UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2011

[ ] 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 **000-08161**

DIONICS, INC.

(Exact name of Registrant as Specified in its Charter)

Delaware	**11-2166744**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
65 Rushmore Street **Westbury, New York**	**11590**
(Address of principal executive offices)	(Zip Code)

(516) 997-7474
(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 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 [X] No [ ]

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition 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	[X]

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

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date: The number of shares outstanding of the Common Stock ($.01 par value) of the Issuer as of the close of business on May 12, 2011 was 25,328,678.

DIONICS, INC.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

DIONICS, INC.
FINANCIAL STATEMENTS

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Period Ended March 31, 2011

DIONICS, INC.
BALANCE SHEETS

	March 31, 2011 (Unaudited)	December 31, 2010 (Audited)
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 64,200	$ 86,500
Accounts receivable - net of allowance of $2,400 in 2011 and $5,900 in 2010	46,000	75,100
Inventory	115,000	111,000
Prepaid expenses	12,700	16,600
Total Current Assets	237,900	289,200
Property, plant and other equipment, net of accumulated depreciation of $1,429,200 in 2011 and $1,428,600 in 2010	16,600	17,200
Other assets	21,100	21,100
TOTAL ASSETS	$ 275,600	$ 327,500
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 43,400	$ 24,700
Accrued expenses	13,400	6,800
Total Current Liabilities	56,800	31,500
Convertible Note Payable, Officer	225,000	225,000
TOTAL LIABILITIES	281,800	256,500
Stockholders' equity		
Common Stock / $.01 par value, 50,000,000 shares authorized, shares issued and outstanding - 22,993,222 in 2011 and 21,993,222 in 2010	229,900	219,900
Preferred Stock / $.01 par value, 1,000,000 shares authorized, 0 shares issues and outstanding		
Additional paid in capital	2,435,800	2,395,800
Accumulated Deficit	(2,451,300)	(2,324,100)
	214,400	291,600
Less: Treasury Stock at cost (164,544 Shares in 2011 and 2010)	(220,600)	(220,600)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(6,200)	71,000
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$ 275,600	$ 327,500

The accompanying notes are an integral part of the financial statements.

DIONICS, INC.
STATEMENTS OF OPERATIONS
For the three months ended March 31,
(Unaudited)

	2011	2010
Net sales	$ 116,000	$ 211,000
Cost of sales	128,500	156,700
Gross profit (loss)	(12,500)	54,300
Selling, general and administrative expenses	114,700	85,000
(Loss) from operations	(127,200)	(30,700)
Other income	0	900
(Loss) before income taxes	(127,200)	(29,800)
Income taxes	0	0
Net (loss)	$ (127,200)	$ (29,800)
(Loss) per share	$ (0.006)	$ (0.001)
Weighted average number of shares outstanding	22,159,889	21,093,222

The accompanying notes are an integral part of the financial statements.

DIONICS, INC.
STATEMENTS OF SHAREHOLDERS' EQUITY
For the three month period ended March 31, 2011

	Common Stock		Additional		Treasury Stock		
	Number of Shares	Value	Paid in Capital	Deficit	Number of Shares	Cost	Total
Balance as of December 31, 2009 (audited)	21,093,222	$ 210,900	$ 2,296,800	$ (1,914,900)	164,544	$ (220,600)	$ 372,200
Shares issued to Consultant	900,000	9,000	99,000				108,000
Net (Loss)				(409,200)			(409,200)
Balance as of December 31, 2010 (audited)	21,993,222	$ 219,900	$ 2,395,800	$ (2,324,100)	164,544	$ (220,600)	$ 71,000
Shares issued	1,000,000	10,000	40,000				50,000
Net (Loss)				(127,200)			(127,200)
Balance as of March 31, 2011 (unaudited)	22,993,222	$ 229,900	$ 2,435,800	$ (2,451,300)	164,544	$ (220,600)	$ (6,200)

The accompanying notes are an integral part of the financial statements.

