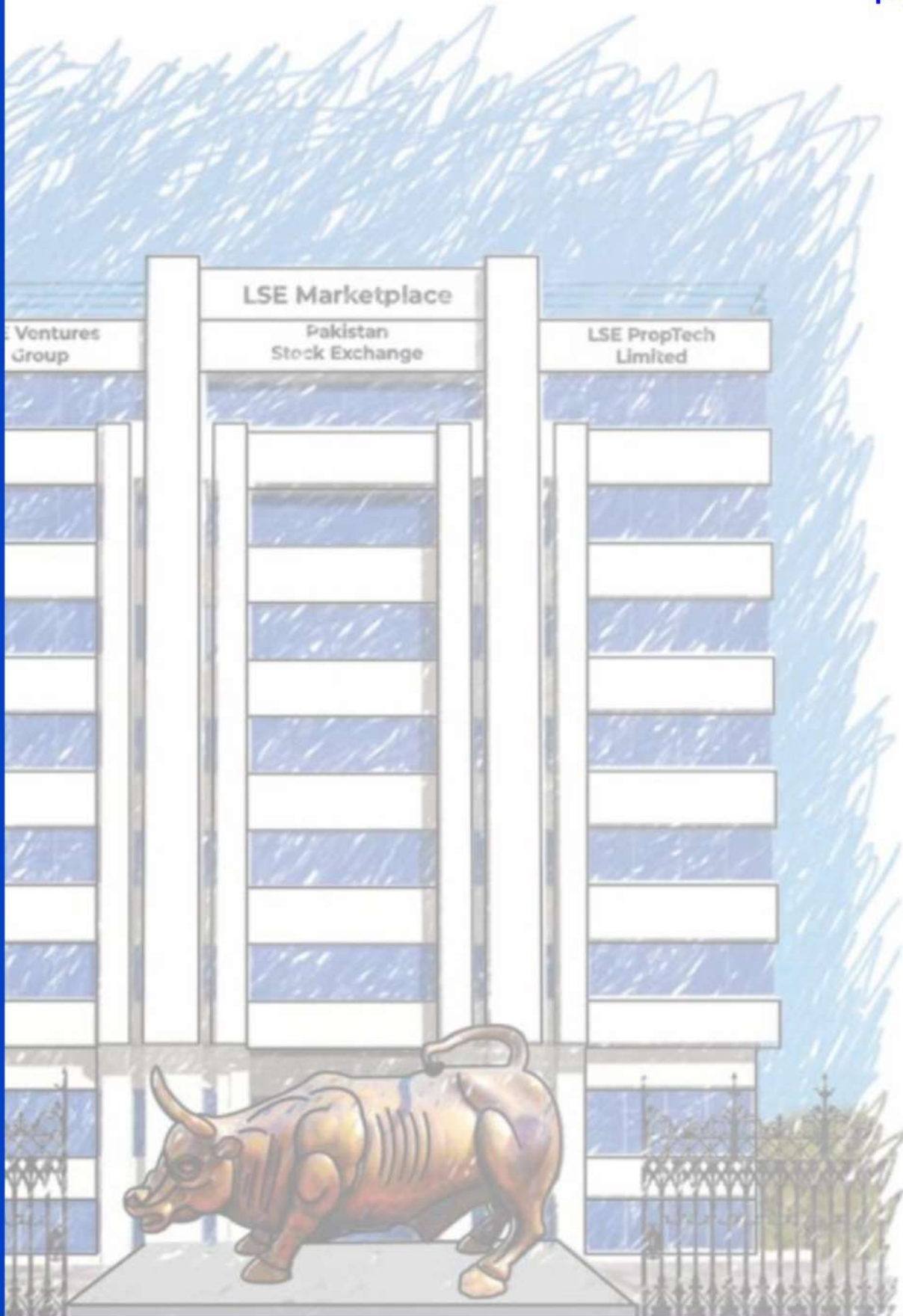


# Annual Report



PROPTech



2023

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## Vision Statement

To launch a 'Real-Estate Trading Platform' under the brand name of "landprise.com" to enable potential buyers to view the listing of the real-estate and place their bids with the assurance of the completion/honoring of the executed trades with the backing of DCCL.

## Mission Statement

To develop and operate Pakistan's first digital repository of land ownership titles.

## Company Information

### Board of Directors

1. Mr. Habib Ur Rehman Gilani	Chairman
2. Mr. Aftab Ahmad Ch.	Chief Executive Officer
3. Mr. Ghulam Mustafa	Non-Executive Director
4. Mr. Rizwan Ejaz	Non-Executive Director
5. Mr. Kashif Shabbir	Independent Director
6. Mr. Khalid Waheed	Non-Executive Director
7. Ms. Maleeha Humayun Bangash	Independent Director

### Audit Committee

1. Mr. Kashif Shabbir	Chairman
2. Mr. Ghulam Mustafa	Member
3. Ms. Maleeha Humayun Bangash	Member
4. Mr. Muhammad Usman	Secretary

### Human Resource and Remuneration Committee

1. Mr. Rizwan Ejaz	Chairman
2. Mr. Khalid Waheed	Member
3. Ms. Maleeha Humayun Bangash	Member
4. Mr. Muhammad Usman	Secretary

### Company Secretary

Mr. Muhammad Usman

### Chief Financial Officer

Mr. Rashid Matin Khan

### Auditors

Crowe Hussain Chaudhry & Co. Chartered Accountant

### Legal Advisor

Mr. Zafar Parvaiz, Advocate High Court

### Share Registrar

CDC Share Registrar Services Limited  
CDC House, 99-B, Block B, S.M.C.H.S., Main  
Shahrah-e-Faisal, Karachi

### Registered Office

LSE Plaza, 19 – Khayaban-e-Aiwan-e-Iqbal,  
Lahore

## Chairman's Review

**Dear Shareholders,**

As we closed the financial year, it is my immense pleasure to present the review report under the requirement of section 192 of the Companies Act, 2017, for the year ended June 30, 2023; highlighting the overall performance of the Board and its role in guiding the Management of the Company to carry out its responsibility in achieving the Company's objectives for the benefit of its stakeholders.

The Company has the vision to transform the real estate sector of Pakistan from its existing traditional business model. LSEPL shall elevate the real estate sector of Pakistan and shall bring it in line with the best international practices. The recent innovation in the PropTech market, corporate real estate management and digitalization trends shall be adopted. LSEPL shall be offering real estate management software solutions. The Company shall organize and manage the administration of the clients' commercial real estate. Digitalization of real estate records shall provide convenience in accessibility, cost efficiency, security, aid in administration and increase investment opportunities.

The Company plans to launch an internet platform, as the real estate marketplace online, which will serve as a conduit between customers and real estate agents, brokers, and property managers. The main function of a marketplace, which belongs to the multi-channel e-commerce category, is to facilitate easy service exchange and seamless transactions.

The Company shall also be pursuing a business model regarding fractionalization of real assets, which is a process through which an asset is fractionalized into smaller denominations, for the purpose of creating liquidity and tradability of an otherwise less liquid asset. Bringing asset fractionalization shall also have other benefits, such as democratizing ownership of high value real assets, additional investment avenues for investors, channelizing savings into the economy, bringing investments in real estate, eliminating fraudulent operations, enhanced security, visibility and transparency in real estate business. Presently, SECP is also contemplating of bringing assets fractionalization into its regulatory domain.

During the year, the Company acquired the listing status at Pakistan Stock Exchange Limited. The Company remained committed to implement its business strategy and is focusing to establish new avenues of revenue for its shareholders. The focus of the Company's Management is transform the Company as "digital disruptor" and become a digital supporting pillar for the economy. I am confident that the Company will be successful in meeting the future challenges and targets.

Overall performance of the Board remained in accordance with the requirements of the Companies Act and Code of Corporate Governance Regulations. The Directors have performed their duties diligently and effectively in the best interest of the Company.

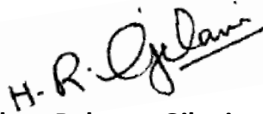
The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as laid down in the Code and has ensure to implement the requirements of the Code in its true letter and spirit. The Board performed their duties and reviewed, discussed and approved business strategies, corporate objectives, plans, financial statements and other reports.

Members received clear and complete agendas and relevant written material in sufficient time prior to Board and Committee meetings.

The Board has ensured that members of the Board and its respective Committees possess adequate skills, experience and knowledge to manage the affairs of the Company. The Board recognizes that well defined corporate governance processes is vital in enhancing corporate accountability and is committed to ensure high standards of corporate governance to preserve and maintain stakeholder value;

During the year, all the significant issues were presented before the Board or its committees to strengthen and formalize the corporate decision-making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendations of the Audit Committee. The Board has ensured that sound system of internal controls is in place.

On behalf of the Board, I wish to acknowledge all our employee's contributions to the Company's success. I also wish to thank our outgoing directors who part of the Board before listing, shareholders, business partners, and other stakeholders for their confidence and support.



**Habib ur Rehman Gilani**  
Chairman

## Directors' Report

### Dear Shareholders,

The Board of Directors of LSE PropTech Limited is pleased to present its report, together with the audited financial statements and Auditors' report thereon, for the year ended June 30<sup>th</sup>, 2023.

### Economic Review

During the fiscal year 2022-23, Pakistan's economy confronted various challenges, including huge trade deficit, high inflation, exorbitant discount rate, steep devaluation of Pakistani Rupee, exponential rise in public & foreign debt, depleting foreign reserves, devastating floods in various parts of the country and political uncertainty. The Government was able to get support from IMF and friendly countries, which has sustained macro-economic stability to some extent.

Rising cost of production, high power and fuel prices, rising financial cost, shortage of raw material due to strict restrictions on imports, increase in various taxes and duties have restricted the business activities and growth in all the sectors of the economy.

The KSE-100 index of Pakistan Stock Exchange (PSX) opened at 41,540.8 points on 1<sup>st</sup> July 2022 and closed at 41,452.6 points on 27<sup>th</sup> June 2023, declined by 0.21%. Market capitalization of the companies listed at PSX recorded at Rs. 6,956 billion on 30<sup>th</sup> June 2022 and closed at Rs 6,369 billion on 27<sup>th</sup> June 2023, reflecting a decline of 8.43%. The current situation calls for some drastic actions and measures from the Government to restore the confidence of the investors.

### Listing at PSX

During the year under review, LSE Financial Services Limited (LSEFSL) was revitalized by virtue of the scheme of compromises, arrangement and reconstruction for demerger/split of LSEFSL (the "scheme"), with the approval of the Lahore High Court, Lahore, vide Order dated April 26<sup>th</sup>, 2023. Under the scheme, the non-NBFC business and strategic investments/assets of the former entity have been transferred to two newly incorporated subsidiary companies, i.e., LSE Ventures Limited (LSEVL) and LSE PropTech Limited (LSEPL), both of which subsequently attained the listing status by virtue of reverse merger/amalgamation with Data Textile Mills Limited (DATM), under the scheme. DATM has been dissolved by the Order of the Court, without winding up.

