SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Nemaura Medical Inc.

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Corporate Issuer CIK: 1602078

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

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended: December 31, 2015

or

☐ **TRANSITION REPORT UNDER SECTION13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number: 333-194857

Nemaura Medical Inc.

(Exact name of small business issuer as specified in its charter)

NEVADA	**46-5027260**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Tax. I.D. No.)*

Advanced Technology Innovation Centre,
Loughborough University Science and Enterprise Parks,
5 Oakwood Drive,
Loughborough, Leicestershire
LE11 3QF
United Kingdom

(Address of Principal Executive Offices)

+ 00 44 1509 222912

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required 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 (§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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Non-accelerated filer ☐
(Do not check if a smaller reporting company)

Accelerated filer ☐
Smaller reporting company ☑

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

The number of shares of common stock, par value $0.001 per share outstanding as of February 5, 2016 was 205,000,000.

NEMAURA MEDICAL INC.
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ITEM 1. INTERIM FINANCIAL STATEMENTS

NEMAURA MEDICAL INC.
Condensed Consolidated Balance Sheets

	As of December 31, 2015 ($) (Unaudited)	As of March 31, 2015 ($)
ASSETS		
Current Assets:		
Cash	9,851,306	354,749
Prepaid expenses and other receivables	70,008	164,004
Prepayment to related party	-	247,596
Total Current Assets	9,921,314	766,349
Property and equipment, net	8,889	13,669
Intangible assets, net of accumulated amortization	171,801	133,090
	180,690	146,759
Total assets	10,102,004	913,108
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable	61,434	66,191
Other liabilities and accrued expenses	45,602	937
Amounts due to related party	485,904	55,091
Total current liabilities	592,940	122,219
Accrued expenses, net of current portion	-	170,000
Deferred revenue	1,521,000	1,538,300
	1,521,000	1,708,300
Total liabilities	2,113,940	1,830,519
Commitments and contingencies:		
Stockholders' Equity:		
Common stock, $0.001 par value, 420,000,000 shares authorized and 205,000,000 shares issued and outstanding (200,000,000 at December 31, 2014)	205,000	200,000
Additional paid in capital	12,919,672	2,924,672
Accumulated deficit	(5,183,649)	(4,061,730)
Accumulated other comprehensive income	47,041	19,647
Total stockholders' equity (deficit)	7,988,064	(917,411)
Total liabilities and stockholders' equity (deficit)	10,102,004	913,108

See notes to the unaudited condensed consolidated financial statements

NEMAURA MEDICAL INC.
Condensed Consolidated Statements Of Comprehensive Income/(Loss)
(Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2015 ($)	2014 ($)	2015 ($)	2014 ($)
Revenue:	-	-	-	-
Total revenue	-	-	-	-
Operating Expenses:				
Research and development	245,668	141,976	840,682	555,795
General and administrative	83,116	16,790	281,236	228,106
Total operating expenses	328,784	158,766	1,121,918	783,901
Loss from operations	(328,784)	(158,766)	(1,121,918)	(783,901)
Net loss	(328,784)	(158,766)	(1,121,918)	(783,901)
Other comprehensive income:				
Foreign currency translation adjustment	45,662	24,580	27,394	29,434
Comprehensive loss	(283,122)	(134,186)	(1,094,524)	(754,467)
Loss per share				
Basic and diluted	*	*	*	*
Weighted average number of shares outstanding	201,902,174	200,000,000	200,636,364	200,000,000

* Per share amounts are less than $0.01

See notes to the unaudited condensed consolidated financial statements

NEMAURA MEDICAL INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended December 31,	
	2015 ($)	**2014 ($)**
Cash Flows From Operating Activities:		
Net Loss	(1,121,918)	(783,901)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	12,448	5,536
Changes in assets and liabilities:		
Prepaid expenses and other receivables	93,889	(21,721)
Accounts payable and other liabilities	77,904	49,035
Prepayment to related party for clinical trials	249,459	(494,491)
Net cash used in operating activities	(688,218)	(1,245,542)
Cash Flows From Investing Activities:		
Decrease in restricted cash	-	85,462
Purchase of property and equipment	(5,606)	(57,222)
Purchase of intangible assets	(50,334)	(7,181)
Net cash used in investing activities	(55,940)	21,059
Cash Flows From Financing Activities:		
Advances from related party	239,717	-
Proceeds from sale of common stock	10,000,000	-
Net cash provided by financing activities	10,239,717	-
Net increase (decrease) in cash	9,495,559	(1,224,483)
Effect of exchange rate changes on cash	988	(35,050)
Cash at beginning of period	354,759	1,873,141
Cash at end of period	9,851,306	613,608

