

ADM TRONICS UNLIMITED INC/DE
Form 10-K
June 29, 2012

FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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

For the fiscal year ended March 31, 2012

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

For the transition period from _____ to _____

COMMISSION FILE NUMBER 0-17629

ADM TRONICS UNLIMITED, INC.
(Name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

22-1896032
(I.R.S. Employer Identification No.)

224 Pegasus Avenue, Northvale, New Jersey 07647
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number (201) 767-6040

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT: None

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

COMMON STOCK, \$.0005 PAR VALUE
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 (§

Edgar Filing: ADM TRONICS UNLIMITED INC/DE - Form 10-K

229.405 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 [X] No []

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

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. (Check one):

Large accelerated filer	Accelerated filer []	Non-accelerated filer []	Smaller reporting
[]		(Do not check if a smaller	company [X]
		reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [] No [X]

The aggregate market value of voting stock held by non-affiliates of the registrant as of September 30, 2011, the last business day of the registrant's most recently completed second fiscal quarter was \$613,273.

The number of shares of the Common Stock outstanding as of June 29, 2012 was 56,939,537.

DOCUMENTS INCORPORATED BY REFERENCE

Not applicable.

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains various forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and information that is based on management's beliefs as well as assumptions made by and information currently available to management. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. When used in this report, the words "anticipate," "believe," "estimate," "expect," "predict," "project" and similar expressions are intended to identify forward-looking statements. We cannot guarantee the accuracy of the forward-looking statements, and you should be aware that our actual results could differ materially from those contained in the forward-looking statements due to a number of factors, including the statements under "Risk Factors" set forth in "Item 1 - Description of Business" and the statements under "Critical Accounting Policies" set forth in "Item 6 - Management's Discussion and Analysis or Plan of Operation." Due to these uncertainties and risks, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K.

Unless otherwise indicated in this prospectus, references to "we," "us," "our" or the "Company" refer to ADM Tronics Unlimited, Inc. and its subsidiaries.

PART I

ITEM 1. BUSINESS

COMPANY OVERVIEW

The Company is a technology-based developer and manufacturer of diversified lines of products and derives revenue from the production and sale of environmentally safe chemical products for industrial, medical and cosmetic uses; electronics for non-invasive medical and other applications; and, research, development and engineering services.

The Company is a corporation that was organized under the laws of the State of Delaware on November 24, 1969. Our operations are conducted through ADM Tronics Unlimited, Inc. ("ADM") and its subsidiaries, Pegasus Laboratories, Inc. ("Pegasus"), Sonotron Medical Systems, Inc. ("SMI") and Action Industries Unlimited LLC ("Action"). As of July 14, 2011, ADM owned approximately 100%, 94% and 100% of the outstanding capital stock of Pegasus, SMI and Action, respectively. In addition, the Company owns a minority interest in Montvale Technologies Inc. (formerly known as Ivivi Technologies Inc.) ("ITI"), which until October 18, 2006 was operated as a subsidiary of the Company. ITI was deconsolidated as of October 18, 2006 upon the consummation of ITI's initial public offering, as we no longer owned a majority of the outstanding common stock of ITI and do not control ITI's operations, but can exert significant influence based on the percentage of ITI's stock owned by us. As a result, our investment in ITI from October 18, 2006 through March 31, 2008 was reported under the equity method of accounting. Since April 1, 2008, we report our investment in ITI at fair value. As of July 14, 2011, we owned approximately 28.9% of the outstanding capital stock of ITI. On February 12, 2010 substantially all of the assets of ITI were sold to Ivivi Health Sciences, LLC ("IHS") an

unaffiliated entity controlled by ITI's former Chairman of the Board. Concurrent with such asset sale, the Company entered into agreements with IHS for services related to engineering and regulatory matters, and the previous manufacturing agreement with ITI was assigned to IHS.

COMPANY PRODUCTS

ENVIRONMENTALLY SAFE CHEMICAL PRODUCTS FOR INDUSTRIAL, COSMETIC AND TOPICAL USES

INDUSTRIAL

We develop, manufacture and sell chemical products to industrial users. Such products consist primarily of the following:

- Water-based primers and adhesives;
- Water-based coatings and resins;
- Water-based chemical additives; and
- Anti-static conductive paints, coating and other products.

Water-based primers and adhesives are chemical compounds used to bind different plastic films, metal foils and papers. Examples are the binding of polyethylene to polyester, nylon, vinyl, aluminum, paper and cellophane. Our water-based primers and adhesives are similar in function to solvent-based primers that are widely used to bind plastic films, papers and foils. Solvent-based systems have come under criticism since they have been found to be highly pollutant, dangerous to health and generally caustic in nature. Based upon our experience since 1969, including information furnished to us by certain of our customers, we believe that water-based systems have no known polluting effects and pose no known health hazards. There can, of course, be no assurance that any governmental restrictions will not be imposed on our water-based products or that such products will be accepted as replacements for solvent based products.

Coatings and resins for the printing industry are used to impart properties to the printed substrate. Our coatings and resins can be used to coat printed material for glossy or aesthetic appeal to make such material virtually impervious to certain types of grease and to impart other characteristics required or desired for various products and specifications.

Certain of our chemical additives are used to impart properties to inks and other chemical products used in the food packaging and printing industries. These additives are used for their ability to improve the performance of such products.

On July 17, 2009, we purchased substantially all of the assets of Anti-static Industries of Delaware, Inc., which is now a division of ADM Tronics Unlimited, Inc. Anti-static Industries of Delaware, Inc. was a company involved in the research, development and manufacture of water-based and proprietary electrically conductive paints, coatings and other products and accessories. Joseph Kaye, founder and former President of Anti-static Industries of Delaware, Inc., consults with us and continues research and development of conductive and antistatic technologies and products. We now develop and manufacture a full-line of anti-static products for commercial and industrial use through a division of our company that we refer to as "Anti-static Industries". Antistatic Industries develops and distributes proprietary conductive paints, coatings and other products and accessories which can be used by computer, pharmaceutical and chemical companies to prevent, reduce or eliminate static electricity. Many industries are concerned with static electricity as it can be hazardous to personnel and damage corporate facilities, high-end computers, electronic equipment and valuable parts. Anti-static Industries has a wide range of products including paints, hoses, garments, floor mats, rugs, strapping, tapes, hook-and-loop, adhesive products and many other specialized items; all with conductive properties. Antistatic Industries has also pioneered low volatile organic compound conductive and antistatic paint and coating formulations that can be used as replacements for paints and coatings made from hazardous solvents. Antistatic Industries seeks to continually develop new products through its research and development department for new and current customers to aid in their quest for maximum protection with less waste and rejects in their manufacturing processes.

None of our chemical products are protected by patents, although the names of some of such products have been protected by trademarks. We do not believe that any such trademarks are material to our business. As of March 31, 2012, the dollar amount of backlog orders for our chemical products believed by us to be firm was not material.

COSMETIC AND TOPICAL PRODUCTS

The Company, through its subsidiary, Pegasus, has developed several cosmetic and topical products. We have not realized any significant revenues from such products and there can be no assurance that any such products will account for significant revenues or any profits in the future.

Although we believe that our proposed products can be successfully marketed for over-the-counter use through one or more entities representing numerous retail pharmacies and otherwise, there can be no assurance that sales of such products will be material or that we will be able to derive any profits from them.

NON-INVASIVE ELECTRONIC MEDICAL AND OTHER DEVICES

CONTRACT MANUFACTURING

The Company derives revenues from contract manufacturing of electronic medical and other devices from its previous affiliate ITI, IHS and other customers. During the years ended March 31, 2012 and 2011, revenues from ITI and IHS contract manufacturing were approximately \$175,171 and \$61,022, respectively, or 7.6% and 5% of total revenues, respectively.

SONOTRON TECHNOLOGY

SMI, a majority-owned subsidiary of ADM, has developed a technology, known as the Sonotron Technology, to treat subjects suffering from the pain of inflammatory joint conditions. Although some of the devices utilizing this technology are commercially available for the treatment of animals, none of such devices have received clearance from the U.S. Food and Drug Administration (the "FDA") for human application in the United States. Pursuant to a manufacturing agreement, the Company is the exclusive manufacturer of the Sonotron devices.

The Sonotron Technology is the subject of a United States patent (the "Sonotron Patent"), which expires in April 2016.

ACTION

Action, our wholly-owned subsidiary, is a manufacturer of electronic controllers for spas and hot tubs. During the fiscal years ended March 31, 2012 and 2011, Action had revenues of \$75,964 and \$38,469 respectively.

WELLINGTON

In 2009, we invested in Wellington Scientific, LLC (“Wellington”) which has rights to an electronic uroflowmetry diagnostic medical device technology. Wellington’s product is currently distributed in South Africa, but is not compliant with FDA requirements for distribution in the US. During the year ended March 31, 2012, we completed development of a new version of the device for compliance with FDA and international standards and created the required documentation for distribution of this product in the US. These are now being sold in the U.S. We invested a total of \$50,000, with \$10,000 provided in cash, and \$40,000 in services provided to Wellington. On June 4, 2009, Wellington issued a secured convertible note to us for a principal amount of \$50,000 with an interest rate of 10%. In addition, we shall be the exclusive manufacturer of this product for Wellington, pursuant to an agreement, and shall receive a percentage of future sales, if any. For the fiscal year ended March 31, 2012 we had gross revenue of \$666,011 related to the sales of the Flow-Med and the related disposables.

CUSTOMERS

During our fiscal years ended March 31, 2012 and 2011, sales of chemical products accounted for approximately 42% and 76% of our operating revenues respectively. During our fiscal years ended March 31, 2012 and 2011, sales and manufacturing charges for electronic products accounted for approximately 58% and 24% respectively of our operating revenues and sales of our cosmetic and topical dermatological products were de minimus.

During the year ended March 31, 2012, two customers accounted for 46% of our revenue. During the fiscal year ended March 31, 2011, three customers accounted for 43% of total revenue. As of March 31, 2012, one customer represented 40% of our accounts receivable. As of March 31, 2011, three customers represented 65% of our accounts receivable. The loss of these major customers could have a material impact on our operations and cash flow.

MARKETING AND DISTRIBUTION

A majority of ADM's chemical product sales are distributed to customers directly from ADM's headquarters. Customers place purchase orders with the Company and chemical products are then shipped via common carrier truck delivery on an "FOB shipping point" basis. A portion of the sales are accomplished through distributors who place purchase orders with ADM for certain quantities of its chemical products which are shipped by common carrier to their respective warehouses. These stocking distributors then ship product to the ultimate customer via common carrier from their inventory of ADM's chemical products. Electronics sales are accomplished principally through shipments of products from ADM’s facility via common carrier to distributors.

MANUFACTURER AND SUPPLIERS

MANUFACTURER

ADM manufactures its chemical products and SMI's, Action’s and other customers electronic products at its facilities located in Northvale, New Jersey.

ADM, SMI and ITI (through February 12, 2010) are parties to manufacturing agreements, pursuant to which ADM serves as the exclusive manufacturer of all current and future medical, non-medical electronic and other devices or

products to be produced by such entities. Pursuant to the terms of the manufacturing agreement, for each product that ADM manufactures for the entity, the entity pays ADM an amount equal to 120% of the sum of (i) the actual, invoiced cost for raw materials, parts, components or other physical items that are used in the manufacture of the product and actually purchased for the entity by the Company, if any, plus (ii) a labor charge based on ADM's standard hourly manufacturing labor rate.

ADM warrants the products it manufactures for SMI and another customer against defects in material and workmanship for a period of 90 days after the completion of manufacture. After such 90-day period, ADM has agreed to provide repair services for the products to the entity at its customary hourly repair rate plus the cost of any parts, components or items necessary to repair the products unless the entity provides such parts, components or items to ADM.

