



**Independent Auditor's Report to the Board of Directors of Eleven Star Securities  
(Private) Limited on the Statement of Net Capital Balance as at June 30, 2017**

We have audited the accompanying Statement of Net Capital Balance of **Eleven Star Securities (Private) Limited**, as at **June 30, 2017** 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 our audit.

**Management's Responsibility for the Statement**

Management is responsible for the preparation of the statement in accordance with the requirements as contained in the Schedule II of the Securities Brokers (Licensing and Operations) Regulations, 2016 and the guidebook issued by Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 08, 2016 (hereinafter, collectively referred to as 'the Requirements'), and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error, in making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4

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## Opinion

In our opinion, the financial information provided in the Statement of Net Capital Balance of **Eleven Star Securities (Private) Limited** as at **June 30, 2017** is prepared, in all material respects, in accordance with the Requirements.

## Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the statement, which describes the statement of compliance. The statement is prepared to assist the Company to meet the Requirements; as a result, the statement may not be suitable for another purpose. Our report is intended solely for the Company, Pakistan Stock Exchange Limited, National Clearing Company of Pakistan Limited and the Securities and Exchange and Commission of Pakistan, and should not be distributed to other parties.

Thursday, August 17, 2017  
Karachi



**Nasir Javaid Maqsood Imran**  
Chartered Accountants

**Eleven Star Securities (Private) Limited**


**Statement of Net Capital Balance**

**As at June 30, 2017**

Eleven Star Securities (Private) Limited  
Statement of Net Capital Balance  
As at June 30, 2017

DESCRIPTION	VALUATION BASIS	Note	Sub Total (Rupees)	Total
<b>Current Assets</b>				
Bank balances and cash deposit	As per book value	2		31,464,979
Trade Receivables	Book Value	3	-	
	Less: Overdue for more than fourteen days		-	
	From: Clearing house		628,620	628,620
Investments in listed securities in the name of broker	Securities on the exposure list marked to market less 15% discount	4	501,056,000 75,158,400	425,897,600
Securities purchased for clients	Securities purchased for the client and held by the broker where the payment has not been received within fourteen days	5		-
Listed TFCs / Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan.	Marked to Market less 10% discount			-
FIBs	Marked to Market less 5% discount			-
Treasury Bill	At market value			-
Any other current asset specified by the Commission	As per the valuation basis determined by the Commission			-
<b>TOTAL ASSETS</b>				<b>457,991,199</b>
<b>Current Liabilities</b>				
Trade payables	Book Value		-	
	Less: Overdue for more than 30 days	6	-	
Other liabilities	As classified under the generally accepted accounting principles	7		7,896,067
				<b>7,896,067</b>
<b>NET CAPITAL BALANCE</b>				<b>450,095,132</b>

The annexed notes 1 to 7 form an integral part of the statement.

  
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Chief Executive Officer / Director



**Eleven Star Securities (Private) Limited**  
**Notes to the Statement of Net Capital Balance**

**1 STATEMENT OF COMPLIANCE**

The statement of net capital balance of the Company ("the Statement") has been prepared in accordance with the requirements as contained in the Schedule II of the Securities Brokers (Licensing and Operations) Regulations, 2016 and the guidebook issued by Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 08, 2016.

The statement is prepared specifically to meet the above mentioned requirements and for submission to the Pakistan Stock Exchange, National Clearing Company of Pakistan Limited and the Securities and Exchange Commission of Pakistan. As a result, the statement may not be suitable for another purpose.

**2 BANK BALANCES AND CASH DEPOSITS**

(Rupees)

These are stated at book value.

**Cash in hand** **102,000**

**Bank balance pertaining to:**

*Brokerage house*

Summit Bank Limited 24,361,979

*Clients*

Summit Bank Limited 1,000

**Deposits against exposure**

Ready market 7,000,000

Future market -

MTS exposure margin -

**7,000,000**

**Total Cash and Bank Balances**

**31,464,979**

**3 TRADE RECEIVABLES**

These are stated at book value and classified as balance generated within 14 days and outstanding for more than 14 days

**4 INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER**

These includes tradeable listed securities at market value less discount at 15%

  
 Chief Executive Officer / Director



Eleven Star Securities (Private) Limited  
Notes to the Statement of Net Capital Balance

5 SECURITIES PURCHASED FOR CLIENTS

These amount represents to the lower of value of securities appearing in the clients respective sub account to the extent of overdue balance for more than 14 days or value of investments.

6 TRADE PAYABLES

These represents balance payable against trading of shares less trade payable balances overdue for more than 30 days which has been included in other liabilities.

7 OTHER LIABILITIES

These represents current liabilities, other than trade payable which are due within 30 days. Other liabilities are stated at book value.

*The break up as per trial balance is as follows:*

CVT net payable	5,430
Accrued expenses	21,906
Other payables	171,678
Provision for taxation	7,289,027
Capital gain tax payable	406,979
Withholding tax	1,047
	<u>7,896,067</u>



Chief Executive Officer / Director