See notes to the unaudited condensed consolidated financial statements

INTERIM FINANCIAL STATEMENTS

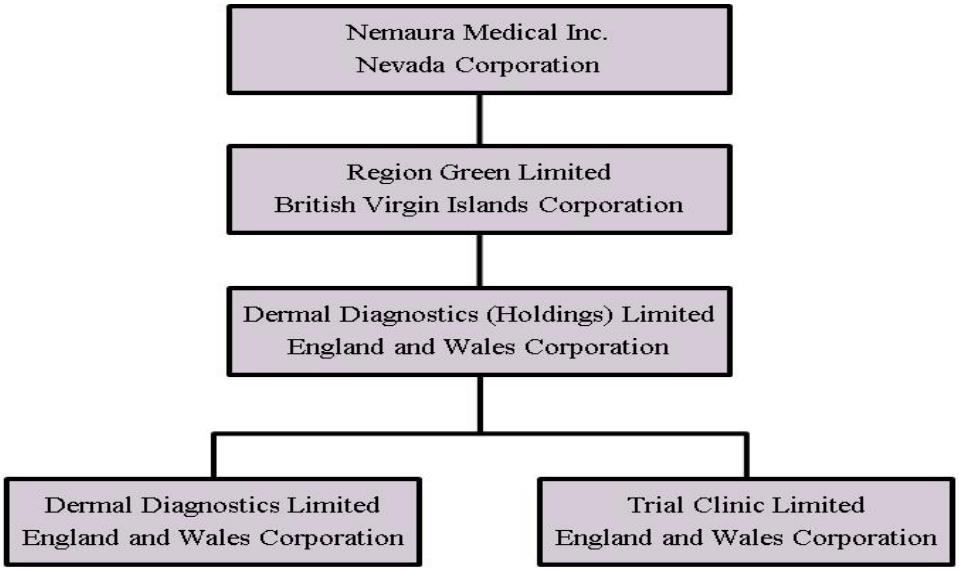
NOTE 1 – ORGANIZATION AND PRINCIPAL ACTIVITIES

Nemaura Medical Inc. ("Nemaura" or the "Company"), through its operating subsidiaries, performs medical device research and manufacturing of a continuous glucose monitoring system ("CGM"), named 'sugarBEAT.' The sugarBEAT device is a non-invasive, wireless device for use by persons with Type I and Type II diabetes, and may also be used to screen pre-diabetic patients. The sugarBEAT device extracts analytes, such as glucose, to the surface of the skin in a non-invasive manner where it is measured using unique sensors and interpreted using a unique algorithm.

Nemaura is a Nevada holding company organized in 2013. Nemaura owns one hundred percent (100%) of Region Green Limited, a British Virgin Islands corporation formed on December 12, 2013. Region Green Limited owns one hundred percent (100%) of the stock in Dermal Diagnostic (Holdings) Limited, an England and Wales corporation formed on December 11, 2013, which in turn owns one hundred percent (100%) of Dermal Diagnostics Limited, an England and Wales corporation formed on January 20, 2009 ("DDL"), and one hundred percent (100%) of Trial Clinic Limited, an England and Wales corporation formed on January 12, 2011 ("TCL").

DDL is a diagnostic medical device company headquartered in Loughborough, Leicestershire, England, and is engaged in the discovery, development and commercialization of diagnostic medical devices. The Company's initial focus has been on the development of the CGM device, which consists of a disposable patch containing a sensor, and a non-disposable miniature electronic watch with a re-chargeable power source, which can enable early detection of subtle changes in blood glucose levels.

