

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended: December 31, 2015

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

Commission File Number: 333-192399

KM WEDDING EVENTS MANAGEMENT, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

46-1290754
(I.R.S. Employer Identification Number)

11501 Dublin Blvd., Suite 200, Dublin, CA 94568
(Address of principal executive office and zip code)

(925) 891-8029
(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 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. (Check one)

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if a 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 numbers of shares outstanding of the issuer's class of common stock as of February 10, 2016 was 42,096,160 shares of common stock outstanding.

KMWEDDING EVENTS MANAGEMENT, INC.

FORM 10-Q

For the Nine Months Period Ended December 31, 2015

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Caution Regarding Forward-Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to the factors described in the section captioned “Risk Factors” in our Quarterly Report on Form 10-Q for the period ended December 31, 2015 filed with the Securities and Exchange Commission.

In some cases, you can identify forward-looking statements by terms such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “would” and similar expressions intended to identify forward-looking statements. Forward-looking statements reflect our current views with respect to future events and are based on assumptions and are subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

Also, forward-looking statements represent our estimates and assumptions only as of the date of this report. You should read this report completely and with the understanding that our actual future results may be materially different from what we expect.

Except as required by law, we assume no obligation to update any forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, even if new information becomes available in the future.

Use of Certain Defined Terms

Except where the context otherwise requires and for the purposes of this report only:

- “We,” “us” and “our” refer to KM Wedding Events Management, Inc. and, except where the context requires otherwise, KM India.
- “KM” refers to KM Wedding Events Management, Inc., a Delaware corporation.
- “KM India” refers to KM Wedding Events Management Private Limited, India, which is majority owned by KM.
- “Indian Rupee”, Rs, and “Rupee” refers to Indian Rupee, the legal currency of India.
- “U.S. dollar”, “\$” and “US\$” refer to the legal currency of the U.S.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

KM Wedding Events Management, Inc

Interim Condensed Consolidated Balance Sheets

(in US Dollars \$ unless otherwise stated)

	Notes	As at December 31, 2015 (unaudited)	As at March 31, 2015
ASSETS			
Current assets:			
Cash and cash equivalents	3	103,781	97,960
Accounts receivable	4	496,549	551,575
Other current assets	5	526,824	603,314
Total current assets		1,127,154	1,252,849
Non-current assets:			
Property, plant and equipment, net	6	106,892	124,073
Intangible assets, net	7	14,651	22,465
Goodwill	21	694,856	685,007
Film costs	24	11,334	12,289
Deferred tax asset, net		60,962	4,066
Other non-current assets	8	82,926	97,903
Total non-current assets		971,621	945,803
Total assets		2,098,775	2,198,652
LIABILITIES AND EQUITY			
Current Liabilities:			
Accounts payable and accrued liabilities	9	287,146	190,087
Statutory liabilities	10	269,550	247,731
Short-term loans & current portion of long term debt	11	183,900	217,843
Unsecured loans from related parties, net of advances	20	218,144	85,933
Other current liabilities	13	205,385	140,796
Total current liabilities		1,164,125	882,390
Non-current liabilities:			
Long-term debt	12	244,872	279,943
Other non-current liabilities	14	21,214	20,412
Total non-current liabilities		266,086	300,355
Equity:			
Common stock par value \$ 0.001 (shares outstanding: 42,096,160 and 42,096,160 as at December 31, 2015 and March 31, 2015, respectively)	15	42,096	42,096
Additional paid-in-Capital		1,165,712	1,165,712
Accumulated deficit		(493,875)	(228,981)
Equity Attributable to equity holders of the company		713,933	978,827
Non-Controlling Interest		(45,369)	37,080
Total equity		668,564	1,015,907
Total liabilities and equity		2,098,775	2,198,652

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

KM Wedding Events Management, Inc
Interim Condensed Consolidated Statement of Income
(in US Dollars \$ unless otherwise stated)

