	648,211	831,538
Lab Fee Revenues	655,857	348,242
Total Revenues	2,424,118	4,265,963
COSTS OF REVENUES	1,013,674	2,675,118
Gross Profit	1,410,444	1,590,845
OPERATING EXPENSES		
Research and Development	1,735,689	1,385,211
General and Administrative	1,410,192	876,014
Non-cash compensation through issuance of stock options	24,453	42,016
Depreciation and Amortization	206,248	173,364
Total Operating Expenses	3,376,582	2,476,605
(LOSS) FROM OPERATIONS	(1,966,138)	(885,760)
OTHER INCOME / (EXPENSES)		
Interest expense, net	(229,592)	(231,745)
Change in fair value of warrant derivatives	(1,444,075)	(1,297,998)
Change in fair value of preferred share derivatives	(11,227,957)	(10,416,376)
Interest expense attributable to preferred share derivatives	(424,465)	(1,259,480)
Discount in Series E issuance attributable to beneficial conversion features	(250,000)	(292,213)
Proceeds from litigation settlement	—	500,000
Total Other Income / (Expense)	(13,576,088)	(12,997,812)
(LOSS) BEFORE PROVISION FOR INCOME TAXES	(15,542,226)	(13,883,572)
CREDIT FOR INCOME TAXES	483,952	301,413
NET (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS	$(15,058,274)	$(13,582,159)
BASIC AND DILUTED LOSS PER COMMON SHARE	$(0.06)	$(0.14)

WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	259,163,279	100,020,520

The accompanying notes are an integral part of the consolidated financial statements

ELITE PHARMACEUTICALS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS (DEFICIT) EQUITY

FOR THE YEAR ENDED MARCH 31, 2011

	Common Stock		Additional Paid-In	Treasury Stock		Accumulated	Stockholders'
	Shares	Amount	Capital	Shares	Amount	Deficit	Deficit
Balance at Mar 31, 2010	83,950,168	$83,950	$90,903,896	100,000	$(306,841)	$(101,278,870)	$(10,597,865)
Net Income						(13,582,159)	(13,582,159)
Common shares issued in lieu of cash in payment of preferred share derivative interest expense	21,241,590	21,242	1,261,999				1,283,240
Common shares issued pursuant to the conversion of Series D Convertible Preferred Derivatives	70,649,154	70,649	4,394,935				4,465,584
Non-cash compensation through the issuance of stock options			42,017				42,017
Common shares issued pursuant to ANDA purchase agreement dated 5/18/2010	937,500	938	74,062				75,000
Common shares issued in lieu of cash in payment of consulting expenses	343,425	343	13,394				13,737
Common shares issued in payment of Director's Fees	2,493,589	2,494	97,249				99,743
Common shares issued in payment of employee salaries	930,231	930	36,280				37,210

Proceeds received in exchange for beneficial conversion features embedded in Series E Preferred Shares			292,213				292,213
Balance at Mar 31, 2011	180,545,657	$180,546	$97,116,044	100,000	$(306,841)	$(114,861,029)	$(17,871,280)

The accompanying notes are an integral part of the consolidated financial statements

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ELITE PHARMACEUTICALS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS (DEFICIT) EQUITY

FOR THE YEAR ENDED MARCH 31, 2012

	Common Stock		Additional	Treasury Stock		Accumulated	Stockholders'
	Shares	Amount	Paid-In Capital	Shares	Amount	Deficit	Deficit
Balance at Mar 31, 2011	180,545,657	$180,546	$97,116,044	100,000	$(306,841)	$(114,861,029)	$(17,871,280)
Net Income						(15,058,274)	(15,058,274)
Common shares issued in lieu of cash in payment of preferred share derivative interest expense	8,410,374	8,410	627,769				636,179
Common shares issued pursuant to the conversion of Series B, Series C, Series D and Series E Convertible Preferred Derivatives	140,493,195	140,493	17,023,687				17,164,181
Non-cash compensation through the issuance of stock options			24,452				24,452
Costs associated with raising capital			(342,169)				(342,169)
Common shares issued in payment of Director's Fees	1,505,613	1,506	144,388				145,894
Common shares issued in payment of employee salaries	694,889	695	66,641				67,336
Proceeds received in exchange for beneficial conversion features embedded in Series E Preferred Shares			250,000				250,000

Balance at Mar 31, 2012	331,649,738	$331,650	$114,910,812	100,000	$(306,841)	$(129,919,303)	$(14,983,682)

The accompanying notes are an integral part of the consolidated financial statements

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ELITE PHARMACEUTICALS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(page 1 of 2)

	Years Ended March 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from continuing operations	$(15,058,274)	$(13,582,159)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	484,151	483,473
Change in fair value of warrant derivative liability	1,444,075	1,297,997
Change in fair value of preferred shares derivative liability	11,227,957	10,416,375
Discount in Series E issuance attributable to embedded beneficial ownership feature	250,000	292,213
Preferred shares derivative interest satisfied by the issuance of common stock	636,179	1,283,240
Legal and consulting expenses satisfied by the issuance of common stock	—	13,737
Salaries and Directors Fees satisfied by the issuance of common stock	213,230	136,953
Non-cash compensation satisfied by the issuance of common stock, options and warrants	24,452	42,017
Non-cash rent expense	11,090	48,064
Impairment of Intangible Assets	—	440,000
Non-cash lease accretion	1,276	20,682
Changes in assets and liabilities:		
Accounts and interest receivable	174,820	(166,706)
Inventories	311,480	754,931
Prepaid expenses and other current assets	5,767	(1,962)
Security deposit	13,464	(13,725)
Accounts payable, accrued expenses and other current liabilities	(133,749)	87,686
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(394,082)	1,552,815
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(201,777)	(178,169)
Cost of leasehold improvements	(421,556)	(343,631)
Proceeds from sale of retired equipment	—	30,000
Costs incurred for intellectual property assets	(45,292)	(866,150)
Withdrawals from restricted cash, net	10,835	3,416
NET CASH (USED IN) INVESTING ACTIVITIES	(657,790)	(1,354,533)
CASH FLOWS FROM FINANCING ACTIVITIES		
Other loan payments	(13,411)	(13,106)
Costs associated with raising capital	(342,169)	—
Proceeds from issuance of Series E Convertible Preferred Stock and Warrants	250,000	1,062,500
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(105,580)**	1,049,394
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,157,451)	1,247,676

CASH AND CASH EQUIVALENTS – beginning of period	1,825,858	578,187
CASH AND CASH EQUIVALENTS – end of period	$668,407	$1,825,858

Schedule continues on next page

The accompanying notes are an integral part of the consolidated financial statements

ELITE PHARMACEUTICALS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(page 2 of 2)

	Years Ended March 31,	
	2012	2011
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest	$228,317	$226,150
Cash paid for income taxes	2,849	7,822
SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Common stock issued for purchase of intangible assets	—	75,000
Loan to purchase equipment	13,200	—

The accompanying notes are an integral part of the consolidated financial statements

ELITE PHARMACEUTICALS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying audited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”)

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Elite Pharmaceuticals, Inc. and its wholly-owned subsidiary, Elite Laboratories, Inc. (“Elite Labs”) (collectively the “Company”) for the years ended March 31, 2012 (“Fiscal Year 2012”) and 2011 (“Fiscal Year 2011”). Our Company consolidates all entities that we control by ownership of a majority voting interest. As of March 31, 2012, the financial statements of all wholly-owned entities are consolidated and all significant intercompany accounts are eliminated upon consolidation.

NATURE OF BUSINESS

Elite Pharmaceuticals, Inc. was incorporated on October 1, 1997 under the laws of the State of Delaware, and its wholly-owned subsidiary Elite Laboratories, Inc. was incorporated on August 23, 1990 under the laws of the State of Delaware. Elite Labs engages primarily in researching, developing and licensing proprietary controlled-release drug delivery systems and products. The Company is also equipped to manufacture controlled-release products on a contract basis for third parties and itself if and when the products are approved; however the Company has concentrated on developing orally administered controlled-release products. These products include drugs that cover therapeutic areas for pain, allergy and infection. The Company also engages in research and development activities for the purpose of obtaining Food and Drug Administration approval, and, thereafter, commercially exploiting generic and new controlled-release pharmaceutical products. The Company also engages in contract research and development on behalf of other pharmaceutical companies.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of cash on deposit with banks and money market instruments. The Company places its cash and cash equivalents with high-quality, U.S. financial institutions and, to date has not experienced losses on any of its balances.

INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out basis) or market (net realizable value).

LONG-LIVED ASSETS

The Company periodically evaluates the fair value of long-lived assets, which include property and equipment and intangibles, whenever events or changes in circumstances indicate that its carrying amounts may not be recoverable. Such conditions may include an economic downturn or a change in the assessment of future operations. A charge for impairment is recognized whenever the carrying amount of a long-lived asset exceeds its fair value. Management has determined that no impairment of long-lived assets has occurred.

Property and equipment are stated at cost. Depreciation is provided on the straight-line method based on the estimated useful lives of the respective assets which range from five to forty years. Major repairs or improvements are capitalized. Minor replacements and maintenance and repairs which do not improve or extend asset lives are expensed currently.

Upon retirement or other disposition of assets, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss, if any, is recognized in income.

Costs incurred to acquire intangible assets such as for the application of patents and trademarks are capitalized and amortized on the straight-line method, based on their estimated useful lives ranging from five to fifteen years, commencing upon approval of the patent and trademarks. Such costs are charged to expense if the patent or trademark is unsuccessful.

RESEARCH AND DEVELOPMENT

Research and development expenditures are charged to expense as incurred.

CONCENTRATION OF CREDIT RISK

The Company maintains cash balances, which, at times, may exceed the amounts insured by the Federal Deposit Insurance Corp. Uninsured balances at March 31, 2012 are $668,407. Management does not believe that there is any significant risk of losses.

The Company in the normal course of business extends credit to its customers based on contract terms and performs ongoing credit evaluations. An allowance for doubtful accounts due to uncertainty of collection is established based on historical collection experience. Amounts are written off when payment is not received after exhaustive collection efforts. During Fiscal 2011 and Fiscal 2012 the Company generated all its revenues from four companies. The termination of the contracts with either of such four companies will result in the loss of a significant amount of revenues currently being earned.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management include, but are not

limited to, the recognition of revenue, the amount of the allowance for doubtful accounts receivable and the fair value of intangible assets, stock-based awards and derivatives.

INCOME TAXES

The Company uses the liability method for reporting income taxes, under which current and deferred tax liabilities and assets are recorded in accordance with enacted tax laws and rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Under the liability method, the amounts of deferred tax liabilities and assets at the end of each period are determined using the tax rate expected to be in effect when taxes are actually paid or recovered. Further tax benefits are recognized when it is more likely than not, that such benefits will be realized. Valuation allowances are provided to reduce deferred tax assets to the amount considered likely to be realized.

