

Unaudited Financial Statements
for the year ended 31st March 2019

AXIS CAPITAL USA, LLC

Registered Office:
380 Lexington Avenue
1701, 17th Floor
New York, NY 10168 (USA)

AXIS CAPITAL USA, LLC

UNAUDITED STATEMENTS OF FINANCIAL POSITION

(Amount in \$)

	Note No.	As at 31 March, 2019	As at 31 March, 2018
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	3	35,982.31	0.10
Investment in money market		550,297.70	-
Other current assets	4	8,755.14	2,000.00
Total current assets		595,035.15	2,000.10
TOTAL ASSETS		595,035.15	2,000.10
LIABILITIES AND MEMBER'S EQUITY / (DEFICIT)			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	5	51,192.14	55,002.18
Other current liabilities	6	9,333.83	3,393.51
Total Current Liabilities		60,525.97	58,395.69
MEMBER'S EQUITY			
Member's equity		705,000.00	-
Accumulated deficit		(170,490.82)	(56,395.59)
Total member's equity		534,509.18	(56,395.59)
TOTAL LIABILITIES AND MEMBER'S EQUITY / (DEFICIT)		595,035.15	2,000.10

Summary of significant accounting policies

2.1

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

For and on behalf of the Board of Directors

Alok Chokhani

Director

Place: Mumbai

Date : 10 April, 2019

AXIS CAPITAL USA, LLC

UNAUDITED STATEMENTS OF OPERATIONS

		(Amount in \$)	
	Note No.	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Income			
Revenue from operations		-	-
Other Income	7	1,144.42	-
Total Income		1,144.42	-
Expenses			
Compensation and benefits		-	-
Regulatory fees		670.25	15,000.00
Professional fees		99,491.78	32,200.00
Other expenses	8	15,077.62	9,195.59
Total Expenses		115,239.65	56,395.59
Net Profit/(Loss) for the year before provision for income taxes		(114,095.23)	(56,395.59)
Provision for income taxes		-	-
Net Profit/(Loss) for the year after provision for income taxes		(114,095.23)	(56,395.59)

Summary of significant accounting policies 2.1

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

For and on behalf of the Board of Directors


Alok Chokhani

Director

Place: Mumbai

Date : 10 April, 2019

AXIS CAPITAL USA, LLC

Statement of Changes in Member's Equity

(Amount in \$)

	Member's equity	Additional Paid-in Capital	Retained Earnings (Deficit)	Total
BALANCE - Beginning of the Year	-	-	(56,395.59)	(56,395.59)
Capital Infusions	705,000.00	-	-	705,000.00
Net loss	-	-	(114,095.23)	(114,095.23)
BALANCE - End of Year	705,000.00	-	(170,490.82)	534,509.18



AXIS CAPITAL USA, LLC

Statement of cash flow for the year ended March 31, 2019

Particulars	(Amount in \$)	
	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Net income/ (loss)	(114,095.23)	(56,395.59)
Adjustments to reconcile net income to net cash provided by/(used in) operating activities		
Depreciation and amortization	-	-
Interest earned on CitiBusiness Insured Money Market Account	(1,144.42)	-
Deferred tax expense / (benefit)	-	-
<i>Changes in assets and liabilities</i>		
Increase in prepaid expenses and other current assets	(5,908.42)	(2,000.00)
Increase / (decrease) in accounts payable and accrued expenses	(3,810.04)	55,002.18
Increase in other current liabilities	5,940.32	3,393.51
Net cash used in operating activities	(119,017.79)	0.10
Cash flow from investing activities		
Interest received on CitiBusiness Insured Money Market Account	297.70	-
Investment in CitiBusiness Insured Money Market Account	(550,297.70)	-
Net cash provided by investing activities	(550,000.00)	-
Cash flow from financing activities		
Capital infusions by parent company	705,000.00	-
Net cash used in financing activities	705,000.00	-
Net increase in cash and cash equivalents	35,982.21	0.10
Cash at the beginning of the year	0.10	-
Cash and cash equivalents at the end of the year	35,982.31	0.10

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

For and on behalf of the Board of Directors


 Alok Chokhani
 Director
 Place: Mumbai
 Date : 10 April, 2019

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

1. Nature of Operation

Axis Capital USA, LLC (the "Company"), is a wholly owned subsidiary of Axis Capital Limited ("the Parent"). The Parent is a wholly owned subsidiary of Axis Bank Limited ("the Ultimate Parent"). The Company has applied to register as broker-dealer with the Securities and Exchange Commission (the "SEC") and a member of the Financial Industry Regulatory Authority ("FINRA").

Since the Company is a limited liability company, the Members are not liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort or otherwise, unless the Member has signed a specific guarantee.

2. Basis of Presentation

The Company's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The amount are in USD unless otherwise specified and on a non-comparative basis.

2.1 Significant Accounting Policies

i. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

FASB Accounting Standards Codification ("ASC") 820 Fair Value Measurement and Disclosures (formerly FASB Statement 157, Fair Value Measurements) bears no material effect on the financial statements as presented.

ii. Going Concern Basis

The financial statements of the Company have been prepared on the assumption that it remains a going concern. The management considers that immediate and ultimate Parent Company will continue to provide financial support and honor the Company's obligation as they arise.

iii. Investments

Investments that are acquired with the intention of holding for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost inclusive of direct acquisition costs, if any.