As per scheme, the shares already issued to members of LSEFSL have been cancelled and in return, each shareholder of LSEFSL has been given shares of LSEVL as per swap ratio of 99.862:100 and shares of LSEPL as per swap ratio of 501.62:1000. The shareholders of DATM have been allotted 25 shares of LSEVL and LSEPL against every 1,000 shares of DATM.

As per the scheme, all the strategic, long-term and short-term investments held by LSEFSL before demerger/splitting have been transferred to LSEVL. Likewise, the Land & Building, Property, Plant & Equipment (including investment properties) have been transferred to LSEPL.

LSEPL was listed on Pakistan Stock Exchange Limited (PSX) on June 12<sup>th</sup>, 2023, where its Company Code/Security Symbol is "LSEPL". It is quoted in the "Technology & Communication" Sector in the Daily Quotation of PSX. The present paid up capital of LSEPL is Rs. 900.907 million, with a free float of 55%.

### The Environment & Business Opportunities

Currently Pakistan ranks as 5<sup>th</sup> most populous country in the world, with the bulk of its population under the age of 24 (a segment that will aim to become homeowners in the next decade), explosive urbanization and the increasing trend towards nuclear families, therefore the demand for housing is increasing faster than the supply. However, the dilemma lies in access. Despite a burgeoning demand, real estate remains a far-off dream for the many, due to low saving hardly enough to contribute towards a real estate capital gains investment.

In a nutshell, there are inherent pain points in real estate in Pakistan, which include: -

- A lack of access: Real estate is a big-ticket item, with property appreciation far exceeding GDP growth and inflation combined, posing a high barrier to entry.
- Information Asymmetry: Ascertaining project cost and determining whether a project has obtained the requisite planning approvals remains elusive. This in turn gives birth to intense speculation and eventual overselling.
- Layer upon layer of intermediaries: The whole ecosystem is rife with middlemen from agents to lawyers to financial institutes to patwar khanas, all driving up the price tag.

### Proptech Democratizing Real Estate

With features like asset fractionalization, digital marketplaces and blockchain based ledgers, the proptech revolution can, eliminate inefficiencies, empower access and foster financial freedom for investors in Pakistan. Proptech has the potential to not only digitize but democratize real estate, expanding the privilege of home ownership and capital gains from the select few to the middle class.

The world over, the human experience is monetized and credit worthiness is established based on assets, income and high-ticket possessions. This credit worthiness is the currency that unlocks purchase and/ or development of real estate. With the increasing penetration of technology in our everyday life and the ubiquity of smartphones in Pakistan, the stage is all set for Proptech to solve the housing deficiency and usher in a new breed of property developers.

### Financial Performance

Financial Highlights	2023	2022
	Rs. in '000	Rs. in '000
Revenue	95,731	-
Operating expenditures	(79,059)	(25)
Depreciation	(26,445)	-
<b>Profit/ (Loss) before Taxation</b>	<b>(9,772)</b>	-25
Taxation	861	-
<b>Net Loss for the period</b>	<b>(8,911)</b>	-25
<b>Loss Per Share (EPS)</b>	<b>Rs. (0.11)</b>	Rs. NIL



As per the scheme, the Land & Building, Property, Plant & Equipment (including investment properties) of LSEFSL have been transferred to LSEPL from effective date i.e., 31<sup>st</sup> July 2022.

At the initial stage of establishment, the company has to face some teething problems and has to incur inevitable expenses and incorporate adjustments. As per the scheme and section 97(a) of ITO 2001 that the disposal of asset under a scheme of arrangement and reconstruction under Companies Act 2017 section 282L and 284 to 287 are tax neutral therefore, the tax deducted and deposited on the name of LSEFSL till sanctioned date i.e., 26<sup>th</sup> April 2023 have not been accounted for in LSEPL.

The Company has gathered a team of IT developers for the establishment of a digital platform, furthermore, the exiting back-office system already provided to TREC holders has been under upgradation as per latest technology. This will enable our system more market competitive and shall enhance the number of users. We are hopeful that the Company shall perform well and generate good results in the coming years, when its business plans are fully implemented.

### **External Auditors**

The present auditors, M/s. Crowe Hussain Chaudhury & Co., Chartered Accountants due to retire and being eligible, are offering themselves for reappointment, may be appointed as Auditors of your Company for another term at mutually agreed remuneration.

### **Internal Financial Control**

The Company has completely outsourced its Internal Audit function to M/s. Kreston Hyder Bhimji & Co, Chartered Accountants. The Board has adequately ensured that the system of internal financial controls is sound in design and has been effectively implemented and monitored through outsourced Internal Auditors.

The financial statements, prepared by the management of your company, fairly present its state of affairs, the result of its operations, cash flows and changes in equity. Proper books of account have been maintained by your company. Appropriate accounting policies are consistently applied by your Company in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment. International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of these financial statements and any departure there from, if any, has been adequately disclosed. The system of Internal Control, being implemented in your Company is sound and has been effectively persisted throughout the year.

### **Corporate Social Responsibility & Environmental Management**

The Company remained committed and engaged to undertake CSR and Environmental Management programs during the year. LSEPL focused its activities on education, health care and protection of environment programs. LSEPL endeavors to ensure that it qualifies as a responsible corporate citizen.

**In compliance with section 227 of the Companies Act, 2017, the followings are hereby specifically disclosed:**

- a. The names of the persons who, at any time during the financial year, were directors of the Company:

Sr. No.	Name of Director	Category
1	Mr. Habib ur Rehman Gilani	Chairman/Independent Director
2	Mr. Imran Amjad Khan*	Chief Executive Officer
3	Mr. Ghulam Mustafa**	Chief Executive Officer/Non-Executive Director
4	Mr. Aftab Ahmad Ch. ***	Chief Executive Officer/Non-Executive Director
5	Mr. Asif Baig Mirza****	Non-Executive Director
6	Mr. Khalid Waheed	Non-Executive Director
7	Ms. Maleeha Humayun Bangash	Non-Executive Director
8	Mr. Rizwan Ejaz*****	Independent Director
9	Mr. Kashif Shabbir	Independent Director

\* Mr. Imran Amjad Khan resigned on 12-12-2022

\*\* Mr. Ghulam Mustafa was appointed as CEO on 13-12-2022 and afterwards become a non-Executive Director on 02-05-2023

\*\*\* Mr. Aftab Ahmad Ch. was appointed as Non-Executive Director on 18-08-2022. Then he was appointed as CEO on 02-05-2023

\*\*\*\* Mr. Asif Baig Mirza resigned on 02-05-2023

\*\*\*\*\* Mr. Rizwan Ejaz was appointed on 02-05-2023

- b. The information about the pattern of holding of the shares of the Company is provided at the end of this report.
- c. The principal line of business of the Company is to develop, import, market, construct and maintain software for efficient real estate management and to provide online/ecommerce marketplaces/networked warehouses and smart architectural, maintenance, safety, security and assurance solutions & eco-systems for the Internet of Things (IoT) for buildings, shared grids & data centers, and insulated construction methodologies, and to provide digital platform for information, analytics, data for real estate management and to buy, sell, export, import of software, hardware and establishment of incidental infrastructural facilities, subject to permission of relevant authorities.

This business is exposed to several threats such as credit risk, liquidity risk, operational risk, market risk and regulatory risk, etc. Further, as with other types of investments, development real estate investing can be risky, and the property owners may lose their hard-earned money or see their investments depreciate. There are risks that are inherent to the nature of the real estate or property business: the probability of loss, the probability of investors not receiving the expected rate of return and the variance or volatility in returns from expectations. Such risks are always at their highest in the early stages of procurement of land and regulatory permissions, and construction, of any scheme and decrease as it progresses to its completion. Therefore, early investors have an opportunity to reap maximum profits.

Risk Management policies and procedures adopted by the Company enable it to proactively manage uncertainty and changes in internal and external environment to limit negative impacts and capitalize on opportunities. The profitability of the Company is also influenced by the overall

economic, geo-political conditions of the country, policies of the Government and the performance of associated companies as well as the capital markets.

- d. At present the Chief Executive Officer is being paid the salary and such other benefits as approved by the Board under the Articles of Association and as per HR Manual of the Company. No other director is being paid any extra remuneration by the Company, except the meeting fee for attending the Board and Committee meetings. The relevant figures have been disclosed in the financial statements.

**In compliance with the Regulation No. 34(2) of the with Listed Companies (Code of Corporate Governance) Regulations, 2019, the following information is provided: -**

1. The total number of directors are seven (7) as per the following: -
  - a. Male: 6
  - b. Female: 1
  
2. The composition of the Board is as follows: -
  - i. Independent directors: Mr. Habib ur Rehman Gilani  
Mr. Rizwan Ejaz  
Mr. Kashif Shabbir
  
  - ii. Non-Executive directors: Mr. Ghulam Mustafa  
Mr. Khalid Waheed  
Ms. Maleeha Humayun Bangash
  
  - iii. Executive director: Mr. Aftab Ahmad Chaudhry
  
  - iv. Female director: Ms. Maleeha Humayun Bangash

### **3. Board Committees**

During the year, the Board constituted following committees to assist the Board and provide recommendations on relevant functions:

#### **Audit Committee:**

1. Mr. Kashif Shabbir: Chairman
2. Mr. Ghulam Mustafa: Member
3. Ms. Maleeha Humayun Bangash: Member

#### **Human Resource and Remuneration Committee:**

1. Mr. Rizwan Ejaz: Chairman
2. Mr. Khalid Waheed: Member
3. Ms. Maleeha Humayun Bangash: Member

With respect to the statement of compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019, attached to this report, we are to explain that since the Company was listed at Pakistan Stock Exchange Limited in the month of June 2023, therefore the applicable and relevant requirements of Regulations 3, 6, 7, 8, 32 and 36 were complied with and the compliance of Regulations 27 and 33 can be verified in the subsequent period

### **Future Outlook**

The future of PropTech business of the Company holds incredible promises:

- **AI x Real Estate:** With time the real estate industry is becoming increasingly data-driven, by capitalizing on the power of artificial intelligence, machine learning, and big data analytics. These tools can derive powerful insights to create properties customized to modern needs.
- **IoT Integration:** With the help of Internet-of-Things (IoT), futuristic properties can be controlled remotely and can acquire habits learned over time via artificial intelligence programs.
- **Digital Ecosystem:** The digitization of properties and land records allows access to a global audience. It can also enable cross-border transfer of real estate to build greater diversification, impacting global heritage and migration.
- **Virtual Tours and Fintech:** The introduction of technology also allows ideas that have never been carried out in the real estate sector before. This includes virtual tours, no need for paperwork, and raising finance through crowdfunding and fractional ownership.

The possibilities are endless, but there is still a long way to go for Pakistan to truly embrace and reap the benefits of PropTech. The upside is that most of the technologies that the system is built on have already been validated and strength-tested internationally. The need of the hour is legislation of innovative ownership options in Pakistan and the development of a conducive ecosphere to flourish and in doing so, usher in an era of financial freedom for the masses.