GAAP prescribes a recognition threshold and measurement attribute for how a company should recognize, measure, present, and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. GAAP requires that the financial statements reflect expected future tax consequences of such positions presuming the taxing authorities' full knowledge of the position and all relevant facts, but without considering time values. No adjustments related to uncertain tax positions were recognized during the years ended March 31, 2012 and March 31, 2011.

The Company recognizes interest and penalties related to uncertain tax positions as a reduction of the income tax benefit. No interest and penalties related to uncertain tax positions were accrued as of March 31, 2012 and March 31, 2011.

The Company operates in multiple tax jurisdictions within the United States of America. Although we do not believe that we are currently under examination in any of our major tax jurisdictions, we remain subject to examination in all of our tax jurisdiction until the applicable statutes of limitation expire. As of March 31, 2012, a summary of the tax years that remain subject to examination in our major tax jurisdictions are: United States – Federal, 2008 and forward, and State, 2004 and forward. The Company does not expect to have a material change to unrecognized tax positions within the next twelve months.

EARNINGS PER COMMON SHARE

Basic earnings per common share is calculated by dividing net earnings by the weighted average number of shares outstanding during each period presented. Diluted earnings per share are calculated by dividing earnings by the weighted average number of shares and common stock equivalents. The Company's common stock equivalents consist of options, warrants and convertible securities.

REVENUE RECOGNITION

Revenues earned under manufacturing agreements with other pharmaceutical companies are recognized on the date of shipment of the product, when title for the goods is transferred, and for which the price is agreed to and it has been determined that collectability is reasonably assured.

Revenues derived from royalties and profit splits are recognized when such are reasonably estimable and collectible. Revenues from royalties and profit splits which cannot be reasonably estimated are recognized when the payment is received.

Revenues derived from providing research and development services under contracts with other pharmaceutical companies are recognized when earned. These contracts provide for non-refundable upfront and milestone payments. Because no discrete earnings event has occurred when the upfront payment is received, that amount is deferred until the achievement of a defined milestone. Each nonrefundable milestone payment is recognized as revenue when the performance criteria for that milestone have been met. Under each contract, the milestones are defined, substantive effort is required to achieve the milestone, the amount of the non-refundable milestone payment is reasonable, commensurate with the effort expended, and achievement of the milestone is reasonably assured.

Revenues earned by licensing certain pharmaceutical products developed by the Company are recognized at the beginning of a license term when the Company's customer has legal right to the use of the product. Revenues are recognized on licensing income on a straight line basis over the life of the licensing agreement.

TREASURY STOCK

The Company records common shares purchased and held in treasury at cost.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of current assets and liabilities approximate fair value due to the short-term nature of these instruments. The carrying amounts of noncurrent assets are reasonable estimates of their fair values based on management's evaluation of future cash flows. The long-term liabilities are carried at amounts that approximate fair value based on borrowing rates available to the Company for obligations with similar terms, degrees of risk and remaining maturities.

STOCK-BASED COMPENSATION

The Company accounts for all stock-based payments and awards under the fair value based method. Stock-based payments to non-employees are measured at the fair value of the consideration received, or the fair value of the equity instruments issued, or liabilities incurred, whichever is more reliably measurable. The fair value of stock-based payments to non-employees is periodically re-measured until the counterparty performance is complete, and any change therein is recognized over the vesting period of the award and in the same manner as if the Company had paid cash instead of paying with or using equity based instruments on an accelerated basis. The cost of the stock-based payments to nonemployees that are fully vested and non-forfeitable as at the grant date is measured and recognized at that date, unless there is a contractual term for services in which case such compensation would be amortized over the contractual term.

The Company accounts for the granting of share purchase options to employees using the fair value method whereby all awards to employees will be recorded at fair value on the date of the grant. Share based awards granted to employees with a performance condition are measured based on the probable outcome of that performance condition during the requisite service period. Such an award with a performance condition is accrued if it is probable that a performance condition will be achieved. Compensation costs for stock-based payments to employees that do not include performance conditions are recognized on a straight-line basis. The fair value of all share purchase options is expensed over their vesting period with a corresponding increase to additional capital surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in additional capital surplus, is recorded as an increase to share capital

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The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of the grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

The compensation expense recognized for the years ended March 31, 2012 and 2011 was $24,453 and $42,016, respectively.

FAIR VALUE MEASUREMENTS

The Company adopted Accounting Standards Codification ("ASC") Topic 820, Fair Value Measurements and Disclosures, for financial and non-financial assets and liabilities.

ASC 820 discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost). The Company utilizes the market approach. The statement utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, or FASB, or other standard setting bodies that are adopted by us as of the specified effective date. Unless otherwise discussed, we believe that the impact of recently issued standards that are not yet effective will not have a material impact on our consolidated financial position or results of operations upon adoption.

In June 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income* (ASU 2011-05). Under the amended

guidance, all changes in the components of net income and the components of other comprehensive income are to be presented either in a single continuous statement of comprehensive income, or in two separate but consecutive financial statements.

In December 2011, the FASB issued Accounting Standards Update No. 2011-12, *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05* (ASU 2011-12). ASU 2011-12 defers the effective date of the requirement in ASU 2011-05 to disclose on the face of the financial statements the effects of reclassifications out of accumulated other comprehensive income on the components of net income and other comprehensive income. All other requirements of ASU 2011-05 are not affected by ASU 2011-12. The changes are effective April 1, 2012, with early adoption permitted. This change is not expected to have an impact to the consolidated financial results as it is a change in presentation only.

In April 2011, the FAS issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, which amends the current fair value measurement and disclosure guidance. These changes will be effective April 1, 2012, on a prospective basis. Early application is not permitted. This change is not expected to have a material impact to the consolidated financial results.

NOTE 2 MANAGEMENT'S LIQUIDITY PLANS

The Company reported net losses of $15,058,274 and $13,582,159 for the fiscal years ended March 31, 2012 and 2011, respectively. At March 31, 2012, the Company had a working capital deficiency of approximately $3.1 million and an accumulated deficit of approximately $129.8 million, consolidated assets of approximately $10.2 million, and negative stockholders' equity of approximately $15.1 million. The Company has not generated any significant profits to date. During the fiscal year ended March 31, 2012, the Company raised $250,000 of net proceeds from the sale of Series E Preferred Stock.

The Company's strategy is to continue to be engaged in the development and manufacturing of oral controlled-release products. It will continue to develop generic versions of controlled-release drug products with high barriers to entry and assist partner companies in the life cycle management of products to improve off-patent drug products. The Company has four products currently being sold commercially. In addition, the Company has a generic product which was purchased and for which the Company is in the process of transferring the manufacture of such product to its facility in Northvale, New Jersey, and a pipeline of products under development.

As of March 31, 2012, the Company's principal source of liquidity was approximately $0.7 million of cash and cash equivalents. The Company may also receive funds through the exercise of outstanding stock options and warrants and $0.4375 million from the issuance of the Company's Series E Convertible Preferred Stock pursuant to the Strategic Alliance Agreement with Epic Pharma. The Company also is exploring raising additional funds through the sale of its equity or debt securities or otherwise. However, there can be no assurance of the exercise of any outstanding options or warrants, the performance of Epic Pharma under the Strategic Alliance Agreement, the raising of funds pursuant to any new funding arrangements, or that any cash received from such sources will be material to contribute sufficient amounts to continue operating activities. Even if the Company were to receive the remaining amounts due pursuant to the Epic Strategic Alliance Agreement, it still most likely would be required to seek additional capital in the future and there can be no assurances that the Company will be able to obtain such additional capital on favorable terms, if at all.

As a result there is no assurance that the Company's business strategy will be successfully implemented, and with the Company's existing working capital levels, there can be no assurance that the Company will continue as a going concern.

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NOTE 3 INVENTORIES

Inventories are recorded at the lower of cost or market. Inventories at March 31, 2012 and 2011 consist of the following:

	2012	2011
Finished Goods	$—	$156,399
Work-in-Process	25,200	—
Raw Materials	373,020	1,507,419
	398,220	1,663,818
Less: Inventory Valuation Reserve	(93,338)	(1,047,456)
	$304,882	$616,362

The Inventory Valuation Reserve as of March 31, 2012, consists of raw materials with an aggregate cost of $93,338 being expired materials with no commercial value

The Inventory Valuation Reserve as of March 31, 2011, consists of raw materials with an aggregate cost of $918,355 having no commercial value due to the FDA's decision to remove Lodrane from the market and the FDA's recent reclassification of the Company's application to transfer the manufacturing site of Hydromorphone to its facilities from CBE-30 to Prior Approval, as well as $35,762 in expired raw materials which have not yet been destroyed and $93,339 in mark-to-market adjustments required to fairly state the Company's raw materials inventory at the lower of cost or market, with current replacement cost being the standard upon which the market value is determined.

Please refer to the Current Reports on Form 8-K filed with the SEC on March 4, 2011 and June 6, 2011 for details on the FDA's decision to remove Lodrane from the market and the FDA's reclassification of the Company's application for transfer of manufacturing site, respectively, with such filings being herein incorporated by reference.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2012 and 2011 consists of the following:

	2012	2011
Laboratory manufacturing, and warehouse equipment	$5,448,732	$5,285,888
Office equipment	64,927	56,961
Furniture and fixtures	49,804	62,406

Transportation equipment	66,855	66,855
Land, building and improvements	3,314,138	2,835,783
	8,944,456	8,307,893
Less: Accumulated depreciation and amortization	(4,659,670)	(4,189,619)
	$4,284,786	$4,118,274

Depreciation and amortization expense amounted to $484,156 and $483,473 for the years ended March 31, 2012 and 2011, respectively.

NOTE 5 - INTANGIBLE ASSETS

Costs to acquire intangible assets, such as asset purchases of Abbreviated New Drug Applications ("ANDA's") which are approved by the FDA or costs incurred in the application of patents are capitalized and amortized on the straight-line method, based on their estimated useful lives ranging from five to fifteen years, commencing upon approval of the patent or site transfers required for commercialization of an acquired ANDA. Such costs are charged to expense if the patent application or ANDA site transfer is unsuccessful.

As of March 31, 2012 and 2011, the following costs were recorded as intangible assets on the Company's balance sheet:

	2012	2011
Intangible assets at beginning of fiscal year		
Patent application costs	597,556	172,841
Trademarks	—	—
ANDA acquisitions	—	—
Less: Accumulated Amortization	—	(76,434)
Net Intangible Assets at beginning of fiscal year	597,556	96,407
Intangible asset costs capitalized during the fiscal year		
Patent application costs	45,292	51,152
Trademarks		—
ANDA acquisition costs	—	890,000
Total cost of intangible assets capitalized	45,291	941,152
Amortization of intangible assets during fiscal year		
Patent application costs	—	—
Trademarks	—	—
ANDA acquisition costs	—	—
Total amortization of intangible assets	—	—
Impairment of intangible assets during the fiscal year		
Patent application costs	—	76,434
Trademarks	—	—
ANDA acquisition costs	—	(440,000)
Accumulated amortization of impaired assets	—	(76,434)
Net impairment of intangible assets	—	(440,000)

Intangible assets at end of fiscal year		
Patent application costs	192,848	147,556
Trademarks	—	—
ANDA acquisition costs	450,000	450,000
Less: Accumulated Amortization	—	—
Net Intangible Assets	$642,848	$597,556

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The costs incurred in patent applications totaling $45,292 and $51,152 for the 2012 and 2011 fiscal years, were all related to our abuse resistant and extended release opioid product lines. The Company is continuing its efforts to achieve approval of such patents. Additional costs incurred in relation to such patent applications will be capitalized as intangible assets, with amortization of such costs to commence upon approval of the patents.