DIONICS, INC.
STATEMENTS OF CASH FLOWS
For the three months ended March 31,
(Unaudited)

	Increase (Decrease) in Cash and Cash Equivalents	
	2011	2010
Cash flows from operating activities:		
Net (Loss)	$ (127,200)	$ (29,800)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	600	0
Allowance for Bad Debt	(3,500)	0
Change in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable	32,600	(21,500)
Prepaid expenses	3,900	1,600
Inventory	(4,000)	5,900
Increase (Decrease) in:		
Accounts payable	18,700	8,100
Accrued expenses	6,600	7,900
Net cash (used for) operating activities	(72,300)	(27,800)
Cash flow provided by financing activities:		
Proceeds from sale of common stock	50,000	0
Net cash provided by financing activities	50,000	0
Net (decrease) in cash	(22,300)	(27,800)
Cash at beginning of year	86,500	416,500
Cash at end of year	$ 64,200	$ 388,700

The accompanying notes are an integral part of the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BUSINESS

Dionics, Inc. (the "Company") was incorporated under the laws of the State of Delaware on December 19, 1968. The Company, which is based in Westbury, New York, designs, manufactures and markets semiconductor electronic products, as individual discrete components, as multi-component integrated circuits, as multi-component hybrid circuits and as silicon light-chips.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with general accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Holdings of highly liquid investments with original maturities of three months or less are considered to be cash equivalents. The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair values. The amount of federally insured cash deposits was $10,164 as of March 31, 2011 and $14,900 as of December 31, 2010.

Concentration of Risk

The Company maintains cash deposits in a bank with offices located in New York, that at times, exceed applicable insurance limits. The Company performs periodic reviews of the relative credit rating of its bank to lower its risk. The Company has not experienced any losses in such accounts, and believes it is not subject to any significant credit risk on cash.

Accounts Receivable

Accounts for which no payments have been received for three consecutive months are considered delinquent and a reserve is setup for them. Customary collection efforts are initiated and an allowance for uncollectible amounts is set up and the related expense is charged to operations.

Merchandise Inventory

Inventories are stated at the lower of cost (which represents cost of materials and manufacturing costs on a first-in, first-out basis) or market. Finished goods and work-in-process inventories include material and labor. The Company monitors usage reports to determine if the carrying value of any items should be adjusted down due to lack of demand for the item. The Company adjusts down the inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-down may be required.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Inventories are comprised of the following:

	March 31, 2011	December 31, 2010
Raw materials	$ 4,000	$ 0
Work in process	68,000	68,000
Finished Goods	43,000	43,000
	$115,000	$111,000

Long-Lived Assets – Property, Plant and Equipment

These assets are recorded at cost less depreciation and amortization. Depreciation and Amortization are accounted for on the straight-line methods based on estimated useful lives. The amortization of leasehold improvements is based on the shorter of the lease term or the life of the improvement. Betterments and large renewals, which extend the life of the asset, are capitalized whereas maintenance and repairs and small renewals are expensed, as incurred. The estimated useful lives are: machinery and equipment, 7-15 years; buildings, 30 years; and leasehold improvements, 10-20 years.

Revenue

The Company recognizes revenue upon completion and shipment of goods because its billing terms include the provision that the goods are shipped FOB point of shipment which is standard practice in the Company's industry.

Bad Debt

The Company maintained an allowance for doubtful accounts of $2,400 at March 31, 2011 and $5,900 at December 31, 2010. Management deems the amount of the allowance to be adequate.

Stockholders' Equity

On October 30, 2009 (the "CML Closing Date"), the Company completed the transactions contemplated by a Stock Purchase Agreement (the "CML Stock Purchase Agreement") entered into on October 8, 2009 among the Company, Central Mega Limited, a British Virgin Islands corporation ("CML"), and the Company's chief executive officer, pursuant to which, among other things, CML purchased on the Closing Date an aggregate of 13,000,000 shares of common stock of the Company at a purchase price of $0.04 per share, consisting of 11,000,000 authorized but previously unissued shares of common stock of the Company for an aggregate purchase price of $440,000 which was paid to the Company on the Closing Date, and 2,000,000 previously issued shares of common stock owned by the chief executive officer for an aggregate purchase price of $80,000 which was paid to the executive officer on the Closing Date (the "CML Stock Purchase").

In order to enhance the Company's cash position, the Company's chief executive officer made an equity investment of $50,000 during the month of March 2011 in exchange for 1,000,000 shares of common stock of the Company.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short-term nature of these instruments. Fair value estimates are made at a specific point in time, based on relevant market information about the financial instruments when available. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Major Customers

For the three months ended March 31, 2011, approximately 52.75% of total sales were to the Company's 3 largest customers.

Basic Earnings per Common share

Basic earnings per share ("EPS") are computed based on the weighted average number of common shares outstanding for the period. Diluted EPS gives effect to all dilutive potential shares outstanding (i.e. options and warrants) during the period.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. There were no deferred taxes for the period ending March 31, 2011 and December 31, 2010. See NOTE 5.