Under the manufacturing agreement, all inventions, patentable or otherwise, trade secrets, discoveries, ideas, writings, technology, know-how, improvements or other advances or findings relating to the entities' products and technologies shall be and become the exclusive proprietary and confidential information of such entity or any person to whom such entity may have assigned rights therein. The Company has no rights in any such proprietary or confidential information and is prohibited from using or disclosing any of such proprietary or confidential information for its own benefit or purposes, or for the benefit or purpose of any other person other than the entity without such entity's prior written consent. ADM has also agreed to cooperate with each entity in securing for it any patents, copyrights, trademarks or the like which it may seek to obtain in connection therewith. If ADM breaches any of the confidentiality agreements contained in the manufacturing agreement, or if these agreements are not sufficient to protect the entity's technology or are found to be unenforceable, the entity's competitors could acquire and use information that it considers to be our trade secrets and the entity may not be able to compete effectively.

Since ADM is the exclusive manufacturer of all of SMI's and another customer's current and future products under the manufacturing agreement, if the operations of ADM are interrupted or if orders or orders of other customers of the Company exceed our manufacturing capabilities, we may not be able to deliver products on time and the entities may not be able to deliver their respective products to their respective customers on time. Under the terms of the manufacturing agreement, if ADM is unable to perform its obligations thereunder or is otherwise in breach of any provision thereof, the entities have the right, without penalty, to engage third parties to manufacture some or all of their products. In addition, if an entity elects to utilize a third-party manufacturer to supplement the manufacturing being completed by ADM, such entity has the right to require us to accept delivery of the products from these third-party manufacturers, finalize the manufacture of the products to the extent necessary for such entity to comply with FDA regulations and ensure that the design, testing, control, documentation and other quality assurance procedures during all aspects of the manufacturing process have been met.

As the exclusive manufacturer of the medical devices of SMI and another customer, ADM is required to comply with quality requirements, which require manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the manufacturing process. In addition, our manufacturing facility is required to be registered as a medical device manufacturing facility with the FDA and is subject to inspection by the FDA. The Company has been registered by the FDA as a Registered Medical Device Establishment since 1988 allowing it to manufacture medical devices in accordance with procedures outlined in FDA regulations, which include quality control and related activities. Such registration is renewable annually and although we do not believe that the registration will fail to be renewed by the FDA, there can be no assurance of such renewal. Our failure to obtain any annual renewal would have a material adverse effect on the entities if they were not able to secure another manufacturer of their products.

SUPPLIERS

ADM purchases the raw materials used in the manufacture of its chemical products from numerous sources. We believe that all necessary raw materials for our chemical products are readily available and will continue to be so in the foreseeable future. We have never had, nor do we anticipate experiencing, any shortages of such materials. The raw materials for chemical products consist primarily of water, resins, elastomers and catalysts. We generally maintain sufficient quantities of inventories of our chemical products to meet customer demands. When orders are received by us for our chemical products, our customers require immediate shipment thereof. Accordingly, in order to satisfy its customers' needs, we have maintained an inventory ranging, in dollar amounts, from 15% to 30% of sales of chemical products in the form of either raw materials or finished goods.

We purchase the raw materials, parts, components and other items that are required to manufacture products for SMI and Action. We rely on a limited number of suppliers for such raw materials, parts, components and other items. Although there are many suppliers for each of these raw materials, parts, components and other items, we are

dependent on a limited number of suppliers for many of the significant raw materials and components due to our customers' requirements. We do not have any long-term or exclusive purchase commitments with any of our suppliers. The failure to maintain existing relationships with suppliers or to establish new relationships in the future could also negatively affect our ability to obtain raw materials and components used in the products in a timely manner. If we are unable to obtain ample supply of product from our existing suppliers or alternative sources of supply, we may be unable to satisfy SMI's, Actions, and other orders which could reduce our revenues and adversely affect their relationships with our customers.

RESEARCH AND DEVELOPMENT

During our fiscal years ended March 31, 2012 and 2011, research and development expenses with respect to company-sponsored research and development activities were approximately \$35,863 and \$43,294, respectively, of which \$32,561 and \$34,498 was incurred in our chemical business. During such fiscal years, we did not expend any funds on customer-sponsored research and development activities with respect thereto.

During our fiscal years ended March 31, 2012 and 2011, other than the regular compensation paid by us to our executive officers, expenses in connection with testing, application, clinical studies and company-sponsored research and development activities and other activities determined in accordance with generally accepted accounting principles in connection with the Sonotron Technology were approximately \$0 and \$1,077 respectively. During each of such years no material amounts were spent on customer-sponsored research and development activities relating to the development of new products, services or techniques or the improvement of any of the foregoing.

During our fiscal years ended March 31, 2012 and 2011, we made no material expenditures with respect to company-sponsored research and development activities relating to our medical device business, with the exception of minimal unreimbursed research and development expenses in the amount of \$3,094 and \$7,719 for our uroflowmetry device related to our agreement with Wellington in 2012 and 2011 respectively.

COMPETITION

Our chemical business is highly competitive and substantially all of our competitors possess greater experience, financial resources, operating history and marketing capabilities than us. Although we do not believe that there are one or more dominant competitors in such industry, there can be no assurance that we will be able to effectively compete with any or all of our competitors on the basis of price, service or otherwise. Competitors may be better able to withstand a change in conditions within the chemical products industry and throughout the economy as a whole. In addition, current and anticipated future consolidation among our competitors and customers may cause us to lose market share as well as put downward pressure on pricing. Furthermore, there is a trend in the chemical industry toward relocation of manufacturing facilities to lower-cost regions such as Asia. Such relocation may permit some of our competitors to lower their costs and improve their competitive position. If we do not compete successfully, our business, operating margins, financial condition, cash flows and profitability could be adversely affected.

Our results of operations depend, in part, on our ability to expand our chemical product offerings. We are committed to remaining a competitive producer and believe that our portfolio of new or re-engineered products is strong. However, we may not be able to develop new products, re-engineer existing products successfully or bring them to market in a timely manner. While we believe that the products, pricing and services we offer customers are competitive, we may not be able to continue to attract and retain customers to which to we sell our chemical products.

INSURANCE

The Company may be exposed to potential product liability claims by those who use our products. Therefore, we maintain a general liability insurance policy, which includes aggregate product liability coverage of \$8,000,000 for certain of our products. We believe that our present insurance coverage is adequate for the types of products we currently market. There can be no assurance, however, that such insurance will be sufficient to cover potential claims or that the present level of coverage will be available in the future at a reasonable cost.

EMPLOYEES

As of June 29, 2012, we had 13 full-time employees and 5 part time employees. As of such date, we had one salaried employee in an executive or managerial position.

ITEM 1A. RISK FACTORS

An investment in our stock involves a high degree of risk. You should carefully consider the following information, together with other information in this annual report, before buying shares of our stock. If any of the following risks or uncertainties occur, our business, financial condition and results of operations could be materially and adversely affected, the trading price of our stock could decline and you may lose all or a part of the money you paid to buy our stock.

RISKS RELATING TO OUR CHEMICAL BUSINESS

NEW ENVIRONMENTAL OR OTHER REGULATIONS COULD INCREASE THE COMPANY'S OPERATING COSTS.

Like other manufacturers, the Company is subject to a broad range of Federal, state and local laws and requirements, including those governing discharges in the air and water, the handling and disposal of solid and hazardous substances and wastes, the remediation of contamination associated with the release of hazardous substances, work place safety and equal employment opportunities. We have made expenditures to comply with such laws and requirements. We believe, based on information currently available to management, that we are in compliance with applicable environmental and other legal requirements and that we will not require material capital expenditures to maintain compliance with such requirements in the foreseeable future. Governmental authorities have the power to enforce compliance with such laws and regulations, and violators may be subject to penalties, injunctions or both. Third parties may also have the right to enforce compliance with such laws and regulations. As ADM develops new formulations for its chemical products, those products may become subject to additional review and approval requirements governing the sale and use of its products. Although our manufacturing processes do not currently result in the generation of hazardous wastes, this may not always be the case and material costs or liabilities may be incurred by us in the future as a result of the manufacturing operations. It is also possible that other developments, such as additional or increasingly strict requirements of laws and regulations of these types, or enforcement policies there under, could significantly increase our costs of operations.

BECAUSE WE USE VARIOUS MATERIALS AND SUBSTANCES IN MANUFACTURING OUR CHEMICAL PRODUCTS, OUR PRODUCTION FACILITIES ARE SUBJECT TO OPERATING HAZARDS THAT COULD CAUSE PERSONAL INJURY AND LOSS OF LIFE, SEVERE DAMAGE TO, OR DESTRUCTION OF, PROPERTY AND EQUIPMENT AND ENVIRONMENTAL CONTAMINATION.

We are dependent on the continued operation of our production and distribution facility. This facility is subject to hazards associated with the manufacture, handling, storage and transportation of chemical materials and products, including natural disasters, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions, and environmental hazards, such as spills, discharges or releases of toxic or hazardous substances and remediation complications. These hazards can cause personal injury and loss of life, severe damage to, or destruction of, property and equipment and environmental contamination and other environmental damage and could have a material adverse effect on our financial condition. In addition, due to the nature of our business operations, we could become subject to scrutiny from environmental action groups.

WE RELY SIGNIFICANTLY ON RAW MATERIALS IN THE PRODUCTION OF OUR CHEMICAL PRODUCTS AND FLUCTUATIONS IN COSTS OF SUCH RAW MATERIALS WOULD INCREASE OUR OPERATING EXPENSES.

Our manufacturing operations with respect to our chemical products depend upon obtaining adequate supplies of our raw materials on a timely basis. The loss of a key source of supply or a delay in shipments could have an adverse effect on our business. We are exposed to price risks associated with these raw material purchases. The availability and prices of raw materials may be subject to curtailment or change due to, among other things, new laws or regulations, suppliers' allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates, cost components of raw materials and worldwide price levels. Our results of operations could be adversely affected if we are unable to obtain adequate supplies of raw materials in a timely manner or if the costs of raw materials increased significantly.

WE FACE COMPETITION FROM OTHER CHEMICAL COMPANIES, WHICH COULD ADVERSELY AFFECT OUR REVENUE AND FINANCIAL CONDITION.

We actively compete with companies producing the same or similar products and, in some instances, with companies producing different products designed for the same uses. We encounter competition in price, delivery, service, performance, product innovation and product recognition and quality, depending on the product involved. For some of our products, our competitors are larger and have greater financial resources. As a result, these competitors may be better able to withstand a change in conditions within the industries in which we operate, a change in the prices of raw materials or a change in the economy as a whole. Our competitors can be expected to continue to develop and introduce new and enhanced products, which could cause a decline in market acceptance of our chemical products. Current and future consolidation among our competitors and customers may also cause a loss of market share as well as put downward pressure on pricing. Our competitors could cause a reduction in the prices for some of our chemical products as a result of intensified price competition. Competitive pressures can also result in the loss of major customers. If we cannot compete successfully, our business, financial condition and results of operations could be adversely affected.

WE FACE COMPETITION FROM OTHER CHEMICAL COMPANIES, WHICH COULD FORCE US TO LOWER OUR PRICES THEREBY ADVERSELY AFFECTING OUR OPERATING MARGINS, FINANCIAL CONDITION, CASH FLOWS AND PROFITABILITY.

The markets in which we operate are highly competitive, and this competition could harm our business, results of operations, cash flow and financial condition. Our competitors include major international producers as well as

smaller regional competitors. We believe that a significant competitive factor for our products is selling price. We could be subject to adverse results caused by our competitors' pricing decisions. In addition, current and possible future consolidation among our competitors and customers may cause us to lose market share as well as put downward pressure on pricing. Furthermore, there is a trend in the chemical industry toward relocation of manufacturing facilities to lower-cost regions. Such relocation may permit some of our competitors to lower their costs and improve their competitive position. Some of our competitors are larger, have greater financial resources and have less debt than we do. As a result, those competitors may be better able to withstand a change in conditions within our industry and throughout the economy as a whole. If we do not compete successfully, our business, operating margins, financial condition, cash flows and profitability could be adversely affected.