Please also note that on May 22, 2012, the United States Patent and Trademark Office ("USPTO") issued U.S. Patent No. 8,182,836, entitled "Abuse-Resistant Oral Dosage Forms and Method of Use Thereof. A Current Report on Form 8-K was filed with the SEC on May 22, 2012, with such filing being herein incorporated by reference.

The ANDA acquisition costs of $890,000 incurred during the 2011 fiscal year, are related to our acquisition of the ANDA's for Hydromorphone 8mg, Naltrexone 50mg and Phentermine 37.5mg tablets. For further details on these acquisitions, please refer to the current reports on Form 8-K filed with the SEC on May 24, 2010 for the Hydromorphone ANDA acquisition and September 1, 2010 for the Naltrexone and Phentermine ANDA acquisitions, such filings being herein incorporated by this reference. In addition, please refer to exhibits 10.4, 10.5 and 10.7 of the quarterly report on Form 10-Q filed with the SEC on November 15, 2010 for the purchase agreements for Hydromorphone, Naltrexone, and Phentermine, respectively, such filings being herein incorporated by this reference.

The Company has successfully transferred production of the Phentermine 37.5mg product to its facilities and has commenced commercial production of this product. Please refer to the current report on Form 8-K, filed with the SEC on April 7, 2011, such filing being herein incorporated by reference.

On May 31, 2011, the Company received a letter from the FDA responding to a Changes Being Effected in 30 Days ("CBE 30") supplement filed by the Company with the agency to change the manufacturing and packaging location of the Hydromorphone Hydrochloride Tablets USP, 8mg ANDA purchased from Mikah Pharma. The letter from the FDA informed the Company that the agency has reclassified the application as a prior approval supplemental application which will delay the commercialization of the product. The delay imposed by such reclassification was a significant detrimental factor to the value of the Hydromorphone AND. In accordance with GAAP, the Company recorded an impairment equal to the full historical cost, with such impairment being included in the financial statements issued for Fiscal 2011.

On January 23, 2012, the Company received a letter from the FDA approving the prior approval supplement application. Please refer to the Current Report on Form 8-K filed with the SEC on January 27, 2012 for further details, with such filing being herein incorporated by reference.

The Company has also recorded an impairment equal to the full historical cost of the Naltrexone 50mg ANDA, as the reason given by the FDA for the reclassification of the Company's application filed with the FDA for Hydromorphone

may also apply to a similar application filed by the Company with the FDA for the transfer of manufacturing and packaging for Naltrexone 50mg. Formal notification of the FDA's reclassification of the Company's CBE 30 application to a prior approval supplement was received by the company on December 14, 2011.

NOTE 6 INVESTMENT IN NOVEL LABORATORIES INC.

At the end of 2006, Elite entered into a joint venture with VGS Pharma, LLC ("*VGS*") and created Novel Laboratories, Inc. ("*Novel*"), a privately-held company specializing in pharmaceutical research, development, manufacturing, licensing, acquisition and marketing of specialty generic pharmaceuticals. Novel's business strategy is to focus on its core strength in identifying and timely executing niche business opportunities in the generic pharmaceutical area. Elite's ownership interest in Novel's Class A Voting Common Stock of Novel is approximately 10% of the outstanding shares of Class A Voting Common Stock of Novel. As of October 1, 2007, Elite deconsolidated its financial statements from Novel and the investment in Novel is accounted for under the cost method of accounting.

As of June 2012, the US-FDA website lists 16 products approved in the name of Novel and an additional 7 products approved in the name of the Novel's marketing arm, Gavis Pharmaceuticals ("Gavis"). IMS data also list three additional products being marketed by Gavis. There are accordingly a total of 26 products currently identified as being approved/marketed by Novel and Gavis, with such total representing an increase of 7 products as compared to a comparable point in the prior year.

Furthermore, IMS data for the three products listed, indicate growing revenues over the last 3 years. Such revenues, as reported by the IMS were $7.3 million, 13.1 million and $24.9 million for the years ended March, 2010, March 2011 and March 2012, respectively.

We also know from public information that Perrigo Company acquired rights in 2010 for an undisclosed amount to an additional Novel ANDA approved in 2010 for the product HalfLytely®. Novel believes this is a first to file ANDA. Perrigo expects to be in a position to launch a generic version of this product later this year and they expect to have 180 days of generic exclusivity. Novel will manufacture the product exclusively for Perrigo. Annual sales for the branded product were approximately $80 million according to Wolters Kluwer.

In accordance with GAAP, the company records an impairment write-down to such investments when the cost of the investment exceeds its fair value and when the decline in value is determined to be other-than temporary. Indicators of an other-than-temporary decline in value include, without limitation, the following:

- A significant deterioration in the earnings performance, credit rating, asset quality, or business prospects of the investee
- A significant adverse change in the regulatory, economic, or technological environment of the investee
- A significant adverse change in the general market condition of either the geographic area or the industry in which the investee operates
- A bona fide offer to purchase (whether solicited or unsolicited), an offer by the investee to sell, or a completed auction process for the same or similar security for an amount less than the cost of the investment

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- Factors that raise significant concerns about the investee's ability to continue as a going concern, such as negative cash flows from operations, working capital deficiencies, or noncompliance with statutory capital requirements or debt covenants.

A review and assessment of all documents available, public announcements by Novel and communications with the management of Novel does not indicate the existence of impairment indicators. Accordingly, the Company determined that no impairment is required in the valuation of its investment in Novel as of March 31, 2012. The valuation of the Company’s investment in Novel remains at $3,329,322, an amount equal to the valuation as of March 31, 2011 with no impairment write downs.

NOTE 7 - NJEDA BONDS

On September 2, 1999, the Company completed the issuance of tax exempt bonds by the New Jersey Economic Development Authority (“NJEDA” or the “Authority”). The aggregate proceeds from the issuance of the fifteen year term bonds were $3,000,000. Interest on the bonds accrues at 7.75% per annum. A portion of the proceeds were used by the Company to refinance its land and building, and the remaining proceeds were intended to be used for the purchase of manufacturing equipment and building improvements.

On August 31, 2005, the Company successfully completed a refinancing of a prior 1999 bond issue through the issuance of new tax-exempt bonds (the “Bonds”). The refinancing involved borrowing $4,155,000, evidenced by a 6.5% Series A Note in the principal amount of $3,660,000 maturing on September 1, 2030 and a 9% Series B Note in the principal amount of $495,000 maturing on September 1, 2012. The net proceeds, after payment of issuance costs, were used (i) to redeem the outstanding tax-exempt Bonds originally issued by the Authority on September 2, 1999, (ii) refinance other equipment financing and (iii) for the purchase of certain equipment to be used in the manufacture of pharmaceutical products. As of December 31, 2011, all of the proceeds were utilized by the Company for such stated purposes.

Interest is payable semiannually on March 1 and September 1 of each year. The Bonds are collateralized by a first lien on the Company’s facility and equipment acquired with the proceeds of the original and refinanced Bonds. The related Indenture requires the maintenance of a $415,500 Debt Service Reserve Fund consisting of $366,000 from the Series A Notes proceeds and $49,500 from the Series B Notes proceeds. The Debt Service Reserve is maintained in restricted cash accounts that are classified in Other Assets. $1,274,311 of the proceeds had been deposited in a short-term restricted cash account to fund the purchase of manufacturing equipment and development of the Company’s facility.

Bond issue costs of $354,000 were paid from the bond proceeds and are being amortized over the life of the bonds. Amortization of bond issuance costs amounted to $14,132 for the fiscal year March 31, 2012.

The NJEDA Bonds require the Company to make an annual principal payment on September 1st of varying amounts as specified in the loan documents and semi-annual interest payments on March 1st and September 1st, equal to interest due on the outstanding principal at the applicable rate for the semi-annual period just ended.

The interest payments due on March 1st and September 1st of 2009, 2010 and 2011, as well as the interest payment due on March 1st 2012, totaling $806,925 for all seven payments, were paid from the debt service reserved held in the restricted cash account, due to the Company not having sufficient funds to make such payments when they were due.

The principal payment due on September 1, 2009, totaling $210,000 was paid from the debt service reserve held in the restricted cash account, due to the Company not having sufficient funds to make the payment when due.

The Company did not have sufficient funds available to make the principal payments due on September 1, 2010, totaling $225,000 and requested that the Trustee withdraw such funds from the debt service reserve. The Company's request was denied and accordingly the principal payment due on September 1, 2010, totaling $225,000 was not made.

The Company did not have sufficient funds available to make the principal payments due on September 1, 2011, totaling $470,000, with such amount including the principal payments due on September 1, 2010 and not paid. There were not sufficient funds available in the debt service reserve and accordingly, the principal payment totaling $470,000 was not made.

Pursuant to the terms of the NJEDA Bonds, the Company is required to replenish any amounts withdrawn from the debt service reserve and used to make principal or interest payments in six monthly installments, each being equal to one-sixth of the amount withdrawn and with the first installment due on the 15th of the month in which the withdrawal from debt service reserve occurred and the remaining five monthly payments being due on the 15th of the five immediately subsequent months. The Company has, to date, made all payments required in relation to the withdrawals made from the debt service reserve on March 1, 2009, September 1, 2009, March 1, 2010, September 1, 2010, March 1, 2011, September 1, 2011 and March 1, 2012.

The Company does not expect to have sufficient available funds as of September 1, 2012, to make principal payments, totaling $730,000, and consisting of $260,000 due on September 1, 2012, $245,000 which was due on September 1, 2011 and not paid and $225,000 which was due on September 1, 2010 and not paid.

The Company has received Notice of Default from the Trustee of the NJEDA Bonds in relation to the withdrawals from the debt service reserve, and has requested a postponement of principal payments due on September 1st of 2010, 2011 and 2012, with an aggregate of all such postponed principal payments being added to the principal payments due on September 1, 2013. Resolution of the Company's default under the NJED Bonds and our request for postponement of principal payments will have a significant effect on our ability to operate in the future.

Due to issuance of a Notice of Default being received from the Trustee of the NJEDA Bonds, and until the event of default is waived or rescinded, the Company has classified the entire principal due, an amount aggregating $3.385 million, as a current liability.

