




**NASIR JAVAID MAQSOOD IMRAN**  
Chartered Accountants

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**Eleven Stars Securities (Pvt) Limited**  
**Financial Statements**  
**For the year ended June 30, 2021**



# ELEVEN STARS SECURITIES (PRIVATE) LIMITED

TREC HOLDER : PAKISTAN STOCK EXCHANGE LTD.

## DIRECTORS' REPORT

On behalf of the Board of Directors of the Company, I am pleased to present our report together with the audited financial statement of the Company for the year June 30, 2021.

### Performance Overview

The following depicts the Company's performance in the current year.

	<b>Rupees</b>
Operating revenue	224,949,905
Operating expenses	<u>(6,557,663)</u>
Operating loss	<b>218,392,241</b>
Other charges	-
Other income	<u>484,191</u>
<b>Profit before taxation</b>	<b>218,876,433</b>
Taxation	<u>(3,272,181)</u>
<b>Profit after taxation</b>	<b>215,604,251</b>

### Earnings per share

Earnings per share for the year ended 30th June 2021 was Rs. **10.78**

### Capital Market Review & Outlook

Pakistan's equities market performance remained extremely volatile during the year under review influenced by various domestic and exogenous factors. Aggressive measures by the Government of Pakistan and the State Bank of Pakistan to counter negative economic impacts of the pandemic and the subsequent lockdown including reduction in interest rates and the construction package regained momentum and the KSE100 Index closed the year at 47,356. Moreover, lower inflation and interest rates are likely to keep the equities market in limelight with improved earnings growth outlook.

### Dividend:

The Directors do not recommended any dividend during the year due to cash flow requirement during next financial year.

### External Auditors

The retiring auditors, M/s. Nasir Javaid Maqsood Imran., Chartered Accountants, being eligible, have offered themselves for reappointment

Dated: **26 AUG 2021**

Director



Chief Executive



## INDEPENDENT AUDITOR'S REPORT

To the members of **Eleven Stars Securities (Private) Limited**

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **Eleven Stars Securities (Private) Limited (the Company)**, which comprise the statement of financial position as at **June 30, 2021** and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (the financial statements), and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **June 30, 2021** and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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## **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;



- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Javaid Qasim.

*Nasir Javaid Maqsood Imran*  
  
*Maqsood Imran*

Dated: **26 AUG 2021**  
Karachi

NASIR JAVAID MAQSOOD IMRAN  
Chartered Accountants

**ELEVEN STARS SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

	Note	Rupees 2021	Rupees 2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	34,712	44,246
Intangible assets	5	2,500,000	2,500,000
Long term deposits	6	1,500,000	1,500,000
		4,034,712	4,044,246
<b>CURRENT ASSETS</b>			
Short term investment	7	589,789,532	343,761,925
Trade receivables	8	1,490,704	-
Advances, deposits, pre-payments & other receivables	9	10,774,611	38,359,410
Cash & bank balances	10	13,412,083	1,079,293
		615,466,930	383,200,628
<b>TOTAL ASSETS</b>		<u>619,501,643</u>	<u>387,244,873</u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>			
20,000,000 (2020: 20,000,000) ordinary shares of Rs. 10/- each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up capital	11	200,000,000	200,000,000
Reserves		416,149,254	187,127,385
		616,149,254	387,127,385
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accrued expenses & other liabilities	12	3,352,389	117,488
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>619,501,643</u>	<u>387,244,873</u>

*The annexed notes from 1 to 28 form an integral part of these financial statements.*

*Alati*

Chief Executive

*S. S. Noorani*

Director

**ELEVEN STARS SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Note	Rupees 2021	Rupees 2020
<b>REVENUE</b>		
Operating revenue	14 4,735,253	11,865,110
Capital gain on sale of securities	40,183,450	4,872,442
Unrealised gain on remeasurement of investment at fair value - through profit or loss	180,031,202	34,539,930
	224,949,905	51,277,482
Administrative expenses	15 (6,557,663)	(4,368,247)
<b>Operating profit</b>	218,392,241	46,909,235
<b>Other income</b>	16 484,191	204,827
<b>Profit before taxation</b>	218,876,433	47,114,062
<b>Taxation</b>	17 (3,272,181)	(2,823,403)
<b>Profit after taxation</b>	215,604,251	44,290,660
<b>Earnings per share - basic and diluted</b>	18.1 10.78	2.21

*The annexed notes from 1 to 28 form an integral part of these financial statements.*



Chief Executive



Director