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ELITE PHARMACEUTICALS INC /DE/

Form 8-K

September 06, 2005

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

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934

August 31, 2005

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Date of Report (Date of earliest event reported)

ELITE PHARMACEUTICALS, INC.

-----  
(Exact name of registrant as specified in its charter)

Delaware	333-45241	22-3542636
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

165 Ludlow Avenue, Northvale, New Jersey 07647

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(Address of principal executive offices)

(201) 750-2646

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(Registrant's telephone number, including area code)

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(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 2.03: CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF- BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

On August 31, 2005, Registrant completed a refinancing through the issuance of the tax-exempt bonds by the New Jersey Economic Development Authority (the "Authority"). The refinancing involved the borrowing of \$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 Series B Note in the principal amount of \$495,000 maturing on September 1, 2012. The net proceeds, after payment of issuance costs, are to be used (i) to redeem the outstanding tax-exempt Bonds originally issued by the Authority on September 2, 1999, and (ii) for the purchase of certain equipment to be used in the manufacture of pharmaceutical products. Interest is payable semiannually on March 1 and September 1 of each year. The Bonds are collateralized by a first lien on the Registrant'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 Bonds proceeds and \$49,500 from the Series B proceeds.

The issuance costs include a commission of \$124,650 paid to the Placement Agent

The Bonds are to be redeemed on September 1 of each year in the following principal amounts:

	SERIES A -----	SERIES B -----
2006	\$120,000	\$55,000
2007	125,000	60,000
2008	135,000	65,000
2009	140,000	70,000
2010	150,000	75,000
2011	165,000	80,000
2012	170,000	90,000
2013	185,000	
2014	195,000	
2015	210,000	
2016	220,000	
2017	85,000	
2018	90,000	
2019	95,000	
2020	105,000	
2021	110,000	
2022	115,000	
2023	125,000	
2024	130,000	
2025	140,000	
2026	150,000	
2027	160,000	
2028	170,000	
2029	180,000	
2030	190,000	

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Redemption may be satisfied in whole or in part by delivery of Bonds previously acquired by the Registrant.

The maturity of the Bonds may be accelerated in the event of a default, which includes: the failure to pay principal or interest within ten days following the due date, the failure to make any other required payments within ten days of notice, failure to cure a covenant default within 30 days of notice, and insolvency or an act of bankruptcy.

Item 9.01. FINANCIAL STATEMENTS AND EXHIBITS  
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a) Not applicable.

b) Not applicable.

c) Exhibits

- 10.1 Loan Agreement, by and between New Jersey Economic Development Authority and the Registrant, dated as of August 15, 2005.
- 10.2 Copy of Series A Note.
- 10.3 Copy of Series B Note.
- 10.4 Mortgage from Registrant to New Jersey Economic Development Authority.
- 10.5 Indenture between New Jersey Economic Development Authority and the Bank of New York as Trustee, dated as of August 15, 2005.

SIGNATURE

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

Dated: September 2, 2005

ELITE PHARMACEUTICALS, INC.

By: /s/ Bernard Berk

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Name: Bernard Berk  
Title: Chief Executive Officer