FAILURE TO DEVELOP NEW CHEMICAL PRODUCTS AND/OR IMPROVE OUR EXISTING PRODUCTS WILL MAKE US LESS COMPETITIVE.

Our results of operations depend, in part, on our ability to expand our chemical product offerings. We are committed to remaining a competitive producer and believe that our portfolio of new or re-engineered products is strong. However, we may not be able to continue to develop new products, re-engineer our existing products successfully or bring them to market in a timely manner. While we believe that the products, pricing and services we offer customers are competitive, we may not be able to continue to attract and retain customers to whom we sell our chemical products.

FAILURE TO MAKE CONTINUED IMPROVEMENTS IN OUR PRODUCTIVITY COULD HURT OUR COMPETITIVE POSITION.

In order to obtain and maintain a competitive position, we believe that we must continue to make improvements in our productivity. When we invest in new technologies or processes, we face risks related to cost overruns and unanticipated technical difficulties. Our inability to anticipate, respond to or utilize changing technologies could have a material adverse effect on our business and our results of operations.

CHANGES IN OUR CUSTOMERS' PRODUCTS COULD REDUCE THE DEMAND FOR OUR CHEMICAL PRODUCTS, WHICH MAY DECREASE OUR NET SALES AND OPERATING MARGINS.

Our chemical products are used for a broad range of applications by our customers. Changes, including technological changes, in our customers' products or processes may make our chemical products unnecessary, which would reduce the demand for those products. Other customers may find alternative materials or processes that no longer require our products. If the demand for our chemical products is reduced, our net sales and operating margins may be reduced as well.

WE HAVE FEW PROPRIETARY RIGHTS WITH RESPECT TO OUR CHEMICAL PRODUCTS, THE LACK OF WHICH MAY MAKE IT EASIER FOR OUR COMPETITORS TO COMPETE AGAINST US.

None of our chemical products are protected by patents. We do attempt to protect the names of some of our chemical products through trademarks and some of our other limited proprietary property through trade secret, nondisclosure and confidentiality measures; however, such protections may not preclude competitors from developing similar technologies.

RISKS RELATING TO OUR ELECTRONICS BUSINESS

SMI, ACTION AND IHS OUTSOURCE THE MANUFACTURING OF THEIR PRODUCTS TO US AND IF OUR OPERATIONS ARE INTERRUPTED OR IF OUR ORDERS EXCEED OUR MANUFACTURING CAPABILITIES, THEY MAY NOT BE ABLE TO DELIVER THEIR PRODUCTS TO CUSTOMERS ON TIME.

Pursuant to individual manufacturing agreements between SMI, IHS and us, we are the exclusive manufacturer of the products of SMI and IHS. We also manufacture all of the electronic products sold by Action. We operate a single facility and have limited capacity that may be inadequate if SMI's, Action's or IHS's customers place orders for unexpectedly large quantities of their products, or if our other customers place large orders of products, which could limit our ability to produce the products of SMI, Action or IHS. In addition, if our operations were halted or restricted, even temporarily, or we are unable to fulfill large orders, SMI, Action and IHS could experience business interruption, increased costs, damage to their reputations and loss of their customers. Although SMI and IHS have the right to utilize other manufacturers if we are unable to perform under our agreement, manufacturers of their products need to be licensed with the FDA, and identifying and qualifying a new manufacturer to replace us as the manufacturer of their products could take several months during which time, they would likely lose customers and our revenues could be materially delayed and/or reduced. In addition, our failure to produce such products could result in claims against us. See "Item 1. Business - Manufacturer and Suppliers."

WE DEPEND ON A LIMITED NUMBER OF SUPPLIERS FOR THE COMPONENTS AND RAW MATERIALS USED IN OUR PRODUCTS AND THE PRODUCTS MANUFACTURED FOR THIRD PARTIES, INCLUDING SMI AND IHS, AND ANY INTERRUPTION IN THE AVAILABILITY OF THESE COMPONENTS AND RAW MATERIALS COULD REDUCE OUR REVENUE.

We rely on a limited number of suppliers for the components and raw materials used in the products that we manufacture for others, including SMI, Action and IHS. Although there are many suppliers for each of their component parts and raw materials, we are dependent on a single or limited number of suppliers for many of the significant components and raw materials due to our customers' specifications. This reliance involves a number of significant risks, including:

- unavailability of materials and interruptions in delivery of components and raw materials from suppliers;
- manufacturing delays caused by such unavailability or interruptions in delivery; and
- fluctuations in the quality and the price of components and raw materials.

We do not have any long-term or exclusive purchase commitments with any of our suppliers. Failure to maintain existing relationships with suppliers or to establish new relationships in the future could also negatively affect our ability to obtain components and raw materials used in these products in a timely manner. If we are unable to obtain ample supply of product from existing suppliers or alternative sources of supply, we may be unable to satisfy our customers' orders which could reduce our revenues and adversely affect our relationships with these customers. See "Item 1. Business - Manufacturers and Suppliers."

OUR ABILITY TO EXECUTE OUR BUSINESS PLAN DEPENDS ON THE SCOPE OF OUR INTELLECTUAL PROPERTY RIGHTS AND NOT INFRINGING THE INTELLECTUAL PROPERTY RIGHTS OF OTHERS. THE VALIDITY, ENFORCEABILITY AND COMMERCIAL VALUE OF THESE RIGHTS ARE HIGHLY UNCERTAIN.

Our ability to compete effectively with other companies is materially dependent upon the proprietary nature of our technologies. We rely primarily on patents and trade secrets to protect our medical device technologies.

Third parties may seek to challenge, invalidate, circumvent or render unenforceable any patents or proprietary rights owned by us based on, among other things:

- subsequently discovered prior art;
- lack of entitlement to the priority of an earlier, related application; or
- failure to comply with the written description, best mode, enablement or other applicable requirements.

In general, the patent position of medical device companies are highly uncertain, still evolving and involve complex legal, scientific and factual questions. We are at risk that:

- other patents may be granted with respect to the patent applications filed by us; and
- any patents issued to us may not provide commercial benefit to us or will be infringed, invalidated or circumvented by others.

The United States Patent and Trademark Office currently has a significant backlog of patent applications, and the approval or rejection of patents may take several years. Prior to actual issuance, the contents of United States patent applications are generally published 18 months after filing. Once issued, such a patent would constitute prior art from its filing date, which might predate the date of a patent application on which we rely. Conceivably, the issuance of such a prior art patent, or the discovery of "prior art" of which we are currently unaware, could invalidate a patent of ours or prevent commercialization of a product claimed thereby.

Although we generally conduct a cursory review of issued patents prior to engaging in research or development activities, we may be required to obtain a license from others to commercialize any of our new products under development. If patents that cover our existing or new products are issued to other companies, there can be no assurance that any necessary license could be obtained on favorable terms or at all.

There can be no assurance that we will not be required to resort to litigation to protect our patented technologies and other proprietary rights or that we will not be the subject of additional patent litigation to defend our existing and proposed products and processes against claims of patent infringement or any other intellectual property claims. Such litigation could result in substantial costs, diversion of management's attention, and diversion of our resources.

We also have applied for patent protection in several foreign countries. Because of the differences in patent laws and laws concerning proprietary rights between the United States and foreign countries, the extent of protection provided by patents and proprietary rights granted to us by the United States may differ from the protection provided by patents and proprietary rights granted to us by foreign countries.

We attempt to protect our trade secrets, including the processes, concepts, ideas and documentation associated with our technologies, through the use of confidentiality agreements and non-competition agreements with our current employees, and with other parties to whom we have divulged such trade secrets with the exception of our CEO, Andre DiMino. If our employees or other parties breach our confidentiality agreements and non-competition agreements or if

these agreements are not sufficient to protect our technology or are found to be unenforceable, our competitors could acquire and use information that we consider to be our trade secrets and we may not be able to compete effectively. Most of our competitors have substantially greater financial, marketing, technical and manufacturing resources than we have and we may not be profitable if our competitors are also able to take advantage of our trade secrets.

We may decide for business reasons to retain certain knowledge that we consider proprietary as confidential and elect to protect such information as a trade secret, as business confidential information or as know-how. In that event, we must rely upon trade secrets, know-how, confidentiality and non-disclosure agreements and continuing technological innovation to maintain our competitive position. There can be no assurance that others will not independently develop substantially equivalent proprietary information or otherwise gain access to or disclose such information.

IF THE FDA OR OTHER STATE OR FOREIGN AGENCIES IMPOSE REGULATIONS THAT AFFECT OUR MEDICAL DEVICE PRODUCTS, OUR DEVELOPMENT, MANUFACTURING AND MARKETING COSTS WILL BE INCREASED.

The testing and production of medical devices are subject to regulation by the FDA as devices under the 1976 Medical Device Amendments to the Federal Food, Drug and Cosmetic Act. In the United States, medical devices must be:

manufactured in registered and quality approved establishments by the FDA; and
produced in accordance with the FDA Quality System Regulation ("QSR") for medical devices.

As a result we, as the manufacturer of other parties' devices, are required to comply with QSR requirements and if we fail to comply with these requirements, these other third parties will need to find another company to manufacture its devices. In addition, the Company's manufacturing facility:

is required to be registered as a medical device manufacturing facility with the FDA; and
is subject to inspection by the FDA.

The FDA can impose civil and criminal enforcement actions and other penalties on us if we fail to comply with stringent FDA regulations.

Medical device manufacturing facilities must maintain records, which are available for FDA inspectors documenting that the appropriate manufacturing procedures were followed. The FDA has authority to conduct inspections of our facility. Labeling and promotional activities are also subject to scrutiny by the FDA and, in certain instances, by the Federal Trade Commission. Any failure by us or the manufacturer of our products to take satisfactory corrective action in response to an adverse inspection or to comply with applicable FDA regulations could result in enforcement action against us or our manufacturer, including a public warning letter, a shutdown of manufacturing operations, a recall of our products, civil or criminal penalties or other sanctions. From time to time, the FDA may modify such requirements, imposing additional or different requirements which may require us to alter our business methods which could result in increased expenses.

RISKS RELATED TO OUR COMPANY

WE HAVE A HISTORY OF SIGNIFICANT AND CONTINUED OPERATING LOSSES AND A SUBSTANTIAL ACCUMULATED EARNINGS DEFICIT AND WE MAY CONTINUE TO INCUR SIGNIFICANT LOSSES.

We have incurred net loss of approximately \$23,000 and \$605,000 for the fiscal years ended March 31, 2012 and 2011, respectively. At March 31, 2012, we had an accumulated deficit of \$31.6 million. We expect to incur additional operating losses, as well as negative cash flow from operations, for the foreseeable future.

The loss or significant reduction in business of any of our key customers could materially and adversely affect our revenues and earnings.

We are highly dependent upon certain customers to generate our revenues. For the fiscal year ended March 31, 2012, two customers accounted for 46% of revenue and for the fiscal year ended March 31, 2011, three customers accounted 43% of our revenues. All customer purchases are made through purchase orders and we do not have any long-term contracts with customers. The complete loss of, or significant reduction in business from, or a material adverse change in the financial condition of, any of such customers will cause a material and adverse change in our revenues and operating results.

WE MAY BE EXPOSED TO POTENTIAL RISKS RELATING TO OUR INTERNAL CONTROL OVER FINANCIAL REPORTING AND OUR ABILITY TO HAVE THE OPERATING EFFECTIVENESS OF OUR INTERNAL CONTROLS ATTESTED TO BY OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

As directed by Section 404 of the Sarbanes-Oxley Act of 2002 (“Section 404”) the Securities and Exchange Commission (“SEC”) adopted rules requiring public companies to include a report of management on the company’s internal control over financial reporting in their annual reports on Form 10-K. A report of our management is included in our Annual Report on Form 10-K. We can provide no assurance that we will be able to comply with all of the requirements imposed thereby. In the event we identify significant deficiencies or material weaknesses in our internal control over financial reporting that we cannot remediate in a timely manner, investors and others may lose confidence in the reliability of our financial statements.