	Notes	For the Three Months ended December 31, 2015 (unaudited)	For the Three Months ended December 31, 2014 (unaudited)	For the Nine Months ended December 31, 2015 (unaudited)	For the Nine Months ended December 31, 2014 (unaudited)
Revenues					
Matrimonial service income	16	155,251	450,929	452,888	1,053,819
Wedding event management income		—	177,086	38,789	389,364
Wedding infrastructure lease income		6,410	—	16,908	—
Total		<u>161,661</u>	<u>628,015</u>	<u>508,585</u>	<u>1,443,183</u>
Costs and expenses					
Matrimonial service expenses	17	64,479	109,496	225,680	291,662
Wedding event management expenses		—	143,610	28,866	315,763
Wedding infrastructure maintenance expenses		3,155	—	7,430	—
Personnel costs		92,153	98,974	255,694	264,188
General and administrative expenses	18	112,770	172,953	349,068	410,716
Depreciation and amortization		8,122	8,654	23,932	22,218
Total		<u>280,678</u>	<u>533,687</u>	<u>890,670</u>	<u>1,304,610</u>
Operating Income / (loss)		<u>(119,017)</u>	<u>94,328</u>	<u>(382,085)</u>	<u>138,573</u>
Other income / (expenses)					
Foreign exchange gain / (loss)		2,622	6,466	16,978	13,616
Miscellaneous income		—	(275)	—	—
Interest Income		—	(151)	—	7,802
Finance charges		(34,773)	(13,385)	(75,634)	(45,943)
Total other income / (expenses), net		<u>(32,151)</u>	<u>(7,345)</u>	<u>(58,656)</u>	<u>(24,525)</u>
Income / (loss) before income tax expense		<u>(151,169)</u>	<u>86,983</u>	<u>(440,741)</u>	<u>114,048</u>
Income taxes					
Provision for Income taxes written back		—	—	12,294	—
Deferred tax benefit		—	31,464	75,371	31,464
Prior Period Taxes		—	(19,545)	—	(19,545)
Current Taxes		—	(25,965)	—	(25,965)
Net income / (loss)		<u>(151,169)</u>	<u>72,937</u>	<u>(353,076)</u>	<u>100,002</u>
Attributable to:					
Equity holders of the company		(88,177)	50,281	(268,238)	24,449
Non-controlling interest		(62,992)	22,656	(84,838)	75,553
Net income / (loss)		<u>(151,169)</u>	<u>72,937</u>	<u>(353,076)</u>	<u>100,002</u>
Earnings / (loss) per share - basic and diluted	19	(0.0021)	0.0012	(0.0064)	0.0006

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

KM Wedding Events Management, Inc

Interim Condensed Consolidated Statement of Changes in Equity

(in US Dollars \$ unless
otherwise stated)

	<u>Number of Shares</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Equity Attributable to equity holders of the company</u>	<u>Non- controlling interest</u>	<u>Total Equity</u>
As at March 31, 2014	41,646,160	41,646	1,031,162	(268,403)	804,405	(53,710)	750,695
Fresh issue of equity shares*	425,000	425	127,075	Nil	127,500	Nil	127,500
Net income / (loss) for the period [After adjusting Comprehensive Income/(Loss)]	Nil	Nil	Nil	(27,147)	(27,147)	51,822	24,675
As at December 31, 2014 (unaudited)	<u>42,071,160</u>	<u>42,071</u>	<u>1,158,237</u>	<u>(295,550)</u>	<u>904,758</u>	<u>(1,888)</u>	<u>902,870</u>
* 425,000 no of equity shares of par value \$0.001 are issued at \$0.30 per share. Also refer note 15 "Common Stock"							
As at March 31, 2015	42,096,160	42,096	1,165,712	(228,981)	978,827	37,080	1,015,907
Net income / (loss) for the period [After adjusting Comprehensive Income/(Loss)]	Nil	Nil	Nil	(264,894)	(264,894)	(82,449)	(347,343)
As at December 31, 2015 (unaudited)	<u>42,096,160</u>	<u>42,096</u>	<u>1,165,712</u>	<u>(493,875)</u>	<u>713,933</u>	<u>(45,369)</u>	<u>668,564</u>

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

KM Wedding Events Management, Inc
Interim Condensed Consolidated Statement of Comprehensive Income
(in US Dollars \$ unless otherwise stated)

	For the three months ended December 31, 2015	For the three months ended December 31, 2014	For the nine months ended December 31, 2015	For the nine months ended December 31, 2014
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
Net income / (loss)	(151,169)	72,937	(353,076)	100,002
Other Comprehensive Loss				
Foreign Currency Translation Profit/(Loss)	3,865	(4,210)	5,733	(6,600)
Total Other Comprehensive Loss	3,865	(4,210)	5,733	(6,600)
Attributable to:				
Equity holders of the company	2,254	(2,456)	3,344	(3,630)
Non-controlling interest	1,611	(1,754)	2,389	(2,970)
Comprehensive Income/(loss)	<u>(147,304)</u>	<u>68,727</u>	<u>(347,343)</u>	<u>93,402</u>

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

KM Wedding Events Management, Inc
Interim Condensed Consolidated Statement of cash flow
(in US Dollars \$ unless otherwise stated)

