

ADM TRONICS UNLIMITED, INC.

Form 10-Q

November 23, 2015

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended September 30, 2015

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

*COMMISSION FILE NO. 0-17629*

**ADM TRONICS UNLIMITED, INC.**

(Exact name of registrant as specified in its charter)

Delaware

22-1896032

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(State or Other Jurisdiction (I.R.S. Employer  
of Incorporation or organization) Identification Number)

224-S Pegasus Ave., Northvale, New Jersey 07647  
(Address of Principal Executive Offices)

Registrant's Telephone Number, including area code: (201) 767-6040

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: YES  NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES  NO

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date:

67,008,502 shares of Common Stock, \$.0005 par value, as of November 20, 2015.

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**ADM TRONICS UNLIMITED, INC., AND SUBSIDIARY**

INDEX

	Page Number
Part I - Financial Information	
Item 1.	Condensed Consolidated Financial Statements:
	Condensed Consolidated Balance Sheets – September 30, 2015 (unaudited) and March 31, 2015 3
	Condensed Consolidated Statements of Operations for the three and six months ended September 30, 2015 and 2014 (unaudited) 4
	Condensed Consolidated Statements of Cash Flow for the six months ended September 30, 2015 and 2014 (unaudited) 5
	Notes to the Condensed Consolidated Financial Statements (unaudited) 6
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations 10
Item 3.	Quantitative and Qualitative Disclosures about Market Risk 16
Item 4.	Controls and Procedures 16
Part II - Other Information	
Item 1.	Legal Proceedings 17
Item 1A.	Risk Factors 17
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds 17
Item 3.	Defaults Upon Senior Securities 17
Item 4.	Mine Safety Disclosures 17
Item 5.	Other Information 17
Item 6.	Exhibits 18



**PART I. FINANCIAL INFORMATION****ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****ADM TRONICS UNLIMITED, INC. AND SUBSIDIARY****CONDENSED CONSOLIDATED BALANCE SHEETS**

	September 30, 2015 (unaudited)	March 31, 2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$942,143	\$216,395
Accounts receivable, net of allowance for doubtful accounts of \$25,000 for each period	800,813	616,070
Inventories	193,749	137,704
Prepaid expenses and other current assets	21,595	16,595
Restricted cash	232,874	232,525
Deferred tax asset	410,000	-
 Total current assets	 2,601,174	 1,219,289
Property and equipment, net of accumulated depreciation of \$74,972 and \$74,070, respectively	2,344	3,246
Inventories - long-term portion	74,639	88,257
Intangible assets, net of accumulated amortization of \$154,365 and \$153,667, respectively	13,784	14,481
Other assets	16,144	16,144
Deferred tax asset	447,000	-
Total other assets	553,911	122,128
 Total assets	 \$3,155,085	 \$1,341,417
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Note payable - bank	\$108,966	\$121,966
Accounts payable	238,754	329,291
Accrued expenses and other current liabilities	271,128	221,106

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Customer deposits	99,102	99,102
Due to shareholder	249,606	223,849
Total current liabilities	967,556	995,314
Total liabilities	967,556	995,314
Stockholders' equity:		
Preferred stock, \$.01 par value; 5,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$.0005 par value; 150,000,000 authorized, 67,008,502 and 64,939,537 shares issued and outstanding at September 30, 2015 and March 31, 2015, respectively	33,504	32,470
Additional paid-in capital	33,195,759	32,298,094
Accumulated deficit	(31,041,734)	(31,984,461)
Total stockholders' equity	2,187,529	346,103
Total liabilities and stockholders' equity	\$3,155,085	\$1,341,417

The accompanying notes are an integral part of these condensed consolidated financial statements.

**ADM TRONICS UNLIMITED, INC. AND SUBSIDIARY****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2015	2014	2015	2014
Net revenues	\$ 1,252,881	\$ 748,593	\$ 2,308,809	\$ 1,372,267
Cost of sales	495,680	263,869	796,553	602,085
Gross Profit	757,201	484,724	1,512,256	770,182
Operating expenses:				
Research and development	30,522	18,241	55,211	30,286
Selling, general and administrative	475,186	337,142	770,411	573,697
Stock based compensation	598,699	-	598,699	-
Depreciation and amortization	709	555	1,306	1,680
Total operating expenses	1,105,116	355,938	1,425,627	605,663
Income (loss) from operations	(347,915 )	128,786	86,629	164,519
Other income (expense):				
Interest income	248	1,325	569	2,372
Interest expense	(830 )	(740 )	(1,471 )	(1,693 )
Total other income (expense)	(582 )	585	(902 )	679
Income (loss) before benefit for income taxes	(348,497 )	129,371	85,727	165,198
Benefit for income taxes - deferred	857,000	-	857,000	-
Net income	\$ 508,503	\$ 129,371	\$ 942,727	\$ 165,198
Basic and diluted per common share:	\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.00
Weighted average shares of common stock outstanding - basic	66,176,418	64,939,537	65,561,357	64,939,537
Weighted average shares of common stock outstanding - diluted	66,994,600	65,539,537	66,379,539	65,539,537



The accompanying notes are an integral part of these  
condensed consolidated financial statements.

4

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**ADM TRONICS UNLIMITED, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2015 AND 2014**

**(Unaudited)**

	2015	2014
Cash flows from operating activities:		
Net income (loss)	\$942,727	\$165,198
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation	598,699	-
Depreciation and amortization	1,600	3,054
Interest receivable	-	(2,106 )
Deferred income tax	(857,000)	-
Increase (decrease) in cash flows as a result of changes in net assets and liabilities balances:		
Accounts receivable	(184,743)	(164,620)
Inventories	(42,427 )	(183,704)
Prepaid expenses and other current assets	(5,000 )	(5,819 )
Accounts payable	(90,538 )	51,282
Customer deposit	-	103,492
Accrued expenses and other current liabilities	50,022	60,369
Due to shareholder	25,757	57,894
Total adjustments	(503,630)	(80,158 )
Net cash provided by operating activities	439,097	85,040
Cash flows from investing activities:		
Investment in Angiodroid	-	-