

ELITE PHARMACEUTICALS INC /DE/
 Form 3
 December 20, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

<p>1. Name and Address of Reporting Person *</p> <p>Subramanian Veerappan</p> <p>(Last) (First) (Middle)</p> <p>C/O ELITE PHARMACEUTICALS, INC., 165 LUDLOW AVENUE</p> <p>(Street)</p> <p>NORTHVALE, NJ 07647</p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>12/06/2006</p>	<p>3. Issuer Name and Ticker or Trading Symbol</p> <p>ELITE PHARMACEUTICALS INC /DE/ [ELI]</p>	<p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below)</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p>	<p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person</p>
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Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	26,800	D	À
Common Stock	957,396	I	By VGS Pharma, LLC ⁽¹⁾

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Warrants	12/06/2006	12/06/2011	Common Stock	478,698	\$ 3	I	By VGS Pharma, LLC ⁽²⁾
Stock Options	12/06/2006	12/06/2016	Common Stock	250,000	\$ 2.13	D	^
Stock Options	05/06/2007	12/06/2016	Common Stock	250,000	\$ 2.13	D	^
Stock Options	12/06/2007	12/06/2016	Common Stock	250,000	\$ 2.13	D	^
Stock Options	^ ⁽³⁾	12/06/2016	Common Stock	1,000,000	\$ 2.13	D	^

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Subramanian Veerappan C/O ELITE PHARMACEUTICALS, INC., 165 LUDLOW AVENUE NORTHVALE, NJ 07647	^ X	^	^	^

Signatures

/s/ Veerappan
Subramanian

12/20/2006

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Owned by VGS Pharma, LLC ("VGS"), a wholly-owned subsidiary of Kali Capital, L.P., which is controlled by Kali Management, LLC ("Kali"), its general partner, and Kali is controlled by the daughter of the Reporting Person, its managing member. The Reporting Person disclaims beneficial ownership of these shares of Common Stock, except to the extent of his pecuniary interest therein, if any.

(2) The Warrant is owned by VGS. See footnote no. 1. The Reporting Person disclaims beneficial ownership of the Warrant and the underlying shares of Common Stock, except to the extent of his pecuniary interest therein, if any.

(3) The vesting of these Stock Options shall depend upon the accomplishment of certain milestones with respect to the first or second drug product developed by the Issuer on or after February 4, 2007 under a certain Advisory Agreement, dated December 6, 2006, between the Issuer and the Reporting Person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.

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