	For the Nine Months ended December 31, 2015	For the Nine Months ended December 31, 2014
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net income / (loss)	(353,076)	100,022
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	23,932	22,281
Unrealized foreign exchange (gain) / loss	(16,767)	(13,616)
Bad debts	36,915	47,432
Amortization of film costs	27,658	37,222
Marketing Charges - Shares issued as consideration	—	—
Deferred tax benefit	(75,371)	31,464
Provision for Income taxes written back	(12,294)	—
Changes in operating assets and liabilities		
(Increase) / Decrease in accounts receivables	12,083	(216,015)
(Increase) / Decrease in other current assets	63,108	26,928
(Increase) / Decrease in film costs	(27,442)	(34,910)
(Increase) / Decrease in other non-current assets	9,311	29,075
Increase / (Decrease) in accounts payable	104,618	46,991
Increase / (Decrease) in income tax and other statutory liabilities	37,887	94,196
Increase / (Decrease) in other current liabilities	75,234	(181,201)
Increase / (Decrease) in other non-current liabilities	2,115	523
Net cash provided by (used in) operating activities	(92,088)	(9,628)
Cash flows from investing activities		
Additions to property, plant and equipment	(7,341)	(9,689)
Investments in long-term investments	—	135,000
Advance given for Investment	—	(60,000)
Net cash provided by (used in) investing activities	(7,341)	65,311
Cash flows from financing activities		
Proceeds from short term debts	129,929	(188,648)
Proceeds from issue of Equity Shares	—	127,500
Proceeds from / (repayment of) long term debts	(18,653)	29,058
Net cash provided by (used in) financing activities	111,276	(32,090)
Effect of exchange rate changes on cash	(6,026)	(27,966)
Net increase in cash and cash equivalents	5,821	(4,373)
Cash and cash equivalents, beginning of period	97,960	88,616
Cash and cash equivalents, end of period	103,781	84,243
Supplementary disclosures of cash flow information		
Cash paid during the year for:		
Interest paid	75,634	45,943
Income taxes paid	8,999	16,956

Non-cash items:

Allotment of common stock	—	—
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The accompanying notes are an integral part to these interim condensed financial statements.

KM Wedding Events Management, Inc

Notes to Interim Condensed Consolidated financial statements
(in US Dollars \$ unless otherwise stated)

1. General

KM Wedding Events Management, Inc ('the Company') was incorporated on October 24, 2012 in the state of Delaware, United States of America.

Company is a service provider in the matrimonial industry through mass media through its subsidiary KM Wedding Events Management Private Limited (formerly known as "KM Matrimony Private Limited", India) in Tamil Nadu, India. As of December 31, 2015, the Company maintains a 58.33% ownership interest in KM Wedding Events Management Private Limited, India.

2. Significant Accounting Policies

a. Basis of Consolidation

The company has invested \$569,000 to acquire 2,841,398 number of Equity shares of KM Wedding Events Management Private Limited, India. Subsequent to this investment, KM Wedding Events Management Private Limited, India has become subsidiary of this company. The agreement for such acquisition was entered in the month of February 2013 and executed in the month of April 2013.

b. Form and Content of the Financial Statements

The Company maintains its books and records in accordance with generally accepted accounting policies in USA ("US GAAP"). The accompanying financial statements were derived from the Company's statutory books and records. The financial statements are presented in US Dollars (\$), the national currency of USA.

Revenue and related expenses generated from our international subsidiary is generally denominated in the currency of Indian Rupee (Rs.). The statements of income of our international subsidiary is translated into U.S. dollars at exchange rates indicative of market rates during each applicable period.

The interim condensed financial statements included herein are unaudited and have been prepared in accordance with US GAAP for interim financial reporting (primarily with topic 270, Interim Reporting, of Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC")), and do not include all disclosures required by US GAAP. The company has omitted disclosures which would substantially duplicate the information contained in its 2015 audited financial statements, such as accounting policies. Additionally, the company has provided disclosures where significant events have occurred subsequent to the issuance of its 2015 audited financial statements. Management believes that the disclosures are adequate to make the information presented not misleading if these interim condensed financial statements are read in conjunction with the company's 2015 audited financial statements and the notes related thereto. In the opinion of management, the financial statements reflect all adjustments of a normal and recurring nature necessary to present fairly, the company's financial position, results of operations and cash flows for the interim reporting periods.

The results of operations for nine months ended December 31, 2015 may not be indicative of the results of operations for the full year ending March 31, 2016. Subsequent events have been evaluated through February 11, 2016, the date these financial statements were issued.

The closing exchange rate as of December 31, 2015 and March 31, 2015 was 66.326 and 62.591 Indian Rupees to one US dollar, respectively. The average exchange rate for the Nine months ended December 31, 2015 was 64.458 Indian Rupees.

c. Management Estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as the amounts of revenues and expenses recognized during the period. Management believes it has a reasonable and appropriate basis for its judgment pertaining to its estimates and assumptions. However, actual results could differ from those estimates.

d. Comprehensive Loss

The company's other comprehensive loss consists of unrealized gains(losses) on foreign currency translation adjustments.

3. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2015 comprises the following:

Particulars	As at December 31, 2015 (Unaudited)	As at March 31, 2015
(a) Cash on hand	97,072	89,219
(b) Balance with banks on current accounts	6,709	8,741
Total	103,781	97,960

4. Accounts receivable

Accounts receivable as at December 31, 2015 comprises the following:

Particulars	As at December 31, 2015 (Unaudited)	As at March 31, 2015
(a) Customers (trade)	496,549	551,575
Total	496,549	551,575

5. Other current assets

Other current assets as at December 31, 2015 comprises the following:

Particulars	As at December 31, 2015 (unaudited)	As at March 31, 2015
(a) Event advances	203,214	216,312
(b) Staff advances	34,956	39,802
(c) Loans and advances	279,255	333,562
(d) Prepaid Expenses	400	13,638
(e) Income tax (net of advance tax)	8,999	–
Total	526,824	603,314

6. Property, plant and equipment, net

Property, plant and equipment as at December 31, 2015 comprises the following:

Particulars	Gross carrying value		Accumulated depreciation		Net carrying value	
	Dec 31,	Mar 31,	Dec 31,	Mar 31,	Dec 31,	Mar 31,
	2015	2015	2015	2015	2015	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(a) Vehicles	39,568	42,118	8,818	6,502	30,750	35,616
(b) Computers & Peripherals	69,333	73,802	65,253	68,367	4,080	5,435
(c) Furniture & Fixtures	13,373	14,234	7,050	6,432	6,323	7,802
(d) Office Equipment	62,845	61,173	35,397	32,533	27,448	28,640
(e) Leashold improvements	75,735	80,616	45,401	42,254	30,334	38,362
(f) Plant & Machinery	10,490	9,295	2,533	1,077	7,957	8,218
Total	271,344	281,238	164,452	157,165	106,892	124,073

Operating leases

The total amount of operating lease expenses is as follows:

Particulars	For the Nine	For the Nine
	Months Ended	Months ended
	December 31,	December 31,
	2015 (unaudited)	2014 (unaudited)
Lease Expenses	17,722	28,157

7. Intangible assets, net

Intangible assets as at December 31, 2015 comprise the following:

Particulars	Gross carrying value		Accumulated depreciation		Net carrying value	
	Dec 31,	Mar 31,	Dec 31,	Mar 31,	Dec 31,	Mar 31,
	2015	2015	2015	2015	2015	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(a) Software	50,409	53,658	35,758	31,193	14,651	22,465
Total	50,409	53,658	35,758	31,193	14,651	22,465

8. Other non-current assets

Other non-current assets as at December 31, 2015 comprises the following:

Particulars	As at December 31, 2015 (unaudited)	As at March 31, 2015
(a) Rental advance	13,965	25,156
(b) Deposits	56,485	63,536
(c) Software under application development stage	12,476	9,211
Total	82,926	97,903

9. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities as at December 31,2015 comprises the following:

Particulars	As at December 31, 2015 (unaudited)	As at March 31, 2015
(a) Accounts payable	205,377	87,895
(b) Salary payable	9,753	24,094
(c) Current portion of provision for gratuity	2,130	1,701
(d) General and administrative expenses payable	69,886	76,397
Total	287,146	190,087

10. Statutory liabilities

Income tax and other statutory liabilities as at December 31,2015 comprises the following:

Particulars	As at December 31, 2015 (unaudited)	As at March 31, 2015
(a) Service tax	183,584	156,573
(b) Provident fund	17,238	25,192
(c) Employees state insurance	2,231	6,291
(d) Professional	5,402	5,554
(e) Tax Deducted at Source	61,095	31,350
(f) Income tax (Net of Advance tax)	—	22,771
Total	269,550	247,731

11. Short term borrowings and long term debt

Short term loans and borrowings as at December 31, 2015 comprises the following:

Particulars	As at December 31, 2015 (unaudited)	As at March 31, 2015
(a) Bank overdraft ¹	156,486	172,122
(b) Unsecured loan	3,001	23,469
(c) Secured loan	—	196
(d) Current portion of long-term debt	24,413	22,056
Total	183,900	217,843

¹ The bank overdraft facility is secured by way of hypothecation of trade receivables, current assets and fixed assets of the company except vehicles financed by other banks / financial institutions

12. Long Term Debt

Long term debt comprise the following:

Particulars	As at December 31, 2015 (unaudited)	As at March 31, 2015
(a) Secured loan ¹	251,989	279,161
(b) Vehicle loans ²	17,296	22,838
	269,285	301,999
(d) Current portion of long-term debt	(24,413)	(22,056)
Total	244,872	279,943

¹ During the quarter ended March 31, 2015, the company, its directors and relatives of directors have availed a term loan on a joint and several liability basis from ICICI Bank for an amount of \$ 715,521. The company's liability has been initially recognized in the financial statements at \$ 275,989 under secured loans. The personal properties of the directors has been provided as security for availing the said loan. The loan is repayable in 120 equated monthly instalments and carries interest at the base rate plus a margin of 1.75%. The loan arrangement has been approved by the Board of Directors in the Board Meeting held on January 12, 2015 and a Memorandum of Understanding has been entered into between the company and its co-obligors. The total outstanding amount as at December 31, 2015 and March 31, 2015 towards this debt arrangement is \$ 653,300 and \$ 723,745 respectively. The carrying amount of the company's liability as at December 31, 2015 and March 31, 2015 is \$ 251,989 and \$ 279,161 respectively.

² The interest rates of these Vehicle loans range from 11 % to 16 %. These loans are repayable in monthly installments ranging from 36 months to 60 months. These loans are secured against the respective assets.