Bond financing consisting of the following, as of March 31,

	2012	2011
Refinanced NJEDA Bonds	$3,385,000	$3,385,000
Current portion	(3,385,000)	(3,385,000
Long term portion, net of current maturities	$—	$—

Maturities of Bonds for the next five years are as follows:

YEAR ENDING MARCH 31,	AMOUNT
2013	$730,000
2014	185,000
2015	195,000
2016	210,000
2017	220,000
Thereafter	1,845,000
	$3,385,000

NOTE 8 - LOANS PAYABLE AND LONG TERM DEBT

Loans payable and long term debt consisted of the following:

	March 31, 2012		March 31, 2011	
	Current	Long-Term	Current	Long-Term
Note payable to First Niagara Bank in 60 monthly installments of $1,180, including interest at the rate of 9.00% per annum; Final payment in September 2012 ; Secured by vehicle purchased with proceeds of loan	$6,923	$—	$13,105	$6,717
Capital lease payable to Shimadzu Financial Services; 24 payments of $594; Final payment due in March 2014	6,393	6,295		
TOTAL	$13,316	$6,295	$13,105	$6,717

NOTE 9 - LEASES OF RENTAL PROPERTIES

The following leases for rental properties were operative during the year ended March 31, 2012:

	135 Ludlow Ave (see note 10)
Effective Date	July 1, 2010
Termination Date	December 31, 2015
Lease term	5 years with 2 tenant renewal options for 5 years each
Rent expense for the 2011 Fiscal Year	$67,753
Rent expense for the 2012 Fiscal Year	$90,338
Minimum 5 Year Lease Payments*	
Fiscal year ended March 31, 2013	81,228
Fiscal year ended March 31, 2014	83,259
Fiscal year ended March 31, 2015	85,344
Fiscal year ended March 31, 2016	87,363
Fiscal year ended March 31, 2017	89,112
	$426,306

* Minimum lease payments are exclusive of additional expenses related to certain expenses incurred in the operation and maintenance of the premises, including, without limitation, real estate taxes and common area charges which may be due under the terms and conditions of the lease, but which are not quantifiable at the time of filing of this annual report on Form 10-K

Rent expense related to the operating lease at 135 Ludlow was recorded using the straight line method and summarized as follows:

Summary of Rent Expense – 135 Ludlow Avenue

	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2011
Rent Expense	$ 90,338	$ 67,753
Actual lease payments	79,248	19,689
Increase in deferred rent liability	11,090	48,064

Balance of deferred rent liability	59,154	48,064

NOTE 10 - LEASE OF 135 LUDLOW AVENUE

The Company entered into a lease for a portion of a one-story warehouse, located at 135 Ludlow Avenue, Northvale, New Jersey, consisting of approximately 15,000 square feet of floor space. The lease term began on July 1, 2010 and is classified as an operating lease.

The lease includes an initial term of 5 years and 6 months and the Company has the option to renew the lease for two additional 5 year terms. The property related to this lease will be used for the storage of pharmaceutical finished goods, raw materials, equipment and documents as well as pharmaceutical manufacturing, packaging and distribution activities.

This property requires significant leasehold improvements and qualification as a prerequisite to achieving suitability for such intended future use.

Leasehold improvements and qualification as suitable for manufacturing, packaging and distribution operations are expected to be achieved within two years from the beginning of the lease term. These are estimates based on current project plans, which are subject to change. There can be no assurance that the construction and qualification will be accomplished during the estimated time frames, or that the property located at 135 Ludlow Avenue, Northvale, New Jersey will ever achieve qualification for intended future utilization.

Please refer to Note 9 of these financial statements for details on minimum lease payments, rent expense and deferred rent liabilities.

NOTE 11 - LEASE TERMINATION COSTS - 135 LUDLOW AVENUE

The lease for the property located at 135 Ludlow Avenue, Northvale NJ, includes a requirement that, at termination, the Company return the property to its condition at the inception of the lease, with normal wear and tear excepted. Such requirement accordingly represents an unconditional obligation associated with the retirement of a long-lived asset and subject to ASC 410 of the Codification. The Company estimates such costs would amount to $50,000, at lease termination, and pursuant to ASC 410 has recorded a liability and offsetting asset equal to the present value, at lease inception, of such obligation. This liability is accreted over the term of the lease (including extensions), using the interest method.

NOTE 12 - EFERRED REVENUES

Deferred revenues in the aggregate amount of $178,891, consisting of a current component of $13,333 and a long term component of $165,558 represents the unamortized amount of a $200,000 advance payment received for a licensing agreement with a fifteen year term beginning in September 2010 and ending in August 2025. The advance payment was recorded as deferred revenue when received and is earned, on a straight line basis over the fifteen year life of the license. The current component is equal to the amount of revenue to be earned during the 12 month period immediately subsequent to the balance date and the long term component is equal to the amount of revenue to be earned thereafter.

NOTE 13 - PREFERRED SHARE DERIVATIVE INTEREST PAYABLE

Preferred share derivative interest payable as of March 31, 2012 consisted of $70,965 in derivative interest accrued as of March 31, 2012. The full amount of derivative interest payable as of March 31, 2012 was paid via the issuance of 802,789 shares of Common Stock, in lieu of cash, in April 2012.

Preferred share derivative interest payable as of March 31, 2011 consisted of $282,680 in derivative interest accrued as of March 31, 2011. The full amount of derivative interest payable as of March 31, 2011 was paid via the issuance of 4,775,017 shares of Common Stock, in lieu of cash, in April 2011.

NOTE 14 - DERIVATIVE LIABILITIES – PREFERRED SHARES

Accounting Standard Codification "ASC" 815 – *Derivatives and Hedging*, which provides guidance on determining what types of instruments or embedded features in an instrument issued by a reporting entity can be considered indexed to its own stock for the purpose of evaluating the first criteria of the scope exception in the pronouncement on accounting for derivatives. These requirements can affect the accounting for warrants and convertible preferred instruments issued by the Company. As the conversion features within, and the detachable warrants issued with the Company's Series B, Series C, Series D and Series E Preferred Stock, do not have fixed settlement provisions because their conversion and exercise prices may be lowered if the Company issues securities at lower prices in the future, we have concluded that the instruments are not indexed to the Company's stock and are to be treated as derivative liabilities.

The Preferred Stock Derivative Liabilities are measured at fair market value, using the market approach and a level 1 fair value hierarchy, on a recurring basis as of March 31, 2011 and March 31, 2011, in accordance with the valuation techniques discussed in ASC 820.

Preferred Stock Derivative Liabilities – Fiscal Year 2012

	Series B	Series C	Series D	Series E	Total
Preferred shares Outstanding as of March 31, 2012	797	2,666	—	1,750	5,213
Underlying common shares into which Preferred may convert	5,310,393	17,773,333	—	71,428,571	94,512,297
Closing price on valuation date	$0.09	$0.09	$0.09	$0.09	$ 0.09
Preferred stock derivative liability at March 31, 2012	$477,935	$1,599,600	$—	$6,428,571	$ 8,506,106

Change in preferred stock derivative liability for the 2012 Fiscal Year	$ 11,227,957

The change of $11,227,957 in value of the preferred stock derivative liability occurring during the 2012 Fiscal Year is included in the amount reported in the "Other Income/(Expense)" section of the statement of operations. Increases in value are reported as other expenses and decreases in value are reported as other income.

Preferred Stock Derivative Liabilities – Fiscal Year 2011

	Series B	Series C	Series D	Series E	Total
Preferred shares Outstanding as of March 31, 2011	896	5,418	4,063	3,062.5	13,439.5
Underlying common shares into which Preferred may convert	730,274	4,280,842	58,042,861	118,898,957	181,952,934
Closing price on valuation date	$0.078	$0.078	$0.078	$0.078	$0.078
Preferred stock derivative liability at March 31, 2011	$56,961	$333,906	$4,527,343	$9,274,119	$14,192,329
Change in preferred stock derivative liability for the 2011 Fiscal Year					$10,416,376

The change of $10,416,376 in value of the preferred stock derivative liability occurring during the 2011 Fiscal Year is included in the amount reported in the "Other Income/(Expense)" section of the statement of operations. Increases in value are reported as other expenses and decreases in value are reported as other income.

NOTE 15 - DERIVATIVE LIABILITIES - WARRANTS

To date, the Company has authorized the issuance of Common Stock Purchase Warrants, with terms of five to seven years, to various corporations and individuals, in connection with the sale of securities, loan agreements and consulting agreements. Exercise prices range from $0.0625 to $3.00 per warrant. The warrants expire at various times through April 25, 2018.

A summary of warrant activity for the fiscal years indicated below is as follows:

	Fiscal Year 2012		Fiscal Year 2011	
	Warrant Shares	Weighted Average Exercise Price	Warrant Shares	Weighted Average Exercise Price
Balance at beginning of year	155,325,048	$ 0.15	125,299,740	$ 0.25
Warrants issued	4,000,000	$ 0.06	40,000,000	$ 0.06
Warrant Adjustments	3,379,551	—	—	—
Warrant exercises, forfeited or expired	1,225,620	$ 3.00	9,974,692	$ 0.69
Ending Balance	161,478,979	$ 0.09	155,325,048	$ 0.15

Accounting Standard Codification "ASC" 815 – *Derivatives and Hedging*, which provides guidance on determining what types of instruments or embedded features in an instrument issued by a reporting entity can be considered indexed to its own stock for the purpose of evaluating the first criteria of the scope exception in the pronouncement on accounting for derivatives. These requirements can affect the accounting for warrants and convertible preferred instruments issued by the Company. As the conversion features within, and the detachable warrants issued with the Company's Series B, Series C, Series D and Series E Preferred Stock, do not have fixed settlement provisions because their conversion and exercise prices may be lowered if the Company issues securities at lower prices in the future, we have concluded that the instruments are not indexed to the Company's stock and are to be treated as derivative liabilities.

The Warrant Derivative Liabilities are measured at fair market value, using the market approach and a level 3 fair value hierarchy, on a recurring basis as of March 31, 2012 and March 31, 2011, in accordance with the valuation techniques discussed in ASC 820.

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The portion of derivative liabilities related to outstanding warrants was valued using the Black-Scholes option valuation model, a level 3 fair value hierarchy using the following assumptions:

	March 31 2012	March 31 2011
Risk-Free interest rate	.05% - 1.3%	.09% - 2.9%
Expected volatility	57% - 181%	138% - 194%
Expected life (in years)	0.1 – 6.1	0.3 – 7.0
Expected dividend yield	—	—
Number of warrants	161,478,979	155,325,048
Fair value – Warrant Derivative Liability	$11,987,222	$10,543,145
Change in warrant derivative liability for the twelve months ended	$1,444,075	$1,297,998

The risk free interest rate was based on rates established by the US Treasury Department. The expected volatility was based on the historical volatility of the Company's share price for periods equal to the expected life of the outstanding warrants at each valuation date. The expected dividend rate was based on the fact that the Company has not historically paid dividends on common stock and does not expect to pay dividends on common stock in the future.

The changes of $1,444,075 and $ 1,297,998 in value of the warrant derivative liability occurring during the years ended March 31, 2012 and 2011, respectively, are included in the amounts reported in the "Other Income/(Expense)" section of the statement of operations. Increases in value are reported as other expenses and decreases in value are reported as other income.