The following diagram illustrates our corporate and shareholder structure as of December 31, 2015:



NOTE 2 -- BASIS OF PRESENTATION AND MANAGEMENT'S PLANS

(a) Basis of presentation:

The accompanying financial statements of Nemaura have been prepared in accordance with the instructions to quarterly reports on Form 10-Q. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in financial position at December 31, 2015 and for all periods presented have been made. Certain information and footnote data necessary for fair presentation of financial position and results of operations in conformity with accounting principles generally accepted in the United States of America have been condensed or omitted. It is therefore suggested that these financial statements be read in conjunction with the summary of significant accounting policies and notes to financial statements included in the Company's Annual Report on Form 10-K for the Year Ended March 31, 2015. The results of operations for the period ended December 31, 2015 are not necessarily an indication of operating results for the full year.

The Company's operations are conducted in the United Kingdom. Accordingly, the political, economic, and legal environments in the United Kingdom may influence the Company's business, financial condition, and results of operations.

The functional currency for the majority of the Company's operations is the Great Britain Pound Sterling ("GBP"), and the reporting currency is the US Dollar.

(b) Management's plans:

As reflected in the accompanying consolidated financial statements, the Company reported a net loss of approximately $1,122,000 and net cash used in operations of approximately $688,000 for the nine months ended December 31, 2015, an accumulated deficit of approximately $5,184,000, and total equity of approximately $10,102,000 at December 31, 2015.

During the three months ended December 31, 2015, the Company received proceeds of $10 million from the sale of 5 million shares of common stock and warrants to acquire 10 million shares of common stock. The warrants are exercisable over 5 years commencing on the date the Company's Common Stock is approved for listing on a national securities exchange and have an exercise price of $0.50 per share.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency translation

The functional currency of the Company is the Great Britain Pound Sterling ("GBP"). The reporting currency is the United States dollar (US$). Stockholders' equity (deficit) is translated into United States dollars from GBP at historical exchange rates. Assets and liabilities are translated at the exchange rates as of balance sheet date. Income and expenditures are translated at the average exchange rates prevailing during the reporting period.

The translation rates are as follows:

	December 31, 2015 (unaudited)	December 31, 2014 (unaudited)	March 31, 2015
Period end GBP : US$ exchange rate	1.521	1.567	1.538
Average period/yearly GBP : US$ exchange rate	1.530	1.601	1.599

Adjustments resulting from translating the financial statements into the United States dollar are recorded as a separate component of accumulated other comprehensive income in Stockholders' Equity (Deficit).

(b) Recent accounting pronouncements

The Company continually assesses any new accounting pronouncements to determine their applicability. When it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequences of the change to its consolidated financial statements and assures that there are proper controls in place to ascertain that the Company's consolidated financial statements properly reflect the change.

In May 2014, FASB issued ASU No. 2014-09 "Revenue from Contracts from Customers," which supersedes the revenue recognition requirements in "Revenue Recognition (Topic 605)," and requires entities to recognize revenue in a way that depicts the transfer of potential goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to the exchange for those goods or services. In July 2015, the FASB extended the effective date of ASU 2014-09 by one year, to now be effective for fiscal years, and interim periods beginning after December 31, 2017, and is to be applied retrospectively, with early adoption now permitted for fiscal years, and interim periods beginning after December 15, 2015. The Company is currently evaluating the new standard and assessing the potential impact on its operations and financial statements.

In August 2014, the FASB issued ASU No. 2014-14, "Presentation of Financial Statements – Going Concern: Disclosures about an Entity's Ability to Continue as a Going Concern." The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity's ability to continue as a going concern. The new guidance is effective for annual periods ending after December 15, 2016, and interim periods thereafter. The Company is currently assessing the impact of the adoption of the ASU No. 2014-15 on its financial position, results of operations and financial statements disclosures.