WE MAY BE EXPOSED TO PRODUCT LIABILITY CLAIMS FOR WHICH OUR INSURANCE MAY BE INADEQUATE.

Our business exposes us to potential product liability risks, which are inherent in the testing, manufacturing and marketing of chemical products and electronic devices. Although we maintain a general liability insurance policy, which includes aggregate product liability coverage of \$8,000,000 for certain of our products, there can be no assurance, that such insurance will be sufficient to cover potential claims or that the present level of coverage will be available in the future at a reasonable cost.

While we are not aware of side-effects resulting from the use of any of our products, there may be unknown long-term effects of their use that may result in product liability claims in the future. Further, we cannot provide any assurance that:

- our insurance will provide adequate coverage against potential liabilities if a product causes harm or fails to perform as promised;
- adequate product liability insurance will continue to be available in the future; or
- our insurance can be maintained on acceptable terms.

The obligation to pay any product liability claim in excess of whatever insurance we are able to obtain would increase our expenses and could greatly reduce our assets. See "Item 1. Business - Insurance."

THE LOSS OF ANY OF OUR EXECUTIVE OFFICER OR KEY PERSONNEL MAY ADVERSELY AFFECT OUR OPERATIONS AND OUR ABILITY TO EXECUTE OUR GROWTH STRATEGY.

Our ability to execute our business plan depends upon the continued services of Andre' DiMino, our President and Chief Executive Officer, as well as our key technology, marketing, sales and support personnel. We do not have employment or consulting agreements containing non-compete agreements with Mr. DiMino and certain of our key personnel, and we may not be able to retain these individuals. If we lost the services of Mr. DiMino or our key personnel, our business may be adversely affected and our stock price may decline. In addition, our ability to execute our business plan is dependent on our ability to attract and retain additional highly skilled personnel.

OUR EXECUTIVE OFFICER AND DIRECTORS AND ENTITIES AFFILIATED WITH THEM HAVE SUBSTANTIAL CONTROL OVER US, WHICH COULD DELAY OR PREVENT A CHANGE IN OUR CORPORATE CONTROL FAVORED BY OUR OTHER SHAREHOLDERS.

Our executive officer and directors and entities affiliated with them may be deemed to beneficially own, in the aggregate, approximately 34.2% of our outstanding common stock. In particular, Mr. DiMino, together with members of the DiMino family, may be deemed to beneficially own approximately 31.4% of the outstanding shares of our common stock. The interests of our current officer and director shareholders may differ from the interests of our other shareholders. As a result, the current officers and directors would have the ability to exercise substantial control over all corporate actions requiring shareholder approval, irrespective of how our other shareholders may vote, including the following actions:

- the election of directors;
- adoption of stock option plans;
- the amendment of charter documents; or
- the approval of certain mergers and other significant corporate transactions, including a sale of substantially all of our assets.

PENNY STOCK REGULATIONS MAY IMPOSE CERTAIN RESTRICTIONS ON MARKETABILITY OF OUR SECURITIES.

Our common stock is subject to penny stock rules, which may discourage broker-dealers from effecting transactions in our common stock or affect their ability to sell our securities. As a result, purchasers and current holders of our securities could find it more difficult to sell their securities. Our stock is traded on the Over-the-Counter Bulletin Board (the "OTC Bulletin Board"). Trading volume of OTC Bulletin Board stocks have been historically lower and more volatile than stocks traded on an exchange or the Nasdaq Stock Market. In addition we may be subject to rules of the SEC that impose additional requirements on broker-dealers when selling penny stocks to persons other than

established customers and accredited investors. In general, an accredited investor is a person with assets in excess of \$1,000,000 or annual income exceeding \$200,000 individually, or \$300,000 together with his or her spouse. The relevant SEC regulations generally define penny stocks to include any equity security not traded on an exchange or the Nasdaq Stock Market with a market price (as defined in the regulations) of less than \$5 per share. Under the penny stock regulations, a broker-dealer must make a special suitability determination as to the purchaser and must have the purchaser's prior written consent to the transaction. Prior to any transaction in a penny stock covered by these rules, a broker-dealer must deliver a disclosure schedule about the penny stock market prepared by the SEC. Broker-dealers must also make disclosure concerning commissions payable to both the broker-dealer and any registered representative and provide current quotations for the securities. Finally, broker-dealers are required to send monthly statements disclosing recent price information for the penny stock held in an account and information on the limited market in penny stocks.

OUR STOCK PRICE, LIKE THAT OF MANY SMALL COMPANIES, HAS BEEN AND MAY CONTINUE TO BE VOLATILE.

We expect that the market price of our common stock will fluctuate as a result of variations in our quarterly operating results and other factors beyond our control. These fluctuations may be exaggerated if the trading volume of our common stock is low.

WE HAVE NOT PAID DIVIDENDS IN THE PAST AND DO NOT EXPECT TO PAY DIVIDENDS IN THE FUTURE, AND ANY RETURN ON INVESTMENT MAY BE LIMITED TO THE VALUE OF YOUR STOCK.

We have never paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future and any return on investment may be limited to the value of your stock. We plan to retain any future earnings to finance growth.

ITEM 1B.UNRESOLVED STAFF COMMENTS

Not applicable

ITEM 2. PROPERTIES

We are headquartered at 224 Pegasus Avenue, Northvale, New Jersey. We lease approximately 16,000 square feet of combined office and warehouse space from an unaffiliated third party with a monthly rent of \$8,073 subject to annual increases. The lease expires in June, 2019. The Company, its subsidiaries and IHS utilize portions of the leased space. Pursuant to a management services agreement to which the Company, its subsidiaries and IHS are parties, the Company determines, on a monthly basis, the portion of space utilized by each entity during such month, and each entity reimburses the Company for their portion of the lease costs, real property taxes and related costs including storage.

We believe that our existing facilities are suitable as office, storage, laboratory and manufacturing space, and are adequate to meet our current needs. We further believe that such properties are adequately covered by insurance.

We do not own any real property for use in our operations or otherwise.

ITEM 3. LEGAL PROCEEDINGS

We are not a party to, and none of our property is the subject of, any pending legal proceedings other than routine litigation that is incidental to our business. To our knowledge, no governmental authority is contemplating any such proceedings.

ITEM 4. REMOVED AND RESERVED

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

MARKET INFORMATION

The Company's common stock trades on the OTC Bulletin Board under the symbol "ADMT." For the periods indicated, the following table sets forth the high and low bid quotations for the Company's common stock, as reported by the National Quotation Bureau, Inc. The quotations represent inter-dealer quotations without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Quarter End	High Bid	Low Bid
-------------	----------	---------

Fiscal 2012		
-------------	--	--

Edgar Filing: ADM TRONICS UNLIMITED INC/DE - Form 10-K

March 31, 2012	\$ 0.02	\$ 0.01
December 31, 2011	\$ 0.03	\$ 0.01
September 30, 2011	\$ 0.02	\$ 0.01
June 30, 2011	\$ 0.03	\$ 0.01
Fiscal 2011		
March 31, 2011	\$ 0.04	\$ 0.01
December 31, 2010	\$ 0.01	\$ 0.01
September 30, 2010	\$ 0.02	\$ 0.01
June 30, 2010	\$ 0.02	\$ 0.01

HOLDERS OF RECORD

As of June 29, 2012, 56,939,537 shares of the Company's common stock were issued and outstanding. On June 29, 2012 there were 1,327 shareholders of record.

DIVIDENDS

The Company has never paid any cash dividends on its common stock and has no intention of paying cash dividends in the foreseeable future. The Company intends to retain all earnings, if any, for use in the operation and expansion of its business.

EQUITY COMPENSATION PLAN

As of June 29, 2012, we did not have any compensation plans (including individual compensation arrangements) under which our equity securities were authorized for issuance.

ITEM 6. SELECTED FINANCIAL DATA.

Not Applicable

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

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the "safe harbor" provisions under section 21E of the Securities and Exchange Act of 1934 and the Private Securities Litigation Act of 1995. We use forward-looking statements in our description of our plans and objectives for future operations and assumptions underlying these plans and objectives. Forward-looking terminology includes the words "may", "expects", "believes", "anticipates", "intends", "forecasts", "projects", or similar terms, variations of such terms or the negative of such terms. These forward-looking statements are based on management's current expectations and are subject to factors and uncertainties which could cause actual results to differ materially from those described in such forward-looking statements. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Form 10-K to reflect any change in our expectations or any changes in events, conditions or circumstances on which any forward-looking statement is based. Factors which could cause such results to differ materially from those described in the forward-looking statements include those set forth under "Item. 1 Description of Business – Risk Factors" and elsewhere in, or incorporated by reference into this Annual Report on Form 10-K.

CRITICAL ACCOUNTING POLICIES

REVENUE RECOGNITION

CHEMICAL PRODUCTS:

Revenues are recognized when products are shipped to end users. Shipments to distributors are recognized as sales where no right of return exists.

ELECTRONICS:

We recognize revenue from the sale of our electronic products when they are shipped to the purchaser. Shipping and handling charges and costs are immaterial. We offer a limited 90 day warranty on our electronics products and a limited 5 year warranty on our electronic controllers for spas and hot tubs. We have no other post shipment obligations and sales returns have been immaterial. To date warranty expense has been less than \$500 annually and accordingly, due to the immaterial amount, no accrual for future warranty costs were recognized at delivery of the product.

USE OF ESTIMATES:

Our discussion and analysis of our financial condition and results of operations is based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the US. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to reserves, deferred tax assets and valuation allowance, impairment of long-lived assets, fair value of equity instruments issued to consultants for services and fair value of equity instruments issued to others. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions; however, we believe that our estimates, including those for the above described items, are reasonable.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2011 the FSAB issued Accounting Standards Update 2011-05 affecting ASC 220, Other Comprehensive Income. The effective date is for fiscal periods beginning after December 15, 2011. The objective of this Update is to improve the comparability, consistency and transparency of financial reporting and to increase the prominence of items reported in other comprehensive income. To increase the prominence of items reported in other comprehensive income and to facilitate convergence of U.S generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRS), the FASB decided to eliminate the option to present components of other comprehensive income as part of the statement of changes in stockholders' equity. The Company is evaluating the implication of this Statement.

On April 1, 2011 we adopted Accounting Standards Update 2009-13 that revised the guidance for revenue recognition with multiple deliverables. These new standards impact the determination of when the individual deliverables included in a multiple-element arrangement may be treated as separate units of accounting. Additionally, these new standards modify the manner in which the transaction consideration is allocated across the separately identified deliverables by no longer permitting the residual method of allocating arrangement consideration. The adoption did not have a material impact on the consolidated financial positions or results of operations.

Management does not believe that any other recently issued, but not yet effective accounting pronouncement, if adopted, would have a material effect on the accompanying condensed consolidated financial statements.

BUSINESS OVERVIEW

ADM is a corporation that was organized under the laws of the State of Delaware on November 24, 1969. During the years ended March 31, 2012 and 2011, our operations were conducted through ADM itself and its subsidiaries, Pegasus and Sonotron and Action.

We are a technology-based developer and manufacturer of diversified lines of products in the following four areas: (1) environmentally safe chemical products for industrial use, (2) the manufacturing and sale of electronic medical and other devices,(3) cosmetic and topical dermatological products, and (4) anti-static conductive paints, coatings and other products. We have historically derived most of our revenues from the development, manufacture and sale of chemical products, and, to a lesser extent, from our electronic devices and topical dermatological products. However, during the fiscal year ended March 31, 2012, we derived an increased amount of our revenue from the sale and manufacturing of electronic devices, an increase of \$1,056,604 over fiscal year ended March 31, 2011. Our electronics segment also includes our Sonotron and Action subsidiaries. We also provide research, development and engineering services for medical and other electronic devices to customers for a fee.

