

NANOIRICIDES, INC.
Form 10-Q
May 20, 2010

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

FORM 10 - Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended March 31, 2010

Commission File Number: 333-148471

NANOIRICIDES, INC.

(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of incorporation or
organization)

76-0674577
(IRS Employer Identification No.)

135 Wood Street, Suite 205
West Haven, Connecticut 06516
(Address of principal executive offices and zip code)
(203) 937-6137
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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NANOVIKICIDES, INC.
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEETS

	March 31, 2010 (Unaudited)	June 30, 2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,947,954	\$ 1,689,442
Prepaid expenses	305,388	321,545
Other current assets	64,648	109,312
Total current assets	3,317,990	2,120,299
Property and equipment, net	871,984	688,618
OTHER ASSETS		
Trademarks and patents, net	320,720	192,344
Total Other Assets	320,720	192,344
TOTAL ASSETS	\$ 4,510,694	\$ 3,001,261
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable – trade	\$ 222,163	\$ 147,067
Accounts payable – related parties	708,526	300,969
Accrued expenses	28,035	67,683
TOTAL CURRENT LIABILITIES	958,724	515,719
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.001 par value; 20,000,000 shares authorized		
Series A Convertible Preferred stock, \$0.001 par value; 10,000,000 shares designated; 7,594,000 shares issued and outstanding	7,594	-
Series B Convertible Preferred stock, \$0.001 par value; 10,000,000 shares designated; none issued or outstanding	-	-
Common stock, \$0.001 par value; 300,000,000 shares authorized; 132,214,094, and 125,299,457 issued and outstanding respectively	132,214	125,299
Additional paid-in capital	19,488,871	14,455,778

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Stock subscription receivable	-	(100,000)
Deficit accumulated during the development stage	(16,076,709)	(11,995,535)
TOTAL STOCKHOLDERS' EQUITY	3,551,970	2,485,542
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 4,510,694	\$ 3,001,261

See accompanying notes to the financial statements.

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NANOVIKICIDES, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Nine Months Ended		For the
	March 31,	March 31,	March 31,	March 31,	Period from
	2010	2009	2010	March 31, 2009	May 12 2005
					(Inception)
					through
					March 31,
					2010
Operating expenses:					
Research and development	\$ 1,582,705	\$ 498,801	\$ 2,676,430	\$ 1,331,661	\$ 9,398,382
Refund for credit research and development costs	42,378	-	42,378	-	(215,940)
General and administrative	800,056	293,225	1,364,958	861,701	6,257,856
	2,425,139	792,026	4,083,766	2,193,362	15,440,298
Loss from operations	(2,425,139)	(792,026)	(4,083,766)	(2,193,362)	(15,440,298)
Other income (expense):					
Interest income	601	4,303	2,592	30,384	150,597
Non cash interest on convertible debentures	-	-	-	-	(73,930)
Non cash interest expense on beneficial conversion feature of convertible debentures	-	-	-	-	(713,079)
Total other income (expense)	601	4,303	2,592	30,384	(636,412)
Net loss	\$(2,424,538)	\$(787,723)	\$(4,081,174)	\$(2,162,978)	\$(16,076,709)
Net loss per common share: basic and diluted	\$(0.02)	\$(0.01)	\$(0.03)	\$(0.02)	
Weighted average shares outstanding: basic and diluted	132,036,147	122,793,839	129,754,900	122,073,961	

See accompanying notes to the financial statements.

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NANO VIRICIDES, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended		For the Period From May 12, 2005 (Inception) through March 31, 2010
	March 31, 2010	March 31, 2009	March 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$(4,081,174)	(2,162,978)	\$(16,076,709)
Adjustments to reconcile net loss to net cash used in operating activities:			
Shares and warrants issued for services	428,582	129,800	1,239,139
Preferred shares issued for license	7,000	-	7,000
Preferred shares issued as compensation	1,220,330	-	1,220,330
Warrants granted to scientific advisory board	121,200	107,000	566,041
Options issued to officers as compensation	-	-	121,424
Depreciation and amortization	43,266	8,073	64,603
Amortization of deferred financing expenses	-	-	51,175
Non cash interest on convertible debentures	-	-	73,930
Non cash interest expense on beneficial conversion feature of convertible debentures	-	-	713,079
Changes in operating assets and liabilities:			
Prepaid expenses	16,157	(84,968)	(305,388)
Deferred expenses	-	-	(2,175)
Other current assets	44,664	99,690	(64,648)
Accounts payable – trade	100,296	(12,365)	534,862
Accounts payable – related parties	407,557	(204,419)	708,526
Accrued expenses	(39,648)	(132,073)	28,035
Net cash used in operating activities	(1,731,770)	(2,252,240)	(11,120,775)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(188,349)	(537,417)	(891,483)
Purchase of trademarks and Patents	(134,959)	(176,226)	(334,124)
Net cash used in investing activities	(323,308)	(713,643)	(1,225,607)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of convertible debentures	-	-	1,000,000
Proceeds from issuance of common stock and warrants in connection with private placements of common stock, net of offering cost	1,432,250	3,377,553	11,296,726
Proceeds from exercise of stock warrants attached to convertible debentures	1,881,340	-	2,907,610
Proceeds from exercise of stock options	-	-	90,000
Net cash provided by financing activities	3,313,590	3,377,553	15,294,336

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NET INCREASE IN CASH AND CASH EQUIVALENTS	1,258,512	411,670	-
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,689,442	816,386	