The following table summarizes, as of March 31, 2012, the warrant activity subject to Level 3 inputs which are measured on a recurring basis:

Fair value measurements of warrants using significant unobservable inputs (Level 3)

	Fiscal 2012	Fiscal 2011
Balance at March 31, 2011	$ 10,543,145	$ 8,499,423
Warrants Issued	815,761	2,951,297
Warrants Exercised	—	—
Change in fair value of warrant liability	628,316	(907,575)
Balance at March 31, 2012	$ 11,987,222	$ 10,543,145

NOTE 16 - BENEFICIAL CONVERSION FEATURES OF SERIES E PREFERRED SHARES

The Series E Preferred shares include an option, exercisable from the issuance date, to convert to common shares at prices which were less than the market price of the Company's Common Stock on the date such Series E Preferred shares were issued. The difference between the share price and option price represents a beneficial conversion feature existing on the issue date.

In accordance with GAAP, the beneficial conversion feature was valued separately and allocated to additional paid in capital. The valuations were calculated using the relative fair value method allocating the proceeds from each issuance of the Series E Preferred shares to the conversion option and detachable warrants, if such warrants were included with an issuance.

The beneficial conversion option is then required to be recognized as a discount and amortized over a period that begins on the date of issuance and ends on the earliest conversion date. As the conversion options were exercisable on their issue date, the full value assigned to the conversion option was immediately amortized and charged to interest expense.

During Fiscal Year 2012, the Company issued a total of 250 shares of Series E Preferred Stock which included a conversion option at a price that was less than the market price of the Company's Common Stock on the date of issuance of the Series E Preferred Stock.

The valuation of the beneficial conversion feature, and detachable warrants, where applicable, for Series E Preferred Share issuances during Fiscal Year 2012 and Fiscal Year 2011 is summarized as follows:

	Fiscal Year 2012	Fiscal Year 2011
Series E Shares Issued	250	1,062.5
Detachable Warrants Issued (March 2011 only)	—	40,000,000
Gross Proceeds Received	$ 250,000	$ 1,062,500
Gross Valuation of Warrants Issued	—	$ 2,951,297
Gross Valuation of Beneficial Conversion	$ 763,619	$ 2,067,416
Proceeds Allocated to Warrants	—	$ 746,919
Proceeds Allocated to Beneficial Conversion Feature	$ 250,000	$ 315,581
Total Allocation of Proceeds	$ 250,000	$ 1,062,500

NOTE 17 - COMMON STOCK

During Fiscal Years 2012 and 2011, the Company issued a total of 151,104,071 shares and 96,595,489 shares of Common Stock, respectively, with such issuances of Common Stock being summarized as follows:

Description	Fiscal Year 2012	Fiscal Year 2011
Common Shares issued in lieu of cash payment in payment of preferred share derivative interest expenses totaling $636,179 and $1,283,240 for Fiscal Year 2012 and Fiscal Year 2011, respectively	8,410,374	21,241,590
Common Shares issued pursuant to the conversion of Series B, Series C, Series D and Series E Convertible Preferred Share derivatives, with such derivative liabilities totaling $17,164,181 and $4,465,584, for Fiscal Year 2012 and Fiscal Year 2011, respectively, at the time of their conversion.	140,439,195	70,649,154
Common Shares issued in payment of $75,000 due and payable pursuant to the Asset Purchase Agreement dated 5/18/2010.		937,500
Common Shares issued in lieu of cash in payment of consulting expenses totaling $13,737.		343,425
Common Shares issued in payment of Director's fees totaling $145,894 and $99,743 for Fiscal Year 2012 and Fiscal Year 2011, respectively	1,505,613	2,493,589
Common shares issued in payment of employee salaries totaling $67,336 and $37,210 for Fiscal Year 2012 and Fiscal Year 2011, respectively.	694,889	930,231
Total Common Shares issued during Fiscal Years 2012 and 2011	151,104,071	96,595,489
Common Shares outstanding at March 31,	331,649,728	180,545,657

NOTE 18 - PER SHARE INFORMATION

Basic earnings per share of common stock ("Basic EPS") is computed by dividing the net income(loss) by the weighted-average number of shares of common stock outstanding. Diluted earnings per share of common stock ("Diluted EPS") is computed by dividing the net income(loss) by the weighted-average number of shares of common stock and dilutive common stock equivalents and convertible securities then outstanding. GAAP requires the presentation of both Basic EPS and Diluted EPS, if such Diluted EPS is not anti-dilutive, on the face of the Company's Consolidated Statements of Operations. As the Company had a net loss for Fiscal Year 2012 and Fiscal Year 2011, Diluted EPS is not presented as the effect of the Company's common stock equivalents and convertible securities is anti-dilutive.

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Basic EPS is calculated as follows:

	Fiscal Year 2012	Fiscal Year 2011
Numerator		
Net (Loss) attributable to common shareholders	$(15,167,289)	$(13,582,159)
Denominator		
Weighted average shares of common stock outstanding	259,163,279	100,020,520
Net (Loss) per Share – Basic and Diluted	$(0.06)	$(0.14)
Potentially dilutive securities excluded from the calculation of diluted loss per share (in accordance with GAAP)		
Stock Options	2,999,000	3,057,000
Convertible Preferred Stock	94,512,298	180,881,120
Warrants	161,478,979	155,325,048

NOTE 19 - STOCK-BASED COMPENSATION

Part or all of the compensation paid by the Company to its Directors and employees consists of the issuance of Common Stock or via the granting of options to purchase Common Stock

Stock-based Director Compensation

The Company's Director compensation policy instituted in October 2009 includes provisions that Director's fees are to be paid via the issuance of shares of the Company's Common Stock, in lieu of cash, with the valuation of such shares being calculated on a quarterly basis and equal to the average closing price of the Company's common stock for the quarter just ended.

During Fiscal Year 2012, the Company issued 1,505,613 shares of Common Stock to its Directors in payment of Director's fees in the aggregate amount of $130,000 and related to the period beginning on January 1, 2011 and ending on December 31, 2011. On the date of their issuance, the Common Shares had a value of $145,894, based upon the closing price of the Company's Common Stock on such date. Please note that the shares issued during Fiscal Year 2012, include those shares owed and not yet issued at the end of Fiscal Year 2011.

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During Fiscal Year 2011, the Company issued 2,493,589 shares of Common Stock to its Directors in payment of Director's fees in the aggregate amount of $182,167 and related to the period beginning on October 1, 2009 and ending on December 31, 2010. On the date of their issuance, the Common Shares had a value of $99,743, based upon the closing price of the Company's Common Stock on such date. Please note that the shares issued during Fiscal Year 2011, include those shares owed and not yet issued at the end of Fiscal Year 2010.

As of March 31, 2012, the Company owes its Directors a total of 320,350 shares of Common Stock in payment of Directors Fees totaling $32,500 for the three months ended March 31, 2012. The Company anticipates that these shares of Common Stock will be issued during the fiscal year ended March 31, 2013.

Stock-based Employee Compensation

Employment contracts with the Company's President, Chief Financial Officer and certain other employees includes provisions for a portion of each employees salaries to be paid via the issuance of shares of the Company's Common, in lieu of cash, with the valuation of such shares being calculated on a quarterly basis and equal to the average closing price of the Company's common stock for the quarter just ended.

During Fiscal Year 2012, the Company issued a total of 694,889 shares of Common Stock to its President, Chief Financial Officer and certain other employees in payment of salaries in the aggregate amount of $60,000 and related to the period beginning on January 1, 2011 and ending on December 31, 2011. On the date of their issuance, the Common Shares had a value of $67,336, based upon the closing price of the Company's Common Stock on such date. Please note that the shares issued during Fiscal Year 2012, include those shares owed and not yet issued at the end of Fiscal Year 2011.

During Fiscal Year 2011, the Company issued a total of 930,231 shares of Common Stock to its President, Chief Financial Officer and certain other employees in payment of salaries in the aggregate amount of $66,667 and related to the period beginning on October 1, 2009 and ending on December 31, 2010. On the date of their issuance, the Common Shares had a value of $37,210, based upon the closing price of the Company's Common Stock on such date. Please note that the shares issued during Fiscal Year 2011, include those shares owed and not yet issued at the end of Fiscal Year 2010.

As of March 31, 2011, the Company owes its President, Chief Financial Officer and certain other employees a total of 147,854 shares of Common Stock in payment of salaries totaling $15,000 for the three months ended March 31, 2012, with such amount being recorded in accrued expenses. The Company anticipates that these shares of Common Stock will be issued during the fiscal year ended March 31, 2013.

Stock option based Employee Compensation

The Company did not issue options to purchase Common Stock to employees during the years ended March 31, 2012 and March 31, 2011.

During the year ended March 31, 2010 ("Fiscal 2010") the Company issued 1,000,000 options to purchase Common Stock to employees. The options issued during Fiscal 2010 have an exercise price of $0.10, vest over a three year period which commences one year from the date of grant and expire ten years from the date of grant. The fair value of the options granted during Fiscal Year 2010 was $93,452, computed using the Black-Scholes options pricing model on the grant date. Such fair value is being amortized by the Company, on a straight line basis, over the vesting period, and recorded on the Company's Statement of Income as "Non-cash compensation through the issuance of stock options".

In addition to the stock options granted in Fiscal 2010, the amount recorded on the Company's Statement of Income as non-cash compensation through the issuance of stock options includes amortization of the fair value of stock options granted prior to Fiscal Year 2010. The fair value of these options, totaling $196,983 on the date of such grants, was fully amortized by the end of Fiscal Year 2011.

Stock option based employee compensation is summarized as follows:

	Fiscal Year 2012	Fiscal Year 2011
Non-cash compensation expense related to stock options granted prior to Fiscal Year 2010	—	$ 17,056
Non-cash compensation expense related to stock options granted during Fiscal Year 2010	24,453	24,960
Total non-cash compensation through the issuance of stock options	$ 24,453	$ 42,016

NOTE 20 - STOCK OPTION PLANS

Under its 2004 Stock Option Plan and prior options plans, the Company may grant stock options to officers, selected employees, as well as members of the Board of Directors and advisory board members. All options have generally been granted at a price equal to or greater than the fair market value of the Company's Common Stock at the date of the grant. Generally, options are granted with a vesting period of up to three years and expire ten years from the date of grant.

Transactions under the plans for the years indicated were as follows:

	Fiscal Year 2012		Fiscal Year 2011	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at beginning of year	3,057,000	$ 1.51	3,287,000	$ 1.41
Options Granted	—	—	—	—
Options Exercised	—	—		
Options Expired/Forfeited	(58,000)	$ 0.10	(230,000)	$ 0.10

Options Vested

Outstanding at end of year	2,999,000	$ 1.53	3,057,000	$ 1.51

The following table summarizes information about stock options outstanding at March 31, 2012:

Range	Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
$ 0.01 – 1.00	920,000	7.2	$ 0.09	673,334	$ 0.08
1.01 – 2.00	99,000	5.8	$ 1.08	99,000	$ 1.08
2.01 – 3.00	1,980,000	4.5	$ 2.22	1,480,000	$ 2.21
$ 0.01 – 3.00		5.4	$ 1.53		$ 1.53

As of March 31, 2012, there were 6,520,100 options available for future grant under our Stock Option Plan.