RESULTS OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2012 AS COMPARED TO MARCH 31, 2011

REVENUES AND GROSS MARGINS

Revenues were \$2,315,960 for the year ended March 31, 2012 as compared to \$1,198,604 for the year ended March 31, 2011, an increase of \$1,117,356, or 93%. Our chemical division had increased sales in the amount of \$60,752 and our electronics division had increased sales in the amount of \$1,056,603. The chemical division increase resulted from an increase in sales to customers in our Anti-static division, acquired in July 2009, in the amount of \$11,815 and an increase in sales in our chemical division excluding Anti-static in the amount of \$82,774. The electronics division increase resulted from an increase sales from the introduction of our Flo-Med device and related supplies of \$666,011, an increase to one customer in the amount of \$114,149, an increase in engineering services of \$122,816 an increase in

sales in our Action Spas division in the amount of \$36,385 due to orders placed for our spa pack units and increases in two current customers of \$53, 244. These increases were offset by a decrease in sales from our electronics division, excluding Sonotron and Action, in the amount of \$58,608, from two existing customers. Gross profit was \$1,380,075, or 60%, for the year ended March 31, 2012 and \$515,024, or 43% for the year ended March 31, 2011. Gross profit percentages increased to 69% in 2012 from 55% in 2011 in our chemical division. Gross profit percentages increased to 53% in our electronic division for the year ended March 31, 2012 compared to 5% in March 31, 2011 mainly due to increased service revenue and increases in gross profit from certain electronic devices.

OPERATING LOSS

Loss from operations for the year ended March 31, 2012 and 2011 was \$194,588 and \$608,569 respectively, a difference of \$413,981. Selling, general and administrative expenses increased by \$409,379, or 39%, from \$1,037,210 to \$1,446,589, mainly due to increased advertising and promotion of approximately \$150,084 due to increased spending with Wellington Scientific, increased selling commissions of \$111,288, and increased compensation and health insurance costs in the amount of \$15,645. We had increased engineering costs for our Sonotron division of \$45,000. These were offset by decreased consulting fees in the amount of \$29,700, decreased research and development expenses in the amount of \$7,432. Depreciation and amortization costs increased in the amount of \$49,123 due to the write off of an impaired Action intangible asset for \$48,810 and the write-off of a fixed asset in ADM of \$5,483. Cost of sales increased \$252,305, or 37%, from \$683,580 to \$935,885. This increase is mainly due to the cost of sales of the uroflometry device in the amount of \$207,603 and cost of sales due to our increased engineering sales. In January 2012, the company completed the sale of their Net Operating Loss (NOL) carry-forward through the New Jersey Corporate Benefit Transfer program. The Company sold \$2,069,864 of tax loss carry-forward for the gross amount of \$173,248. The net amount realized by the Company was \$169,522 after State fees and expenses.

NET LOSS AND NET LOSS PER SHARE

Net loss for the fiscal year ended March 31, 2012 and 2011 was \$23,362, or \$(0.00) per share and \$605,052, or \$(0.01) per share, respectively.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2012, we had cash and cash equivalents of \$299,156 as compared to \$155,149 at March 31, 2011. The increase of \$144,007 was primarily the result of cash provided in operations in the amount of \$162,073 offset by cash used in financing activities in the amount of \$25,900 and cash provided by investing activities of \$7,834. We expect to have enough cash to fund operations for the next twelve months. Our note payable to Kearny Federal Savings Bank of \$160,000 on March 31, 2012, is secured and collateralized by restricted cash of \$231,455. This note bears an interest rate of 2% above the rate for the savings account. Interest rate at March 31, 2012 was 2.30% per annum and is payable on demand.

Future Sources of Liquidity:

We expect our primary source of cash during fiscal 2013 to be net cash provided by operating activities. We expect that growth in profitable revenues and continued focus on new customers will enable us to continue to generate cash flows from operating activities.

If we do not generate sufficient cash from operations, face unanticipated cash needs or do not otherwise have sufficient cash, we may need to consider the sale of certain intellectual property which does not support the Company's operations. We are currently offering for sale a patent assigned to us through a third-party patent sale and licensing broker. In addition, we have the ability to reduce certain expenses depending on the level of business operation.

Based on current expectations, we believe that our existing cash of \$299,156 as of March 31, 2012 and our net cash provided by operating activities and other potential sources of cash will be sufficient to meet our cash requirements. Our ability to meet these requirements will depend on our ability to generate cash in the future, which is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

Although we expect available funds and funds generated from our operations to be sufficient to meet our anticipated needs for a minimum of 12 months, we may need to obtain additional capital to continue to operate and grow our business. Our cash requirements may vary materially from those currently anticipated due to changes in our operations, including our marketing and sales activities, product development, and the timing of our receipt of revenues. We do not have any material external sources of liquidity or unused sources of funds. Our ability to obtain additional financing in the future will depend in part upon the prevailing capital market conditions, as well as our business performance. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us or at all. Additionally, we will continue to reduce certain of our expenses in order to assist in meeting our capital needs.

OPERATING ACTIVITIES

Net cash provided by operating activities was \$162,073 for the fiscal year ended March 31, 2012. Cash was provided by increased operating liabilities of \$294,188, depreciation and amortization of \$43,401 and an increase in customer deposits of \$21,023. These increases were offset by increases in accounts receivable of \$169,315, an increase in inventory of \$73,193 and an increase prepaid expenses of \$5,716 coupled with a decrease in accounts payable of \$35,290.

Net cash used by operating activities was \$519,955 for the fiscal year ended March 31, 2011. The use of cash during the year ended March 31, 2011 was primarily due to a net loss of \$605,052 and an increase in operating liabilities of \$92,423, depreciation adjustments of \$43,089, an adjustment for services rendered in exchange for issuance of common stock of \$21,000 and offset by a decrease in net operating assets of \$66,193.

INVESTING ACTIVITIES

For the fiscal year ended March 31, 2012, net cash provided by investing activities was \$7,834. The primary increase in cash was from repayments for related party advances in the amount of \$6,109 and proceeds of \$8,500 from sale of equipment, offset by payments in the amount of \$3,584 for patents and trademarks and \$896 for deposit into the restricted cash account.

For the fiscal year ended March 31, 2011, net cash used by investing activities was \$10,629. The primary increase in cash was from repayments for related party advances in the amount of \$19,696, offset by payments in the amount of \$7,350 for patents and trademarks.

FINANCING ACTIVITIES

For the fiscal year ended March 31, 2012, net cash used for financing activities was \$25,900, of which \$12,000 was used for repayment on a note from a commercial bank to facilitate our acquisition of Action. In addition, \$13,900 was used for repayment of notes payable-other.

For the fiscal year ended March 31, 2011, net cash used for financing activities was \$26,500, of which \$12,000 was used for repayment on a note from a commercial bank to facilitate our acquisition of substantially all of the assets of Action, and \$14,500 was used to pay notes payable-other.

Inflation

We believe our operations have not been and, in the foreseeable future, will not be materially and adversely affected by inflation or changing prices.

Off-Balance Sheet Arrangements

We do not have 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 is material to investors.

ITEM 7A. QUANTATATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not Applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
MARCH 31, 2012 and 2011

I N D E X

FINANCIAL STATEMENTS:	Page No.
Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets as of March 31, 2012 and 2011	F-2
Consolidated Statements of Operations For the Years Ended March 31, 2012 and 2011	F-3
Consolidated Statements of Changes in Stockholders' Equity For the Years Ended March 31, 2012 and 2011	F-4
Consolidated Statements of Cash Flows For the Years Ended March 31, 2012 and 2011	F-5
Notes to Consolidated Financial Statements	F-6

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of ADM Tronics Unlimited, Inc.

We have audited the accompanying consolidated balance sheets of ADM Tronics Unlimited, Inc. and subsidiaries as of March 31, 2012 and 2011, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the two years in the period ended March 31, 2012. These consolidated financial statements are the responsibility of the Company's management. 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 consolidated 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 audits 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 consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated 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 ADM Tronics Unlimited, Inc. and its subsidiaries as of March 31, 2012 and 2011, and the results of their operations and their cash flows for each of the two years in the period ended March 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

/s/ Raich Ende Malter & Co. LLP
East Meadow, New York
June 29, 2012

PART I. FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 2012	March 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 299,156	\$ 155,149
Accounts receivable, net of allowance for doubtful accounts of \$329 and \$529, respectively	285,159	115,844
Inventories	260,632	232,499
Prepaid expenses and other current assets	26,157	20,441
Restricted cash	231,455	230,559
Total current assets	1,102,559	754,492
Property and equipment, net of accumulated depreciation of \$53,574 and \$56,421, respectively	23,742	41,627
Inventories - long-term portion	42,743	31,951
Secured convertible note receivable	62,351	57,337
Advances to related parties	22,480	28,589
Intangible assets, net of accumulated amortization of \$101,682 and \$124,168, respectively	66,466	140,396
Other assets	16,109	16,109
Total other assets	210,149	274,382
Total assets	\$ 1,336,450	\$ 1,070,501
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Note payable - bank	\$ 160,000	\$ 172,000
Accounts payable	148,832	184,122
Note payable - other	-	13,900
Customer deposit	21,023	-
Accrued expenses and other current liabilities	385,935	56,457
Total current liabilities	715,790	426,479
Total liabilities	715,790	426,479
Stockholders' equity:		
Preferred stock, \$.01 par value; 5,000,000 shares authorized, no shares issued and outstanding	-	-
	28,470	28,470

Edgar Filing: ADM TRONICS UNLIMITED INC/DE - Form 10-K

Common stock, \$.0005 par value; 150,000,000 shares authorized, 56,939,537 shares issued and outstanding at March 31, 2012 and 2011		
Additional paid-in capital	32,173,097	32,173,097
Accumulated deficit	(31,580,907)	(31,557,545)
Total stockholders' equity	620,660	644,022
Total liabilities and stockholders' equity	\$ 1,336,450	\$ 1,070,501

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

F-2

ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

	2012	2011
Net revenues	\$2,315,960	\$1,198,604
Cost of sales	935,885	683,580
Gross Profit	1,380,075	515,024
Operating expenses:		
Research and development	35,863	43,294
Selling, general and administrative	1,446,589	1,037,210
Depreciation and amortization	92,211	43,089
Total operating expenses	1,574,663	1,123,593
Loss from operations	(194,588)	(608,569)
Other income (expense):		
Interest income	6,206	8,418
Interest expense	(4,502)	(4,901)
Total other income (expense)	1,704	3,517
Loss before income tax benefit	(192,884)	(605,052)
State tax benefit	169,522	-
Net loss	\$(23,362)	\$(605,052)
Basic and diluted net loss per common share:	\$(0.00)	\$(0.01)
Weighted average shares of common stock outstanding - basic and diluted	56,939,537	54,538,167

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

ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at March 31, 2010	53,939,537	\$26,970	\$32,153,597	\$(30,952,493)	\$1,228,074
Issuance of 3,000,000 shares to A. DiMino for additional services rendered	3,000,000	1,500	19,500		21,000
Net loss				(605,052)	(605,052)
Balance at March 31, 2011	56,939,537	28,470	32,173,097	(31,557,545)	644,022
Net loss				(23,362)	(23,362)
Balance at March 31, 2012	56,939,537	\$28,470	\$32,173,097	\$(31,580,907)	\$620,660

