

ENCISION INC  
Form 10QSB  
August 14, 2003

**U.S. Securities and Exchange Commission**  
Washington, D.C. 20549

**Form 10-QSB**

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

For the quarterly period ended June 30, 2003

For the transition period from to

Commission file number 0-28604

<b>ENCISION INC.</b>		
(Exact name of small business issuer as specified in its charter)		
<b>Colorado</b>		<b>84-1162056</b>
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
<b>4828 Sterling Drive, Boulder, Colorado 80301</b>		
(Address of principal executive offices)		
<b>(303) 444-2600</b>		
(Registrant's telephone number)		

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

**Common Stock, No par value**  
Class

**5,763,360 Shares**  
(outstanding at July 31, 2003)

**Transitional Small Business Disclosure Format**

Yes  No

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ENCISION INC.

FORM 10-QSB

For the Quarter Ended June 30, 2003

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**SIGNATURE**

**PART I**            **FINANCIAL INFORMATION****ITEM 1**    **CONDENSED INTERIM FINANCIAL STATEMENTS****ENCISION INC.****CONDENSED BALANCE SHEETS**

(Unaudited)

	<b>June 30, 2003</b>	<b>March 31, 2003</b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 472,888	\$ 585,552
Accounts receivable, net of allowance for doubtful accounts of \$19,000 and \$25,000, respectively	739,375	959,808
Inventory, net of reserve for obsolescence of \$68,000 and \$68,000, respectively	1,084,730	931,323
Prepaid expenses	134,413	46,929
<b>Total current assets</b>	<b>2,431,406</b>	<b>2,523,612</b>
<b>EQUIPMENT, at cost:</b>		
Furniture, fixtures and equipment	857,396	818,392
Customer-site equipment	356,592	306,381
Less - accumulated depreciation	(893,775)	(858,144)
<b>Equipment, net</b>	<b>320,213</b>	<b>266,629</b>
<b>PATENTS, net of accumulated amortization of \$58,910 and \$55,871, respectively</b>	<b>126,877</b>	<b>129,916</b>
<b>OTHER ASSETS</b>	<b>12,972</b>	<b>12,972</b>
<b>Total assets</b>	<b>\$ 2,891,468</b>	<b>\$ 2,933,129</b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 483,373	\$ 416,848
Accrued compensation	70,386	150,607
Other accrued liabilities	296,367	359,326
<b>Total current liabilities</b>	<b>850,126</b>	<b>926,781</b>

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COMMITMENTS AND CONTINGENCIES

SHAREHOLDERS EQUITY:

Preferred stock, no par value, 10,000,000 shares authorized, no shares issued or outstanding		
Common stock, no par value, 100,000,000 shares authorized, 5,430,026 shares outstanding	17,267,684	17,267,684
Accumulated deficit	(15,226,342)	(15,261,336)
Total shareholders equity	2,041,342	2,006,348
Total liabilities and shareholders equity	\$ 2,891,468	\$ 2,933,129

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

ENCISION INC.CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

	For the Three Months Ended June 30,	
	2003	2002
REVENUE, NET	\$ 1,701,940	\$ 1,342,392
COST OF SALES	732,007	513,060
Gross profit	969,933	829,332
OPERATING EXPENSES:		
Sales and marketing	518,403	561,040
General and administrative	226,294	232,301
Research and development	188,574	124,778
Total operating expenses	933,271	918,119
INCOME (LOSS) FROM OPERATIONS	36,662	(88,787)
OTHER INCOME (EXPENSE):		
Interest income	477	1,056
Other income (expense), net	(2,145)	(2,920)
NET INCOME (LOSS)	\$ 34,994	\$ (90,651)
NET INCOME (LOSS) PER SHARE:		
Basic and diluted net income (loss) per common share	\$ 0.01	\$ (0.02)
Diluted net income (loss) per common share	\$ 0.01	\$ (0.02)
Weighted average shares used in computing basic net income (loss) per common share	5,430,026	5,420,510