NOTE 21 - INCOME TAXES

The components of the credit for income taxes are as follows:

	Year Ended March 31,	
	2012	2011
Federal:		
Current	$—	$—
Deferred	—	—
State		
Current	$(2,849)	$(10,422)
Deferred	—	—
Sale of New Jersey Net Operating Losses	$486,801	$311,835
Net Credit for Income Taxes	$483,952	$301,413

The Major components of deferred tax assets and liabilities at March 31, 2012 and 2011 are as follows:

	March 31,	
	2012	2011
Federal		
Net Operating Loss Carry forward	$16,995,825	$17,789,382
Less: Deferred Tax Liability	(169,208)	(305,716)
Subtotal	16,826,617	17,483,666
Valuation Allowance	(16,826,617)	(17,483,666)
	$—	$—
State		
Net Operating Loss Carryforwards	$932,426	$2,223,278
Less: Deferred Tax Liability	(34,837)	(68,786)
Subtotal	897,589	2,154,492
Valuation Allowance	(897,589)	(2,154,492)
	$—	$—

At March 31, 2012 and 2011, a 100% valuation allowance is provided, as it is uncertain if the deferred tax assets will provide any future benefits because of the uncertainty about the Company’s ability to generate the future taxable income necessary to use the net operating loss carryforwards.

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NOTE 22 - REMOVAL OF LODRANE PRODUCTS FROM THE US MARKET

On March 3, 2011, the U.S. Food and Drug Administration (“US-FDA”) announced its intention to remove approximately 500 cough/cold and allergy related products from the U.S. market. The Company manufactured two of the drugs impacted by the US-FDA’s action. The affected products are:

Product	Active Ingredient , Strength
Lodrane® 24 Capsules	Brompheniramine maleate, 12mg
Lodrane® 24D Capsules	Brompheniramine maleate, 12mg/pseudoephedrine HCl, 90mg

According to the press release issued by the US-FDA, manufacturers must stop manufacturing the affected products within 90 days after March 3, 2011 and distribution of the effected products must stop within 180 days after March 3, 2011.

For the year ended March 31, 2011, gross revenues earned by the Company from the Lodrane® products equaled $4.2 million, or approximately 97% of the Company’s total income for the year.

Shortly after the announcement by the US-FDA, the Company’s customer for the Lodrane® products cancelled all outstanding orders, other than those for which manufacturing had already begun, advising the Company that existing stocks of Lodrane® were sufficient and that additional quantities could not be sold prior to the 180 day deadline announced by the US-FDA.

The last shipment of Lodrane® products was made by the Company in April 2011 and manufacturing of Lodrane® has ceased.

While the timing of the announcement by the US-FDA resulted in such having a minimal effect on the Company’s operations for the 2011 Fiscal Year, the Company’s inability to manufacture Lodrane® has a material adverse effect on its revenues for periods beginning after March 31, 2011.

Please refer to the Current Report on Form 8-K filed with the SEC on March 4, 2011, such filing being herein incorporated by reference, for further details on this announcement.

NOTE 23 - MAJOR CUSTOMERS

Three customers accounted for approximately 90 percent of revenues for the year ended March 31, 2012, with such group of customers including a single customer that accounted for approximately 97 percent of revenues for the year ended March 31, 2011.

Please note that this major customer in the year ended March 31, 2011, was the purchaser of the Lodrane® products, which have been discontinued pursuant to an announcement by the US-FDA.

Shortly after the announcement by the US-FDA, this customer cancelled all outstanding orders, other than those for which manufacturing had already begun, advising the Company that existing stocks of Lodrane® were sufficient and that additional quantities could not be sold prior to the 180 day deadline announced by the US-FDA.

The last shipment of Lodrane® products was made by the Company in April 2011 and manufacturing of Lodrane® has ceased.

While the timing of the announcement by the US-FDA resulted in such having a minimal effect on the Company's operations for the 2011 Fiscal Year, the Company's inability to manufacture Lodrane® has a material and adverse effect on its revenues for periods beginning after March 31, 2011.

Please refer to the Current Report on Form 8-K filed with the SEC on March 4, 2011, such filing being herein incorporated by reference, for further details on this announcement.

NOTE 24 - **SETTLEMENT OF *MIDSUMMER INVESTMENTS, Ltd. Et al v. Elite Pharmaceuticals Inc.***

Midsummer Investments, Ltd., et al. v. Elite Pharmaceuticals, Inc. – On or about September 22, 2009, Midsummer Investments, Ltd. ("Midsummer") and Bushido Capital Master Fund, LP ("Bushido", and together with Midsummer, the "Plaintiffs") filed a complaint against Elite Pharmaceuticals, Inc., a Delaware corporation (the "Company"), in the United States District Court, Southern District of New York (Case No. 09 CIV 8074) (the "Action"). The Plaintiffs asserted claims for breach of contract (injunctive relief and damages), anticipatory breach of contract (injunctive relief), conversion (injunctive relief and damages), and attorneys' fees, arising out of a Securities Purchase Agreement, dated September 15, 2008, by and among the Company and certain purchasers of the Company's securities (including the Plaintiffs) and the Certificate of Designation of Preferences, Rights and Limitations of Series D 8% Convertible Preferred Stock, filed with the Secretary of State of the State of Delaware on September 15, 2009 (the "Series D Certificate"). Plaintiffs claimed that they were entitled to a reduced conversion price for their Series D 8% Convertible Preferred Stock, par value US$0.01 per share (the "Series D Preferred Stock"), as a result of the Strategic Alliance Agreement, dated March 18, 2009, as amended (the "Epic SAA"), by and among the Company, on the one hand, and Epic Pharma, LLC ("Epic") and Epic Investments, LLC ("Epic Investments", and together with Epic, the "Epic Parties"). With their complaint, the Plaintiffs concurrently filed a request for preliminary injunction. Pursuant to an order of the Court entered into on October 16, 2009, the Plaintiffs' request for a preliminary injunction was denied. Thereafter, Plaintiffs filed an amended complaint (the "Complaint"), asserting claims for breach of contract (injunctive relief and damages), anticipatory breach of contract (injunctive relief), conversion (damages) and attorneys' fees, seeking compensatory damages of $7,455,363.00, delivery of 1,000,000 shares of the Company's common stock, par value $0.001 per share (the "Common Stock"), a declaration that all future conversions of the Series D Preferred Stock, held by Plaintiffs is at a conversion price of $0.05, attorneys' fees, interest and costs.

The Company disputed the claims in the Complaint, believing the lawsuit to be without merit, and vigorously defended against them. The Company moved for summary judgment on the Complaint and the judge in the case did not issue an order on such motion. The Company proceeded with extensive, time-consuming and costly discovery. The court scheduled the trial to commence on June 28, 2010.

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In order to avoid the delays, expense and risks inherent in litigation, after extensive negotiations, the Company entered into (i) a Stipulation of Settlement and Release, dated June 25, 2010 (the "Settlement Agreement"), with the Plaintiffs and the Epic Parties, (ii) an Amendment Agreement, dated June 25, 2010 (the "Series D Amendment Agreement"), with the Plaintiffs and (iii) an Amendment Agreement, dated June 25, 2010 (the "Series E Amendment Agreement") with the Epic Parties. As part of the Settlement Agreement, the Action will be dismissed with prejudice.

Series D Amendment Agreement

Pursuant to the Series D Amendment Agreement, the Company and Plaintiffs agreed to amend the Series D Certificate. The holders of at least 50.1%, in the aggregate, of the Company's outstanding Series B Preferred 8% Convertible Preferred Stock, par value US$0.01 per share, Series C 8% Convertible Preferred Stock, par value US$0.01 per share, and Series D Preferred Stock, voting as one class, consented to the filing of the Amended Certificate of Designations of the Series D 8% Convertible Preferred Stock (the "Amended Series D Certificate") with the Secretary of State of the State of Delaware. On June 29, 2010, pursuant to the authority of its Board of Directors, the Company filed with the Secretary of State of the State of Delaware the Amended Series D Certificate.

Pursuant to the terms of the Amended Series D Certificate, the terms of the Series D Preferred Stock have been amended as follows:

- Dividends: The Series D Preferred Stock will continue to accrue dividends at the rate of 8% per annum on their stated value of US$1,000 per share, payable quarterly on January 1, April 1, July 1 and October 1 and such rate shall not increase to 15% per annum as previously provided prior to giving effect to the Series D Amendment Agreement. In addition to being payable in cash and shares of Common Stock, as provided in the Series D Certificate, such dividends may also be paid in shares of Series D Preferred Stock (the "Dividend Payment Preferred Stock") or a combination of cash, Common Stock and Dividend Payment Preferred Stock. Dividend Payment Preferred Stock will have the same rights, privileges and preferences as the Series D Preferred Stock, except that such Dividend Payment Preferred Stock will not be entitled to, nor accrue, any dividends pursuant to the Amended Series D Certificate.

- Conversion Price: The conversion price of the Series D Preferred Stock shall be reduced from US$0.20 per share to US$0.07 per share (subject to adjustment as provided in the Amended Series D Certificate).

- Automatic Monthly Conversion: On each Monthly Conversion Date (as defined below), a number of shares of Series D Preferred Stock equal to each holder's pro-rata portion (based on the shares of Series D Preferred Stock held by each Holder on June 25, 2010) of the Monthly Conversion Amount (as defined below) will automatically convert into shares of Common Stock at the then-effective conversion price (each such conversion, a "Monthly Conversion"). Notwithstanding the foregoing, the Company will not be permitted to effect a Monthly Conversion on a Monthly Conversion Date unless (i) the Common Stock shall be listed or quoted for trading on a trading market, (ii) there is a sufficient number of authorized shares of Common Stock for issuance of all Common Stock to be issued upon such Monthly Conversion, (iii) as to any holder of Series D Preferred Stock, the issuance of the shares will not cause a breach of the beneficial ownership limitations set forth in the Amended Series D Certificate, (iv) if requested by a holder of Series D Preferred Stock and a customary Rule 144 representation letter relating to all shares of Common Stock to be issued upon each Monthly Conversion is provided by such holder after request from the Company, the shares of Common Stock issued upon such Monthly Conversion are delivered electronically through the Depository Trust Company or another established clearing corporation performing similar functions ("DTC"), may be resold by such holder pursuant to an exemption under the Securities Act and are otherwise free of restrictive legends and trading restrictions on such Holder, (v) there has been no public announcement of a pending or proposed Fundamental Transaction or Change of Control Transaction (as such terms are defined in the Amended Series D Certificate) that has not been consummated, (vi) the applicable holder of Series D Preferred Stock is not in possession of any information provided to such holder by the Company that constitutes material non-public information, and (vii) the average VWAP (as defined in the Amended Series D Certificate) for the 20 trading days immediately prior to the applicable Monthly Conversion Date equals or exceeds the then-effective conversion price of the Series D Preferred Stock. Shares of the Series D Preferred Stock issued to the holders of Series D Preferred Stock as Dividend Payment Preferred Stock shall be the last shares of Series D Preferred Stock to be subject to Monthly Conversion. As used herein, the following terms have the following meanings: (i) "Monthly Conversion Date" means the first day of each month, commencing on August 1, 2010, and terminating on the date the Series D Preferred Stock is no longer outstanding; (ii) "Monthly Conversion Amount" means an aggregate Stated Value of Series D Preferred Stock among all Holders that is equal to 25% of aggregate dollar trading volume of the Common Stock during the 20 trading days immediately prior to the applicable Monthly Conversion Date (such 20 trading day period, the "Measurement Period"), increasing to 35% of the aggregate dollar trading volume during the Measurement Period if the average VWAP during such Measurement Period equals or exceeds $0.12 (subject to adjustment for forward and reverse stock splits and the like that occur after June 25, 2010) and further increasing to 50% of the aggregate dollar trading volume during such Measurement Period if the average VWAP during such Measurement Period equals or exceeds $0.16 (subject to adjustment for forward and reverse stock splits and the like that occur after June 25, 2010).