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

ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

	2012	2011
Cash flows from operating activities:		
Net loss	\$(23,362)	\$(605,052)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	43,401	43,089
Write off of inventory	34,268	-
Write-off of intangible asset	48,810	-
Gain on sale of equipment	(3,017)	-
Bad debt recovery	-	(227)
Interest receivable	(5,014)	(4,995)
Shared based compensation	-	21,000
Increase (decrease) in cash flows as a result of changes in assets and liabilities balances:		
Accounts receivable	(169,315)	(4,133)
Inventory	(73,193)	(52,019)
Prepaid expenses and other current assets	(5,716)	(10,041)
Accounts payable	(35,290)	61,281
Customer deposit	21,023	-
Accrued expenses and other current liabilities	329,478	31,142
Net cash provided by (used in) operating activities	162,073	(519,955)
Cash flows from investing activities:		
Repayment from related party	6,109	19,696
Purchase of equipment	(2,295)	-
Proceeds from sale of equipment	8,500	-
Payment for patents and trademark costs	(3,584)	(7,350)
Restricted cash	(896)	(1,717)
Net cash provided by investing activities	7,834	10,629
Cash flows from financing activities:		
Repayments on note payable - Bank	(12,000)	(12,000)
Repayments on note payable - Other	(13,900)	(14,500)
Net cash used in financing activities	(25,900)	(26,500)
Net increase (decrease) in cash	144,007	(535,826)
Cash and cash equivalents beginning of year	155,149	690,975
Cash and cash equivalents at end of year	\$299,156	\$155,149
Cash paid for:		
Interest	\$4,502	\$4,901
Income taxes	\$-	\$3,662

Supplemental disclosures of non-cash investing and financing activities:		
Accrued interest on note receivable	\$5,014	\$4,995
Increase in prepaid insurance and accounts payable	\$-	\$15,498

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

F-5

ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012 AND 2011

NOTE 1 – NATURE OF BUSINESS

ADM Tronics Unlimited, Inc. ("we", "us", "the Company" or "ADM"), was incorporated under the laws of the state of Delaware on November 24, 1969.

We are a manufacturing and engineering concern whose principal lines of business are the production and sale of chemical products; the design, manufacture and sale of electronics of our own products or on a contract manufacturing basis; and, research, development and engineering services. On July 17, 2009, we purchased the assets of Antistatic Industries of Delaware, Inc., a company involved in the research, development and manufacture of water-based and proprietary electrically conductive paints, coatings and other products and accessories which can be used by electronics, computer, pharmaceutical and chemical companies to prevent, reduce or eliminate static electricity.

Our chemical product line is principally comprised of water-based chemical products used in the food packaging and converting industries, and anti-static conductive paints, coatings and other products. These products are sold to customers located in the United States, Australia, Asia and Europe. Electronics equipment is manufactured in accordance with customer specifications on a contract basis. Our electronic device product line consists principally of proprietary devices used in diagnostics and therapeutics of humans and animals and, through our Action Industries, Unlimited, LLC subsidiary, electronic controllers for spas and hot tubs. These products are sold to customers located principally in the United States. We are registered with the FDA as a contract manufacturing facility and we manufacture medical devices for customers in accordance with their designs and specifications. We also provide research, development and engineering services to customers. Our Sonotron Medical Systems, Inc. subsidiary is involved in medical electronic therapeutic technology and our Pegasus Laboratories, Inc. is involved in topical dermatological products.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of ADM Tronics Unlimited, Inc. and its wholly owned subsidiaries (Action Industries Unlimited, LLC, Sonotron and Pegasus Laboratories). All significant intercompany balances and transactions have been eliminated in consolidation.

USE OF ESTIMATES

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and, accordingly, require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. Significant estimates made by management include expected economic life and value of our deferred tax assets, valuation allowance, impairment of long lived assets, fair value of equity instruments for services, allowance for doubtful accounts, and warranty reserves. Actual amounts could differ from those estimates.

FAIR VALUE OF FINANCIAL INSTRUMENTS

For certain of our financial instruments, including accounts receivable, inventories, accounts payable, accrued expenses, and notes payable – other, the carrying amounts approximate fair value due to their relatively short

maturities.

CASH AND CASH EQUIVALENTS

Cash equivalents are comprised of certain highly liquid investments with maturities of three months or less when purchased. We maintain our cash in bank deposit accounts, which at times, may exceed federally insured limits. We have not experienced any losses to date as a result of this policy.

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The carrying amounts of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that exceed the due date and estimates the portion, if any, of the balance that will not be collected. Management provides for probable uncollectible amounts through a charge to expenses and a credit to a valuation allowance, based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

F-6

REVENUE RECOGNITION

CHEMICAL PRODUCTS:

Revenues are recognized when products are shipped to end users. Shipments to distributors are recognized as revenue when no right of return exists.

ELECTRONICS:

We recognize revenue from the sale of our electronic products when they are shipped to the purchaser. We offer a limited 90 day warranty on our electronics products and a limited 5 year warranty on our electronic controllers for spas and hot tubs. We have no other post shipment obligations. Based on prior experience, no amounts have been accrued for potential warranty costs and actual costs were less than \$500, for the fiscal years ended March 31, 2012 and 2011. For contract manufacturing, revenues are recognized after shipment of the completed products.

ENGINEERING SERVICES:

We provide certain engineering services, including quality control and quality assurance services along with regulatory compliance services, warehouse fulfillment services and network administration services including hardware and software services. We recognize revenue from engineering services as the services are provided.

WARRANTY LIABILITIES

The Company's provision for estimated future warranty costs is based upon historical relationship of warranty claims to sales. Based upon historical experience, the Company has concluded that no warranty liability is required as of the balance sheet dates. However, the Company periodically reviews the adequacy of its product warranties and will record an accrued warranty reserve if necessary.

RESTRICTED CASH

Restricted cash represents funds on deposit with a financial institution that secure the bank note payable.

INVENTORY

Inventories are stated at the lower of cost (first-in, first-out method) or market. Inventory that is expected to be sold within one operating cycle (1 year) is classified as a current asset. Inventory that is not expected to be sold within 1 year, based on historical trends, is classified as Inventory - long term.

PROPERTY & EQUIPMENT

We record our equipment at historical cost. We expense maintenance and repairs as incurred. Depreciation is provided for by the straight-line method over five to seven years, the estimated useful lives of the property and equipment.

INTANGIBLE ASSETS

Intangibles are reviewed for impairment whenever changes in circumstances indicate that the carrying amount may not be recoverable. In reviewing for impairment, the Company compares the carrying value of the relevant asset to the estimated undiscounted future cash flows expected from the use of the assets and their eventual disposition. When the estimated undiscounted future cash flows are less than their carrying amount, an impairment loss is recognized equal

to the difference between the assets' fair value and its carrying value.

ADVERTISING COSTS

Advertising costs are expensed as incurred and amounted to \$163,059 and \$12,975 for the fiscal years ended March 31, 2012 and 2011, respectively.

SHIPPING AND HANDLING COSTS

Shipping and handling costs incurred for the years ended March 31, 2012 and 2011 were approximately \$13,500 and \$7,200 respectively. Such costs are included in selling, general and administrative expenses in the accompanying consolidated statements of operations.

F-7

INCOME TAXES

We report the results of our operations as part of a consolidated Federal tax return with our subsidiaries. Deferred income taxes result primarily from temporary differences between financial and tax reporting. Deferred tax assets and liabilities are determined based on the difference between the financial statement bases and tax bases of assets and liabilities using enacted tax rates. A valuation allowance is recorded to reduce a deferred tax asset to that portion that is expected to more likely than not be realized.

The Company has adopted the authoritative accounting guidance with respect to accounting for uncertainty in income taxes, which clarified the accounting and disclosures for uncertain tax positions related to income taxes recognized in the financial statements and addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

The Company files income tax returns in several jurisdictions. The Company's tax returns remain subject to examination, by major jurisdiction, for the years ended March 31, as follows:

Jurisdiction	Fiscal Year
Federal	2008 and beyond
New Jersey	2007 and beyond

There are currently no tax years under examination by any major tax jurisdictions.

The Company will recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of March 31, 2012 and 2011, the Company has no accrued interest or penalties related to uncertain tax positions.

NET LOSS PER SHARE

We compute basic loss per share by dividing net loss by the weighted average number of common shares outstanding. Diluted loss per share is computed similar to basic loss per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential shares had been issued and if the additional shares were dilutive. Common equivalent shares are excluded from the computation of net loss per share if their effect is anti-dilutive.

Per share basic and diluted net loss amounted to \$(0.00) and \$(0.01) for the fiscal years ended March 31, 2012 and 2011, respectively. The assumed exercise of common stock equivalents was not utilized in the computation of the fully diluted earnings per share for fiscal years ended March 31, 2012 and 2011, since the effect would be anti-dilutive. There were -0- and 2,750,000 common stock equivalents at March 31, 2012 and 2011, respectively.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 2011 the FSAB issued Accounting Standards Update 2011-05 affecting ASC 220, Other Comprehensive Income. The effective date is for fiscal periods beginning after December 15, 2011. The objective of this Update is to improve the comparability, consistency and transparency of financial reporting and to increase the prominence of items reported in other comprehensive income. To increase the prominence of items reported in other comprehensive

income and to facilitate convergence of U.S generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRS), the FASB decided to eliminate the option to present components of other comprehensive income as part of the statement of changes in stockholders' equity. The Company is evaluating the implication of this Statement.

On April 1, 2011 we adopted Accounting Standards Update 2009-13 that revised the guidance for revenue recognition with multiple deliverables. These new standards impact the determination of when the individual deliverables included in a multiple-element arrangement may be treated as separate units of accounting. Additionally, these new standards modify the manner in which the transaction consideration is allocated across the separately identified deliverables by no longer permitting the residual method of allocating arrangement consideration. The adoption did not have a material impact on the consolidated financial positions or results of operations.

Management does not believe that any other recently issued, but not yet effective accounting pronouncement, if adopted, would have a material effect on the accompanying unaudited condensed consolidated financial statements.

F-8

NOTE 3 – INVENTORY

Inventory at March 31, 2012 consisted of the following:

	Current	Long Term	Total
Raw materials	\$204,367	\$38,555	\$242,922
Finished Goods	56,265	4,188	60,453
	\$260,632	\$42,743	\$303,375

Inventory at March 31, 2011 consisted of the following:

	Current	Long Term	Total
Raw materials	\$177,606	\$28,252	\$205,858
Finished Goods	54,893	3,699	58,592
	\$232,499	\$31,951	\$264,450

The Company values its inventories at the first in, first out ("FIFO") method at the lower of cost or market.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment as of March 31, 2012 and 2011 is as follows:

	2012	2011
Computer equipment	\$ 13,364	\$ 13,364
Machinery and equipment	60,202	80,934
Leasehold improvements	3,750	3,750
	77,316	98,048
Accumulated depreciation	(53,574)	(56,421)
Property and equipment, net	\$ 23,742	\$ 41,627

Depreciation expense related to property and equipment amounted to \$14,697 and \$14,438 for the years ended March 31, 2012 and 2011, respectively.

NOTE 5 – SECURED CONVERTIBLE NOTE RECEIVABLE

On June 4, 2009 the Company invested in Wellington which has rights to an electronic uroflowmetry diagnostic medical device technology. The Company invested a total of \$50,000, with \$10,000 provided in cash, and \$40,000 in services to Wellington. Wellington issued a convertible note to the Company for a principal amount of \$50,000 with an interest rate of 10% due at various dates through July 15, 2012. The total of the note receivable and accrued interest at March 31, 2012 and 2011 was \$62,351 and \$57,337, respectively. At the option of the Company, the Note is convertible in whole or in part, into equity of Wellington.

The conversion price, and resulting equity ownership percentage in Wellington, is determined by dividing the cash value of principal and accrued interest by \$2,000,000.