The scheduled aggregate maturity of long-term debt outstanding as at December 31, 2015 is as follows:

Particulars	As at December 31, 2015 (Unaudited)
2016	7,272
2017	25,130
2018	26,035
2019	27,565
2020	26,052
Thereafter	157,231
Total long term debt	269,285

13. Other current liabilities

Other current liabilities as at December 31, 2015 comprises the following:

Particulars	As at December 31, 2015 (unaudited)	As at March 31, 2015
(a) Unearned revenue (i.e. billings in excess of revenue)	67,551	95,538
(b) Advances received	137,834	45,258
Total	205,385	140,796

14. Other non-current liabilities

Other non-current liabilities as at December 31, 2015 comprises the following:

Particulars	As at December 31, 2015 (unaudited)	As at March 31, 2015
(a) Trade Deposits	5,351	5,856
(b) Provision for gratuity	15,863	14,556
Total	21,214	20,412

15. Common Stock

The company has only one class of equity shares having par value of \$ 0.001 per share. Each holder of equity shares is entitled to one vote per share. The authorized equity share capital (number of shares) of the company is 300,000,000 shares as at December 31, 2015 and March 31, 2015. The issued, subscribed and paid-up equity share capital (number of shares) of the company is 42,096,160 shares as at December 31, 2015 and as at March 31, 2015.

- (i) 4,596,160 number of shares are issued at a price of \$ 0.05 per share
- (ii) 4,050,000 number of shares are issued at a price of \$ 0.20 per share
- (iii) 33,000,000 number of shares at par value of \$ 0.001 per share are issued for consideration other than cash.
- (iv) 200,000 number of shares are issued at a price of \$ 0.30 per share
- (v) 250,000 number of shares are issued for consideration other than cash at a price of \$ 0.30 per share

The shares are issued at a price mutually agreed by the shareholders pursuant to an agreement entered with them.

Preferred Stock

The authorized preferred share capital (number of shares) of the company is 10,000,000 shares having a par value of \$ 0.001 per share as at December 31, 2015. The issued, subscribed and paid-up Preference share capital is Nil as at December 31, 2015.

The Shareholders who have subscribed 4,050,000 number of shares at the rate of \$0.20 per share have an option to purchase a warrant for every two shares held which entitles the holder to purchase an additional share at the rate of \$0.40 per share for the period of two years from the date of issuance.

16. Matrimonial service income

Particulars	For the three months ended		For the nine months ended	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
(a) Profile Registration and Event Incomes	134,260	148,343	373,090	536,251
(b) Sponsorship Income and Advertisement Income	1,443	85,525	10,720	161,695
(c) Sale of space or time slot - Television series/ Television Rights	19,547	127,068	69,078	263,781
(d) Sale of products (magazines)	—	(7)	—	2,092
(e) Franchisee License	—	90,000	—	90,000
Total	155,251	450,929	452,888	1,053,819

17. Matrimonial service expenses

Particulars	For the three months ended		For the nine months ended	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
(a) Event expenses	7,500	43,191	60,384	114,352
(b) Production and telecast expenses - television series	21,549	25,392	80,003	80,689
(c) Publication expenses	4,949	16,149	19,760	44,848
(d) Subcontracting charges	21,562	—	31,793	—
(e) ARC commission	—	5,091	6,082	14,551
(f) Amortization of film costs	8,919	19,673	27,658	37,222
Total	64,479	109,496	225,680	291,662

18. General and administrative expenses

Particulars	For the three months ended		For the nine months ended	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
(a) Lease expenses	15,355	9,460	49,690	28,157
(b) Repaid & Maintenance	5,299	8,856	12,578	23,363
(c) Insurance	218	(7)	768	721
(d) Electricity charges	2,291	2,357	8,011	8,141
(e) Audit fees	2,133	2,221	6,399	6,789
(f) Filing charges	—	3,978	3,500	27,806
(g) Bank charges	1,306	1,064	6,056	6,905
(h) Bad debts	29,175	26,544	36,915	47,432
(i) Travelling and conveyance	1,151	12,524	3,203	31,039
(j) Professional charges	15,190	21,302	77,703	47,240
(k) Printing & Stationary	713	1,136	2,870	3,467
(l) Telephone, Courier & Postage	3,355	7,289	12,095	19,886
(m) Security charges	1,024	1,067	3,060	3,259
(n) Business promotion expenses	31,534	70,450	116,465	144,200
(o) Rates and taxes	—	1,812	—	1,812
(p) Others	4,027	2,900	9,755	10,499
Total	112,770	172,953	349,068	410,716

19. Earnings / (loss) per share (EPS)

Particulars	For the three months ended		For the nine months ended	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
(a) Net income / (loss)	(88,177)	50,281	(268,238)	24,449

(b) Weighted average number of equity shares outstanding	42,096,160	41,721,845	42,096,160	41,721,845
Earnings / (loss) per share - basic and diluted	<u>(0.0021)</u>	<u>0.0012</u>	<u>(0.0064)</u>	<u>0.0006</u>