Recently Issued Accounting Pronouncements

In January 2010, the FASB issued ASU No. 2010-06, - Improving Disclosures about Fair Value Measurements (ASU 2010-06) (codified within ASC 820 - Fair Value Measurements and Disclosures). ASU 2010-06 improves disclosures originally required under SFAS No. 157. ASU 2010-16 is effective for interim and annual periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those years. The Company is in compliance with the additional disclosure required by this guidance.

In December 2009, the FASB issued ASU 2009-16, - Transfers and Servicing (Topic 860) – Accounting for Transfers of Financial Assets. ASU 2009-16 amends the accounting for transfers of financials assets and will require more information about transfers of financial assets, including securitizations, and where entities have continuing exposure to the risks related to transferred financial assets. ASU 2009-16 is effective at the start of a reporting entity's first fiscal year beginning after November 15, 2009, with early adoption not permitted. The Company is in compliance with the additional disclosure required by this guidance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Recently Issued Accounting Pronouncements (continued)

In October 2009, the FASB issued ASU 2009-15, - Accounting for Own-Share Lending Arrangements in Contemplation of Convertible Debt Issuance or Other Financing. ASU 2009-15 amends the accounting and reporting guidance for debt (and certain preferred stock) with specific conversion features or other options. ASU 2009-15 is effective for fiscal years beginning on or after December 15, 2009. The Company is currently assessing the impact of ASU 2009-13 on its consolidated financial position, results of operations and cash flows.

In October 2009, the FASB issued ASU No. 2009-13, - Multiple Deliverable Revenue Arrangements - a consensus of the FASB Emerging Issues Task Force (ASU 2009-13) (codified within ASC Topic 605). ASU 2009-13 addresses the accounting for multiple-deliverable arrangements to enable vendors to account for products or services (deliverables) separately rather than as a combined unit. ASU 2009-13 is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. The Company is currently assessing the impact of ASU 2009-13 on its consolidated financial position, results of operations and cash flows.

In August 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-05, - Measuring Liabilities at Fair Value (ASU 2009-05) (codified within ASC 820 - Fair Value Measurements and Disclosures). ASU 2009-05 amends the fair value and measurement topic to provide guidance on the fair value measurement of liabilities. ASU 2009-05 is effective for interim and annual periods beginning after August 26, 2009. The Company adopted this guidance effective October 1, 2009.

In June 2009, the FASB issued SFAS No. 168, - The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162 (SFAS 168) (codified within ASC 105 - Generally Accepted Accounting Principles). SFAS 168 stipulates that the FASB Accounting Standards Codification is the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. SFAS 168 is effective for interim and annual periods ending after September 15, 2009. In conjunction with the issuance of SFAS 168, the SEC issued interpretive guidance Final Rule 80 (FR-80) regarding FASB's Accounting Standards Codification. Under FR-80, the SEC clarified that the ASC is not the authoritative source for SEC guidance and that the ASC does not supersede any SEC rules or regulations. Further, any references within the SEC rules and staff guidance to specific standards under U.S. GAAP should be understood to mean the corresponding reference in the ASC. FR-80 is also effective for interim and annual periods ending after September 15, 2009. The adoption had no impact on the Company's financial position, cash flows or results of operations.

In June 2009, the FASB issued SFAS No. 166, - Accounting for Transfers of Financial Assets (SFAS 166) (codified within ASC 860 - Transfers and Servicing). SFAS 166 amends the derecognition guidance in SFAS No. 140, - Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities (SFAS No. 140). SFAS 166 is effective for fiscal years beginning after November 15, 2009. The Company is in compliance with the additional disclosure required by this guidance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Recently Issued Accounting Pronouncements (continued)

In May 2009, the FASB issued SFAS No. 165, - Subsequent Events (SFAS 165) (codified within ASC 855 - Subsequent Events). SFAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. Specifically, SFAS 165 sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. SFAS 165 is effective prospectively for interim and annual periods ending after June 15, 2009. The Company adopted this guidance on June 30, 2009.

In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1, - Interim Disclosures about Fair Value of Financial Instruments (FSP FAS 107-1 and APB 28-1) (codified within ASC 825 - Financial Instruments). FSP FAS 107-1 and APB 28-1 require fair value disclosures in both interim as well as annual financial statements in order to provide more timely information about the effects of current market conditions on financial instruments. FSP FAS 107-1 and APB 28-1 are effective for interim and annual periods ending after June 15, 2009. The Company adopted this guidance on June 30, 2009.

In April 2009, the FASB issued FSP FAS 157-4 - Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That are Not Orderly (codified within ASC 820). FSP FAS 157-4 provides additional guidance for estimating fair value when the volume and level of activity for the asset or liability have significantly decreased. It also includes guidance on identifying circumstances that indicate a transaction is not orderly. FSP FAS 157-4 becomes effective for interim and annual reporting periods after June 15, 2009 and shall be applied prospectively. The adoption of this guidance did not have a significant effect on the Company's financial statements.