NOTE 6 - RELATED PARTY TRANSACTIONS

ADVANCES TO RELATED PARTIES

As of March 31, 2012 and 2011, ADM was owed \$0 from advances made to an officer. In fiscal years ended March 31, 2012 and 2011, \$6,109 and \$19,696 was repaid on interest accrued on these advances, respectively. Interest accrued for the years ended March 31, 2012 and 2011 was \$-0- and \$72 respectively. Total accrued interest was \$22,480 and \$28,589 at March 31, 2012 and 2011 respectively.

NOTE 7 - INTANGIBLE ASSETS

Intangible assets are being amortized using the straight line method over their estimated useful lives ranging from 3-15 years with a weighted average remaining life of approximately 7.7 years.

	March 31, 2012				March 31, 2011			
	Cost	Weighted Average Amortization Period	Accumulated Amortization	Net Carrying Amount	Cost	Weighted Average Amortization Period	Accumulated Amortization	Net Carrying Amount
Patents & Trademarks	\$82,702	15 years	\$ (62,464)	\$20,238	\$79,118	15 years	\$ (60,218)	\$18,900
Formulas	25,446	15 years	(4,595)	20,851	25,446	15 years	(2,898)	22,548
Non-Compete Agreement	50,000	7 years	(25,595)	24,405	50,000	7 years	(18,452)	31,548
Controller Design	-	-	-	-	100,000	7 years	(36,905)	63,095
Customer List	10,000	3 years	(9,028)	972	10,000	3 years	(5,695)	4,305
	\$168,148		\$ (101,682)	\$66,466	\$264,564		\$ (124,168)	\$140,396

Amortization expense was \$77,515, which included \$48,810 impairment write down of the Controller design, and \$28,651 of amortization for the fiscal years ended March 31, 2012 and 2011, respectively.

Estimated annual future amortization expense related to intangible assets is as follows:

2013	\$ 11,894
2014	10,828
2015	10,779
2016	6,068
2017	3,092
Thereafter	23,805
	\$ 66,466

During the fiscal year ended March 31, 2012, management had reviewed intangibles as part of their annual review and had decided to write-off controller design intangibles due to impairment loss related to the Company's subsidiary Action. The net book value of the \$48,810 was written off controller design in March 2012.

NOTE 8 – NOTE PAYABLE, BANK

On August 21, 2008, the Company entered into a note payable with a commercial bank in the amount of \$200,000. This note bears interest at a rate of 2% above the interest rate for the Company's savings account at this bank. Interest rates at March 31, 2012 and 2011 were 2.30% and 2.49%, respectively. The note is secured by cash on deposit with the institution, which is classified as restricted cash. Amounts outstanding under the note are payable on demand, and interest is payable monthly.

F-10

NOTE 9 – NOTE PAYABLE – OTHER

On July 17, 2009 we purchased the assets of Antistatic Industries of Delaware, Inc. in exchange for cash and a note payable, bearing imputed interest rate of 3.5% per annum. The monthly interest and principal payments were \$1,450 paid through December 2011.

NOTE 10 – CONCENTRATIONS

During the year ended March 31, 2012, two customers accounted for 46% of our net revenues. As of March 31, 2012, one customer accounted for 40% of our accounts receivable.

During the year ended March 31, 2011, three customers accounted for 43% of our net revenues. As of March 31, 2011, three customers accounted for 65% of our accounts receivable.

NOTE 11 – SEGMENT INFORMATION

Information about segments is as follows:

	Chemical	Electronics	Total
Year ended March 31, 2012			
Revenue from external customers	\$ 968,308	\$ 1,347,652	\$ 2,315,960
Segment operating income (loss)	\$ 112,354	\$ (306,942)	\$ (194,588)
Year ended March 31, 2011			
Revenue from external customers	\$ 907,556	\$ 291,048	\$ 1,198,604
Segment operating loss	\$ (73,472)	\$ (535,097)	\$ (608,569)
Total assets at March 31, 2012	\$ 540,349	\$ 796,101	\$ 1,336,450
Total assets at March 31, 2011	\$ 462,681	\$ 607,820	\$ 1,070,501

NOTE 12 - INCOME TAXES

At March 31, 2012, the Company had federal and state net operating loss carry-forwards, (NOL's) of approximately \$7,200,000, which are due to expire through fiscal 2031. These NOLs may be used to offset future taxable income through their respective expiration dates and thereby reduce or eliminate our federal and state income taxes otherwise payable. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. Ultimate utilization of such NOL's and credits is dependent upon the Company's ability to generate taxable income in future periods and may be significantly curtailed if a significant change in ownership occurs.

Due to the uncertainty related to future taxable income, the Company provides a 100% valuation allowance for the deferred tax benefit resulting from the NOL's and depreciation and amortization.

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

	2012	2011
Deferred tax assets (liabilities):		
Net operating loss carry-forward	\$2,892,000	\$2,814,000
Depreciation and amortization	1,000	1,000
Deferred tax assets	2,893,000	2,815,000
Valuation allowance	(2,893,000)	(2,815,000)
Deferred tax asset, net	\$-	\$-

The provision for income taxes at March 31, 2012 and 2011 differs from that amount using the statutory federal income tax rate as follows:

	2012		2011	
Statutory federal income tax rate	(34	%)	(34	%)
State income taxes, net of federal taxes	(6)	(6)
Valuation allowance	40		40	
Effective income tax rate	0	%	0	%

In January 2012, the Company completed the sale of their New Jersey State Net Operating Loss (NOL) carry-forward through the New Jersey Corporate Benefit Transfer program. The Company sold \$2,069,864 of tax loss carry-forward for the gross amount of \$173,248. The net amount realized by the Company in the year ended March 31, 2012 was \$169,522 after state fees and expenses.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

We lease our office and manufacturing facility under a non-cancelable operating lease, which expires on June 30, 2019. The Company's future minimum lease commitment at March 31, 2012 is as follows:

Period	Per year
2013	\$ 96,875
2014	102,688
2015	104,625
2016	104,625
2017	104,625
Thereafter	130,781
	\$ 644,219

Rent and real estate tax expense for all facilities for the years ended March 31, 2012 and 2011 was approximately \$102,000 and \$95,000, respectively.

MASTER SERVICES AGREEMENT

On February 12, 2010, ADM agreed to provide certain services to Ivivi Health Sciences, LLC (IHS) pursuant to a Master Services Agreement, as described below:

- We provided IHS with engineering services, including quality control and quality assurance services along with regulatory compliance services, warehouse fulfillment services and network administrative services including hardware and software services;
- We were paid at the rate of \$26,000 per month by IHS for these services; in June 2010, it was agreed that IHS would pay approximately \$11,000 for June 2010 and approximately \$5,000 per month thereafter for reduced services performed by ADM. In May, 2011 IHS agreed to pay ADM approximately \$16,800 per month for increased services for one (1) year and then on a month-to-month basis. Pursuant to this agreement, revenues from engineering services to IHS for the years ended March 31, 2012 and 2011 were \$234, 833 and \$112,017 respectively,

F-12

MANUFACTURING AGREEMENT

Under the terms of the February 12, 2010 manufacturing agreement with IHS, ADM has agreed to serve as the exclusive manufacturer of all current and future medical and non-medical electronic and other electronic devices or products to be sold or rented by IHS. For each product that ADM manufactures, IHS pays ADM an amount equal to 120% of the sum of (i) the actual, invoiced cost for raw materials, parts, components or other physical items that are used in the manufacture of .product and actually purchased for such entity by ADM, if any, plus (ii) a labor charge the based on ADM's standard hourly manufacturing labor rate, which ADM believes is more favorable than could be attained from unaffiliated third parties. Under the terms of the Agreement, if ADM is unable to perform its obligations to IHS under the manufacturing agreement or is otherwise in breach of any provision of the manufacturing agreement, IHS has the right, without penalty, to engage third parties to manufacture some or all of its products. In addition, if IHS elects to utilize a third-party manufacturer to supplement the manufacturing being completed by ADM, IHS has the right to require ADM to accept delivery of its products from these third-party manufacturers, finalize the manufacture of the products to the extent necessary to ensure that the design, testing, control, documentation and other quality assurance procedures during all aspects of the manufacturing process have been met.

Pursuant to the manufacturing agreement, sales of finished goods to IHS for the years ended March 31, 2012 and 2011 were \$175,171 and \$61,022, respectively.

NOTE 14 - OPTIONS OUTSTANDING

During 2007, ADM granted an aggregate of 3,500,000 stock options to employees and consultants. The options had an exercise price of \$0.29 and were fully vested at the date of grant. The options were valued at \$351,529 using the Black Scholes option pricing model with the following assumptions: risk free interest rate of 4.9%, volatility of 85%, estimated useful life of 1.5 years and dividend rate of 0%. The following table summarizes information on all common share purchase options issued by us as of March 31, 2012 and 2011.

	2012		2011	
	# of Shares	Weighted Average Exercise Price	# of Shares	Weighted Average Exercise Price
Outstanding, beginning of year	2,750,000	\$ 0.29	2,750,000	\$ 0.29
Expired	(2,750,000)	\$ (0.29)	-	\$ -
Outstanding, end of year	-	-	2,750,000	\$ 0.29
Exercisable, end of year	-	-	2,750,000	\$ 0.29

NOTE 15 - LEGAL PROCEEDINGS

We are involved, from time to time, in litigation and proceedings arising out of the ordinary course of business. There are no pending material legal proceedings or environmental investigations to which we are a party or to which our property is subject.

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.

We maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d - 15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Management necessarily applies its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives.

As of the end of the period covered by this Annual Report on Form 10-K, we carried out an evaluation, with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based on that evaluation as of March 31, 2012, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining effective internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) over our company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

Management, including our Chief Executive Officer and Chief Financial Officer, has evaluated our internal control over financial reporting as of March 31, 2012, based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on its assessment, management has concluded that our internal control over financial reporting was effective as of March 31, 2012.

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 pursuant to temporary rules of the SEC that permit us to provide only management's report in this annual report.

INTERNAL CONTROL OVER FINANCIAL REPORTING.

There were no changes in the Company's internal control over financial reporting that occurred during the Company's last fiscal quarter of the fiscal year to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The following table sets forth the names, positions and ages of the Company's executive officers and directors. All of the Company's directors serve until the next annual meeting of stockholders or until their successors are elected and qualify. Officers are elected by the board of directors and their terms of offices are, except to the extent governed by employment contracts, at the discretion of the board of directors.

Name	Age	Position
Andre' DiMino	56	President, Chief Executive Officer Chief Financial Officer, Director
Vincent DiMino	86	Director

Andre' DiMino has served as President of the Company since December 2001 and a director and Chief Financial Officer of the Company since 1987. Prior thereto, Mr. DiMino served as Executive Vice President and Chief Operating Officer since 1991 and Secretary and Treasurer of the Company since 1978. Mr. DiMino also served as the Technical Director of ADM Tronics from 1982 to 1991. Mr. DiMino served as Vice Chairman, Executive Vice President and Chief Technology officer of ITI from August 2008 to February 2010. He also served as Vice Chairman and Co-Chief Executive Officer of ITI from October 2006 to August 2008, and as Chairman and Chief Financial Officer from January 2004 until October 2006 and served as President of ITI from 1989 to January 2004. Since February 12, 2010, Mr. DiMino has served as Vice President-Engineering, Manufacturing and Regulatory for IHS.

Vincent DiMino served as Vice President of Production of the Company from 1969 to 2008 and as a director of the Company since August 1987.

Vincent DiMino is Andre' DiMino's uncle. There is no other family relationship between any of the Company's directors or executive officers.