20. Related party disclosures

(a) Names of related party and relationship

(i) Key Management Personnel ('KMP')

(a) Mr. T V Mohan- Chairman and Director

(b) Ms. Meera Nagarajan - President, CEO and Managing Director

(c) Mr. Vijaya Bhaskar Venkatesan- CFO, Director, Treasurer and Director of technologies

(ii) Relatives of KMP

(a) Mr. Sridhar Kalyanasundaram

Particulars	KMP and Relative of KMP	
	2015 (unaudited)	2014 (unaudited)
Transactions		
Advances given for business purposes	77,922	205,289
Settlement of advances given for business purposes /advance received from the director	348,545	67,193
Repayment of unsecured loans	133,207	6,758
Closing balances		
Advances received from Directors (credit bal.)	121,833	–
Advances given for business purposes (debit bal.)	–	205,597
Unsecured loans received (credit bal.) (Refer note below)	96,311	271,124

21. Goodwill

Particulars	
Goodwill ¹	679,948
Add: Cumulative Translation adjustment	14,908
Balance as at December 31, 2015	694,856

¹Goodwill arises in the process of acquiring KM Wedding Events Management Private Limited, India (formerly known as "KM Matrimony Private Limited", India). In April 2013, the Company acquired 55.32% interest of KM Wedding Events Management Private Limited, India (formerly known as "KM Matrimony Private Limited", India). As of December 31, 2015, 58.33% of the shares of KM Wedding Events Management Private Limited are being held by the Company. This acquisition has been accounted as a business combination.

Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired in a business combination. It is assigned to reporting units as of the acquisition date. As per ASC 805-20-55-6, the value of an acquired intangible asset which are not identifiable as of the acquisition date is subsumed into Goodwill. The assets and liabilities are acquired at book value as there is no significant deviation from fair value. There are no related contingent consideration that has arisen.

Impairment of Goodwill will be tested on annual basis at the end of the year.

22. Employee Benefits

Defined Benefit Plan

The liability recognized in the balance sheets as at December 31, 2015 is as follows. The obligations are unfunded as on the dates of balance sheets.

Particulars	As at December 31,	
	2015 (unaudited)	2014 (unaudited)
(a) Gratuity liability recognized in the balance sheet	17,993	16,257

Weighted average assumptions used to determine net gratuity cost and benefit obligations:

Particulars	For the Nine months ended December 31,	
	2015 (unaudited)	2014 (unaudited)
(a) Discount rate	7.80%p.a.	8.50%p.a.
(b) Long-term rate of compensation increase	7.50%p.a.	10.00%p.a.
(c) Rate of return on plan assets	N.A.	N.A.

23. Going Concern

The financial statements have been prepared on the basis that the company is a going concern & thereby no adjustments are required to be made to the carrying amount of assets and liabilities.

24. Film Costs

The amount of unamortized film costs disclosed in the balance sheet pertains to completed and not released films with respect to the television series. The entire amount of unamortized film costs is expected to be amortized during the next one year.

25. Commitments and Contingencies

Statutory Dues

Penalties, if any, on account of delay in payment of service tax and other statutory dues are unascertainable.

26. Previous Period Figures

Figures of previous period have been regrouped / rearranged, wherever required to confirm to the current period presentation.

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

THE FOLLOWING DISCUSSION AND ANALYSIS SHOULD BE READ TOGETHER WITH THE CONSOLIDATED FINANCIAL STATEMENTS OF KM WEDDING EVENTS MANAGEMENT, INC. AND THE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Overview of Our Business

We have been involved in the wedding services industry in South India since 2004. "KM" is our brand, which is a short form for 'KalyanaMalai' meaning 'Wedding Garland' in South Indian language. Our services comprise of Matrimonial (Matchmaking) Services ("Matrimonial Services") and Wedding Services (until June 30, 2015). Considering various business related aspects (including socio-economic aspects), the Company has decided to have a dedicated focus on Matrimonial Services business commencing July 1, 2015.

Matrimonial Services include matchmaking and partner identification, through multiple delivery channels via print and visual media, website, physical centers and events. In order to increase traction in the Matrimonial services business, we started leasing wedding halls (physical infrastructures where a wedding is conducted, similar to banquet halls of hotels). The first wedding hall has already commenced operations.

In India, we currently focus on the geographic locations of Tamil Nadu and Andhra Pradesh (two of the Southern States in India). We believe that we are well positioned to utilize the potential of the Matrimonial Services market because of our early presence in this market since 2004. We have conducted promotional events across the U.S. to capture the market potential. We are continuing our efforts to expand our presence in the U.S. Our target customers include the Indian high-income group, higher middle-income group, and other affluent individuals both in the U.S. and India. This segment, being upwardly mobile and comfort and service focused, is the right target group for our business strategy.

