

Kallo Inc.
Form 10-Q
November 14, 2012

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

FORM 10-Q

- QUARTERLY REPORT UNDER TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY
PERIOD ENDED SEPTEMBER 30, 2012
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Commission file number 000-53183

KALLO INC.
(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of incorporation or organization)

15 Allstate Parkway, Suite 600
Markham, Ontario
Canada L3R 5B4
(Address of principal executive offices, including zip code.)

(416) 246-9997
(Registrant's telephone number, including area code)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 last 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 (SS 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer,"

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and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	<input type="radio"/>	Accelerated Filer	<input type="radio"/>
Non-accelerated Filer	<input type="radio"/>	Smaller Reporting Company	<input checked="" type="radio"/>

(Do not check if 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

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicated the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date: 274,089,203 as of November 10, 2012.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

KALLO INC.
(formerly Diamond Technologies, Inc.)
(A Development Stage Company)
Condensed Consolidated Balance Sheets

ASSETS	September 30, 2012 (unaudited)	December 31, 2011
Current Assets:		
Cash	\$248,178	\$15,821
Prepaid expenses	4,783,971	78,768
Other receivables	61,273	37,571
Total Current Assets	5,093,422	132,160
Subscription option asset (Note 3)	100,000	-
Copyrights (Note 6)	865,000	865,000
Equipment, net	99,683	166,110
TOTAL ASSETS	\$6,158,105	\$1,163,270
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)		
Current Liabilities:		
Accrued liabilities-other	\$949,907	\$1,253,283
Accrued officers' salaries (Note 7)	85,000	175,000
Acquisition cost payable (Note 6)	36,665	56,502
Current portion of obligations under capital leases (Note 7)	131,005	94,377
Loan payable (Note 8)	139,642	-
Convertible promissory note (Note 9)	167,816	-
Short term loans payable (Note 10)	62,950	-
Total Current Liabilities	1,572,985	1,579,162
Obligations Under Capital Leases (Note 7)	-	83,179
Deposit for shares to be issued	151,592	394,474
TOTAL LIABILITIES	1,724,577	2,056,815
Commitments and Contingencies (Note 7)		
Going Concern (Note 1)		
Related Party Transactions (Note 5)		
Stockholders' Equity (Deficiency) (Note 3)		
Preferred stock, \$0.00001 par value, 100,000,000 shares authorized, none issued and outstanding	-	-
Common stock, \$0.00001 par value, 500,000,000 (December 31, 2011 – 500,000,000) shares authorized, 274,089,203 and 113,072,632 shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively.	2,741	1,131

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Additional paid-in capital	15,901,756	8,862,522
Deficit accumulated during the development stage	(11,470,969)	(9,757,198)
Total Stockholders' Equity (Deficiency)	4,433,528	(893,545)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$6,158,105	\$1,163,270

See accompanying notes to the unaudited condensed consolidated financial statements

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KALLO INC.
 (formerly Diamond Technologies, Inc.)
 (A Development Stage Company)
 Condensed Consolidated Statements of Operations and Comprehensive Loss
 (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,		December 12, 2006 (inception) to September 30, 2012
	2012	2011	2012	2011	
Revenue	\$ -	\$ -	\$ -	\$ -	\$ 15,887
Cost of Revenue	-	-	-	-	12,840
Gross Profit	-	-	-	-	3,047