In April 2009, the FASB issued FSP FAS 115-2 and FAS 124-2, - Recognition and Presentation of Other-Than-Temporary Impairments (FSP FAS 115-2 and FAS 124-2) (codified within ASC 320 . Investments – Debt and Equity Securities). FSP FAS 115-2 and FAS 124-2 change the method for determining whether an other-than-temporary impairment exists for debt securities and the amount of the impairment to be recorded in earnings. FSP FAS 115-2 and FAS 124-2 are effective for interim and annual periods ending after June 15, 2009. The adoption of this guidance did not have a significant effect on the Company's financial statements.

In June 2008, the FASB issued EITF 07-05 Determining Whether an Instrument (or Embedded Feature) is Indexed to a Company's Own Stock, (codified within ASC 815 - Derivatives and Hedging - Contracts in Entity's Own Equity), the FASB ratified the consensus reached on determining whether an instrument (or embedded feature) is indexed to an entity's own stock. This consensus clarifies the determination of whether an instrument (or an embedded feature) is indexed to an entity's own stock, which would qualify as a scope exception under the standard accounting for derivative instruments and hedging activities. This consensus is effective for financial statements issued for fiscal years beginning after December 15, 2008. It was effective for the Company on January 1, 2009. The adoption of this consensus did not have a significant effect on the Company's financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Recently Issued Accounting Pronouncements (continued)

In March 2008, the FASB issued SFAS No. 161, - Disclosures About Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133, (SFAS 161) (codified within ASC 815 - Derivatives and Hedging). SFAS 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. SFAS 161 is effective for fiscal years beginning after November 15, 2008. The Company adopted this guidance on January 1, 2009. The Company currently does not have any derivative financial instruments subject to accounting or disclosure under this standard; therefore, the adoption of this standard did not have a significant effect on the Company's statement of financial position, results of operations or cash flows.

In February 2010, the FASB amended its guidance on subsequent events to remove the requirement for SEC filers to disclose the date through which an entity has evaluated subsequent events, for both issued and revised financial statements. This amendment alleviates potential conflicts between the FASB's guidance and the reporting rules of the SEC. Our adoption of this amended guidance, which was effective upon issuance, had no effect on our financial condition, results of operations, or cash flows. There were no subsequent events that would require adjustment to or disclosure in the financial statements.

NOTE 2 – TRADE ACCOUNTS RECEIVABLE:

Trade accounts receivable were as follows:

	March 31, 2011	December 31, 2010
Trade accounts receivable	$ 48,400	$ 81,000
Less: allowance for doubtful accounts	2,400	5,900
	$ 46,000	$ 75,100

Bad debt was reduced $3,500 for the period ended March 31, 2011. Bad debt expense was $600 for the year ended December 31, 2010.

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT:

Property, Plant and Equipment consisted of the following:

	March 31, 2011	December 31, 2010
Building Improvements	$ 14,100	$ 14,100
Equipment	1,198,400	1,198,400
Furniture and Fixtures	233,300	233,300
	1,445,800	1,445,800
Less: accumulated depreciation	(1,429,200)	(1,428,600)
	$ 16,600	$ 17.200

Depreciation expense for the period ended March 31, 2011 was $600 and for the year ended December 31, 2010 was $5,800 respectively.

NOTE 4 – DEFERRED COMPENSATION:

In 1987, the Company entered into a salary continuation agreement, amended in 1997 and 1998, with its chief executive officer (the "deferred compensation agreement") which provides for payments to be paid to the executive officer. In May 2004, and as required under an investment made by a third party, the executive officer agreed to forgive $200,000 of amounts due to him under the deferred compensation agreement and postpone any and all remaining payments due him under the deferred compensation agreement for a period of five years starting May 18, 2004. As of May 1, 2009, there was a remaining balance of $301,000 owing to the executive officer which was scheduled to become due and payable as of May 18, 2009 following the expiration of the five year postponement described above.

Pursuant to an agreement entered into on May 1, 2009 between the Company and the chief executive officer, the executive officer agreed to sell, transfer and assign to the Company his remaining interest in the deferred compensation agreement in exchange for which the Company agreed to pay the executive $75,000 in cash and issue the executive officer a convertible promissory note in the principal amount of $225,000 which shall be due and payable in three years with 5% annual interest payable quarterly. The principal shall at the option of the executive officer be convertible into shares of the Company's common stock at a conversion price of $0.09 per share if converted during the first year, $0.14 per share if converted during the second year, and $0.19 per share if converted during the third year.

