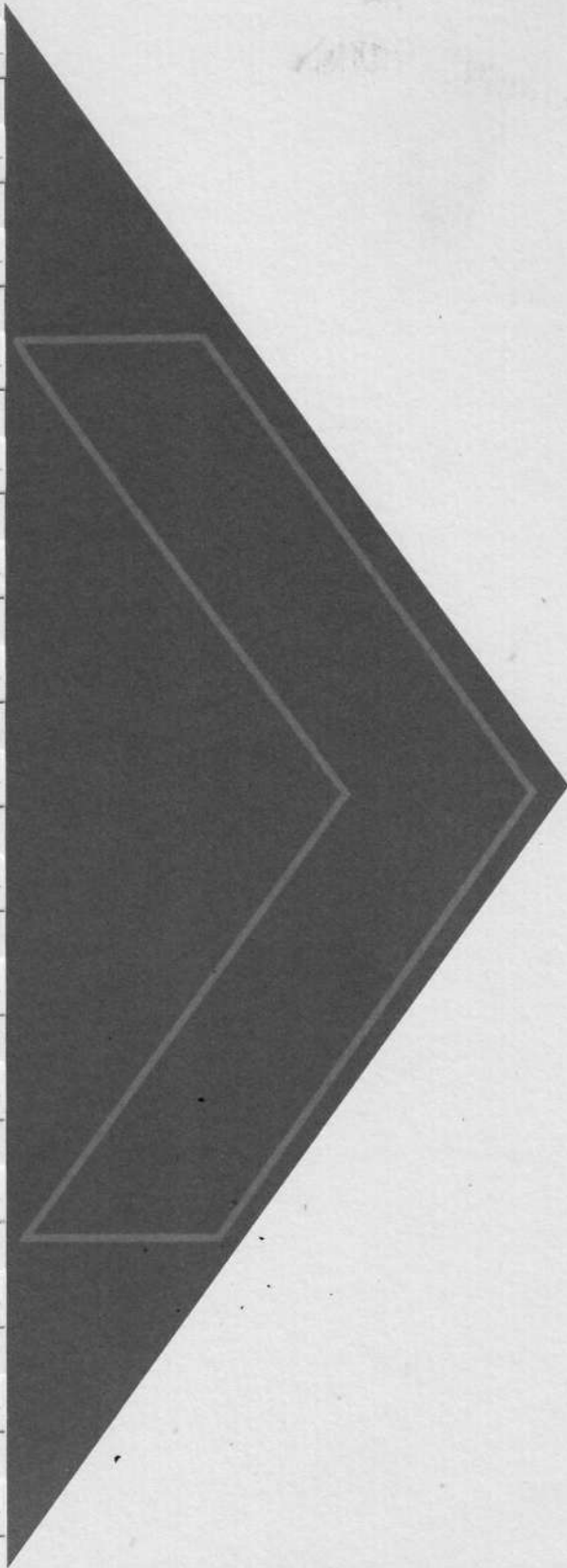




NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants



Eleven Stars Securities (Pvt) Limited
Financial Statements
For the year ended June 30, 2024

A member of the

mgi association 

The logo for MGI Association features the text 'mgi association' in a lowercase, sans-serif font. To the right of the text is a graphic consisting of three curved lines that sweep upwards and to the right, ending in small black dots.



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, 2024.

Performance Overview

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

	Rupees
Operating revenue	93,255,441
Operating expenses	(6,058,762)
Operating profit	87,196,679
Other income	1,700,615
Profit/ (loss) before taxation	88,897,295
Taxation	(1,026,167)
Profit/ (loss) after taxation	87,871,127

Capital Market Review & Outlook

In Financial Year 2024, the Pakistan Equity Market performed exceptionally well, experiencing improvement in both trading value and volume compared to FY23. Despite anticipated economic difficulties and political instability, the market's performance exceeded expectations. This positive momentum, reflected in the KSE-100 Index trading at a reasonable Price to Earnings ratio, gradually drew investors back into the market. Those who had previously exited found renewed confidence in the market's performance, leading to a partial resurgence in trading activity. 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: 12 SEP 2024



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 2 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

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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: -
Karachi

Mr. Abdul Latif
Chief Executive Officer

Mr. Sarfaraz
Company Secretary



ELEVEN STARS SECURITIES (PRIVATE) LIMITED

TREC HOLDER : PAKISTAN STOCK EXCHANGE LTD.

Compliance of Corporate Governance Code for Securities and Futures Broker

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.

Karachi:

Mr. Abdul Latif
Chief Executive Officer



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, 2024, 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 material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes 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, 2024 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.

Other offices at:

Lahore: Address: 3rd Floor, Pace Tower, Plot No. 27, Block-H, Gulberg-2, Lahore.
Tel: +92 42-35754821-22 Email: nasirgulzar@njmi.net

Islamabad Address: Office No. 17, 2nd Floor, Hill View Plaza, Above Fresco Sweets,
Blue Area, Jinnah Avenue, Islamabad.
Tel: +92 51-2228138-39 Email: islamabadoffice@njmi.net

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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 misstatement, 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 the 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 control 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 account 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;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980;
- e) The Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and/or Section 62 of the Futures Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations Regulations), 2016 as at the date on which the statement of financial position was prepared.

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




Nasir Javaid Maqsood Imran
Chartered Accountants

Place: Karachi

Date: 12 SEP 2024

UDIN: AR202410270Hn4sJv6wa

ELEVEN STARS SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	Rupees 2024	Rupees 2023
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	17,652	21,936
Intangible assets	5	2,500,000	2,500,000
Deferred tax asset	6	24,773,802	23,807,157
Long term deposits	7	1,500,000	1,500,000
		28,791,454	27,829,092
CURRENT ASSETS			
Short term investment	8	251,864,258	162,006,108
Advances, deposits, pre-payments & other receivables	9	4,566,175	1,564,330
Cash & bank balances	10	119,685,087	118,272,422
		376,115,520	281,842,860
TOTAL ASSETS		<u>404,906,974</u>	<u>309,671,952</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
35,000,000 (2023: 35,000,000) ordinary shares of Rs. 10/- each		<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid-up capital	11	300,000,000	300,000,000
Reserves		103,292,166	9,571,779
		403,292,166	309,571,779
LIABILITIES			
CURRENT LIABILITIES			
Accrued expenses & other liabilities	12	1,614,808	100,173
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		<u>404,906,974</u>	<u>309,671,952</u>

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

Alates

Chief Executive

S. S. Srinivasan

Director

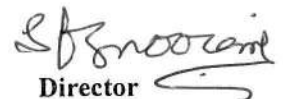
ELEVEN STARS SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

		(Restated)	
	Note	Rupees 2024	Rupees 2023
REVENUE			
Operating revenue	14	15,283,200	7,128,500
Capital gain / (loss) on sale of securities		23,437,476	(71,532,073)
Unrealised gain on remeasurement of investment at fair value - through profit or loss		54,534,765	18,565,760
		<u>93,255,441</u>	<u>(45,837,813)</u>
Administrative expenses	15	(6,058,762)	(14,563,891)
Profit / (loss) from operations		<u>87,196,679</u>	<u>(60,401,705)</u>
Other income	16	1,700,615	4,145,888
Profit / (loss) before levies and income tax		<u>88,897,295</u>	<u>(56,255,817)</u>
Levies	17	(2,082,419)	(1,120,446)
Profit / (loss) before income tax		<u>86,814,875</u>	<u>(57,376,263)</u>
Income Tax	18	1,056,252	23,807,156
Profit / (loss) after income tax		<u>87,871,127</u>	<u>(33,569,107)</u>

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



Chief Executive



Director