NOTE 4 – LICENSING AGREEMENT

In March 2014, the Company entered into an Exclusive Marketing Rights Agreement with an unrelated third party that granted to the third party the exclusive right to market and promote the CGM and related patches under its own brand in the United Kingdom and the Republic of Ireland. The Company received a non-refundable, upfront cash payment of GBP 1,000,000 (approximately $1.521 million and $1.538 million as of December 31, 2015 and March 31, 2015 respectively), which is wholly non-refundable, upon signing the agreement. A supply cost for goods agreement will be finalized upon product approval and prior to launch, as part of the full commercial licensing agreement which will be signed closer to product approval and launch.

As the Company has continuing performance obligations under the agreement, the upfront fees received from this agreement have been deferred and will be recorded as income over the term of the commercial licensing agreement.

In April 2014, a Letter of Intent was signed with the third party, which specified a 10 year term. This relates to a Full Commercial Licensing agreement.

NOTE 5 – RELATED PARTY TRANSACTIONS

Nemaura Pharma Limited (Pharma) and NDM Technologies Limited (NDM) are entities controlled by the Company's majority shareholder Dewan FH Chowdhury.

From inception, Pharma invoiced DDL and TCL for research and development services. In addition, certain operating expenses of DDL and TCL were incurred and paid by Pharma and NDM. In accordance with the United States Securities and Exchange Commission (SEC) Staff Accounting Bulletin 55, these financial statements reflect all costs associated with the operations of DDL and TCL. While certain costs incurred by Pharma and NDM are directly attributable to DDL and TCL, other costs were shared between the organizations. In situations where the costs were shared, expense has been allocated between Pharma and NDM and DDL and TCL using a fixed percentage allocation. Management believes the methodologies used are reasonable and that the costs allocated are not materially different from what they would have been had Pharma and NDM been unaffiliated entities. DDL and TCL advanced Pharma certain amounts to cover a portion of the costs. The remaining amounts were contributed to the Company in the form of contributed services.

Following is a summary of activity between the Company and Pharma and NDM for the nine months ended December 31, 2015 (unaudited) and the year ended March 31, 2015:

	Nine Months Ended December 31, 2015 (unaudited) ($)	Year Ended March 31, 2015 ($)
Balance due from (to) Pharma and NDM at beginning of period	192,505	-
Amounts advanced to Pharma	-	567,633
Amounts received from Pharma	(239,717)	(7,692)
Reduction in prepayments to Pharma for clinical trials	(249,459)	(257,441)
Amounts invoiced by DDL to Pharma and NDM (sale of assets)	17,755	-
Amounts invoiced by Pharma to DDL and TCL	(226,148)	(106,193)
Expenses paid by Pharma on behalf of DDL and TCL	-	134
Intellectual Property costs paid by Pharma on behalf of DDL and TCL	-	(946)
Foreign exchange differences	19,160	(2,990)
Balance due from (to) Pharma and NDM at end of the period	(485,904)	192,505

At December 31, 2015, the net balance due to Pharma is comprised of advances from Nemaura Pharma and expenses paid by Pharma on behalf of the Company.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's plans and basis of presentation:

The Company has experienced recurring losses and negative cash flows from operations. At December 31, 2015, the Company had cash of $9,851,306, working capital surplus of $9,328,374, stockholders' surplus of $7,988,064 and an accumulated deficit of $5,183,649. To date, the Company has funded its operations through the issuances of equity, UK government grants and contributions of services and loans from related entities. The Company expects to continue to incur losses from operations for the near-term and these losses could be significant as product development, clinical and regulatory activities, consulting expenses and other product development related expenses are incurred.

We continue to actively pursue various funding options, including equity offerings and debt financings, to obtain additional funds to continue the development of our products and bring them to commercial markets. We are closely monitoring our cash balances, cash needs and expense levels.

During the three months ended December 31, 2015, the Company received proceeds of $10 million from the sale of common stock and warrants to purchase common stock.

Management's strategic plans include the following:

We have devoted substantially all of our efforts to establishing a new business and while operations have commenced we have generated no revenue from our limited operations. We intend to lead in the discovery, development and commercialization of innovative and targeted diagnostic medical devices that improve disease monitoring, management and overall patient care. We plan to take the following steps to implement our broad business strategy. Our key commercial strategies are as follows:

- *Develop our own specialty sales and marketing teams to market the* sugarBEAT device *in the European Union*. We intend to develop specialty sales teams and/or enter into licensing agreements with established marketing companies for production and distribution of our product in the European Economic Area. We have a marketing rights agreement for the UK and Republic of Ireland with DB Pharma (Jersey) Ltd.

