

ARGAN INC
Form 10-Q
September 12, 2008

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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended **July 31, 2008**

or

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

For the Transition Period from _____ to _____

Commission File Number **001-31756**

Argan, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation
or Organization)

13-1947195

(I.R.S. Employer Identification No.)

One Church Street, Suite 401, Rockville Maryland 20850

(Address of Principal Executive Offices) (Zip Code)

(301) 315-0027

(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year,
if Changed since Last Report)

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 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 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 company

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

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date: Common Stock, \$0.15 par value, 13,415,451 shares at September 2, 2008.

**ARGAN, INC. AND SUBSIDIARIES
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ARGAN, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(unaudited)

	July 31, 2008	January 31, 2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 104,001,000	\$ 66,827,000
Escrowed cash	10,312,000	14,398,000
Accounts receivable, net of allowance for doubtful accounts	22,806,000	30,481,000
Inventories, net of reserve for obsolescence	2,662,000	2,808,000
Current deferred tax assets	1,120,000	406,000
Prepaid expenses and other current assets	2,045,000	1,330,000
TOTAL CURRENT ASSETS	142,946,000	116,250,000
Property and equipment, net of accumulated depreciation	1,492,000	2,892,000
Goodwill	19,416,000	20,337,000
Other intangible assets, net of accumulated amortization	4,036,000	5,296,000
Investment in unconsolidated subsidiary	435,000	—
Deferred tax assets	1,478,000	828,000
Other assets	192,000	260,000
TOTAL ASSETS	\$ 169,995,000	\$ 145,863,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 44,356,000	\$ 35,483,000
Accrued expenses	7,330,000	9,370,000
Billings in excess of cost and earnings	41,988,000	52,313,000
Current portion of long-term debt	2,548,000	2,581,000
TOTAL CURRENT LIABILITIES	96,222,000	99,747,000
Long-term debt	2,875,000	4,134,000
Other liabilities	75,000	116,000
TOTAL LIABILITIES	99,172,000	103,997,000
COMMITMENTS AND CONTINGENCIES (Note 14)		
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$0.10 per share; 500,000 shares authorized; no shares issued and outstanding	—	—
Common stock, par value \$0.15 per share; 30,000,000 shares authorized; 13,413,684 and 11,113,534 shares issued and 13,410,451 and 11,110,301 shares outstanding at 7/31/08 and 1/31/08, respectively	2,011,000	1,667,000
Warrants outstanding	790,000	834,000
Additional paid-in capital	84,113,000	57,861,000
Accumulated other comprehensive loss	(63,000)	(107,000)
Accumulated deficit	(15,995,000)	(18,356,000)
Treasury stock, at cost; 3,233 shares at 7/31/08 and 1/31/08	(33,000)	(33,000)
TOTAL STOCKHOLDERS' EQUITY	70,823,000	41,866,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 169,995,000	\$ 145,863,000