**Aftab Ahmad Chaudhry**  
Chief Executive Officer



**Director**

**Date: October 6, 2023**

## ڈائریکٹرز رپورٹ

### سرٹیفکٹ ہولڈرز

LSE پروپ ٹیک لیٹیڈ کے بورڈ آف ڈائریکٹرز 30 جون 2023ء کو اختتام پذیر سال کے لئے اپنی رپورٹ بعد پندرہ ماہیاتی اسٹیمکس اور آڈیٹرز رپورٹ ازراہ مسرت پیش کرتے ہیں۔

### اقتصادی جائزہ

ماہیاتی سال 2022-23ء کے دوران پاکستان کی معیشت کئی مشکلات کا شکار رہی جس میں بھاری تجارتی خسارہ، افراط زر کی بلند شرح، حد سے زیادہ ڈسکاؤنٹ ریٹ، پاکستانی روپے کی مسلسل بے قدری، بجلی و غیر ملکی قرضوں میں نمایاں اضافہ، گرتے ہوئے زر مبادلہ کے زخاؤں، ملک کے کئی حصوں میں تباہ کن سیلاب اور سیاسی افراتفری شامل ہیں۔ حکومت آئی ایم ایف اور دوست ممالک سے سپورٹ حاصل کرنے میں کامیاب رہی جس سے کچھ حد تک کئی اقتصادی استحکام میں مدد ملی۔

چینا اور ری لاکسٹ میں اضافہ تو انہی اور پھر ولیم مصنوعات کی بلند قیمتیں، قرضوں پر بڑھتی ہوئی لاکسٹ، درآمدات پر سخت پابندی کے باعث خام مال کی قلت، متعدد بینکوں اور ڈیویڈنڈوں میں اضافے نے کاروباری سرگرمیوں اور معیشت کے تمام شعبوں میں نمو کو محدود کر کے رکھ دیا۔

پاکستان اسٹاک ایکسچینج (PSX) کے KSE-100 انڈیکس کا کم جولائی 2022ء کو آغاز 41,540.8 پوائنٹس پر ہوا جو 27 جون 2023ء کو 0.21% کی ساتھ 41,452.6 پوائنٹس پر بند ہوا۔ 30 جون 2022ء کو PSX میں درج کمپنیوں کی سرمایہ کاری 6,956 ملین روپے رہی جو 27 جون 2023ء کو 8.43% کی ساتھ 6,369 ملین روپے پر بند ہوئی۔ سرمایہ داروں کے اعتماد میں بحالی کے لئے حالیہ صورتحال کے پیش نظر حکومت نے سخت ترین اقدامات کئے۔

### PSX میں اسٹاک

زر جائزہ سال کے دوران، سمجھوتے کی سکیم، LSEFSL کی علیحدگی کے لئے اختتام اور تشکیل نو ("اسکیم") کے تحت لاہور ہائی کورٹ کے حکم مورخہ 26 اپریل 2023ء کے مطابق منظوری سے LSE فائنیکل سروسز لیٹیڈ (LSEFSL) کو نئی توانی پیشی۔ اسکیم کے تحت، اساتذہ ادارے کے نان NBFC برنس اور اسٹریٹجک سرمایہ امانت جات کو دو حالیہ درج ذیلی کمپنیوں یعنی LSE ویٹرز لیٹیڈ (LSEVL) اور LSE پروپ ٹیک لیٹیڈ (LSEPL) کو منتقل کر دیا گیا جنہوں نے بعد میں اسکیم کے تحت وانا ٹیکسٹائل ملز لیٹیڈ (DATM) کے ساتھ دوبارہ انضمام کے ذریعے اسٹاک حیثیت حاصل کی۔ DATM کو اسٹاک اپ کے بغیر عدالتی حکم کے نتیجے میں منتقل کر دیا گیا۔

اسکیم کے مطابق، LSEFSL کے اراکین کو پہلے سے جاری کردہ حصص کو منسوخ کر دیا گیا اور جو اب میں LSEFSL کے ہر شیئر ہولڈر کو 100:99.862 اور 100:501.62 کے مبادلہ کے تناسب سے بالترتیب LSEVL اور LSEPL کے حصص دے دیے گئے۔ DATM کے شیئر ہولڈرز کو DATM کے ہر 1000 حصص کے مقابلے میں LSEVL اور LSEPL کے کچھ بچیس حصص الاٹ کئے گئے۔

اسکیم کے مطابق علیحدگی سے قبل تمام اسٹریٹجک، طویل وقیم مدتی سرمایہ کاری کو LSEVL کو منتقل کر دیا گیا۔ اسی طرح سے اراضی و عمارت، پلانٹ و ایکویپمنٹ (بشمول انویسٹمنٹ پراپرٹی) کو LSEPL کو منتقل کر دیا گیا۔

12 جون 2023ء کو LSEPL کا پاکستان اسٹاک ایکسچینج (PSX) میں اندراج ہوا جہاں اس کا کئی کوڈ اسکورڈی علامت "LSEPL" ہے۔ کئی کوڈ اسکورڈی علامت "LSEPL" کی پوسٹ نمبر میں "ٹیکسٹائل اور کیوٹی کیشن" کے شعبے میں رکھا گیا۔ LSEPL کا حالیہ ادا شدہ سرمایہ حصص 55% فری فلوٹ کے ساتھ 900.907 ملین روپے ہے۔

### ماحول اور کاروباری مواقع

قانونت پاکستان آبادی کے لحاظ سے دنیا کا پانچواں بڑا ملک ہے جس میں سے زیادہ تر آبادی 24 سال سے کم عمر افراد (جو اگلی دہائی میں گھر کا مالکان بننے کا مزہ رکھتے ہیں)، شدید شہر کاری اور چھوٹے خاندان کے بڑھتے ہوئے رجحان پر مشتمل ہے لہذا ہاؤسنگ کی طلب سہولتی کے مقابلے میں تیزی سے بڑھ رہی ہے۔ البتہ اس الیکٹریسیٹی کی بہتات ہے۔ باہمی ہوتی طلب کے باوجود رینٹل اسٹیٹ کئی لوگوں کے لئے ایک ڈراما ناخواب بن گیا کیونکہ کم قیمت کے باعث رینٹل اسٹیٹ کپٹل گین انویسٹمنٹ میں حصہ ڈالنے کے لئے کافی مشکل ہے۔

مختصراً، پاکستان میں رینٹل اسٹیٹ کے شعبہ میں کئی قسم موجود ہیں جس میں مندرجہ ذیل شامل ہیں:

- رسائی کا فقدان: رینٹل اسٹیٹ ایک ہیکٹ آف ٹیکس ہے پر اپنی قیمت میں اضافے کے ساتھ مکمل گھٹتی ہوئی شرح صواب اور فراہم کرنے کے باعث اس شعبے پر خطرے کے بادل منڈلا رہے ہیں۔
- معلومات میں ہم آہنگی کا فقدان: پروپیٹی کی لاگت اور ضروری منصوبہ بندی کی منظوری یا اسٹراڈا کا تقنینی بہم رہا ہے۔ اس کے نتیجے میں قیاس آرائیوں میں اضافہ ہوا اور فروخت کا حجم بڑھ گیا۔
- فریق دولت کی بہتات: عمل ایکو سٹیم ایجنٹ سے وکیل تک وکیل سے مالیاتی اداروں تک اور مالیاتی اداروں سے پٹارخانہ تک پھیلا ہوا ہے جس سے قیمتوں میں اضافہ ہوتا ہے۔

### پروپ ٹیکس رینٹل اسٹیٹ کی ڈیکورہائزیشن

انڈیا جات کی تقسیم، ڈیجیٹل مارکیٹ پلیس اور بلاک چین پر مبنی لبرز جیسی خصوصیات کے ساتھ پروپ ٹیک انقلاب پاکستان میں سرمایہ داروں کی ناقص کارکردگی کو ختم، رسائی میں اضافہ اور مالیاتی آزادی کو مضبوط کر سکتا ہے۔ پروپ ٹیک نہ صرف ڈیجیٹائز کرنے بلکہ رینٹل اسٹیٹ کو ڈیکورہائز کرنے کی استعداد رکھتا ہے۔ جس سے متوسط طبقے کو گھروں کی ملکیت اور سرمایہ داری آمدنی حاصل ہو سکتی ہے۔

دنیا بھر میں، انڈیا جات، آمدنی اور جیسی اراضی کی بنیاد انسانی تجربہ کا تقنین ہوتا ہے۔ یہ موافق چیز کرنسی ہے جو خریداری کے دروازے کھولتی ہے اور رینٹل اسٹیٹ میں ترقی کی راہیں ہموار کرتی ہے۔ ہماری روزمرہ کی زندگی میں جیکنا لوجی کے داخل ہونے اور پاکستان میں سمارٹ فون کے وافر استعمال سے ہاؤسنگ کارکردگی کو بڑھانے اور پر اپنی ڈیولپمنٹ کی نئی قسم پیدا کرنے کے لئے پروپ ٹیک تیار ہے۔

### مالیاتی خلاصہ

مالیاتی تصیلات	2023ء '000 روپے میں	2022ء '000 روپے میں
آمدنی	95,731	
آپریٹنگ اخراجات	(79,059)	(25)
فروڈگی	(26,445)	-
فینسنگ/تھن (تھن) ہیرڈیکسٹیشن	(9,772)	-25
ٹیکسٹیشن	861	-
فائدہ دہت کے لئے خالص ماہانہ	(8,911)	-25
قسطی خسارہ (EPS)	0.11 روپے	صفر روپے

انکم کے تحت LSEFSL کی لینڈ اینڈ بلڈنگ، پراپرٹی، پلانٹ اینڈ ایکویپمنٹ (بشمول انویسٹمنٹ پراپرٹی) کو مندرجہ 31 جولائی 2022ء کو LSEPL کو منتقل کر دی گئی ہے۔

قیام کے ابتدائی مرحلے پر کئی کام شروع کرنے میں مشکلات کا شکار رہی اور اسے ناکزیر اخراجات اور کاروباری رد بدل کو برداشت کرنا پڑا۔ انکم اور ITO 2001 کے سیکشن (a) 97 کے تحت کھیرا بکٹ 2017 کے سیکشن 282L اور 284 ہاؤسنگ کے مطابق انکم کو مد نظر رکھتے ہوئے انڈیا جات کی فروخت ٹیکس سے پاک ہے لہذا تاریخ منظوری یعنی 26 اپریل 2023ء سے LSEFSL کے نام پر ٹیکس کی کوئی وڈی پلانٹ ہوا جسے LSEVL کے کھاتے میں نہیں ڈالا گیا۔