- *Expand the indications for which the* sugarBEAT device *may be used*. We believe that the sugarBEAT device may offer other significant benefits other than those found in the non-acute setting for the monitoring of other diseases. This includes monitoring of lactic acid for performance athletics, and the monitoring of drugs. Initial proof of concept will be completed in laboratory settings followed by a clinical program.

- *Expand our product pipeline through our proprietary platform technologies, acquisitions and strategic licensing arrangements*. We intend to leverage our proprietary platform technologies to grow our portfolio of product candidates for the diagnosis of diabetes and other diseases. In addition we intend to license our product and acquire products and technologies that are consistent with our research and development and business focus and strategies.

Results of Operations

Comparative Results for the Nine Months Ended December 31, 2015 and 2014

Revenue

In March 2014, we received an upfront non-refundable cash payment of GBP 1,000,000 (approximately $1.67 million) in connection with an Exclusive Marketing Rights Agreement with an unrelated third party that provides the third party the exclusive right to market and promote the CGM and related patch under its own brand in the United Kingdom and the Republic of Ireland. We have deferred this licensing revenue until we complete our continuing performance obligation, which includes securing the CE marking of the CGM patch. We expect to record the revenue in income over an approximately 10 year term from the date CE marking approval is obtained. Although the revenue is deferred at December 31, 2015, the cash payment became immediately available and has been used to fund our operations, including research and development costs associated with obtaining the CE marking approval.

Research and Development Expenses

Research and development expenses were $840,682 and $555,795 for the nine month periods ended December 31, 2015 and 2014, respectively. The increase was due to clinical trials commencing with patients based in India using the sugarBEAT device. In addition, to get the device ready for the clinical trials, work has taken place in house and using subcontractors. The subcontracted work has also been carried out to make further modifications to the device in order to improve its functionality. We expect research and development expenses to continue to be a significant cost in future periods as we continue our clinical studies of our sugarBEAT device and pursue our strategic opportunities.

General and Administrative Expenses

General and administrative expenses were $281,236 and $228,106 for the nine month periods ended December 31, 2015 and 2014, respectively. There have been no significant changes in costs over the two periods and the costs represent on going legal and professional costs associated with Nemaura Medical Inc. We expect general and administrative expenses to increase going forward in the long term, as we move our technologies forward toward commercialization and incur additional costs and expenses related to ongoing compliance with SEC reporting.

Other Comprehensive Loss

For the periods ended December 31, 2015 and 2014, other comprehensive gain was $27,394 and $29,434 respectively, arising from foreign currency translation adjustments.

Comparative Results for the Three Months Ended December 31, 2015 and 2014

Revenue

In March 2014, we received an upfront non-refundable cash payment of GBP 1,000,000 (approximately $1.67 million) in connection with an Exclusive Marketing Rights Agreement with an unrelated third party that provides the third party the exclusive right to market and promote the CGM and related patch under its own brand in the United Kingdom and the Republic of Ireland. We have deferred this licensing revenue until we complete our continuing performance obligations, which include securing the CE marking of the CGM patch. We expect to record the revenue in income over an approximately 10 year term from the date CE marking approval is obtained. Although the revenue is deferred at December 31, 2015, the cash payment became immediately available and has been used to fund our operations, including research and development costs associated with obtaining the CE marking approval.

Research and Development Expenses

Research and development expenses were $245,668 and $141,976 for the quarters ended December 31, 2015 and 2014, respectively. The increase is due to the increased activity, mostly subcontracted, relating to further development work on our sugarBEAT device. We expect research and development expenses to increase in future periods as we continue our clinical studies and pursue our strategic opportunities.

General and Administrative Expenses

General and administrative expenses were $83,116 and $16,790 for the three month periods ended December 31, 2015 and 2014, respectively. General and administrative increased in 2015 due to the legal expenses incurred on behalf of the company. This is in connection with issue of stock and SEC compliance costs. We expect general and administrative expenses to increase going forward in the long term, as we move our technologies forward toward commercialization and incur additional costs and expenses related to ongoing compliance with SEC reporting.