AKS

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Current investments are carried at cost arrived at on FIFO basis or market value, determined on an individual investment basis, whichever is lower.

Long term investments are carried at acquisition cost. Any decline in the value of investments, which is other than temporary is reduced from its acquisition cost and provided for in the statement of profit and loss.

A decline is considered as other than temporary after considering the investee Company's market value, assets, results and the expected cash flows from the investment and restrictions, if any, on distribution or sale of the investee Company.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

iv. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is accounted on accrual basis.

v. Cash and Cash equivalents

The Company considers all highly liquid investments and deposits with an original maturity of ninety days or less on the date of purchase to be cash and cash equivalents. Cash and cash equivalents comprises balances with banks.

vi. Prepaid and Other Assets

Prepaid and other assets consist primarily of prepaid rent for subsequent period.

vii. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist primarily of professional service fees and administrative expenses.

viii. Income Taxes

Deferred tax assets and liabilities are recognized for the future tax effect of differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. In the event it is more likely than not that a deferred tax asset will not be realized, a valuation allowance is recorded.

The Company applies a single, comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on its tax returns. Income tax expense is based on pre-tax accounting income, including adjustments made for the recognition or derecognition related to uncertain tax positions.

Axis

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

The Company evaluates uncertain tax positions by reviewing against applicable tax law all positions taken by the Company with respect to tax years for which the statute of limitations remains open. A tax benefit from an uncertain tax position would be recognized when it is considered to be more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits of the position.

Deferred income taxes are provided for the effects of temporary differences between the tax basis of an asset or liability and its reported amount in the Statement of Financial Condition. As of March 31, 2019, the Company has no deferred tax asset.

The Company has determined that it is more likely than not that the deferred tax asset will be realized and therefore there is no valuation allowance against the deferred tax asset.

The difference between the Company's current income tax provision using statutory U.S. tax rate and its effective tax rate is primarily due to overpayment of prior year state and local income taxes.

Based upon the Company's review of its federal, state, local income tax returns and tax filing positions, the Company determined no unrecognized tax benefits for uncertain tax positions were required to be recorded, as such, there were no reserves recorded for uncertain tax positions for the Company's open tax years. In addition, the Company does not believe that it has any tax positions for which it is reasonably possible that it will be required to record significant amounts of unrecognized tax benefits within the next twelve months.

ix. Fair Value Measurements

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820 are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 - inputs are quoted prices in active markets for identical assets or liabilities the Company has the ability to access.

Level 2 - are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

ALB

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Level 3 - are unobservable inputs for the asset or liability that rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.

At March 31, 2019, the Company has no investments in securities at year end.

x. Operating Lease – lessee accounting

Lease rent expenses are charged to expenses over the lease term. The operating lease agreement provides for scheduled rent increases over the lease term. Rent expenses for such leases are recognized on a straight line basis over the lease term.

xi. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigations, fines, penalties and other sources are recovered when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Handwritten mark

AXIS CAPITAL USA, LLC

ACCOMPANYING NOTES TO UNAUDITED FINANCIAL STATEMENTS

	(Amount in \$)	
	As at 31 March, 2019	As at 31 March, 2018
3. Cash and cash equivalents		
Cash in hand	-	-
Bank balances	35,982.31	0.10
Total	35,982.31	0.10
4. Other current assets		
Prepaid rent	1,101.67	-
Accrued Interest	846.72	-
Rent deposit	2,120.00	2,000.00
Deposit with FINRA	4,686.75	-
Total	8,755.14	2,000.00
5. Accounts payable and accrued expenses		
Payable to holding Company - Axis Capital Limited	39,252.52	39,252.52
Accrued expenses	11,939.62	15,749.66
Total	51,192.14	55,002.18
6. Other Current Liabilities		
Due to officers	9,333.83	3,393.51
Total	9,333.83	3,393.51
7. Other Income		
Interest earned on CitiBusiness Insured Money Market Account (IMMA)	1,144.42	-
Total	1,144.42	-
8. Other expenses		
Bank Charges	134.85	59.90
Office rent	13,151.30	8,878.45
Postage and Courier	6.70	49.66
Subscription Expenses	886.80	-
Miscellaneous expenses	897.97	207.58
Total	15,077.62	9,195.59

Axis

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

9. Related Party Transactions

Based on its liquidity at any given time, the Company's ability to meet regulatory capital requirements may be dependent on its access to funding from the Parent.

Particulars	Amount
Axis Capital Limited, the 100% Holding Company	
Capital infusion during the year by Axis Capital Limited, holding company	705,000.00
Balances outstanding as at the year end	
Balance payable	39,252.52
Capital contribution balance	705,000.00

10. Commitments and Contingencies

The Company's leasing operations consists principally of the leasing of office premises under operating lease that gets renewed every month unless cancelled by either party. Total rent expense for the year ended March 31, 2019 is \$13,151.30.

Future minimum payments under the operating lease for the fiscal year ending March 31 are as follows:-

Year ended March 31,	Amount
2020	13,229.00
2021	14,023.00
2022	14,864.00

11. Subsequent Events

The Company has evaluated subsequent events up to the date on which the financial statements are issued. The Company's evaluation noted no subsequent events that require adjustment to, or disclosure in, these financial statements.

For and on behalf of the Board of Directors

Alok Chokhani

Director

Place: Mumbai

Date : 10 April, 2019