AUDIT COMMITTEE AND AUDIT COMMITTEE FINANCIAL EXPERT

Although the Company is engaged in ongoing efforts to engage qualified board members, the Company does not have a separately designated audit committee or compensation committee at this time. Accordingly, the Company's Board of Directors also has determined that the Company does not have an audit committee financial expert. The Company continues to seek new board members in order to appoint a separately designated audit committee. The functions which would be performed by an audit committee are performed by the Board of Directors as a whole.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act, and the rules and regulations of the Securities and Exchange Commission promulgated there under, requires the Company's directors, executive officers and persons who own beneficially more than 10% of the Company's common stock to file reports of ownership and changes in ownership of such stock with the SEC. Based solely upon a review of such reports, the Company believes that all of its directors, executive officers and 10% stockholders complied with all applicable Section 16(a) filing requirements during the Company's last fiscal year.

CODE OF ETHICS

The Company has adopted a code of ethics that applies to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of such Code of Ethics has been filed as Exhibit 14.1 to the Annual Report on Form 10-KSB for the fiscal year ended March 31, 2005.

ITEM 11. EXECUTIVE COMPENSATION

Name and Principal Position	Year	Salary	Bonus	Option Awards	Other Compensation	Total
Andre' DiMino	2012	102,248	48,500		-	150,748
Chief Executive Officer	2011	102,144	26,759	-	21,000	149,903

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

DIRECTORS' COMPENSATION

The Company does not pay fees to its directors, nor does it reimburse its directors for expenses incurred.

STOCKHOLDER MATTERS:

The following table sets forth information regarding ownership of shares of Company's common stock, as of June 29, 2012, by (i) each person known to ADM to be the owner of 5% or more of ADM's common stock (ii) each director and director nominee of ADM, (iii) the Named Officer, and (iv) all directors and officers of ADM as a group. Except as otherwise indicated, each person and each group shown in the table has sole voting and investment power with respect to the shares of the Company's common stock indicated. For purposes of the table below, in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, a person is deemed to be the beneficial owner, for purposes of any shares of Common Stock over which he or she has or shares, directly or indirectly, voting or investment power; or of which he or she has the right to acquire beneficial ownership at any time within 60 days after July 14, 2012. As used herein, "voting power" is the power to vote or direct the voting of shares and "investment power" includes the power to dispose or direct the disposition of shares. Common Stock beneficially owned and percentage ownership is based on 56,939,537 shares of Common Stock outstanding as of June 29, 2012.

Name and Address	Number of Shares Beneficially Owned	Percentage
Andre' DiMino c/o ADM Tronics Unlimited, Inc. 224 Pegasus Avenue Northvale, NJ 07647	17,880,883(1)	31.4%
Vincent DiMino c/o ADM Tronics Unlimited, Inc. 224 Pegasus Avenue Northvale, NJ 07647	1,587,928(2)	2.8%
Eugene Stricker c/o Fifth Avenue Ventire Capital Partners 42 Barrett Road Lawrence, NY 11559	4,188,700(3)	7.4%
All Executive Officers and Directors as a group (three persons)	19,468,811(4)	34.2%

(1) Includes 13,691,223 shares of the Company's common stock directly owned by Andre' DiMino; 960 shares owned by Jenny DiMino, the spouse of Andre' DiMino; and 4,188,700 shares of the Company's common stock held by Eugene Stricker, of which Andre' DiMino may be deemed to be a beneficial owner by reason of his power to vote such shares pursuant to an agreement.

(2) Includes 1,287,928 shares of the Company's common stock directly owned by Mr. Vincent DiMino, 300,000 shares of the Company's common stock owned by the spouse of Vincent DiMino, as to which Mr. DiMino disclaims beneficial ownership.

(3) Mr. Andre' DiMino may be deemed to be a beneficial owner of such shares by reason of his power to vote such shares pursuant to an agreement. Reference is also made to Footnote No. 1.

(4) Reference is made to Footnote Nos. 1 and 2.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

From time to time prior to 2000, the Company has loaned funds to Andre' DiMino at an interest rate of 3% per annum. The largest aggregate amount of indebtedness, including interest, outstanding at any time since the beginning of the Company's fiscal year ended March 31, 2003 was approximately \$89,900 and the amount of interest outstanding as of March 31, 2012 was approximately \$22,480.

MANAGEMENT SERVICES AGREEMENT

ADM entered into individual management services agreements, dated as of August 15, 2001, with ITI, SMI and Pegasus under which the Company provides such entities with management services and allocates portions of its real property facilities for use by such entities for the conduct of their respective businesses. The management services provided by the Company under the management services agreement include managerial and administrative services, marketing and sales services, clerical and communication services, the maintenance of a checking account and the writing of checks, the maintenance of accounting records and other services in the ordinary course of business. The

entities pay ADM for such services on a monthly basis pursuant to an allocation determined by ADM and such entities based on a portion of its applicable costs plus any invoices it receives from third parties specific to each such entity. ADM's subsidiaries and ITI also use office, manufacturing and storage space in a building located in Northvale, New Jersey, currently leased by the Company, pursuant to the terms of the management services agreement. ADM determines the portion of space allocated to each entity on a monthly basis, and the subsidiaries and ITI are required to reimburse the Company for their respective portions of the lease costs, real property taxes and related costs.

On August 1, 2009, we entered into an agreement with ITI to provide services described below and canceled our management services agreement described above. Under the agreement:

- we provided ITI with engineering services, including quality control and quality assurance services along with regulatory compliance services warehouse fulfillment services and network administration services including hardware and software services;
- we were paid at the rate of \$26,000 per month by ITI for these services; and ITI agreed to terminate the four full time engineers and three part time engineers then employed by ITI.

On February 12, 2010 concurrent with the acquisition of ITI's assets by IHS, we agreed to provide the above services to IHS and IHS agreed to pay us \$26,000 per month for such services pursuant to a Master Services Agreement. In June 2010, it was agreed that IHS would pay approximately \$11,000 for June 2010 and approximately \$5,000 per month thereafter for reduced services performed by ADM. In May 2011 IHS agreed to pay ADM approximately \$16,800 per month for increased services.

MANUFACTURING AGREEMENT

ADM, ITI and SMI are parties to manufacturing agreements, dated as of August 15, 2001, and as amended in February, 2005. The manufacturing agreement with ITI was subsequently assigned to IHS on February 12, 2010. Under the terms of the agreement, the Company has agreed to serve as the exclusive manufacturer of all current and future medical and non-medical electronic and other devices or products to be sold or rented by the entities. For each product that ADM manufactures for each entity, the entity pays ADM an amount equal to 120% of the sum of (i) the actual, invoiced cost for raw materials, parts, components or other physical items that are used in the manufacture of the product and actually purchased for such entity by the Company, if any, plus (ii) a labor charge based on the Company's standard hourly manufacturing labor rate, which the Company believes is more favorable than could be attained from unaffiliated third-parties. The Company generally purchases and provides ADM with all of the raw materials, parts and components necessary to manufacture the entities' products. Under the terms of the agreement, if the Company is unable to perform its obligations to either entity under the manufacturing agreement or is otherwise in breach of any provision of the manufacturing agreement, such entity has the right, without penalty, to engage third parties to manufacture some or all of its products. In addition, if the entity elects to utilize a third-party manufacturer to supplement the manufacturing being completed by ADM, such entity has the right to require ADM to accept delivery of its products from these third-party manufacturers, finalize the manufacture of the products to the extent necessary and ensure that the design, testing, control, documentation and other quality assurance procedures during all aspects of the manufacturing process have been met. Reference is made to "Item 1. Description of Business--Manufacturers and Suppliers."

Director Independence

Our common stock is not listed on a national securities exchange and therefore, we are not subject to any corporate governance requirements regarding independence of board or committee members. However, we have chosen the definition of independence contained in the rules of The American Stock Exchange, LLC as a benchmark to evaluate the independence of our directors. Under the ("AMEX") listing standards, an "independent director" of a company means a person who is not an officer or employee of the company or its subsidiaries and who the board of directors has affirmatively determined does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Our Board of Directors has determined that none of our current directors are independent directors within the meaning of the applicable AMEX listing standard.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

AUDIT FEES

The aggregate fees billed for professional services rendered by Raich Ende Malter & Co. LLP ("Raich") for the audit of the Company's annual consolidated financial statements for the fiscal years ended March 31, 2012 and 2011, and for the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q for the fiscal years ended March 31, 2012 and 2011, were approximately \$58,000 and \$52,000, respectively.

AUDIT-RELATED FEES

The aggregate fees billed in each of the fiscal years ended March 31, 2012 and 2011 for assurance and related services by Raich that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported above under "Audit Fees" were \$0 and \$0, respectively.

TAX FEES

The aggregate fees billed in each of the fiscal years ended March 31, 2012 and 2011 for professional services rendered by Raich for tax compliance, tax advice and tax planning were \$6,901 and \$7,964, respectively.

ALL OTHER FEES

The aggregate fees billed in each of the fiscal years ended March 31, 2012 and March 31, 2011 for products and services provided by Raich other than the services reported above under "Audit Fees", "Audit Related Fees" and "Tax Fees" were \$0 and \$0 respectively.

AUDIT COMMITTEE ADMINISTRATION OF THE ENGAGEMENT

The Company does not have an audit committee.

PART III, ITEM 15. EXHIBITS

Exhibit

No.	Description
3.1	Certificate of Incorporation and amendments thereto filed on August 9, 1976 and May 15, 1978 is incorporated by reference to Exhibit 3(a) to the Company's Registration Statement Form 10 (File No. 0-17629) (the "Form 10").
3.2	Certificate of Amendment to Certificate of Incorporation filed December 9, 1996 is incorporated by reference to Exhibit 3(a) to the Company's Annual Report on Form 10-KSB for the fiscal year ended March 31, 1997.
3.3	By-Laws are incorporated by reference to Exhibit 3(b) to the Form 10.
9.1	Trust Agreements of November 7, 1980 by and between Dr. Alfonso DiMino et al. are incorporated by reference to Exhibit 9 to the Company's Annual Report on Form 10-KSB for the fiscal year ended March 31, 1993.
10.1	Memorandum of Lease by and between the Company and Cresskill Industrial Park III dated as of August 26, 1993 is hereby incorporated by reference to Exhibit 10(a) to the Company's Annual Report on Form 10-KSB for the fiscal year March 31, 1994.
10.5	Agreement of January 17, 2003 by and between the Company and Fifth Avenue Venture Capital Partners is hereby incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-KSB for the fiscal year ended March 31, 2003.
10.6	Amended and Restated Manufacturing Agreement, dated February 10, 2005, among the Company, Ivivi Technologies, Inc. and Sonotron Medical Systems, Inc. is incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended March 31, 2005.
10.7	Management Services Agreement, dated August 15, 2001, among the Company, Ivivi Technologies, Inc., Sonotron Medical Systems, Inc. and Pegasus Laboratories, Inc., as amended is incorporated by reference to the Company's Annual Report on Form 10-KSB form the fiscal year ended March 31, 2005.
10.8	Master Services Agreement dated February 12, 2010 by and between ADM Tronics Unlimited Inc and Ivivi Health Sciences LLC.
14.1	Code of Ethics is incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended March 31, 2005.

- 21.1 Subsidiaries of the Company.
- 31.1 Certification of the Chief Executive Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of the Chief Financial Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of the Chief Executive Officer and Chief Financial Officer of the Company pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101.INS** XBRL Instance
- 101.SCH** XBRL Taxonomy Extension Schema
- 101.CAL** XBRL Taxonomy Extension Calculation
- 101.DEF** XBRL Taxonomy Extension Definition
- 101.LAB** XBRL Taxonomy Extension Labels
- 101.PRE** XBRL Taxonomy Extension Presentation

** XBRL information is furnished and not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

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 this 29th day of June, 2012.

ADM TRONICS
UNLIMITED, INC.

By: /s/ Andre' DiMino
Andre' Di Mino
Chief Executive Officer

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

Signature	Title	Date
/s/ Andre' DiMino Andre' DiMino	Chief Executive Officer (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer) and Director	June 29, 2012
/s/ Vincent DiMino Vincent DiMino	Director	June 29, 2012