We, through our subsidiary KM India, have been servicing the Indian Diaspora in the U.S. through our website since 2004 which was followed up by Community Meets (events focused on bringing together individuals who are seeking a life partner and who share similar backgrounds (e.g., profession, socio-economic background, religion, etc.) conducted during the fiscal year 2011 in 5 cities (New York City, South Windsor (Connecticut), Boston, Houston and San Antonio) which was attended by approximately 1,200 prospective matrimonial customers. In October 2013, we also filmed for SUN TV across 6 different US cities (New York, South Windsor Connecticut), New Brunswick, San Jose, Dallas and Houston), which was attended by over 5,400 South Indian community members.

Based on the experience gained from the above activities, we believe that there is a demand and need in the Indian Diaspora in the U.S. for our Matrimonial Services. We believe a customized and focused approach is required to market to this segment. The current plan for exploring this business opportunity includes setting up offices in the U.S. (fiscal 2015), growing Matrimonial Services for weddings to be fixed in India by Indians in the U.S. launching a customized website for Matrimonial Services in the U.S. market (fiscal 2016-17).

Comparison of Three Months Ended December 31, 2015 and Three Months Ended December 31, 2014

Results of Operations

Our financial performance for the three months ended December 31, 2015 compared to the three months ended December 31, 2014 are discussed and analyzed below. For the purpose of comparison, conversion of Indian Rupees to USD is done based on the average exchange rate for the period for Income and Expenditure items and at the closing exchange rate for Balance Sheet items. The financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

For the three months ended December 31, 2015, the Company generated revenue of \$161,661 compared to \$628,015 for the corresponding period in the previous year.

In terms of revenue mix 96% of the revenues were generated from Matrimonial Services (72% for the corresponding three month period in the previous year); Nil from the Wedding Services (28% for the corresponding three month period in the previous year) and 4% of the revenues were generated from wedding infrastructure leasing services (Nil for the corresponding three month period in the previous year).

During the three month period ended December 31, 2015, the Company incurred \$280,678 of operating expenses compared to \$533,687 for the corresponding three month period in the previous year, which included:

- Matrimonial Service expenses of \$64,479 compared to \$109,496 for the corresponding three month period in the previous year, which represents 42% of matrimonial revenues.
- General and Administrative expense of \$112,770 (\$172,953 for the corresponding three month period in the previous year) which represents 70% of revenues compared to 28% for the corresponding three month period in the previous year.
- Personnel expenses of \$92,153 (\$98,974 for the corresponding three month period in the previous year) representing 57% of revenues compared to 16% of revenues in the corresponding three month period in the previous year; and
- Depreciation and Amortization expenses of \$8,122 (\$8,654 for the corresponding three month period in the previous year).

For the three months ended December 31, 2015, the Company had operating loss of \$119,017 compared to income of \$94,328 for the corresponding period in the previous year. In addition, for the three month ended December 31, 2015, the Company had a net loss of \$151,169 compared to income of \$72,937 for the corresponding three month period in the previous year).

Comparison of Nine Months Ended December 31, 2015 and Nine Months Ended December 31, 2014

Results of Operations

Our financial performance for the nine months ended December 31, 2015 compared to the nine months ended December 31, 2014 are discussed and analyzed below. For the purpose of comparison, conversion of Indian Rupees to USD is done based on the average exchange rate for the period for Income and Expenditure items and at the closing exchange rate for Balance Sheet items. The financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

For the nine months ended December 31, 2015, the Company generated revenue of \$ 508,585 compared to \$1,443,183 for the corresponding period in the previous year.

In terms of revenue mix 89% of the revenues were generated from Matrimonial Services (73% for the corresponding nine month period in the previous year); 8% from the Wedding Services (27% for the corresponding nine month period in the previous year) and 3% of the revenues were generated from wedding infrastructure leasing services (Nil for the corresponding nine month period in the previous year).

During the nine month period ended December 31, 2015, the Company incurred \$8,90,670 of operating expenses compared to \$13,04,610 for the corresponding nine month period in the previous year, which included:

- Matrimonial Service expenses of \$225,680 compared to \$291,662 for the corresponding nine month period in the previous year, which represents 50% of matrimonial revenues.
- Wedding Service expense of \$28,866 (\$315,763 for the corresponding nine month period in the previous year) which represents 74% of wedding services revenues compared to 81 % for the corresponding nine month

period in the previous year.

- General and Administrative expense of \$349,068 (\$410,716 for the corresponding nine month period in the previous year) which represents 69% of revenues compared to 28% for the corresponding nine month period in the previous year.
- Personnel expenses of \$255,694 (\$264,188 for the corresponding nine month period in the previous year) representing 50% of revenues compared to 18% of revenues in the corresponding nine month period in the previous year; and.
- Depreciation and Amortization expenses of \$23,932 (\$22,281 for the corresponding nine month period in the previous year).

For the nine months ended December 31, 2015, the Company had operating loss of \$382,085 compared to income of \$138,573 for the corresponding period in the previous year. In addition, for the nine month ended December 31, 2015, the Company had a net loss of \$353,076 compared to income of \$100,002 for the corresponding nine month period in the previous year.