In 2009 the purchase price for the deferred compensation agreement was $1,000 less than the deferred compensation previously due. This $1,000 difference is considered forgiveness of debt and was included in the Other Income section on the Income Statement.

See NOTE 6 for information on the amendment to the promissory note entered into on October 30, 2009 and June 7, 2010, and NOTE 9 for information on its conversion.

NOTE 5 – TAXES AND NET OPERATING LOSS CARRY FORWARDS:

The Federal Net Operating Loss Carry Forwards are as follows:

Year	Amount	Year of Expiration
2002	$ 460,401	2017
2003	258,213	2018
2004	35,802	2019
2006	48,524	2021
2008	710	2023
2009	268,866	2024
2010	409,269	2025
	$ 1,481,785	

The New York State Net Operating Loss Carry Forwards are as follows:

Year	Amount	Year of Expiration
2002	$ 432,797	2017
2003	257,316	2018
2004	34,380	2019
2006	48,524	2021
2009	265,691	2024
2010	404,472	2025
	$ 1,443,108	

As of March 31, 2011 and December 31, 2010, the components of deferred tax assets were as follows:

	March 31, 2011	December 31, 2010
Accounts receivable allowance	$ 700	$ 1,800
Net operating loss-carry-forward	327,500	326,400
Total gross deferred tax assets (at 34% statutory rate)	328,200	328,200
Less: Valuation allowance	(328,200)	(328,200)
Net deferred tax assets	$ 0	$ 0

Under current accounting guidelines, NOLs represent temporary differences that enter into the calculation of deferred tax assets. Realization of deferred tax assets associated with the NOL is dependent upon generating sufficient taxable income prior to their expiration.

Management believes that there is a risk that certain of these NOLs may expire unused and, accordingly, has established a valuation allowance against them. Although realization is not assured for the remaining deferred tax assets, based on the historical trend in Company sales and profitability, sales backlog, and budgeted sales management believes it is likely that they may not be totally realized through future taxable earnings. In addition, the net deferred tax assets could be reduced in the near term if management's estimates of taxable income during the carry forward period are significantly reduced.

The Company believes it is possible that the benefit of these additional assets may not be realized in the future.

NOTE 6 – COMMITMENTS AND CONTINGENCIES:

On July 27, 2005, the Company entered into a lease agreement with 65 Rushmore Realty, LLC. The lease agreement is a triple net lease and is for a period of seven years with a base annual rent of $83,286 to be paid in monthly installments of $6,940.50. This annual rent is subject to annual increases based on the Consumer Price Index for All Urban Consumers of the United States Department of Labor Bureau of Labor Statistics in effect for New York and Northern New Jersey starting August 1, 2009. The Company has the right to terminate the lease prior to the expiration upon 120 days notice to the landlord.

In connection with the CML Stock Purchase, on October 30, 2009 (see Note 1-Stockholders' Equity), the chief executive officer, CML and the Company entered into a Put Option Agreement (the "Put Agreement") pursuant to which the chief executive officer has been granted a put option (the "Put Option") to be exercised at the sole option of the chief executive officer at the end of the initial two year term of the Employment Agreement described below (or an earlier termination pursuant to the certain other terms of the Employment Agreement), to sell to CML a maximum of 1,000,000 previously issued shares of the common stock of the Company (the "Put Shares") at a price equal to the then current market price multiplied by .80, with a minimum purchase price per share of $0.30 and a maximum purchase price per share of $0.80, provided that in the event CML does not comply with the terms and conditions of the Put Agreement, the Company shall be required to purchase the Put Shares at the same price applicable to the Put Option.

On October 30, 2009, the Company and the chief executive officer entered into a First Amendment to Convertible Promissory Note (the "First Note Amendment") which amended a certain convertible promissory note (the "Original Note") payable to the chief executive officer dated as of May 1, 2009 in the principal amount of $225,000 which is due and payable in three years with 5% annual interest payable quarterly. (See Note 4). Pursuant to the First Note Amendment, the Company and the chief executive officer agreed that the unpaid balance shall cease to accrue interest commencing as of the Closing Date of the CML Stock Purchase Agreement. In addition, the Company and the chief executive officer agreed that the conversion price in which the principal amount may be converted into shares of common stock shall be $0.09 per share until the first anniversary of the Closing Date. Thereafter, as in the Original Note, the conversion price shall be $0.14 per share if converted on or before April 30, 2011, and $0.19 per share if converted between May 1, 2011 and April 30, 2012.

