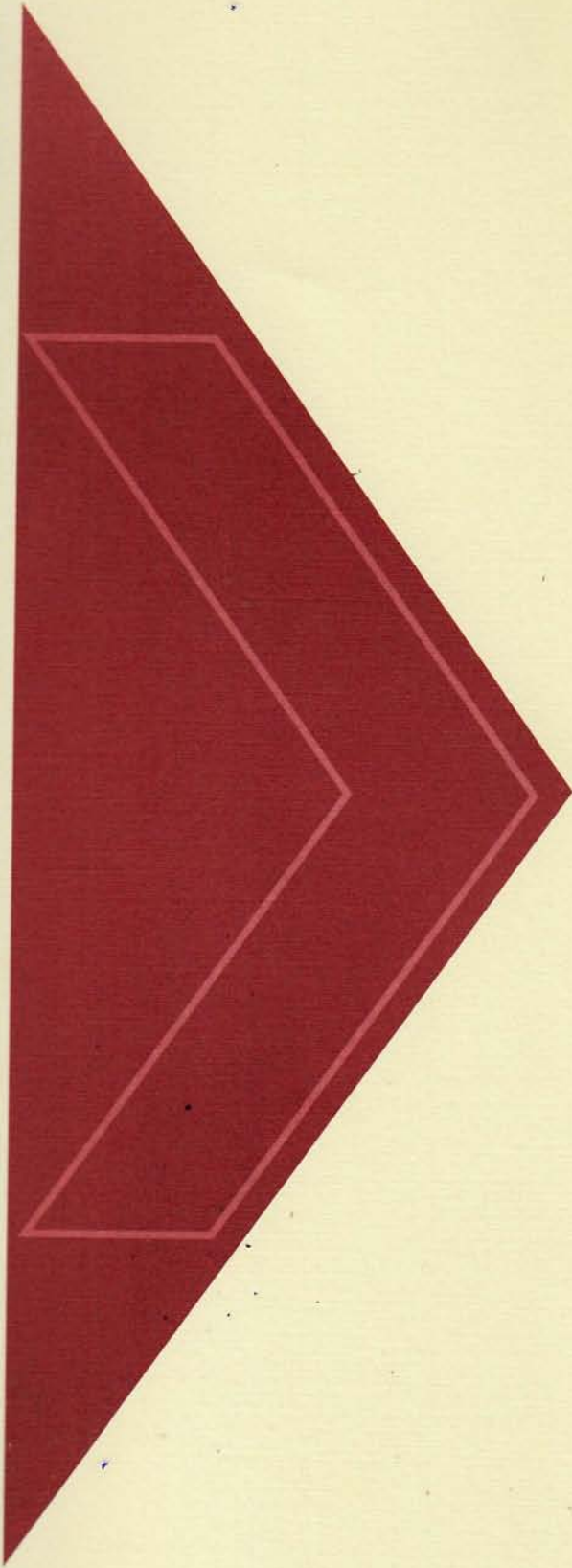




NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants



Eleven Stars Securities (Pvt) Limited
Financial Statements
For the year ended June 30, 2023



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, 2023.

Performance Overview

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

	Rupees
Operating revenue	(45,837,813)
Operating expenses	(14,568,891)
Operating loss	(60,401,705)
Other charges	-
Other income	4,145,888
Loss before taxation	(56,255,817)
Taxation	22,686,710
Loss after taxation	(33,569,107)

Capital Market Review & Outlook

Pakistan's equities market performance remained extremely volatile during the year under review influenced by various domestic and exogenous factors which badly effected the profitability of the company and eventually PSX Index closed at 41,437 as at June 30, 2023. Moreover, higher inflation and interest rates are likely to keep the equities market under pressure during next year.

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:

16 SEP 2023

Director



Chief Executive



ELEVEN STARS SECURITIES (PRIVATE) LIMITED

TREC HOLDER : PAKISTAN STOCK EXCHANGE LTD.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

An effective board established comprising of 4 directors, responsible for ensuring long-term success and for monitoring and evaluating the management's performance. The composition of board is as follows:

Mr. Abdul Latif	Chief Executive Officer/Director
Mr. Sarfaraz	Director

BOARD RESPONSIBILITIES, POWERS AND FUNCTION

Each member of the Board is fully aware of the responsibilities as an individual member as well as the responsibilities of all members together as a board. The Board actively participates in all major decisions of the Company including but not limited to approval of capital expenditure budgets, investments, related party transactions and appointment of key personnel. The Board also monitors the Company's operations by approval of financial statements, review of internal and external audit observations, if any and recommendation of dividend. The Board has devised formal policies for conducting business and ensures their monitoring through an independent outsourced Internal Auditors which continuously monitors adherence to Company Policies.