Liquidity and Capital Resources

We have experienced net losses and negative cash flows from operations since our inception. We have sustained cumulative losses of $5,183,649 through December 31, 2015 as technical development has continued. We have historically financed our operations through the issuances of equity, UK government grants, and contributions of services from related entities.

We continue to actively pursue various funding options, including equity offerings and debt financings, to obtain additional funds to continue the development of our products and bring them to commercial markets. There can be no assurance that we will be able to consummate any fund raising transactions on terms acceptable to us or at all.

During the three months ended December 31, 2015, the Company received proceeds of $10 million from the sale of common stock and warrants to purchase common stock.

Our cash position was $9,851,306 as of December 31, 2015.

The current cash position is sufficient for the next stage of clinical studies for the European CE Mark application, and the commercial manufacture scale-up of the devices for commercial launch in Europe. The company will require additional funding for the purposes of conducting clinical studies in the USA and subsequent regulatory filings and commercial launch in the USA. This may include a combination of debt, equity and licensing fees. If we are not successful in raising the funds needed in the specified timelines, the target dates for the achievement of the milestones for US launch will be extended.

There are no assurances that we will be able to raise additional capital as may be needed and meet our projections for operating expenses for a US Product launch.

Net cash used by our operating activities for the nine months ended December 31, 2015 was $688,218 which reflected our net loss of $1,121,918 together with a decrease in prepayments and other receivables of $93,889, an increase in accounts payable and other liabilities of $77,904 and a decrease in prepayments to a related party of $249,459. Net cash used in operating activities for the period ended December 31, 2014 was $1,245,542, which reflected our net loss of $783,901 together with an increase in prepayment to related party for clinical trials of $494,491 plus an increase in accounts payable of $49,035.

Net cash used in investing activities was $55,940 for the nine months ended December 31, 2015, which reflected expenditures on intellectual property of $50,334. For the nine months ended December 31, 2014, net cash provided by investing activities was $21,059 due to the use of restricted cash funds of $85462 in the period, less amounts spent on intellectual property and other assets.

Cash provided by financing activities during the nine months ended December 31, 2015 was $10,239,717, provided from advances from a related party of $239,717 and $10,000,000 received from the sale of common stock.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements, including unrecorded derivative instruments that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results inevitably will differ from those estimates, and such differences may be material to the financial statements. The most significant accounting estimates inherent in the preparation of our financial statements include estimates associated with research and development, income taxes and intangible assets.

The Company's financial position, results of operations and cash flows are impacted by the accounting policies the Company has adopted. In order to get a full understanding of the Company's financial statements, one must have a clear understanding of the accounting policies employed. A summary of the Company's critical accounting policies follows:

Research and Development Expenses: The Company charges research development expenses to operations as incurred. Research and Development expenses primarily consist of salaries and related expenses for personnel and outside contractor and consulting services. Other research and development expenses include the costs of materials and supplies used in research and development, prototype manufacturing, clinical studies, related information technology and an allocation of facilities costs.

Income taxes: Income taxes are accounted for under the asset and liability method. Deferred income 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 carry forwards. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided to reduce the carrying amount of deferred income tax assets if it is considered more likely than not that some portion, or all, of the deferred income tax assets will not be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company has elected to classify interest and penalties related to unrecognized tax benefits as part of income tax expense in the consolidated statements of comprehensive income (loss).

Intangible Assets: Intangible assets primarily represent legal costs and filings associated with obtaining patents on the Company's new discoveries. The Company amortizes these costs over the shorter of the legal life of the patent or its estimated economic life using the straight-line method. The Company tests intangible assets with finite lives upon significant changes in the Company's business environment and any resulting impairment charges are recorded at that time.

Revenue Recognition: Revenue is recognized when the four basic criteria of revenue recognition are met: (1) a contractual agreement exists; (2) transfer of rights has been completed; (3) the fee is fixed or determinable; and (4) collectability is reasonably assured.

The Company may enter into product development and other agreements and with collaborative partners. The terms of the agreements may include non-refundable signing and licensing fees, milestone payments and royalties on any product sales derived from collaborations.

The Company recognizes up front license payments as revenue upon delivery of the license only if the license has stand-alone value to the customer. However, where further performance criteria must be met, revenue is deferred and recognized on a straight line basis over the period the Company is expected to complete its performance obligations.

Royalty revenue will be recognized upon the sale of the related products provided the Company has no remaining performance obligations under the agreement.

Recently issued accounting pronouncements: See Note 3 – Summary of Significant Accounting Policies to the accompanying financial statements for recently issued accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company we are not required to provide information required by this Item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Mr. Dewan F.H, Chowdhury, who is our Chief Executive Officer and our Principal Financial and Accounting Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost benefit relationship of possible controls and procedures. Based on this evaluation, management concluded that our disclosure controls and procedures were not effective at the reasonable assurance level due to a material weakness in our internal control over financial reporting, which is described below.

Changes in Internal Control over Financial Reporting

In connection with the preparation of our financial statements for the quarterly period ended December 31, 2015, we concluded there was a material weakness in the design and operating effectiveness of our internal control over financial reporting. We have begun to establish a number of remediation measures, which we believe will remediate the material weaknesses identified, if such measures are effectively implemented and maintained. As of the end of the period covered by the report, we continue the process of implementing and maintaining the remediation measures, but we cannot assure when or if we will be able to successfully implement these remedial measures.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The primary factors contributing to the material weakness, which relates to our financial statement close process, were:

- *Our size has prevented us from being able to employ sufficient resources to enable us to have an adequate level of supervision and segregation of duties within our internal control system.* Specifically, there is limited review of financial reporting and policies and procedures have not yet been implemented to analyze, document, monitor and report on non-routine and complex transactions that require management estimation or judgment.

- *Related party transactions.* Specifically there are limited policies and procedures to ensure that financial statement disclosures reconcile fully to the underlying accounting records and that Board approval of these transactions is documented.

Notwithstanding the identified material weakness, management believes the condensed consolidated financial statements included in Quarterly Report on Form 10-Q fairly represent in all material respects our financial condition, results of operations and cash flows at and for the periods presented in accordance with U.S. GAAP.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

None.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

This information was previously disclosed in a Current Report on Form 8-K, filed on December 2, 2015.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The exhibits listed on the Exhibit Index below are provided as part of this report.

Exhibit No.	Document Description
31.1	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to Rule 13A-14(A)/15D-14(A) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to Rule 13A-14(A)/15D-14(A) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
101	Interactive Data Files (1)

(1) Pursuant to Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall not be deemed to be filed by the Company for purposes of Section 18 or any other provision of the Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements 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.

NEMAURA MEDICAL INC.

Dated: February 11, 2016

/s/ Dewan F. H. Chowdhury
Dewan F. H. Chowdhury
Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description
31.1	Certification by Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial and Accounting Officer) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial and Accounting Officer)pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.1

Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to Rule 13A-14(A)/15D-14(A)
of the Securities Exchange Act of 1934

I, Dewan F.H. Chowdhury, Chief Executive Officer (Principal Executive Officer), and Chief Financial Officer (Principal Financial Officer), certify that:

I have reviewed this Quarterly report on Form 10-Q for the period ended December 31, 2015 of Nemaura Medical, Inc.;

Based on my knowledge, this report does not contain any untrue statement 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;

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;

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 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;

c. evaluated the effectiveness of 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officers 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 controls over financial reporting.

By: /s/ Dewan F. H. Chowdhury
Dewan F. H. Chowdhury
Chief Executive Officer, Chief Financial Officer and President
(Principal Executive and Financial Officer)

Dated: February 11, 2016

CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AND EXCHANGE ACT RULES 13a-14(b) AND 15d-14(b) (Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report of Nemaura Medical, Inc. on Form 10-Q for the period ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

(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 the operation of the Company.

Dated: February 11, 2016

By: /s/ Dewan F. H. Chowdhury

Dewan F. H. Chowdhury
Chief Executive Officer and President
(Principal Executive Officer)