Liquidity and Capital Resources

Overview

At December 31, 2015, the Company had cash equivalents of \$103,781 and accumulated deficit of \$493,875. At December 31, 2015, the Company had a negative working capital (including current portion of long-term debt) of \$36,971 compared to positive working capital of \$370,459 at March 31, 2015, resulting from:

- Accounts Receivable of \$496,549 at December 31, 2015 compared to \$551,575 at March 31, 2015, which represents a 10% decrease;
- Account Payable and accrued liabilities relating to accrued interest expense, unpaid professional fees, and unpaid general expenditures of \$287,146 at December 31, 2015 compared to \$190,087 at March 31, 2015, representing 51% increase;
- Statutory liabilities of \$269,550 at December 31, 2015 compared to \$247,731 at March 31, 2015, representing 9% increase;
- Short-term loans and current portion in long-term debt of \$183,900 at December 31, 2015 compared to \$217,843 at March 31, 2015, representing a decrease of 16%;
- Unsecured loans of \$218,144 at December 31, 2015 compared to \$85,933 at March 31, 2015, representing a 158% increase;
- Other current liabilities of \$205,385 at December 31, 2015 compared to \$140,796 at March 31, 2015, representing a 46% increase; and
- Non-current liabilities of \$266,086 at December 31, 2015 compared to \$300,355 at March 31, 2015, representing a reduction of 11%

Cash flows from Operating Activities

During the nine month period ended December 31, 2015, net cash used in operating activities was \$92,088 compared to net cash used by operations \$9,628 during the corresponding period in the previous year.

Cash flows from Investing Activities

During the nine month period ended December 31, 2015, net cash used in investing activities was \$7,341 compared to \$65,311 cash provided for the corresponding period in the previous year.

Cash flows from Financing Activities

During the nine month period ended December 31, 2015, net cash provided by financing activities was \$111,276 compared to \$32,090 used by financing activities for the corresponding period in the previous year.

Future Capital Needs

At December 31, 2015, our working capital deficit was \$36,971. We had \$103,781 in cash and cash equivalents. We have evaluated our expected cash requirements over the next twelve months, and have determined that our existing cash resources are not sufficient to meet our anticipated needs during the next twelve months, and that additional financing is required to support current operations. In addition, we anticipate that further additional financing may be required to fund our business plan subsequent to that date, until such time as revenues and related cash flows become sufficient to support our operating costs.

The successful implementation of our business plan is dependent upon us receiving sufficient funds from the sale of securities and/or additional funding from management, the issuance of equity or debt, or through obtaining a credit facility. In addition, substantial expenditures will be required to enable us to expand and scale up our operations and quality of services. We will require additional financing from issuance of equity or debt, or through obtaining a credit facility, to execute our plan of operations. Our established bank-financing arrangements will not be adequate. Although management believes that the additional required funding will be obtained through the sale of securities, there is no guarantee we will be able to obtain the additional required funds in the future or that funds will be available on terms acceptable to us, if at all. If such funds are not available, management will be required to curtail its investments in additional sales and marketing and product development resources, and capital expenditures, which may have a material adverse effect on our future cash flows and results of operations, and its ability to continue operating as a going concern.

Brief Disclosure of Long Term Contractual Obligations

As at December 31, 2015, the Company has long term debts in the form of secured loans amounting to \$269,285 and repayable as under:

Less Than One Year	\$	7,272
One to Three Years	\$	78,730
More than Three Years	\$	183,283

Recent Accounting Pronouncements

As of December 31, 2015, there are no other recently issued accounting standards not yet adopted that would have a material effect on the Company's consolidated financial statements.

Off-Balance Sheet Arrangements

We do not have any off-balance arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The SEC defines the term "disclosure controls and procedures" to mean a company's controls and other procedures that are designed to ensure that information required to be disclosed 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 an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our disclosure controls and procedures are designed to provide reasonable assurance that such information is accumulated and communicated to our management. Our management

(with the participation of our Chief Executive Officer and Chief Financial Officer) has conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act). Based on such evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of the end of the period covered by this report.

Changes in Internal Controls over Financial Reporting

During the quarter ended December 31, 2015, there were no material changes in our internal control over financial reporting identified in connection with the evaluation performed during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we have disputes that arise in the ordinary course of business. Currently, there are no material legal proceedings to which we are a party, or to which any of our property is subject.

ITEM 1A. RISK FACTORS

Not applicable.

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 following exhibits are filed as part of this Report

Exhibit No.	Description
31.1	Certification of Principal Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Principal Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase*
101.DEF	XBRL Taxonomy Extension Definition Linkbase*
101.LAB	XBRL Taxonomy Extension Label Linkbase*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase*

* Filed herewith

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.

KM WEDDING EVENTS MANAGEMENT, INC.

Date: February 16, 2016

By: /s/ Meera Nagarajan
Meera Nagarajan, Chief Executive Officer