The following policies has approved by the board.

- Internal Code of Conduct
- Whistleblower Policy
- Customer Complaint, Grievances & Conflict Resolution Policy
- Risk and Compliance Policy
- Segregation of Customer Assets from Securities Broker Assets.

BOARD MEETINGS

The meeting of the directors were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the



ELEVEN STARS SECURITIES (PRIVATE) LIMITED

TREC HOLDER : PAKISTAN STOCK EXCHANGE LTD.

requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of board.

COMMITTEES OF BOARD

The board has formed following committees and their Term of References.

- Audit Committee

RELATED PARTY TRANSACTION

The Company has provided detailed information on related party transactions in its financial statements annexed to this Annual Report. This disclosure complies with the requirements of Companies Act, 2017 and the relevant International Financial Reporting Standards.

AUDITORS

The company is registered as Trading and Self Clearing category of Securities broker under Securities Brokers (Licensing and Operations) Regulations 2016 and appointed Nasir Javaid Maqsood Imran, Chartered Accountants as their external auditor which are enlisted within "B" category of Panel of Auditors issued by State Bank of Pakistan.

COMPLIANCE STATEMENT

To the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of any securities market laws.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We confirm that the company is in compliance with the Code of Corporate Governance required under Securities Broker Licensing and Operations 2016.

Dated: **16 SEP 2023**
Karachi

Mr. Abdul Latif
Chief Executive Officer



Mr. Sarfaraz
Company Secretary



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, 2023** and the statement of profit or loss, the statement of 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 the statement of 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, 2023** and of the loss, the total comprehensive 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.

Offices also at:

LAHORE Address: 3RD FLOOR, PACE TOWER, PLOT No. 27, BLOCK-H, GULBERG 2, LAHORE.
Telephone: +92(0)42-35754821-22 E-mail: nasirgulzar@njmi.net

ISLAMABAD Address: OFFICE # 17, 2ND FLOOR, HILL VIEW PLAZA, ABOVE FRESCO SWEETS,
BLUE AREA JINNAH AVENUE, ISLAMABAD.
Telephone: + 92 (51) 2228138 Fax: + 92 (51) 2228139 E-mail: islamabadoffice@njmi.net

A member of the

mgi association

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, the statement of 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.
- e) the Company was in compliance with the requirement of section 78 of the Securities Act, 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared.

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



Dated: 16 SEP 2023
Karachi

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

UDIN : AR202310270AQCRzVTPD

ELEVEN STARS SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	Rupees 2023	Rupees 2022
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	21,937	27,478
Intangible assets	5	2,500,000	2,500,000
Deferred tax asset	6	23,807,157	-
Long term deposits	7	1,500,000	1,500,000
		27,829,093	4,027,478
CURRENT ASSETS			
Short term investment	8	162,006,108	315,188,411
Advances, deposits, pre-payments & other receivables	9	1,564,330	125,748,049
Cash & bank balances	10	118,272,422	1,354,403
		281,842,860	442,290,864
TOTAL ASSETS		<u>309,671,953</u>	<u>446,318,341</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
30,000,000 (2022: 20,000,000) ordinary shares of Rs. 10/- each		<u>300,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up capital	11	300,000,000	200,000,000
Reserves		9,571,780	246,200,665
		309,571,780	446,200,665
LIABILITIES			
CURRENT LIABILITIES			
Accrued expenses & other liabilities	12	100,173	117,676
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		<u>309,671,953</u>	<u>446,318,341</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.


Chief Executive


Director

ELEVEN STARS SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	Rupees 2023	Rupees 2022
REVENUE			
Operating revenue	14	7,128,500	16,648,806
Capital loss on sale of securities		(71,532,073)	(24,006,799)
Unrealised gain / (loss) on remeasurement of investment at fair value - through profit or loss		18,565,760	(133,714,199)
		<u>(45,837,813)</u>	<u>(141,072,191)</u>
Administrative expenses	15	(14,563,891)	(13,840,976)
Operating loss		<u>(60,401,705)</u>	<u>(154,913,168)</u>
Other income	16	4,145,888	335,968
Loss before taxation		<u>(56,255,817)</u>	<u>(154,577,200)</u>
Taxation	17	22,686,710	(2,310,566)
Loss after taxation		<u>(33,569,107)</u>	<u>(156,887,766)</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

Alatis

Chief Executive

S. Srinivasan

Director