On June 7, 2010, the Company and the chief executive officer entered into a Second Amendment to Convertible Promissory Note which amended the conversion privileges contained in the Original Note, as amended by the First Note Amendment, to provide that the conversion price shall be $.09 per share until April 30, 2011. Thereafter, as in the Original Note and First Note Amendment, the conversion price shall be $.19 per share if converted between May 1, 2011 and April 30, 2012. See NOTE 9 for information on the conversion of the promissory note.

On October 30, 2009, the Company entered into an employment agreement (the "Employment Agreement") with the chief executive officer pursuant to which the chief executive officer will continue to serve as Chief Executive Officer and President of the Company. The term of the Employment Agreement shall be two years from the Closing Date, provided that the term may be extended upon the written agreement of the chief executive officer and the Company. The chief executive officer will receive an annual base salary of $93,600 subject to annual review for possible increase, and will receive other benefits.

NOTE 7 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS AFFECTING THE COMPANY

Accounting Standards Codification

In June 2009, the FASB issued authoritative guidance which replaced the previous hierarchy of U.S. GAAP and establishes the FASB Codification as the single source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. SEC rules and interpretive releases are also sources of authoritative U.S. GAAP for SEC registrants. This guidance modifies the U.S. GAAP hierarchy to include only two levels of U.S. GAAP: authoritative and no authoritative. This guidance was effective for the Company as of December 31, 2009. The adoption of this guidance did not impact the Company's results of operations, cash flows or financial positions since the FASB Codification is not intended to change or alter existing U.S. GAAP.

Subsequent Events

In February 2010, the FASB amended its guidance on subsequent events to remove the requirement for SEC filers to disclose the date through which an entity has evaluated subsequent events, for both issued and revised financial statements. This amendment alleviates potential conflicts between the FASB's guidance and the reporting rules of the SEC. Our adoption of this amended guidance, which was effective upon issuance, had no effect on our financial condition, results of operations, or cash flows. There were no subsequent events that would require adjustment to or disclosure in the financial statements.

NOTE 8 – STOCK PLAN:

On June 10, 2010, the Board of Directors approved and adopted the Dionics, Inc. 2010 Consultant Stock Compensation Plan (the "2010 Plan") and authorized the Company to issue up to 4,000,000 shares of Common Stock under the 2010 Plan. The 2010 Plan is intended to promote the interests of the Company by offering those outside consultants or advisors of the Company who assist in the development and success of the business of the Company the opportunity to participate in a compensation plan designed to reward them for their services and to encourage them to continue to provide services to the Company. The Company has filed a Registration Statement on Form S-8 with the Securities and Exchange Commission in order to register the shares of Common Stock of the Company issuable pursuant to the 2010 Plan.

On August 16, 2010, the Company issued 900,000 shares to an individual which shares were issued under the 2010 Plan and pursuant to a consulting agreement entered into in July 2010.

NOTE 9 – SUBSEQUENT EVENTS:

On April 8, 2011, the Company received a conversion notice from its chief executive officer to convert the entire principal amount owing under a convertible promissory note held by such officer in the principal amount of $225,000 dated as of May 1, 2009, as amended on October 30, 2009 and June 7, 2010. See NOTE 4 and NOTE 6. In accordance with the terms of the promissory note, it was converted into 2,500,000 shares of common stock of the Company to fully satisfy the principal amount owing thereunder.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following should be read in conjunction with the financial statements of the Company included elsewhere herein.

Forward-Looking Statements

This report contains certain forward-looking statements and information relating to the Company that are based on the beliefs and assumptions made by the Company's management as well as information currently available to the management. When used in this document, the words "anticipate", "believe", "estimate", and "expect" and similar expressions, are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected.

Liquidity and Capital Resources

The Company's primary source of funds is cash flow from operations in the normal course of business. On March 31, 2011 we had Working Capital of $181,100 and Stockholders' Deficit of $6,200. This compares to Working Capital of $257,700 and Stockholder's Equity of $71,000 on December 31, 2010. Total Assets were $275,600 and Total Liabilities were $281,800 (which included a $225,000 Convertible Note Payable to the Company's CEO) at March 31, 2011 compared to Total Assets of $327,500 and Total Liabilities of $256,500 (which include such Convertible Note) at December 31, 2010. It should be noted, however, that on April 8, 2011, the conversion privilege on the entire Convertible Note of $225,000 was exercised by its holder, the Company's CEO. The result, per terms of the Note, was the issuance of 2.5 million common shares of Dionics, Inc. and the elimination of the entire debt amount of $225,000, thereby reducing Total Liabilities down from $281,800 to $56,800 by virtue of the retirement of the $225,000 Convertible Note.