- Change of Control Transaction: Epic and its affiliates were expressly excluded from any event which would otherwise constitute a "Change of Control Transaction" due to the acquisition in excess of 40% of the Company's voting securities.

Pursuant to the Series D Amendment Agreement, the exercise price of the Warrants (the "Series D Warrants") to purchase shares of Common Stock issued to the holders of Series D Preferred Stock pursuant to the Securities Purchase Agreement, dated as of September 15, 2008, by and among the Company and the purchasers of Series D Preferred Stock will be reduced from $0.25 per share to US$0.125. In addition, the exercise price of the Series D Warrants may be reduced as follows:

(i)

by 20%, if on September 15, 2011, the holder of such Warrant still beneficially owns more than 50% of the Series D Preferred Stock beneficially owned by such holder as of June 25, 2010 ("Base Ownership"); and

(ii) by 20%, if (a) on September 15, 2011, such holder then beneficially owns more than 25% of the Base Ownership and 50% or less of the Base Ownership and (b) on September 15, 2012, such holder then beneficially owns more than 25% of the Base Ownership.

Notwithstanding the foregoing, (x) in no event will the exercise price of the Series D Warrants be reduced more than once as a result of the amendments to such Series D Warrants, and (y) in the event that on September 15, 2011 or, if the condition of clause (ii)(a) above is met, on September 15, 2012, the Holder beneficially owns 25% or less of the Base Ownership, then no adjustment shall occur pursuant to the Series D Warrants, as amended by the Series D Amendment Agreement. Additionally, there will be no corresponding increase in the number of shares of Common Stock issuable upon exercise of the Warrants solely as a result of the foregoing adjustments.

To the extent such issuance does not cause the breach of the beneficial ownership limitations set forth in the Amended Series D Certificate (any excess shares will be issued to the affected holder of Series D Preferred Stock upon written notice from such holder when such holder's beneficial ownership is below 9.9% to the extent that such issuance does not cause such holder to exceed such amount), the Company agreed to issue certain shares of Common Stock to the Plaintiffs and their respective affiliates in satisfaction of the Company's obligation to pay certain previously accrued but unpaid dividends through March 31, 2010 owing to the Plaintiffs and their respective affiliates.

Series E Amendment Agreement

Pursuant to the Series E Amendment Agreement, the Company agreed to amend the Certificate of Designation of Preferences, Rights and Limitations of the Series E Convertible Preferred Stock, filed with Secretary of State of the State of Delaware on June 3, 2009 (the "Series E Certificate"). The Epic Parties, constituting all holders of Series E Preferred Stock, consented to the filing of the Amended Certificate of Designations of the Series E Convertible Preferred Stock (the "Amended Series E Certificate") with the Secretary of State of the State of Delaware. On June 29, 2010, pursuant to the authority of its Board of Directors, Company filed with the Secretary of State of the State of Delaware the Amended Series E Certificate. Pursuant to the terms of the Amended Series E Certificate, the conversion price of the Series E Preferred Stock will be adjusted downward to reflect, on a pro rata basis, the reduction in the conversion price of the Series D Preferred Stock as the result of the Series D Amendment Agreement, to the extent shares of Series D Preferred Stock are converted at the reduced conversion price set forth in the Amended Series D Certificate.

Pursuant to the Series E Amendment Agreement, the Epic SAA was amended so that the purchase of the 750 Additional Shares of Series E Preferred Stock described therein for an aggregate purchase price of $750,000 would occur in 12 installments of 62.5 shares (for a purchase price of $62,500) (i) on or prior to November 1, 2009 (which has been satisfied) and (ii) within 10 business days following the last day of each calendar quarter, beginning with the first calendar quarter ending on September 30, 2010 and continuing for each of the 10 calendar quarters thereafter.

In addition, under the Series E Amendment Agreement, the third closing date is scheduled to occur on or before December 31, 2010, subject to certain conditions set forth in the Epic SAA (as amended by the Series E Amendment Agreement).

Under each of the Series D Amendment Agreement and the Series E Amendment Agreement, the Company agreed that at its next meeting of shareholders it will seek shareholder approval to amend its certificate of incorporation to increase the number of authorized but unissued shares of Common Stock to at least 760,000,000.

Settlement Agreement

Pursuant to the Settlement Agreement, Elite and the Epic Parties, individually and on behalf of each of their respective officers, directors, agents, representatives, successors, affiliated entities, subsidiaries, heirs, employees, administrators and assigns (the "Elite Releasors") agreed to release and discharge each of the Plaintiffs, BCMF Trustees LLC, an affiliate of Bushido ("BCMF"), their respective owners, officers, directors, investors, agents, representatives, successors, affiliated entities, subsidiaries, heirs, employees, administrators and assigns (the "Plaintiffs' Releases") from any and all actions, causes of action, claims, liens, suits, debts, accounts, liabilities, expenses, attorneys' fees, agreements, promises, charges, complaints and demands (collectively, "Loses") which the Elite Releasors have or may have against the Plaintiffs' Releasees that could have been asserted in the Action or any other court action, based upon any conduct up to and including the date of the Settlement Agreement. Notwithstanding the foregoing, the Elite Releasors will not release any claim of breach of the terms of the Settlement Agreement, breach of the terms of the Series D Amendment Agreement, or any cause of action arising from future conduct by the Plaintiffs' Releases.

Pursuant to the Settlement Agreement, the Plaintiffs and BCMF, individually and on behalf of each of their respective owners, officers, directors, investors, agents, representatives, successors, affiliated entities, subsidiaries, heirs, employees, administrators and assigns (the "Plaintiffs' Releasors") agreed to release and discharge Elite and the Epic Parties and each of their respective officers, directors, agents, representatives, successors, affiliated entities, subsidiaries, heirs, employees, administrators and assigns (the "Elite Releasees"), from any and all Losses which the Plaintiffs' Releasors have or may have against the Elite Releasees that could have been asserted in the Action or any other court action, based upon any conduct up to and including the date of the Settlement Agreement. Notwithstanding the foregoing, the Plaintiffs' Releasors did not release any claim of breach of the terms of the Settlement Agreement, breach of the terms of the Series D Amendment Agreement or any cause of action arising from future conduct by the Elite Releasees.

In addition, concurrently with the execution of the Settlement Agreement, legal counsel for both the Company and the Plaintiffs executed a Stipulation of Discontinuance of the Action, which such counsel will file once all conditions precedent to the effectiveness of the Settlement Agreement have been satisfied.

The foregoing description of the Amended Series D Certificate, Amended Series E Certificate, Settlement Agreement, Series D Amendment Agreement and Series E Amendment Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of such documents which are filed herewith and incorporated herein by reference.

On July 1, 2010, the Company filed with the SEC a Current Report on Form 8-K announcing the settlement of the litigation with the Plaintiffs, with such filing being incorporated by reference herein.

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NOTE 25 - **SETTLEMENT OF *ThePharmaNetwork Inc. v. Elite Pharmaceuticals Inc.***

On March 17, 2011, Elite Pharmaceuticals, Inc. (the "Company") issued a press release announcing the settlement of a lawsuit filed in the Superior Court of New Jersey, Chancery Division: Bergen County entitled ThePharmaNetwork, LLC v. Elite Pharmaceuticals, Inc. (Index No. C-272-10) (the "Action").

The Action was commenced on or about August 27, 2010 by ThePharmaNetwork, LLC ("TPN"). TPN alleged that the Company breached certain obligations in connection with a Product Collaboration Agreement (the "Collaboration Agreement"), made as of November 10, 2006, pursuant to which the Company and TPN agreed to collaborate in the development, commercialization, manufacturing and distribution of a generic pharmaceutical product, which the parties subsequently agreed would be methadone hydrochloride in a 10 mg. tablet (the "Product"). In the lawsuit, the Company asserted counterclaims against TPN arising out of the Collaboration Agreement, and sought damages of no less than $1,125,000 from TPN. Both parties denied the other side's allegations.

In order to fully and finally resolve the disputed claims arising in the Action, the Company and TPN have entered into a settlement agreement, dated March 11, 2011 (the "Settlement Agreement"), pursuant to which the Action, including all of TPN's claims and the Company's counterclaims, will be dismissed with prejudice.

Pursuant to the Settlement Agreement, the parties have agreed to terminate the Collaboration Agreement.

In addition, in consideration of the Company's agreement to terminate the Collaboration Agreement and to relinquish to TPN all rights and interest in the Abbreviated New Drug Application ("ANDA") for the Product approved by the U.S. Food and Drug Administration (FDA), TPN made a cash payment of $500,000 to Elite.

As part of the Settlement Agreement, TPN also acknowledges that the Company may develop a generic product containing methadone of any strength (including the filing of an abbreviated new drug application relating to such product) and that nothing in the Settlement Agreement restricts the Company from developing, commercializing, manufacturing and distributing any pharmaceutical product similar to, or which may compete with, the Product or the ANDA filed in connection with the Product.

The Settlement Agreement also contained a mutual release pursuant to which the Company and TPN agreed to release and discharge each other and their respective affiliates from all claims arising before the date of the Settlement Agreement.

Please refer to the Current Report on Form 8-K filed with the SEC on March 17, 2011, such filing being herein incorporated by reference, for further details on this settlement of litigation.