کئپٹی نے ڈیجیٹل پلٹ فارم کے قیام کے لئے IT ڈیولپمنٹ کی ٹیم تشکیل دی ہے۔ مزید برآں، TREC ہولڈرز کو فراہم کیا گیا ہے جو موجودہ ایک آفس سسٹم حالیہ ٹیکنالوجی کے مطابق تھریڈ کے مراحل میں ہے۔ اس طرح ہمارا سسٹم منڈی میں مقابلہ کرنے کے لئے مزید مضبوط ہو جائے گا اور اس طرح صارفین کی تعداد میں اضافہ ہوگا۔

### بیرونی آڈیٹرز

حالیہ آڈیٹرز میسرز کروستین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہونے والے ہیں اور اہلیت کی بنا پر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ انہیں باہمی طے شدہ معاوضے پر اگلی مدت کے لئے آپ کی کئپٹی کا آڈیٹر تعینات کیا جاسکتا ہے۔

### داخلی مالیاتی کنٹرول

کئپٹی نے اپنا داخلی آڈٹ فنکشن عمل طور پر کریمین حیدر بھیم جی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کو سونپ دیا ہے۔ بیرونی تعیناتی بنایا ہے کہ داخلی مالیاتی کنٹرول کا نظام ایک مربوط نظام ہو جس کی ٹھیکہ دار آڈیٹرز کی جانب سے موزون گمرانی و نفاذ کیا جاتا ہے۔ آپ کی کئپٹی کی انتظامیہ کی جانب سے تیار کی گئی مالیاتی اسٹیٹمنٹس اس کے کاروباری امور، آپریٹنگ کے نتائج، پیش گوئی اور ایکویٹی میں تبدیلی کی بھرپور عکاسی کرتی ہیں۔ آپ کی کئپٹی نے کھاتوں کی باقاعدہ کتابیں تیار رکھی ہیں اور اکاؤنٹنگ ٹیم نے جات معقول اور جانچ فیصلوں کی بنیاد پر لگائے جاتے ہیں۔ ان مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی مالیاتی اسٹیٹنڈرڈز کا بھرپور اطلاق کیا گیا ہے اور اس میں کسی بھی قسم کو واضح درج کیا گیا ہے۔ کئپٹی میں نافذ داخلی کنٹرول کا نظام ایک مربوط نظام ہے جس کی سال بھر میں موزون گمرانی اور گمراہی ہوتی ہے۔

### کاروباری دوامی ذمہ داری

گذرے سال کے دوران کئپٹی CSR اور ماحولیاتی انتظام کے پروگراموں میں بھرپور شرکت کرتی ہے اور اس کے لئے ہمیشہ سے پرمز ہے۔ LSEPL نے تعلیم، صحت و نگہداشت اور ماحولیاتی تحفظ کے پروگراموں پر بھرپور توجہ دی ہے۔ LSEPL یہ یقینی بنانے کے لئے پرمز ہے کہ وہ ایک ذمہ دار کاروباری شہری کی حیثیت سے اپنا کردار ادا کرتا ہے۔

### کئپٹی ایکٹ 2017ء کے سیکشن 227 کی قیام میں مصدقہ عمل کا اہتمام کیا گیا ہے:

a. ڈائریکٹرز کے نام جو مالیاتی سال کے دوران کئپٹی کے ڈائریکٹرز ہیں:

نمبر	نام ڈائریکٹر	رجسٹرڈ
1	مسٹر عبید الرحمن گیلانی	جنرل مین / خود مختار ڈائریکٹر
2	مسٹر عمران امجد خان*	چیف ایگزیکٹو آفیسر
3	مسٹر نظام مصطفیٰ**	چیف ایگزیکٹو آفیسر / نان ایگزیکٹو ڈائریکٹر
4	مسٹر آفتاب احمد چوہدری***	چیف ایگزیکٹو آفیسر / نان ایگزیکٹو ڈائریکٹر
5	مسٹر آصف بیک مرزا****	نان ایگزیکٹو ڈائریکٹر
6	مسٹر خالد وحید	نان ایگزیکٹو ڈائریکٹر
7	مسٹر علیہ ہمایوں بگٹن	نان ایگزیکٹو ڈائریکٹر
8	مسٹر شہوان اعجاز*****	خود مختار ڈائریکٹر
9	مسٹر کاشف شہیر	خود مختار ڈائریکٹر

\* مسٹر عمران امجد خان 12-12-2022 کو مستعفی ہوئے۔

\*\* مسٹر نظام مصطفیٰ کو 13-12-2022 کو CEO مقرر کیا گیا اور بعد ازاں 02-05-2023 کو وہ نان ایگزیکٹو ڈائریکٹر مقرر ہوئے۔

\*\*\* مسٹر آفتاب احمد چوہدری کو 18-08-2022 کو نان ایگزیکٹو ڈائریکٹر مقرر کیا گیا اور بعد ازاں 02-05-2023 کو انہیں CEO مقرر کر دیا گیا۔

\*\*\*\* مسٹر آصف بیک مرزا 02-05-2023 کو مستعفی ہوئے۔

\*\*\*\*\* مسٹر شہوان اعجاز کی 02-05-2023 کو تقرری ہوئی۔

- b. کمپنی کی شیئر ہولڈنگ کے پیرن کی معلومات رپورٹ ہذا کے اختتام پر فراہم کیا گیا ہے۔
- c. کمپنی کے بنیادی کاروباری امور میں ریٹل اسٹیٹ کی معیاری مینجمنٹ کے لئے سافٹ ویئر تیار کرنا، درآمد کرنا، مارکیٹنگ کرنا اور برقرار رکھنا شامل ہیں۔ مزید برآں کمپنی کا مقصد آن لائن/آئی کامرس مارکیٹ پلیس/سینٹ ورک شدہ ویب سائٹس اور سمارٹ آرگنائزنگ، مینجمنٹ، سکیورٹی اور اسٹورس سالیو سٹرو اور عمارتوں کے انٹرنیٹ آف تھنگز (IoT) کے لئے ایکوسٹم، ہسٹری گریڈ اور ڈیٹا سٹریٹجی اور موصل تھیرائی طریقہ ہائے کاری کی فراہمی شامل ہے۔ ریٹل

اسٹیٹ مینجمنٹ کی معلومات، اعداد و شمار، اینالٹکس کے لئے ڈیجیٹل پلینٹ فارم فراہم کرنا اور سافٹ ویئر، ہارڈ ویئر کی خرید و فروخت اور درآمد و برآمد کرنا اور متعلقہ حکام سے منظوری کے بعد واقعاتی انفراسٹرکچرل سہولیات فراہم کرنا بھی کمپنی کے کاروباری امور میں شامل ہے۔

یہ کاروباری خطرات یعنی کریڈٹ رسک، لیکویڈٹی رسک، آپریشنل رسک، مارکیٹ رسک اور ریگولیٹری رسک سے دوچار ہو سکتا ہے۔ مزید یہ کہ دیگر سرمایہ کاریوں کی طرح ریٹل اسٹیٹ سرمایہ کاری کا خطرناک ہو سکتا ہے اور پراپرٹی مالکان اپنے قیمتی سرمایے سے محروم ہو سکتے ہیں یا ان کی سرمایہ کاری فرسودگی کا شکار ہو سکتی ہے۔ یہاں ایسے خطرات موجود ہیں جو ریٹل اسٹیٹ یا پراپرٹی کاروبار کی نوعیت سے منسلک ہیں؛ خطرات کے امکانات، متوقع شرح منافع وصول نہ ہونے کے امکانات اور توقعات کے برعکس عدم استحکام اور فٹچ میں تھیرے۔ یہ خطرات ہمیشہ اراضی حاصل کرنے کے ابتدائی مراحل اور ریگولیٹری منظور یوں اور کسی سکیم کی تھیر میں بہت زیادہ ہوتے ہیں لیکن تکمیل تک یہ خطرات بتدریج کم ہوتے جاتے ہیں۔ لہذا ابتدائی سرمایہ کاروں کو بلند منافع حاصل کرنے کا موقع ملتا ہے۔

کمپنی کی جانب سے اپنائی گئی رسک مینجمنٹ پالیسیاں اور طریقہ ہائے کاری کمپنی کو بے یقینی صورت حال سے قبل از وقت نبرد آزما ہونے اور اندرونی و بیرونی ماحول میں تبدیلی لانے میں مدد کرتے ہیں تاکہ قیمتی اثرات کو محدود کیا جاسکے اور مواقع سے فائدہ اٹھایا جاسکے۔ کمپنی کا منافع ملک کی مجموعی معاشی اور چھوٹے پیمانے پر حالات، حکومتی پالیسیوں اور ایسوسی ایٹ کمپنیوں اور گھٹیل مارکیٹ کی کارکردگی سے مترواط ہے۔

- d. فی الوقت چیف ایگزیکٹو آفیسر کو کمپنی کے آرٹیکل آف ایسوسی ایشن اور HR میٹریل کے مطابق بورڈ کی منظوری سے تجویز و دیگر مراعات دی جارہی ہیں۔ دیگر ڈائریکٹرز کو بورڈ کی اجلاس میں شرکت کی فیس کی علاوہ کوئی منافع اور انڈین کیا جا رہا۔ مختلف اعداد و شمار کا اظہار مالیاتی اسٹیٹمنٹس میں کیا گیا ہے۔

لکھنؤ (کوآآف کارپورٹ گورننس) ضوابط 2019 کے ضابطہ نمبر (2) 34 کی قسط میں معدودہ ذیل معلومات فراہم کی گئی ہیں۔

1	معدودہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (7) ہے:
a.	مرد 6
b.	خاتون 1

## 2. بورڈ کی ترکیب

i.	خود مختار ڈائریکٹرز	مسٹر صیب الرحمن
		مسٹر شوان اعجاز
		مسٹر کاشف شہیر
ii.	نان ایگزیکٹو ڈائریکٹرز	مسٹر غلام مصطفیٰ
		مسٹر خالد وحید
		مس علیہ جمالی بگٹس



- iii. ایگزیکٹو ڈائریکٹر: مسٹر آفتاب احمد چوہدری  
iv. خاتون ڈائریکٹر: مس علیہ ہمایوں گلشن

### 3. پروڈکٹیاں

گذرہ سال کے دوران، بورڈ نے معاونت کے لئے مندرجہ ذیل کمپنیاں تشکیل دی ہیں جو متعلقہ امور پر مشاورت مرتب کرتی ہیں۔

### 4. آڈٹ کمپنی

1. مسٹر کاشف شبیر چیئرمین  
2. مسٹر غلام مصطفیٰ رکن  
3. مس علیہ ہمایوں گلشن رکن

### ہوٹل ریسورس ایجنٹس کی کمپنی

1. مسٹر شومان اعجاز چیئرمین  
2. مسٹر خالد وحید رکن  
3. مس علیہ ہمایوں گلشن رکن

### مستقبل کا منظر نامہ

کمپنی کے پروپ ٹیک بزنس کا مستقبل امانت ہے اور کئی عہد رکھتا ہے:

- AI اور ریحل اسٹیٹ: وقت کے ساتھ ساتھ ریحل اسٹیٹ انڈسٹری مصنوعی ذہانت، مشین لرننگ اور گپ ڈیٹا اینالٹکس کے اطلاق سے تیزی سے ڈیٹا پر منحصر ہوتی جا رہی ہے۔ یہ وسائل املاک کو جدید ضروریات میں مطابقت ڈھالنے میں مدد دیتے ہیں۔
- IoT کی شمولیت: IoT کی مدد سے مستقبل میں منافع دینے والی املاک کو کامیابی انداز میں کنٹرول کیا جاسکتا ہے اور مصنوعی ذہانت کے پروگراموں کے ذریعے اس میں مزید پیش رفت آتی ہے۔
- ڈیجیٹل ایکوسٹم: املاک کی ڈیجیٹائزیشن اور لینڈ ریڈیو ڈیٹا عالمی سطح پر بھی سرمایہ کاروں کو رسائی کا موقع دیتے ہیں۔ اس طرح سرحد کے پار ریحل اسٹیٹ کی منتقلی ہوتی ہے تاکہ مزید تنوع، عالمی ثقافت کے اثرات اور ہجرت کے مواقع پیدا کئے جاسکیں۔
- ورچوئل وزٹ اور ٹرن ٹیک: ٹیکنالوجی کے تعارف سے ایسے تصورات سامنے آتے ہیں جو ریحل اسٹیٹ کے شعبہ میں پہلے کبھی نہیں دیکھے گئے۔ اس میں ورچوئل ٹورز شامل ہیں اور نہ ہی کاغذی کارروائی کی ضرورت نہیں ہوتی۔ اس طرح کرایہ ڈیڈ ٹک اور فریکٹل ملکیت کے ذریعے خاطر خواہ منافع حاصل کیا جاسکتا ہے۔

امکانات لامحدود ہیں۔ لیکن پروپ ٹیک سے عملی طور پر مستفید ہونے کے لئے پاکستان کو کافی انتظار کرنا ہوگا۔ مثبت پہلو یہ ہے کہ جن ٹیکنالوجیز پر مسلم تیار کئے گئے ہیں کی پہلے ہی بین الاقوامی سطح پر توثیق کی جا چکی ہے اور ان کی موثر و نسبت کا تعین کیا جاسکتا ہے۔ پاکستان میں جدید ملکیتی آپشنز کے لئے قانون سازی وقت کی اہم ضرورت ہے اور ایک موافق ماحول کا قیام بہت ضروری ہے تاکہ عوام کے لئے مالیاتی آزادی کے اس دور میں کامیابی کی منازل طے کی جاسکیں۔

DT احمد چوہدری  
چیف ایگزیکٹو آفیسر

ڈائریکٹر

## Pattern of Shareholding

as at June 30, 2023

# Of Shareholders	Shareholding's Slab			Total Shares Held
938	1	to	100	18,280
174	101	to	500	45,942
50	501	to	1000	40,311
90	1001	to	5000	2,21,462
25	5001	to	10000	1,65,659
9	10001	to	15000	1,08,675
11	15001	to	20000	1,97,474
4	20001	to	25000	92,125
5	25001	to	30000	1,46,553
4	30001	to	35000	1,33,000
3	35001	to	40000	1,15,500
1	40001	to	45000	44,331
5	45001	to	50000	2,43,286
1	55001	to	60000	59,107
1	65001	to	70000	70,000
2	70001	to	75000	1,43,918
1	85001	to	90000	90,000
1	90001	to	95000	91,900
2	100001	to	105000	2,06,876
59	115001	to	120000	69,73,434
2	120001	to	125000	2,48,500
1	125001	to	130000	1,29,500
1	130001	to	135000	1,34,716
2	135001	to	140000	2,73,723
9	165001	to	170000	14,89,010
58	175001	to	180000	1,02,84,691
1	180001	to	185000	1,84,672
1	220001	to	225000	2,20,535
2	235001	to	240000	4,73,965
10	245001	to	250000	24,82,500
1	265001	to	270000	2,65,983
1	280001	to	285000	2,80,501
1	290001	to	295000	2,93,426
27	295001	to	300000	79,79,470
1	345001	to	350000	3,46,315
1	360001	to	365000	3,63,750
5	410001	to	415000	20,69,244
1	770001	to	775000	7,73,000
2	1050001	to	1055000	21,01,030
1	7065001	to	7070000	70,66,036

1	16465001	to	16470000	1,64,69,434
1	26950001	to	26955000	2,69,52,897
<b>1516</b>				<b>9,00,90,731</b>

<b>LSE PROPTech LIMITED</b>			
<b>Pattern of Shareholding</b>			
<b>as at June 30, 2023</b>			
<b>Categories of Shareholders</b>	<b>Shareholders</b>	<b>Shares Held</b>	<b>Percentage</b>
<b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>			
KHALID WAHEED	1	350	0.00
<b>Associated Companies, undertakings and related parties</b>			
	2	4,34,22,331	48.20
<b>NIT and ICP</b>			
	2	870	0.00
<b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b>			
	2	2,97,008	0.33
<b>Insurance Companies</b>			
	2	125	0.00
<b>Modarabas and Mutual Funds</b>			
	2	1,33,679	0.15
<b>General Public</b>			
a. Local	1326	1,56,85,715	17.41
b. Foreign	2	49	0.00
<b>Foreign Companies</b>			
	-	-	0.00
<b>Others</b>			
	177	3,05,50,604	33.91
<b>Totals</b>	<b>1516</b>	<b>9,00,90,731</b>	<b>100.00</b>
<b>Share holders holding 10% or more</b>			
		<b>Shares Held</b>	<b>Percentage</b>
LSE VENTURES LIMITED		2,69,52,897	29.92
MODARABA AL-MALI		1,64,69,434	18.28

## Notice of the Annual General Meeting

**NOTICE** is hereby given that the 1<sup>st</sup> Annual General Meeting (AGM) of the Members of LSE PropTech Limited (“the Company”) will be held on **Saturday, October 28<sup>th</sup>, 2023, at 11:00 a.m.**, at the Registered Office of the Company, in the Auditorium of LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore, and virtually through a video-link facility to transact the following business: -

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements, together with the Directors’ Report, the Auditors’ Report, thereon for the financial year ended June 30<sup>th</sup>, 2023.

*[As required under Section 223 of the Companies Act 2017 and in terms of S.R.O No. 389(I)/2023 dated March 21, 2023, the Annual Report including Financial Statements of the Company has been transmitted to the Shareholders and uploaded on the website of the Company which can be viewed using the web-link and QR enable code provided with this notice.]*

2. To appoint the Auditors of the Company for the financial year ending June 30<sup>th</sup>, 2024 and to fix their remuneration.

### SPECIAL BUSINESS:


3. To approve, as and by way of an Ordinary Resolution, the transmission of the annual balance sheet, profit & loss account, auditors report, directors report (the “Annual Audited Financial Statements”) and the notice of general meetings etc. to the Company’s shareholders through QR enabled code and weblink as allowed by the Securities and Exchange Commission of Pakistan via S.R.O No. 389(I)/2023 dated March 21<sup>st</sup>, 2023:

“**RESOLVED THAT** as notified by the Securities and Exchange Commission of Pakistan, via S.R.O No. 389(I)/2023, dated March 21, 2023, transmission of Annual Audited Financial Statements of the Company to the members through QR enabled code and weblink instead of transmitting the Audited Annual Financial Statements through CD/DVD/USB, be and is hereby ratified and approved for future.”

4. To approve, as and by way of an Ordinary Resolution, the placement of Quarterly Accounts of the Company at its website, instead of sending the same by post to the members, as allowed by the Securities and Exchange Commission of Pakistan, via Circular No. 19 of 2004:

“**RESOLVED THAT** as had been allowed by the Securities and Exchange Commission of Pakistan, via Circular No. 19 of 2004, the placement of Quarterly Accounts of the Company at its website, instead of circulating the same by post to the members, be and is hereby approved for future.”

By Order of the Board of Directors:



\_\_\_\_\_  
Company Secretary  
Lahore.

Dated: October 6, 2023

Notes:

**1. CLOSURE OF SHARE TRANSFER BOOKS**

The Register of Members and the Share Transfer Books will be closed from October 22<sup>nd</sup>, 2023 to October 28<sup>th</sup>, 2023 (both days inclusive). Transfers received in order at the office of the Company's Registrar namely, CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400, by the close of business on October 21<sup>st</sup>, 2023, will be considered in time for the purpose of determining the right to attend and vote at the Annual General Meeting.

**2. ATTENDING AGM AND APPOINTMENT OF PROXY**

A Member entitled to attend, speak and vote at the AGM is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf. An instrument appointing proxy must be deposited at the registered office of the Company, at least 48 hours before the time of the meeting. Form of Proxy is attached. CDC Account Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

**3. PARTICIPATION IN THE AGM VIA THE VIDEO CONFERENCING FACILITY:**

Shareholders interested in attending the meeting through video conferencing are requested to email the following information with the subject "Registration for AGM 2023" along with a valid copy of both sides of their Computerized National Identity Card (CNIC) to info@lse.com.pk. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.

1. Folio No. / CDC Investors A/c No./ Sub-A/c No.:	_____
2. Name of Shareholder :	_____
3. Cell Phone Number:	_____
4. Email Address:	_____
5. No. of Shares held:	_____

**4. ELECTRONIC VOTING**

The members are hereby notified that pursuant to Section 143-145 of the Companies Act, 2017 and Companies (Postal Ballot) Regulations, 2018. Members will be allowed to exercise their right to vote through the electronic voting facility or voting by post for the **special business** in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations. For the convenience of the Members, the ballot paper is annexed to this notice and the same is also available on the Company's website at www.lse.com.pk for download.

• **Procedure for E-Voting:**

- (a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company on the book closure date.
- (b) The web address, and login details, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal M/s. CDC Share Registrar Services Limited (being the e-voting service provider).
- (c) Identity of the Members intending to cast a vote through e-Voting shall be authenticated through electronic signature or authentication for login.

(d) E-Voting lines will start on October 25, 2023, at 9:00 a.m. and shall close on October 27, 2023, at 5:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

- **Procedure for Voting Through Postal Ballot:**

(a) The members shall ensure that duly filled and signed ballot paper along with a copy of the Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's registered address, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore or email at [info@lse.com.pk](mailto:info@lse.com.pk), one (1) day before the Annual General Meeting. The signature on the ballot paper shall match the signature on CNIC.

**STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY TO BE HELD ON OCTOBER 28, 2023.**

**Agenda Item # 3**

The Securities and Exchange Commission of Pakistan has allowed listed companies, through its S.R.O. No.389(I)/2023, dated March 21<sup>st</sup>, 2023, to circulate the annual balance sheet and profit and loss account, auditors' report and directors' report etc. ("Annual Audited Financial Statements") to their Members through QR-enabled code and weblink instead of transmitting the same through CD/DVD/USB, subject to approval of the shareholders in the general meeting. Considering the optimum use of advancements in technology and in order to avail cost effective measure, approval of members is sought as per requirement of the above SRO, for circulation/transmission of the Annual Audited Financial Statements to the members through QR-enabled code and weblink.

**Agenda Item # 4**

The Securities and Exchange Commission of Pakistan through Circular No. 19 of 2004 had allowed the listed companies to place the Quarterly Accounts on their website instead of transmitting the same to the shareholders by post. In order to best use of technology and save the printing and distribution cost, approval of members is sought as per requirement of the above circular, for placement of Quarterly Accounts of the Company at its website, instead of circulation/transmission of the hard copies by post.

**Note:** None of the Directors of the Company have any direct or indirect interest in this special business except to the extent of their respective shareholding in the Company.

**Ballot paper for voting through post at the Annual General Meeting to be held on  
Saturday, October 28, 2023, at 11:00 a.m., at the Registered Office of the Company, in the  
Auditorium of LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.**

Contact Details of the Chairman, at which the duly filled in ballot paper may be sent:

Business Address: The Chairman, LSE Proptech Limited, LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.

Designated email address: info@lse.com.pk

Name of shareholder/joint Shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below (delete as appropriate);

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	Circulation/transmission of Annual Audited Financial Statements through QR enabled Code and web-link.			
2	Placement of Quarterly Accounts of the Company at its website, instead of circulating the same by post to the members.			

\_\_\_\_\_  
Signature of shareholder(s)      Place:      Date:

**NOTES:**

- Dully filled postal ballot should be sent to Chairman at above mentioned postal or email address.*
- Copy of CNIC should be enclosed with the postal ballot form.*
- Postal ballot forms should reach chairman of the meeting on or before October 27, 2023. Any postal ballot received after this date, will not be considered for voting.*
- Signature on postal ballot should match with signature on CNIC.*
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.*
- Company shall draft ballot paper whereby explicit information, terms and conditions and choice of selection is provided and ensure that no confusion arise for voters that may defeat the objective of voting.*

## LSE پروپٹیک لمیٹڈ

### اطلاع سالانہ اجلاس عام

بذریعہ بذراصل کیا جاتا ہے کہ LSE پروپٹیک لمیٹڈ (کمپنی) کے ارکان کا پہلا سالانہ اجلاس عام (AGM) کمپنی کے رجسٹرڈ دفتر، LSE پلازہ کے آڈیٹریم، 19- خیابان ایوان اقبال، لاہور میں اور ڈیجیٹل ٹیکنالوجی کے ذریعے بروز ہفتہ 28 اکتوبر 2023 کو صبح 11:00 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

- 30 جون 2023 کو ختم ہونے والے سال کے لئے کمپنی کے نظر ثانی شدہ مالی گوشواروں معان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔ (کمپنیز ایکٹ 2017 کی دفعہ 223 کے تحت اور S.R.O No. 389(II)/2023 کی شرائط میں مطلوبہ کے مطابق، کمپنی کے مالی گوشواروں سمیت سالانہ رپورٹ حصص داران کو ترسیل اور کمپنی کی ویب سائٹ پر اپ لوڈ کر دی گئی ہیں جو نوٹس ہڈا کے ساتھ فراہم کر دو ویب لنک اور QR ان اپیل کوڈ استعمال کرتے ہوئے ملاحظہ کی جاسکتی ہیں۔)
- 30 جون 2023 کو ختم ہونے والے سال کے لئے بورڈ آف ڈائریکٹرز کی سفارشات کے مطابق حتمی نقد منافع منقسمہ 0.00 روپے فی شیئر یعنی 30.00 فیصد پر غور و خوض اور منظور کرنا۔
- 30 جون 2024 کو ختم ہونے والے سال کے لئے آڈیٹرز کا تقرار اور ان کے مشاہرہ کا تعین کرنا۔

خصوصی امور:

- 4 سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے S.R.O No. 389(II)/2023 مورخہ 21 مارچ 2023 کی نوٹس سے دی گئی اجازت کے مطابق، سالانہ بیننس شیٹ، نفع، نقصان کا اکاؤنٹ، آڈیٹرز کی رپورٹ، ڈائریکٹرز کی رپورٹ ("سالانہ آڈٹ شدہ مالیاتی گوشوارے") اور عام اجلاسوں کے نوٹس وغیرہ کی کمپنی کے شیئر ہولڈرز کو QR ان اپیل کوڈ اور ویب لنک کے ذریعے ترسیل کی عام قرار داد کے طریقہ سے منظوری دینا۔

"قرار پایا کہ جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے S.R.O No. 389(II)/2023 مورخہ 21 مارچ 2023 کی نوٹس سے وضع کردہ کے مطابق، آڈٹ شدہ سالانہ مالیاتی گوشواروں کو USB/DVD/CD کے ذریعے منتقل کرنے کی بجائے مستعمل میں کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کو QR ان اپیل کوڈ اور ویب لنک کے ذریعے ممبران تک پہنچانے کی بذریعہ ہڈا توہین اور منظوری دی جاتی ہے۔"

- 5 ستمبر 19 آف 2004 کی نوٹس سے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے دی گئی اجازت کے مطابق، کمپنی کے سرمایہ کار کا ڈینٹس ممبران کو ڈاک کے ذریعے بھیجنے کے بجائے اپنی ویب سائٹ پر رکھنے کی ایک عام قرار داد کے طریقہ سے منظوری دینا۔

"قرار پایا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے ستمبر 19 آف 2004 کے ذریعے دی گئی اجازت کے مطابق، کمپنی کے سرمایہ کار کا ڈینٹس ممبران کو ڈاک کے ذریعے منتقل کرنے کے بجائے، مستعمل میں اپنی ویب سائٹ پر رکھا جائے اور بذریعہ ہڈا منظوری دی جاتی ہے۔"

بجلم بورڈ

کمپنی سیکرٹری

لاہور:-

مورخہ 06 اکتوبر 2023ء

نوٹ:-

1- حصص منتقلی کتابوں کی بندش

کمپنی کے ارکان کا رجسٹر اور حصص منتقلی کتابیں 22 اکتوبر 2023ء تا 28 اکتوبر 2023ء (بشمول ہر دو ایام) بند رہیں گی۔ منتقلیوں کمپنی کے رجسٹرڈ دفتر یعنی سی ڈی سی شیئر رجسٹر اور سوسائٹیز، سی ڈی سی ہاؤس، بلاک B، S.M.C.H.S. میں شاہراہ فیصل کراچی 74400 کے ہاں 21 اکتوبر 2023ء کو کاروبار کے اختتام تک موصول ہونے والی سالانہ اجلاس میں حصص داران کی شرکت اور دو تک حقوق کے تعین (حتمی نقد منافع منقسمہ کے استحقاق اور تقسیم) کے لئے بروقت تصور ہوگی۔

2. AGM میں شرکت اور پراکسی کی تقرری کے لئے

AGM میں شرکت، تقریر اور ووٹ دینے کا اہل رکن کسی دیگر رکن کو اپنی بجائے شرکت، تقریر اور ووٹ دینے کیلئے اپنا پراکسی مقرر کر سکتا ہے۔ پراکسی تقرری کا آڈٹ کمپنی کے رجسٹرڈ دفتر میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً جمع کرایا جانا چاہئے۔ پراکسی فارم ایف ہے۔ سی ڈی سی اکاؤنٹ ہولڈرز کو پراکسی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ، ستمبر 19 مورخہ 26 جنوری 2000 میں دی گئی گائیڈ لائنز کی پیروی کرنا ہوگی۔





LSE پروپٹیک لمیٹڈ  
ڈاک کے ذریعے دو دن تک کے لئے بیٹ ہے  
کھپتی کے رجسٹرڈ دفتر، LSE پلازہ کے آڈیٹوریم، 19- خیابان ایوان اقبال، لاہور میں بروز ہفتہ 28 اکتوبر 2023 کو صبح 11:00 بجے پر منعقد ہونے والے سالانہ اجلاس عام میں ڈاک کے ذریعے  
دو دن تک کے لئے بیٹ ہے۔

جیٹر میں کی رابطہ تفصیلات، جہاں پر شدہ بیٹ بھی بھیجا جاسکتا ہے۔

کاروباری پتہ: جیٹر میں LSE پروپٹیک لمیٹڈ، LSE پلازہ، 19- خیابان ایوان اقبال، لاہور

ای میل ایڈریس: info@lse.com.pk

شیر ہولڈر/مشترک شریک ہولڈرز کا نام	
رجسٹرڈ ایڈریس	
ملکییتی حصص کی تعداد اور فریڈ ہولڈر	
CNIC نمبر (کانی منسلک ہو)	
اشافی معلومات اور وضاحتیں (ہاڈمی کارپوریٹ، کارپوریشن اور وفاقی حکومت کے نمائندہ کی صورت میں)	

میں/ہم مندرجہ ذیل قرار دادوں کے سلسلے میں پوسٹل بیٹ کے ذریعے اپنا/اپنے ووٹ استعمال کرتے ہیں اور ذیل میں مناسب باکس میں تک (/) کا نشان لگا کر اپنی رضامندی یا اختلاف رائے دیتے ہیں:

نمبر شمار	قرار دادوں کی نوعیت اور تفصیل	عام حصص کی تعداد جن کے لئے ووٹ ڈالا جانا ہے	میں/ہم قرار دادوں پر رضامند ہیں (FOR)	میں/ہم قرار دادوں پر کے خلاف ہیں (AGAINST)
	سالانہ نظر ثانی شدہ مالی گوشواروں کی QR ان اسٹیل کوڈ اور ویب لنک کے ذریعے منتقلی / تزییل			
	کھپتی کے سرمایہ اکاؤنٹس کی ارکان کو ڈاک کے ذریعے منتقلی کی بجائے اپنی ویب سائٹ پر پبلشمنٹ			

شیر ہولڈرز کے دستخط: مقام: تاریخ:

نوٹس:

- 1- صحیح طریقے سے پر شدہ پوسٹل بیٹ جیٹر میں کوڈ کردہ ہالڈ ڈاک یا ای میل پر بھیجا جائیے۔
- 2- CNIC کی کاپی پوسٹل بیٹ فارم کے ساتھ لف ہونی چاہیے۔
- 3- پوسٹل بیٹ فارم 27 اکتوبر 2023 کو یا اس سے پہلے صدر اجلاس تک پہنچ جانے چاہئیں۔ اس تاریخ کے بعد موصول ہونے والا کوئی بھی پوسٹل بیٹ دو دن تک کے لیے قبول نہیں کیا جائے گا۔
- 4- پوسٹل بیٹ پر دستخط CNIC کے دستخط سے مماثل ہونا چاہئے۔

## Proxy Form

I/We, \_\_\_\_\_, the undersigned member, being a member of **LSE Proptech Limited**, hereby appoint \_\_\_\_\_, the undersigned proxy, as my proxy to vote for me and on my behalf at the AGM of the Company to be held on \_\_\_\_\_ and/or at any adjournment thereof.

<p><b><u>The Member:</u></b> Signature: _____</p> <div style="border: 1px solid black; padding: 10px; text-align: center; margin: 10px 0;"> <p><b>Signature over Revenue Stamp of Rs. 50/-</b></p> </div> <p>_____ Seal/Stamp of the Company Name and Designation of the Appointer:</p> <p>_____ CNIC No.: _____ Father's name: _____ Address: _____ Date: _____ CDC Participant ID No.: _____ CDC Account/Sub-Account No.: _____ No. of Shares held: _____</p>	<p><b><u>The Proxy:</u></b> Signature: _____ Name: _____ CNIC No.: _____ Father's name: _____ Address: _____ _____ Date: _____</p>
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Witness 1: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
CNIC No.: \_\_\_\_\_  
Address: \_\_\_\_\_

Witness 2: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
CNIC No.: \_\_\_\_\_  
Address: \_\_\_\_\_

### Notes:

- Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
- CDC beneficial owners and Proxy Holders must bring with them their Computerize National Identity Cards (CNIC)/Passports in original to prove his/her identity and in case of Proxy, CDC beneficial owners and Proxy Holders must enclose an attested copy of their CNIC/Passport with Proxy Form.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee (unless it has been provided earlier) should be attached with the proxy form.

Weblink and QR Code:

<https://proptech.lse.com.pk/downloads/annual/annual-report-LSEPL.pdf>



## Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

**NAME OF THE COMPANY: LSE PROPTech LIMITED**  
**YEAR ENDED: FOR THE PERIOD FROM JUNE 12, 2023 TO JUNE 30, 2023**

The Company has complied with the requirements of the Regulations in the following manner: -

1. The total number of Directors are 07 as per the following:
  - a) Male: 06
  - b) Female: 01

\* The Company is listed on Pakistan Stock Exchange on June 12, 2023. The Company has formalized the Board, its composition, the senior management and its committees in the initial time of 18 days before the close of financial year end. While, compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 shall be ensured in the next financial year. We present hereunder relevant information as on 30th June 2023 for the readers.

2. The composition of the Board is as follows:

CATEGORY	NAMES
<b>Independent Directors</b>	Mr. Habib ur Rehman Gilani Mr. Rizwan Ejaz Mr. Kashif Shabbir
<b>Executive Directors</b>	Mr. Aftab Ahmad Chaudhry
<b>Non-Executive Directors</b>	Mr. Ghulam Mustafa Mr. Khalid Waheed Ms. Maleeha Humayun Bangash
<b>Female Director</b>	Ms. Maleeha Humayun Bangash

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this, Company.
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board 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 requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. Three Directors out of Seven Directors have acquired prescribed certification under Directors' Training Program. The Company shall arrange Directors' Training Program for its remaining four Directors in due course.
10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below. -

**a) Audit Committee:**

Sr. No.	Name	Status
1.	Mr. Kashif Shabbir	Chairman
2.	Mr. Ghulam Mustafa	Member
3.	Ms. Maleeha Humayun Bangash	Member

**b) Human Resource & Remuneration Committee:**

Sr. No.	Name	Status
1.	Mr. Rizwan Ejaz	Chairman
2.	Mr. Khalid Waheed	Member
3.	Ms. Maleeha Humayun Bangash	Member

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as per following:
  - a) Audit Committee: - \*
  - b) Human Resource and Remuneration Committee: - \*

**\* The Company is listed on Pakistan Stock Exchange on June 12, 2023. Therefore, compliance for the frequency of meeting shall be ensured in next financial year.**

15. The Board has set up an effective Internal Audit Function led by Head of Internal Audit (who is also an employee of the Company) and has outsourced the Internal Audit Function to M/s. Kreston Hyder Bhimji & Co. Chartered Accountants for the year ended June 30, 2023, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We e confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with. and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):



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**Habib ur Rehman Gilani**  
Chairman

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LSE PROPTech LIMITED

### REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of LSE Proptech Limited ("the Company") for the period from June 12, 2023 to June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

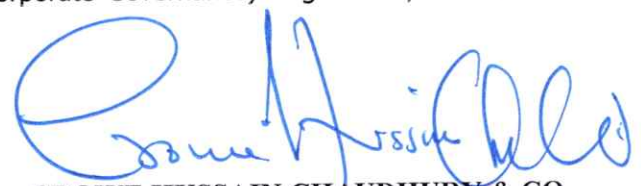
The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the period from June 12, 2023 to June 30, 2023.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Sr. No	Paragraph Reference	Description
1	1	The Company is listed at Pakistan Stock Exchange limited ("PSX") on June 12, 2023. The Company shall ensure compliance as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 from the next financial year.

Lahore  
Dated: October 09, 2023  
UDIN: CR2023100513W71iMEVF



**CROWE HUSSAIN CHAUDHURY & CO.**  
*Chartered Accountants*



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LSE PROPTECH LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the annexed financial statements of **LSE PROPTECH 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, 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, 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 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, its 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 the 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.

#### Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key Audit Matter	How the Matter was Addressed in our Report
<b>Scheme of Arrangement of the Companies</b>	
<p>Refer to note 4 of the financial statements.</p> <p>A scheme of arrangement was formulated pursuant to the provisions of Section 279 to 282 of the Companies Act, 2017 for the transfer and vesting of the undertaking and business of LSE Financial Services Limited on partial basis from LSE Financial Services Limited (as transferor) into LSE Ventures Limited [an associated undertaking of LSE Proptech Limited] and LSE Proptech Limited (as transferees) and for the complete transfer and vesting of the undertaking and business of Data Textiles Limited (as transferor) on full basis into LSE Ventures Limited and LSE Proptech Limited (as transferees).</p> <p>The aforementioned scheme was approved by Honorable Lahore High Court, Lahore under court order no. 58175/2022 dated April 26, 2023.</p> <p>We identified this transaction as the key audit matter due to the complexity and the materiality of this and the importance of the matter to intended users' understanding of the financial statements as a whole.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained and reviewed the court order and related documentation of scheme of arrangement.</li> <li>• Discussed with the management as to how the scheme of arrangement has been complied with and books of accounts streamlined to effect the resultant transaction / balances.</li> <li>• Reviewed the schedule of transfer of assets and liabilities and assessed whether the transferred assets / liabilities have been incorporated appropriately in the transferee entities.</li> <li>• Sought legal opinion to verify that the demerger scheme has been executed in compliance with all relevant legal and regulatory requirements and the transfers of balances are made as per demerger scheme from the effective date.</li> <li>• Assessed the adequacy of the disclosures in the financial statements and appropriateness of management's assumptions and estimates.</li> </ul>

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

Management is responsible for the other information. The other information comprises the information included in the Annual 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 the 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

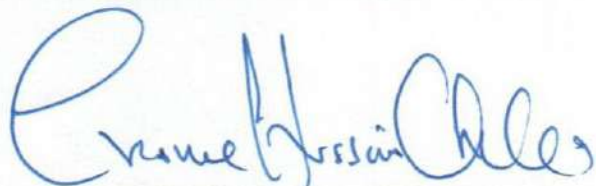
### **Report on Other Legal and Regulatory Requirements**

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, 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 Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Amin Ali.

Lahore  
Dated: October 06, 2023  
UDIN: AR202310051dXL4hr9V



**CROWE HUSSAIN CHAUDHURY & CO.**  
*Chartered Accountants*

**LSE PROPTECH LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

	Note	2023	2022
		Rupees in thousands	
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property and equipment	5	1,301,829	-
Investment property	6	378,431	-
Goodwill from demerger		26,533	-
Net investment in finance lease	7	4,276	-
Long term deposits	8	75	-
		1,711,144	-
<b>Current Assets</b>			
Inventories		2,923	-
Trade and other receivables	9	39,163	-
Prepayments, deposits and advances	10	3,462	-
Tax refunds due from the Government - net	11	2,285	-
Cash and bank balances	12	43,517	-
		91,350	-
		<u>1,802,494</u>	<u>-</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized Share Capital</b>			
150,000,000 (2022: 150,000,000) ordinary shares of Rs. 10 each		<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid-up share capital	13	900,907	-
Surplus on revaluation of property and equipment	14	706,004	-
Revenue reserves:			
- Building reserve fund	15	10,082	-
- Unappropriated profit		127,709	(25)
		<u>137,791</u>	<u>(25)</u>
<b>Total Equity</b>		1,744,702	(25)
<b>Non Current Liabilities</b>			
Other liabilities		5,643	-
Deferred tax liability	16	1,403	-
		7,046	-
<b>Current Liabilities</b>			
Trade and other payables	17	50,746	25
<b>Contingencies and Commitments</b>			
	18	-	-
		<u>1,802,494</u>	<u>-</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**

# LSE PROPTECH LIMITED

## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees in thousands	2022
<b>Revenue</b>	19	81,863	-
<b>Other Income</b>	20	13,868	-
<b>Operating Expenses</b>			
Administrative and general expenses	21	(101,793)	(25)
Other operating expenses	22	(3,631)	-
<b>Operating Loss</b>		(9,693)	(25)
Finance cost - bank charges		(79)	-
Share of profit of associates		-	-
<b>Loss before Taxation</b>		(9,772)	(25)
Taxation	24	861	-
<b>Net Loss for the Year</b>		<u>(8,911)</u>	<u>(25)</u>
<b>Earnings Per Share - Basic and Diluted</b>	25	<u>(0.11)</u>	-

The annexed notes from 1 to 34 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# LSE PROPTECH LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	Rupees in thousands	
<b>Net Loss for the Year</b>	(8,911)	(25)
<b>Other Comprehensive Income</b>		
Items that may be subsequently reclassified to profit or loss	-	-
Items that may not be reclassified to profit or loss:		
	-	-
<b>Total Comprehensive Loss for the Year</b>	<u>(8,911)</u>	<u>(25)</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# LSE PROPTTECH LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2023

Share Capital	Surplus on Revaluation of Property and Equipment	Revenue Reserves		Total	Total Equity
		Building Reserve	Unappropriated Profit		

Rupees in Thousands

<b>Balance as at June 30, 2021</b>	-	-	-	-	-
Net loss for the year	-	-	(25)	(25)	(25)
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	(25)	(25)	(25)
<b>Balance as at June 30, 2022</b>	-	-	(25)	(25)	(25)
Net loss for the period	-	-	-	-	-
Other comprehensive income - net of tax	-	-	(8,911)	(8,911)	(8,911)
Total comprehensive loss for the year	-	-	(8,911)	(8,911)	(8,911)
Fresh issuance of share capital	50,000	-	-	-	50,000
Amount collected from building occupants for fixed assets replacement fund	-	-	846	846	846
Transferred to retained earnings on account of incremental depreciation - net of tax	-	(76)	-	76	-
	50,000	(76)	846	(8,860)	41,910

### Adjustments / Transfers as per Scheme of Demerger

Transfer of retained earnings as per demerger scheme to:	-	706,080	9,236	155,016	164,252	870,332
Goodwill arising on demerger	26,533	-	-	-	-	26,533
Transfer from DATM	-	-	-	(21,124)	(21,124)	(21,124)
Write off of balance receivable from DATM	-	-	-	(4,144)	(4,144)	(4,144)
Write off of balances not recognized of DATM	-	-	-	6,820	6,820	6,820
Transfer of share capital from LSE Financial Services Limited	824,374	-	-	-	-	824,374
<b>Balance as at June 30, 2023</b>	900,907	706,004	10,082	127,709	137,791	1,744,702

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

  
Chief Financial Officer

  
Director



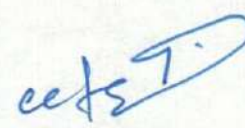
**LSE PROPTECH LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	Rupees in thousands	
<b>Cash Generated from Operations</b>	26	6,189
Finance cost paid	(79)	-
Income tax paid	(3,443)	-
<b>Net Cash Generated from Operating Activities</b>	2,666	-
<b>Cash Flows from Investing Activities</b>		
Operating fixed assets purchased	(5,037)	-
Additions in capital work in progress	(16,015)	-
Proceeds from disposal of property and equipment	788	-
Net investment in finance lease - rentals	344	-
Long term deposits paid	(75)	-
<b>Net Cash Used in Investing Activities</b>	(19,996)	-
<b>Cash Flows from Financing Activities</b>		
Receipt from right issue of shares	50,000	-
Funds Received under Demerger Scheme	10,000	-
Building reserve	846	-
<b>Net Cash Generated from Financing Activities</b>	60,846	-
<b>Net Increase in Cash and Cash Equivalents</b>	43,517	-
Cash and cash equivalents at the beginning of the year / period	-	-
<b>Cash and Cash Equivalents at the end of the Year / Period</b>	43,517	-

The annexed notes from 1 to 34 form an integral part of these financial statements.

  
**Chief Executive Officer**

  
**Chief Financial Officer**

  
**Director**

**LSE PROPTECH LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Note 1

**Legal Status and its Nature of Business****1.1 Legal status and operations**

LSE PropTech Limited (the Company) was registered on May 11, 2022 under the Companies Act, 2017 (XIX of 2017) as a public unlisted company limited by shares. In May 2023, the Company obtained the listing status under the symbol "LSEPL" at Pakistan Stock Exchange as a result of demerger scheme approved on April 26, 2023 by the Honorable Lahore High Court, accomplished through a reverse merger with Data Textiles Limited.

The Company is domiciled in Pakistan and the principal line of business of the Company is to develop, import, construct and maintain software tailored for efficient real estate management and to provide online / e-commerce marketplace, networked warehouses, maintenance, safety, smart architectural, security and assurance solutions as well as eco-systems for the Internet of Things (IoT) for buildings, shared grids and data centers, and insulated construction methodologies, and to provide digital platform for information, analytics, data for real estate management and to buy, sell, export, import of software, hardware and establishment of incidental infrastructural facilities, subject to requisite permissions from relevant authorities.

The geographical location and address of the Company is as under:

<b>Business Unit</b>	<b>Geographical Location</b>
Head office / Registered Office	19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.

- 1.2** LSE Ventures Limited holds 29.90% shares of the Company as at the reporting date.

Note 2

**Basis of Preparation****2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise:

- International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or the IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These financial statements provide comparative information in respect of the previous year. In addition when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements has been made. During the year, no restatement / reclassification has been made.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except to the extent of following:

Net investment in finance lease	Note - 7	(stated at Present value)
Certain Property and equipment	Note - 5	(stated at Fair value)
Investment property	Note - 6	(stated at Fair value)

**2.3 Presentation and functional currency**

These financial statements are prepared and presented in Pak Rupees (Rs.) which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest thousand of Rupees, unless otherwise

*Note 2, Basis of Preparation - Continued...*

**2.4 Use of estimates and judgments**

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these financial statements relate primarily to:

- Useful lives, residual values, depreciation method and possible impairment in property and equipment - Note 3.1 & 5
- Fair value of investment property - Note 3.2 & 6
- Estimation of provisions - Note 3.6
- Estimation of contingent liabilities - Note 3.10 & 18
- Current income tax expense, provision for current tax and recognition of deferred tax - Note 3.7, 11, 16 & 24

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

**2.5 Changes in accounting standards, interpretations and pronouncements**

**2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year**

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

<b>Standard or Interpretation</b>	<b>Effective Date - Annual Periods</b> Beginning on or After
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 16 Property, Plant and Equipment (Amendments)	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020	January 1, 2022

**2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

<b>Standard or Interpretation</b>	<b>Effective Date - Annual Periods</b> Beginning on or After
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12 Income Taxes (Amendments)	January 1, 2023
IAS 12 Deferred tax related to assets and liabilities arising from a single transaction — (Amendments)	January 1, 2023
IAS 1 Classification of liabilities as current or non-current — (Amendments)	January 1, 2024
IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements (Amendments)	January 1, 2024

The Company is in process to assess the impact of these amendments.

Note 3  
**Significant Accounting Policies**

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Significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

**3.1 Property and equipment**

Property and equipment, except freehold land and building on freehold land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and building on freehold land is stated at revalued amount, being the fair value at the date of their revaluation, less subsequent accumulated impairment losses, if any.

Cost of property and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable costs of bringing the assets to their working condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. All other day to day maintenance and normal repairs are charged to profit or loss as and when incurred. Gains or losses on disposal of property and equipment are included in profit or loss.

Depreciation on property and equipment, except land, is charged to statement of profit or loss on the reducing balance method so as to write off the depreciable amount of an asset over its economic useful life using the annual rates mentioned in note 5.1. Depreciation on additions is charged from the month in which the asset is available for use, whereas no depreciation is charged on assets disposed off during the month.

The Company assesses at each reporting date whether there is any indication that property and equipment are impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the impairment loss is recognized in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount over its estimated useful life.

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Disposal of an asset is recognized when significant risk and rewards, incidental to the ownership of an asset, have been transferred to the buyer. The gain or loss on disposal or retirement of property and equipment is represented by the difference between the sale proceeds and the carrying amount of the property and equipment and is recognized as an income or expense in the year of disposal in statement of profit or loss. In case of sale or retirement of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred directly to retained earnings.

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. Cost may also include borrowing costs, if any. These are transferred to operating fixed assets as and when these are available for use.

Freehold land and buildings on freehold land are revalued every three to five years. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Additions, subsequent to revaluation, are stated at cost less accumulated depreciation and any identified impairment loss.

Any revaluation increase arising on the revaluation of land and buildings on freehold land is recognized in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land and building on freehold land is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of property and equipment relating to a previous revaluation of that asset.

Each year, the incremental depreciation and its related deferred taxation, the difference between depreciation based on revalued carrying amount of the asset and depreciation based on the asset's original cost, is transferred from surplus on revaluation of property and equipment to retained earnings. All transfers from surplus on revaluation of property and equipment are net of applicable deferred taxation. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

*Note 3, Significant Accounting Policies - Continued...*

The depreciation method and useful lives of property and equipment are reviewed by the management, at each financial year-end and these estimates are adjusted or revised if appropriate. The effect of any adjustment to useful lives and methods of these estimates are recognized prospectively or revised as a change in accounting estimate.

**3.2 Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs.

Any other investment property (whose fair value cannot be measured reliably) is measured at cost less accumulated depreciation and impairment loss, if any. The fair value of investment property is determined at each reporting date using current market prices for comparable real estate, adjusted for any differences in nature, location and condition by an independent valuer.

The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant adjustment.

**3.3 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**3.3.1 Financial assets**

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

**3.3.1.1 Classification**

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost and fair value through profit or loss. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

**3.3.1.2 Initial recognition and measurement**

Except for trade receivables, financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss. Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15.

**3.3.1.3 Subsequent measurement**

Financial assets carried at amortized cost are subsequently measured using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference in fair value and dividend arising on equity is charged to the profit or loss.

Financial assets at fair value through other comprehensive income are marked to market using the closing market rates and are carried in the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognized in other comprehensive income. Interest calculated using the effective interest rate method is credited to the statement of profit or loss. Dividends on equity instruments are credited to the statement of profit or loss when the Company's right to receive payments is established.

**3.3.1.4 Derecognition**

Financial assets are derecognized when:

- the contractual rights to receive cash flows from the assets have expired; or

*Note 3, Significant Accounting Policies - Continued...*

- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- a) the Company has transferred substantially all the risks and rewards of the asset; or
- b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the consideration received is recognized in profit or loss.

If the Company transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability which cannot be offset with the related asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

If the Company's continuing involvement is in only a part of a financial asset, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the consideration received for the part no longer recognized is recognized in profit or loss.

**3.3.1.5 Impairment of financial assets**

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

**3.3.2 Financial liabilities**

**3.3.2.1 Initial recognition and measurement**

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc.

The Company does not reclassify any of its financial liabilities.

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are credited in the profit and loss.

*Note 3, Significant Accounting Policies - Continued...*

**3.3.2.2 Subsequent measurement**

The Company measures its financial liabilities subsequently at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. Difference between carrying amount and consideration paid is recognized in the statement of profit or loss when the liabilities are derecognized.

**3.3.2.3 Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respect of carrying amounts is recognized in the profit or loss. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

**3.3.3 Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

**3.4 Inventory**

Inventory represents usable stores and spares and are valued principally on First in First Out Basis (FIFO) at lower of cost and net realizable value except for items in transit, while items considered obsolete if any are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made for obsolete and slow moving stores and spares based on management estimate, while items considered obsolete are carried at nil value.

**3.5 Trade and other receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified. Provision for loss allowance on doubtful debts is charged to statement of profit or loss.

**3.6 Provisions**

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses.

**3.7 Taxation**

Income tax comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

**3.7.1 Current**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001. Super tax, if applicable, on the Company is calculated as per applicable tax rates as per Income Tax Ordinance, 2001.

*Note 3, Significant Accounting Policies - Continued...*

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments.

Current tax for current and prior periods, to the extent unpaid, is recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, it has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**3.7.2 Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax is calculated at rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or have been notified for subsequent enactment by the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.8 Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and cash at banks which are free of encumbrances.

**3.9 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within short period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.



Note 3, Significant Accounting Policies - Continued...

**3.10 Contingent liabilities**

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

**3.11 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Company has access at that date. There are three levels which are as under:

**Level 1**

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

**Level 2**

When there is no quoted price in an active market, the Company determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

**Level 3**

If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

**3.12 Impairment of non-financial assets**

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

**3.13 Revenue recognition**

Revenue is recognized in accordance by applying the following steps:

- i) Identifying contract with a customer
- ii) Identifying performance obligation in the contract
- iii) Determining transaction price of the contract
- iv) Allocating transaction price to each of the separate performance obligations in the contract
- v) Recognizing the revenue when (or as) the Company satisfies a performance obligation

*Note 3, Significant Accounting Policies - Continued...*

The Company recognizes revenue as follows:

**Room maintenance services / