SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Nemaura Medical Inc.

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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: September 30, 2016

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 November 7, 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 September 30, 2016 ($) (Unaudited)	As of March 31, 2016 ($)
ASSETS		
Current Assets:		
Cash	8,318,282	9,403,965
Prepaid expenses and other receivables	55,881	148,274
Total Current Assets	8,374,163	9,552,239
Property and equipment, net	11,897	7,649
Intangible assets, net of accumulated amortization	204,428	172,895
	216,325	180,544
Total assets	8,590,488	9,732,783
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	49,059	73,015
Other liabilities and accrued expenses	92,347	90,853
Amounts due to related party	717,935	494,145
Total current liabilities	859,341	658,013
Deferred revenue	1,258,750	1,396,005
	1,258,750	1,396,005
Total liabilities	2,118,091	2,054,018
Commitments and contingencies:		
Stockholders' Equity:		
Common stock, $0.001 par value, 420,000,000 shares authorized and 205,000,000 shares issued and outstanding	205,000	205,000
Additional paid in capital	12,919,672	12,919,672
Accumulated deficit	(6,418,032)	(5,601,367)
Accumulated other comprehensive (loss)/income	(234,243)	155,460
Total stockholders' equity	6,472,397	7,678,765
Total liabilities and stockholders' equity	8,590,488	9,732,783

See notes to the unaudited condensed consolidated financial statements

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

	Three Months Ended September 30,		Six Months Ended September 30,	
	2016 ($)	2015 ($)	2016 ($)	2015 ($)
Revenue:	-	-	-	-
Total revenue	-	-	-	-
Operating Expenses:				
Research and development	220,714	330,735	526,795	595,014
General and administrative	101,768	59,574	289,870	198,120
Total operating expenses	322,482	390,309	816,665	793,134
Loss from operations	(322,482)	(390,309)	(816,665)	(793,134)
Net loss	(322,482)	(390,309)	(816,665)	(793,134)
Other comprehensive income:				
Foreign currency translation adjustment	140,312	(6,880)	(389,703)	(18,268)
Comprehensive loss	(182,170)	(397,189)	(1,206,368)	(811,402)
Loss per share				
Basic and diluted	*	*	*	*
Weighted average number of shares outstanding	205,000,000	200,000,000	205,000,000	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)

	Six Months Ended September 30,	
	2016 ($)	**2015 ($)**
Cash Flows From Operating Activities:		
Net Loss	(816,665)	(793,134)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	11,037	8,853
Changes in assets and liabilities:		
Prepaid expenses and other receivables	86,705	108,831
Accounts payable and other liabilities	(50,241)	(6,549)
Prepayment to related party for clinical trials	-	229,547
Advances from related party	270,210	-
Net cash used in operating activities	(498,954)	(452,452)
Cash Flows From Investing Activities:		
Purchase of property and equipment	(6,842)	(9,566)
Purchase of intangible assets	(55,564)	(50,859)
Net cash used in investing activities	(62,406)	(60,425)
Cash Flows From Financing Activities		
Loans from Related Party	-	254,673
Net cash provided by financing activities	-	254,673
Net increase (decrease) in cash	(561,360)	(258,204)
Effect of exchange rate changes on cash	(524,323)	3,275
Cash at beginning of period	9,403,965	354,749
Cash at end of period	8,318,282	99,820

See notes to the unaudited condensed consolidated financial statements

INTERIM FINANCIAL STATEMENTS

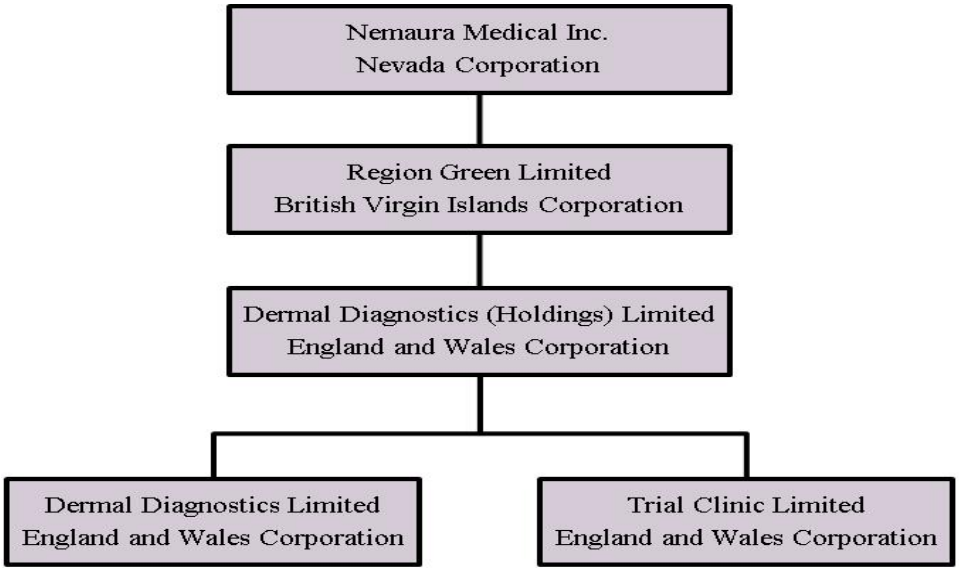
NOTE 1 – ORGANIZATION AND PRINCIPAL ACTIVITIES

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 sugarBEAT device, which consists of a disposable patch containing a sensor, and a non-disposable miniature electronic watch with a re-chargeable power source, which is designed to enable trending or tracking of blood glucose levels.

The following diagram illustrates our corporate and shareholder structure as of September 30, 2016:



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

(a) Basis of presentation:

The accompanying consolidated financial statements include the accounts of the company and the company's subsidiaries, DDL, TCL, DDHL and RGL. The consolidated financial statements are 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 September 30, 2016 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, 2016. The results of operations for the period ended September 30, 2016 are not necessarily an indication of operating results for the full year.

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 is translated into United States dollars from GBP at historical exchange rates. Assets and liabilities are translated at the exchange rates as of the balance sheet date. Income and expenditures are translated at the average exchange rates prevailing during the reporting period.

The translation rates are as follows:

	September 30, 2016 (unaudited)	September 30, 2015 (unaudited)	March 31, 2016	June 30, 2016 (unaudited)
Period end GBP : US$ exchange rate	1.325	1.565	1.432	1.332
Average period/yearly GBP : US$ exchange rate	1.370	1.566	1.522	1.394

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.

(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 sugarBEAT device and related patches under its own brand in the United Kingdom and the Republic of Ireland, the Channel Islands and the Isle of Man. The Company received a non-refundable, upfront cash payment of GBP 1,000,000 (approximately $1.325 million and $1.432 million as of September 30, 2016 and March 31, 2016 respectively), which is wholly non-refundable, upon signing the agreement.

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 same unrelated third party, which specified a 10 year term and in November 2015 a Licence, Supply and Distribution agreement with an initial 5 year term was executed. In addition, in November 2015, we entered into a joint venture agreement with the third party, whereby we will share the costs and net profits of the sales of the sugarBEAT system in all territories in Europe, with the exception of the territories that are subject to the separate licensing agreement as described above. The full commercial agreement is expected to be signed towards the end of 2016.

NOTE 5 – RELATED PARTY TRANSACTIONS

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

Pharma has 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.

Following is a summary of activity between the Company and Pharma and NDM for the six months ended September 30, 2016 (unaudited) and the year ended March 31, 2016:

	Six Months Ended September 30, 2016 (unaudited) ($)	Year Ended March 31, 2016 ($)
Balance due from (to) Pharma and NDM at beginning of period	(494,145)	192,517
Amounts advanced to Pharma	-	58,197
Amounts received from Pharma	-	(228,361)
Reduction in prepayments to Pharma for clinical trials	-	(247,596)
Amounts invoiced by DDL to Pharma and NDM (sale of assets)	15,886	16,307
Amounts invoiced by Pharma to DDL and TCL	(286,096)	(331,714)
Sale of fixed and intangible assets to Pharma and NDM	-	17,775
Foreign exchange differences	46,420	28,730
Balance due from (to) Pharma and NDM at end of the period	(717,935)	(494,145)

The balance due to Pharma at March 31, 2016 consists primarily of cash advances received from Pharma of approximately $228,000 during the year ended March 31, 2016 and amounts owed on invoices received from Pharma during the year of approximately $331,000. During the six months to September 30, 2016, the increase in the balance due to Pharma is primarily due to invoices of $286,000 received from Pharma. These amounts are unsecured, interest free and payable on demand.

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 September 30, 2016, the Company had cash of $8,318,282, working capital of $7,514,821, stockholders' equity of $6,472,397 and an accumulated deficit of $6,418,032. To date, the Company has in large part relied on equity financing to fund its operations. Additional funding has come from grants and related party contributions. 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.

Management's strategic plans include the following:

- obtaining regulatory approval for the sugarBEAT device;
- pursuing additional capital raising opportunities;
- exploring licensing opportunities; and
- developing the sugarBEAT device for commercialization.

In September 2016, a non-binding letter of intent was signed with Shenzen CAS Health Corporation Limited, an unrelated third party, based in Shenzhen, China, covering three potential joint venture arrangements relating to the Chinese market for the sugarBEAT system. These potential joint ventures relate to the distribution and manufacture of the system and obtaining CFDA approval.

Results of Operations

Comparative Results for the Six Months Ended September 30, 2016 and 2015

Revenue

There was no revenue recognised for the six month period ended September 30, 2016. 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 sugarBEAT device and related patch under its own brand in the United Kingdom and the Republic of Ireland, the Channel Islands and the Isle of Man. We have deferred this licensing revenue until we complete our continuing performance obligations, which includes securing the CE marking of the sugarBEAT device and 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 September 30, 2016, 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 $526,795 and $595,014 for the six month periods ended September 30, 2016 and 2015, respectively. This demonstrated a similar spend pattern with sub-contractors who are further developing the device to get it market-ready. 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 $289,870 and $198,120 for the six month periods ended September 30, 2016 and 2015, respectively. This difference is due to increased legal and professional charges payable as we explore fundraising opportunities 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 September 30, 2016 and 2015, other comprehensive loss was $389,703 and $18,268 respectively, arising from foreign currency translation adjustments.

Comparative Results for the Three Months Ended September 30, 2016 and 2015

Revenue

There was no revenue recognised in the three month period ended September 30, 2016. 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 sugarBEAT device 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 sugarBEAT device and 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 September 30, 2016, 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 $220,714 and $330,735 for the three month periods ended September 30, 2016 and 2015, respectively. This decrease in spending related to sub-contractors who are further developing the device to get it market-ready. 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 $101,768 and $59,574 for the three month periods ended September 30, 2016 and 2015, respectively. The costs represent on going legal and professional costs associated with Nemaura Medical Inc and in association with additional fundraising opportunities. 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 three months ended September 30, 2016 and 2015, other comprehensive gain/(loss) was $140,312 and $(6,880) respectively, arising from foreign currency translation adjustments.

Liquidity and Capital Resources

We have experienced net losses and negative cash flows from operations since our inception. We have sustained cumulative losses of $6,418,032 through September 30, 2016 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.

Our cash position was $8,318,282 as of September 30, 2016.

Whilst our current cash position at September 30, 2016 is sufficient for the next stage of clinical studies and the initial scale up of our manufacturing, our long term business plan is contingent upon our ability to raise additional funds. 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 will be extended.

We believe the cash position at September 30, 2016 is adequate for our current level of operations for the next 12 months and for the achievement of certain of our product development milestones. Our plan is to utilize the cash on hand to establish commercial manufacturing operations for commercial supply of the sugarBEAT device and patches.

Operating activities

Net cash used by our operating activities for the six months ended September 30, 2016 was $498,954 which reflected our net loss of $816,665 together with a decrease in prepayments and other receivables of $86,705, a decrease in accounts payable and other liabilities of $50,241 and advances from a related party of $270,210. Net cash used in operating activities for the period ended September 30, 2015 was $452,452, which reflected our net loss of $793,134 together with a decrease in prepayments and other receivables of $108,831, a decrease in accounts payable and other liabilities of $6,549 and a decrease in prepayments to a related party of $229,547.

Net cash used by our investing activities was $62,406 for the six months ended 30 September, 2016, which reflected expenditures on intellectual property and other assets. For the six months ended 30 September 2015, net cash used in investing activities was $60,425, which reflected expenditures on intellectual property and other assets.

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

Interest Rate Risk

We do not invest in any instruments for trading purposes. We have no outstanding debt instruments. Our operations generally are not directly sensitive to fluctuations in interest rates. We have not entered into any hedging transactions in an effort to reduce our exposure to interest rate risk.

Foreign Exchange Risk

While our reporting currency is the U.S. dollar, substantially all of our consolidated revenues and consolidated costs and expenses are denominated in GBP. Substantially all of our assets are denominated in GBP. As a result, we are exposed to foreign exchange risk as our revenues and results of operations may be affected by fluctuations in the exchange rate between the U.S. dollar and the GBP. If the GBP depreciates against the U.S. dollar, the value of our GBP revenues, earnings and assets as expressed in our U.S. dollar financial statements will decline. Assets and liabilities are translated at exchange rates at the balance sheet dates and revenue and expenses are translated at the average exchange rates and equity is translated at historical exchange rates. Any resulting translation adjustments are not included in determining net income but are included in determining other comprehensive income, a component of equity. An average appreciation (depreciation) of the GBP against the U.S. dollar of 5% would increase (decrease) our comprehensive income by $150,000 based on our outstanding revenues, costs and expenses, assets and liabilities denominated in GBP as of September 30, 2016. As of September 30, 2016, our accumulated other comprehensive loss was $(234,243). We have not entered into any hedging transactions in an effort to reduce our exposure to foreign exchange risk.

Inflation

Inflationary factors such as increases in our overhead costs may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, a high rate of inflation in the future may have an adverse effect on our ability to maintain current levels of research and development and general and administrative expenses.

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

Management assessed the effectiveness of our internal control over financial reporting as of March 31, 2016. In making this assessment we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control – Integrated Framework* (2013). As a result of its assessment, management identified material weaknesses in our internal control over financial reporting. Based on the material weaknesses as described below, management concluded that our internal control over financial reporting was not effective as of March 31, 2016.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that, there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. As a result of our assessment, management identified the following material weaknesses in internal control over financial reporting as of March 31, 2016:

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

Notwithstanding the identified material weaknesses, management believes the consolidated financial statements included in this Annual Report on Form 10-K 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.

Remediation of Material Weaknesses

We are in the process of implementing improvements and remedial measures in response to these assessments and recommendations, including:

- Assembling a team from our finance department to be responsible for the preparation of financial statements under U.S. Securities laws, including hiring additional qualified full-time personnel such as a CFO with US listed company experience;
- Organizing regular training sessions on US GAAP for our finance department in the form of workshops, seminars and newsletters as well as requiring our finance personnel to participate in annual in-house or public US GAAP training courses;
- Implementing stronger internal controls and processes over related party transactions; and
- Establishing an audit committee with an "audit committee financial expert" within the definition of the applicable Securities and Exchange Commission. The committee will be helped by an outsourced internal audit department to review our internal control processes, policies and procedures to ensure compliance with the Sarbanes-Oxley Act.

In addition of the immediate remediation plan, we will put our effort, in the coming year, towards improving our control environment. This project will be carried in several phases detailed below:

- Phase 1: This phase is expected to take place over the summer and will encompass a detailed study that will allow us to perform a detailed assessment of our current Internal Control Over Financial Reporting against COSO 2013 and the requirements set forth by Sarbanes-Oxley Act section 404. This task will be conducted by an independent expert. Upon completion of the gap analysis, an action plan will be created.

- Phase 2: During the second phase, over the first part of 2017, the Company will implement the action plan and the related measures.

- Phase 3: In the third and last phase of this plan, once implemented, we will put significant emphasis on testing the operating effectiveness of the controls. In addition, the Company will focus on the design and implementation of Key Performance Indicators (KPIs) in order to measure the quality of the processes in place, and the efficiency of the controls.

We expect this plan will be achieved before the end of the current year ending March 31, 2017.

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

None.

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: November 9, 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.

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CONFORMED PERIOD OF REPORT: 20160930
FILED AS OF DATE: 20161109
DATE AS OF CHANGE: 20161109

FILER:

COMPANY DATA:
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CENTRAL INDEX KEY: 0001602078
STANDARD INDUSTRIAL CLASSIFICATION: SURGICAL & MEDICAL INSTRUMENTS & APPARATUS [3841]
IRS NUMBER: 000000000
STATE OF INCORPORATION: NV
FISCAL YEAR END: 0331

FILING VALUES:
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SEC ACT: 1934 Act
SEC FILE NUMBER: 000-55283
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STREET 2: LOUGHBOROUGH UNIV SCIENCE & ENTERPRISE
CITY: 5 OAKWOOD DRIVE, LOUGHBOROUGH
STATE: X0
ZIP: LE11 3QF
BUSINESS PHONE: 44-1509-222-912

MAIL ADDRESS:
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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 September 30, 2016 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: November 9, 2016

Exhibit 32.1

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 September 30, 2016 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: November 9, 2016

By: /s/ Dewan F. H, Chowdhury

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