NOTE 26 - TRANSACTIONS WITH RELATED PARTIES

Transactions with Epic Pharma LLC and Epic Investments LLC

On March 18, 2009, the Company entered into the Epic Strategic Alliance Agreement with Epic Pharma, LLC and Epic Investments, LLC, a subsidiary controlled by Epic Pharma LLC, as disclosed in this Annual Report Form 10-K under Item 7 of Part II of this Annual Report on Form 10-K, under the heading "Epic Strategic Alliance Agreement," Item 9B and Item 10, under the heading "Directors and Executive Officers," and in our Current Reports on Form 8-K, filed with the SEC on March 23, 2009, May 6, 2009 and June 5, 2009, which disclosures are incorporated herein by reference. Ashok G. Nigalaye, Jeenarine Narine and Ram Potti, each were elected as members of our Board of Directors, effective June 24, 2009, as the three directors that Epic is entitled to designate for appointment to the Board pursuant to the terms of the Epic Strategic Alliance Agreement. Messrs. Nigalaye, Narine and Potti are also officers of Epic Pharma, LLC, in the following capacities:

- Mr. Nigalaye, Chairman and Chief Executive Officer of Epic Pharma, LLC;
- Mr. Narine, President and Chief Operating Officer of Epic Pharma, LLC;
- Mr. Potti, Vice President of Epic Pharma, LLC.

As part of the operation of the strategic alliance, the Company and Epic identified areas of synergy, including, without limitation, raw materials used by both entities, equipment purchases, contract manufacturing/packaging and various regulatory and operational resources existing at Epic that could be utilized by the Company.

With regards to synergies related to raw materials usage, the strategic alliance allowed the Company to purchase such raw materials from Epic, at the Epic acquisition cost, without markup. In all cases, the acquisition cost of Epic was lower than those costs available to the Company, mainly as a result of efficiencies of scale generated by significantly larger volumes purchased by Epic during the course of their normal operations. During the fiscal years ended 3/31/2012 and 3/31/2011, an aggregate amount of 15,552 and $232,305, respectively, in such materials was purchased from Epic Pharma LLC. All purchases were at Epic Pharma's acquisition cost, without markup and evidenced by supporting documents of Epic Pharma LLC's acquisition cost.

With regards to synergies related to regulatory and operational resources, the strategic alliance allowed the Company to utilize Epic's substantial resources and technical competencies on an "as needed" basis at a cost equal to Epic's actual cost for only the resources utilized by the Company. Without such access to Epic's resources, the Company would have to invest significant amounts in human resources and fixed assets as well as incur substantial costs with third party providers to provide the same resources provided by Epic and necessary for the operations of the Company.

During the fiscal year ended 3/31/2012, an aggregate amount of $133,003 was paid to Epic as reimbursement for costs associated with facility maintenance, engineering and regulatory resources utilized by the Company. During the fiscal

year ended 3/31/2011, an aggregate amount of $73,440 was paid to Epic as reimbursement for costs associated with facility maintenance, engineering and regulatory resources utilized by the Company.

During the fiscal year ended March 31, 2012, the Company incurred a total of $275,768 in contract manufacturing and/or packaging costs for the Company's Phentermine, Hydromorphone, Methadone and Immediate Release Lodrane products.

During the fiscal years ended March 31, 2012 and 2011, equipment purchases from Epic totaled $52,000 and $140,000, respectively.

The Company also purchased an ANDA for Phentermine 37.5mg tablets from Epic Pharma LLC for a cost of $450,000. Please refer to Exhibit 10.7 of the Quarterly Report on Form 10-Q filed with SEC on November 15, 2010 for further details on this ANDA purchase.

Total purchases from Epic by the Company during the fiscal years ended March 31, 2012 and 20111 were $476,323 and $895,745, respectively.

During the fiscal year ended March 31, 2011, the Company also performed method development services for Epic Pharma LLC, for which it was paid $25,000, sold retired equipment to Epic for $30,000 and sold excess raw materials to Epic for a total of $2,903.

NOTE 27 - CONVERSIONS OF PREFERRED STOCK DERIVATIVES TO COMMON STOCK

The Amended Certificate of Designations of the Series B 8% Convertible Preferred Stock of Elite Pharmaceuticals (the “Series B Preferred Derivatives”), the Series C 8% Convertible Preferred Stock of Elite Pharmaceuticals (the “Series C Preferred Derivatives”), the Series D 8% Convertible Preferred Stock of Elite Pharmaceuticals (the “Series D Preferred Derivatives”) and the Series E Convertible Preferred Stock Derivatives (the “Series E Preferred Derivatives”, and together with the Series B Preferred Derivatives, the Series C Preferred Derivatives and the Series D Preferred Derivatives, the “Preferred Derivatives”) include provisions entitling the holders of these Preferred Derivatives to convert shares of the Preferred Derivatives into shares of Common Stock. The Preferred Derivatives are classified as a liability to the Company, and the liability represented by those shares of Preferred Derivatives being converted must be valued at the time of such conversion, with increases/(decreases) in the value of preferred share derivative liabilities being appropriately recorded and reflected in the Other Income section of the Company’s Statement of Operations. The amount of equity recorded as a result of the conversion of Preferred Derivatives is equal to the value of such Preferred Derivatives being converted, at the time of the conversion, with such amount also representing the decrease in the Preferred Share Derivative Liability on the Company’s Balance Sheet.

Conversions of Preferred Derivatives during the years ended March 31, 2012 and March 31, 2011, are summarized as follows:

	Fiscal 2012	Fiscal 2011
Series B Derivatives		
Number of Derivative Shares Converted	99	—
Number of Common Shares issued pursuant to conversion	660,001	—
Value of Preferred Derivative shares at time of conversion (represents decrease in derivative liability resulting from conversions)	$72,600	—
Change in value of preferred share derivative liability recorded at time of conversion	$(39,600)	—
Par value of Common Shares issued	$660	—
Additional paid in capital recorded as a result of the conversions	$71,940	—
Series C Preferred Derivatives		
Number of Derivative Shares Converted	2,752	—
Number of Common Shares issued pursuant to conversion	18,346,673	—
Value of Preferred Derivative shares at time of conversion (represents decrease in derivative liability resulting from conversions)	$1,712,667	—
Change in value of preferred share derivative liability recorded at time of conversion	$(518,387)	—
Par value of Common Shares issued	$18,347	—
Additional paid in capital recorded as a result of the conversions	$1,694,321	—

	Fiscal 2012	Fiscal 2011
Series D Preferred Derivatives		
Number of Derivative Shares Converted	4,063	4,945
Number of Common Shares issued pursuant to conversion	58,042,862	70,649,154
Value of Preferred Derivative shares at time of conversion (represents decrease in derivative liability resulting from conversions)	$9,473,715	4,465,584
Change in value of preferred share derivative liability recorded at time of conversion	$4,946,372	1,639,618
Par value of Common Shares issued	$58,043	70,649
Additional paid in capital recorded as a result of the conversions	$9,415,672	4,394,935
Series E Preferred Derivatives		
Number of Derivative Shares Converted	1,563	
Number of Common Shares issued pursuant to conversion	63,443,670	
Value of Preferred Derivative shares at time of conversion (represents decrease in derivative liability resulting from conversions)	$5,905,197	
Change in value of preferred share derivative liability recorded at time of conversion	$1,166,521	
Par value of Common Shares issued	$63,444	
Additional paid in capital recorded as a result of the conversions	$5,841,754	
Total Preferred Derivatives		
Number of Derivative Shares Converted	8,477	4,945
Number of Common Shares issued pursuant to conversion	140,493,206	70,649,164
Value of Preferred Derivative shares at time of conversion (represents decrease in derivative liability resulting from conversions)	$17,164,180	$4,465,584
Change in value of preferred share derivative liability recorded at time of conversion	$5,554,906	$1,639,618
Par value of Common Shares issued	$140,493	$70,649
Additional paid in capital recorded as a result of the conversions	$17,023,687	$4,394,935

NOTE 28 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through June 29, 2012, the date the accompanying financial statements were issued. The following are material subsequent events:

Common shares issued in lieu of cash in payment of derivative interest expense due as of March 31, 2012

Derivative interest expense related to the Preferred Share derivatives due and payable as of March 31, 2012 were paid during April 2012 through the issuance of 802,789 shares of common stock.

Common shares issued in lieu of cash in payment of derivative interest expense due to Series B Preferred Shareholders for the period April 1, 2012 through the date of full conversion of Series B Preferred Shares held

Derivative interest expense related to the Series B Preferred Share derivatives earned during the period beginning on April 1, 2012 and ending on the date of full conversion by each Series B Preferred Shareholder totaled $11,523 and was paid via the issuance of a total of 85,804 shares of Common Stock.

Conversion of Series B and Series C Convertible Preferred Stock to Common Stock

During the period beginning on April 1, 2012 and ending on the date of filing of this Annual Report on Form 10-K, a total of 797 shares of Series B Preferred Stock, representing all shares of Series B Preferred Stock then issued and outstanding, were converted into a total of 5,310,387 shares of Common Stock. In addition, a total of 1,216 shares of Series C Preferred Stock were converted into a total of 8,106,667 shares of Common Stock.

Issuance of U.S. Patent for Abuse Resistant Oral Dosage Formulation

On May 22, 2012, the United States Patent and Trademark Office (“USPTO”) issued U.S. Patent No. 8,182,836, entitled “Abuse-Resistant Oral Dosage Forms and Method of Use Thereof. The issuance of this patent will further protect Elite’s proprietary formulation for abuse resistant products utilizing the pharmacological approach. The Company has additional patents pending for its technology. A Current Report on Form 8-K was filed with the SEC on May 22, 2012, with such filing being herein incorporated by reference.

Bridge Loan Facility from Jerry Treppel

On June 12, 2012, the Company entered into a bridge loan agreement (“Loan”) with Jerry Treppel, Elite’s Chairman and CEO. Pursuant to this agreement, Mr. Treppel has agreed to provide to Elite a line of credit not to exceed $500,000. Proceeds will be used to support Elite’s acceleration of product development activities.

Pursuant to the agreement, Elite has access to a line of credit in the maximum principal amount not to exceed $500,000. The Loan carries an annual interest rate of 10%, with such interest to be paid quarterly. The Loan will mature on the earlier of the date that Elite raises at least $2,000,000 in gross proceeds from the sale of any of its equity securities or July 31, 2013. Elite may prepay any amounts of the Loan without penalty. Elite may borrow, repay and reborrow under the loan.

A Current Report on Form 8-K was filed with the SEC on June 13, 2012, with such filing being herein incorporated by reference.

Withdrawal of Registration Statement on Form S-1

On June 20, 2012, the Company filed a letter with the Securities and Exchange Commission (the “Commission”) requesting withdrawal of the Registration Statement on Form S-1 (the “Registration Statement”) that it had filed with the Commission on March 1, 2012. The Company had filed the Registration Statement in accordance with the terms of a Securities Purchase Agreement entered into by the Company on December 30, 2011. The withdrawal request will be deemed granted as of June 20, 2012 unless, within fifteen days after such date, the Company receives a notice from the Commission that this request will not be granted.

The Company is withdrawing the Registration Statement because, after discussions with the Commission’s staff, it determined that the transactions as structured in the Securities Purchase Agreement could not be implemented. Accordingly, the Company will not be proceeding with the financing under the Securities Purchase Agreement.

A Current Report on Form 8-K was filed with the SEC on June 21,2012, such filing being herein incorporated by reference.