Net cash used in operating activities in the 3-months ended March 31, 2011 was $72,300, which was the result primarily of a net loss of $127,200 offset by a decrease in accounts receivable of $32,600 and an increase in accounts payable of $18,700, plus the net result of changes in several other smaller items. This compares to net cash used in operating activities in the 3-month period ending March 31, 2010 of $27,800. This amount was primarily the result of a net loss of $29,800 plus increases in accounts receivable of $21,500, offset by decreases in inventory of $5,900 and prepaid expenses of $1,600 and increases in accounts payable of $8,100 and accrued expenses of $7,900.

Net cash provided by financing activities for the 3-months ended March 31, 2011 was $50,000 which was due to an emergency equity investment of $50,000 made by the Company's CEO in March 2011, compared to no net cash provided by or used for financing activities for the 3-months ended March 31, 2010.

In addition, there was no net cash provided by or used for investing activities for the 3-months ended March 31, 2011 and 2010.

Results of Operations

The year 2010 had seen the Company struggling to recover from the worldwide recession of 2009. Early in the year of 2010, short-lived opportunities that presented themselves contributed to a temporary improvement in financial results. The first 3-months of 2011, however, suffered by comparison, showing even more dismal financial performance than that seen in the last 3-months of 2010. Sales in the First Quarter of 2011 fell to $116,000 as compared to $211,000 in the First Quarter of 2010. Largely due to many fixed costs, Cost of Sales in the First Quarter of 2011 fell only to $128,500 as compared to Cost of Sales of $156,700 in the same period last year.

As a result of the above, the First Quarter of 2011 showed a Gross Loss of $12,500 as compared to a Gross Profit of $54,300 in the First Quarter of 2010.

Selling, General and Administrative Expenses in the First Quarter of 2011 reached $114,700 reflecting somewhat erratic timing of billing for professional fees. This compared to Selling, General and Administrative Expenses of $85,000 for the same period last year, when the booking of professional fees was lower.

The Net Loss for the First Quarter of 2011 rose to $127,200 as compared to a Net Loss of $29,800 in the First Quarter of 2010. The primary causes of the worsening losses were the drop in Sales volume, combined with largely fixed manufacturing costs and was further exacerbated by the expenses involved with the effort to reduce manufacturing costs for the Company's primary product, photovoltaic (PV) MOSFET-Drivers.

At the time of this writing in early-May of 2011, we have seen a First Quarter slump in both Sales and new order bookings, making it hard to find cause for much near-term optimism. Perhaps grasping at straws, however, we are slightly heartened by small improvements in our recent month-by-month shipping trends, and also by signs of modest re-awakening in new order bookings. Both metrics, however, still currently remain at levels below break-even.

We are persisting in our long-term goal to reduce the costs of our MOSFET-Driver product- line, although recently we have had to also focus our attention on cash preservation. In that regard, during the month of March 2011, the President/CEO made an emergency equity investment of $50,000 as mentioned above. Early in April, he followed that by converting his $225,000 Convertible Note, thus reducing the Company's debt to zero. Management is also examining other options for strategic alternatives in order to enhance shareholder value.

Off-Balance Sheet Arrangements

We do not have any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, and results of operations, liquidity or capital expenditures.

Significant Accounting Policies

Our discussion and analysis of the Company's financial condition and results of operations are based upon our consolidated financial statements which have been prepared in conformity with U.S. generally accepted accounting principles. Our significant accounting policies are described in Note 1 to the financial statements included elsewhere herein. The application of our critical accounting policies is particularly important to the portrayal of our financial position and results of operations. These critical accounting policies require us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We believe the following critical accounting policies reflect the more significant judgments and estimates used in the preparation of the consolidated financial statements.

Accounts Receivable - Accounts for which no payments have been received for three consecutive months are considered delinquent and a reserve is setup for them. Customary collection efforts are initiated and an allowance for uncollectible accounts is set up and the related expense is charged to operations.

Inventories - Inventories are stated at the lower of cost (which represents cost of materials and manufacturing costs on a first-in, first-out basis) or market. Finished goods and work-in-process inventories include material and labor.

Long-Lived Assets- Property, Plant and Equipment - These assets are recorded at cost less depreciation and amortization. Depreciation and amortization are accounted for on the straight-line method based on estimated useful lives. The amortization of leasehold improvements is based on the shorter of the lease term or the life of the improvement. Betterments and large renewals, which extend the life of the asset, are capitalized whereas maintenance, repairs and small renewals are expenses, as incurred. The estimated useful lives are: machinery and equipment, 7-15 years; buildings, 30 years; and leasehold improvements, 10-20 years.

Revenue - The Company recognizes revenue upon completion and shipment of goods because its billing terms include the provision that the goods are shipped FOB point of shipment which is standard practice in the Company's industry.

Income Taxes - Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Recently Issued Accounting Pronouncements Affecting the Company

Accounting Standards Codification - In June 2009, the FASB issued authoritative guidance which replaced the previous hierarchy of U.S. GAAP and establishes the FASB Codification as the single source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. SEC rules and interpretive releases are also sources of authoritative U.S. GAAP for SEC registrants. This guidance modifies the U.S. GAAP hierarchy to include only two levels of U.S. GAAP: authoritative and nonauthoritative. This guidance was effective for the Company as of December 31, 2009. The adoption of this guidance did not impact the Company's results of operations, cash flows or financial positions since the FASB Codification is not intended to change or alter existing U.S. GAAP.

Subsequent Events - In February 2010, the FASB amended its guidance on subsequent events to remove the requirement for SEC filers to disclose the date through which an entity has evaluated subsequent events, for both issued and revised financial statements. This amendment alleviates potential conflicts between the FASB's guidance and the reporting rules of the SEC. Our adoption of this amended guidance, which was effective upon issuance, had no effect on our financial condition, results of operations, or cash flows. There were no subsequent events that would require adjustment to or disclosure in the financial statements.

Accounting Standards Codification - In June 2009, the FASB issued authoritative guidance which replaced the previous hierarchy of U.S. GAAP and establishes the FASB Codification as the single source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. SEC rules and interpretive releases are also sources of authoritative U.S. GAAP for SEC registrants. This guidance modifies the U.S. GAAP hierarchy to include only two levels of U.S. GAAP: authoritative and nonauthoritative. This guidance was effective for the Company as of December 31, 2009. The adoption of this guidance did not impact the Company's results of operations, cash flows or financial positions since the FASB Codification is not intended to change or alter existing U.S. GAAP.

Subsequent Events - In February 2010, the FASB amended its guidance on subsequent events to remove the requirement for SEC filers to disclose the date through which an entity has evaluated subsequent events, for both issued and revised financial statements. This amendment alleviates potential conflicts between the FASB's guidance and the reporting rules of the SEC. Our adoption of this amended guidance, which was effective upon issuance, had no effect on our financial condition, results of operations, or cash flows. There were no subsequent events that would require adjustment to or disclosure in the financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 4. Controls and Procedures.

Under the supervision and with the participation of our management, including the Principal Executive Officer and Principal Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, our Principal Executive Officer and Principal Financial Officer has concluded that, as of March 31, 2011, these disclosure controls and procedures were effective to ensure that all information required to be disclosed by us in the reports that we file or submit under the Exchange Act is: (i) recorded, processed, summarized and reported, within the time periods specified in the Commission’s rule and forms; and (ii) accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no significant changes in our internal controls over financial reporting that occurred during the fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

There are no material pending legal proceedings to which the Company is a party or to which any of its property is subject.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In March 2011, the Company's Chief Executive Officer made an equity investment of $50,000 in exchange for 1,000,000 shares of common stock of the Company. The foregoing shares were issued in reliance upon the exemption from registration pursuant to Section 4(2) of the Securities Act, for "transactions by the issuer not involving any public offering".

Item 3. Defaults Upon Senior Securities.

None.

Item 4. [Removed and Reserved.]

Item 5. Other Information.

None.

Item 6. Exhibits.

(a) Exhibits.

31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act)
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act)
32.1	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

DIONICS, INC.
(Registrant)

Dated: May 13, 2011	By: /s/ Bernard L. Kravitz Bernard L. Kravitz, President
Dated: May 13, 2011	By: /s/ Bernard L. Kravitz Bernard L. Kravitz, Principal Financial Officer

Exhibit 31.1

CERTIFICATION

I, Bernard L. Kravitz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dionics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 13, 2011

By: /s/ Bernard L. Kravitz
Bernard L. Kravitz,
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Bernard L. Kravitz certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dionics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 13, 2011

By: /s/ Bernard L. Kravitz
Bernard L. Kravitz,
Principal Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Dionics, Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2011, as filed with the Securities and Exchange Commission (the “Report”), the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of the undersigned’s knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 13, 2011

By: /s/ Bernard L. Kravitz
Bernard L. Kravitz,
President and Chief Executive Officer
(Principal Executive Officer)

Dated: May 13, 2011

By: /s/ Bernard L. Kravitz
Bernard L. Kravitz,
Principal Financial Officer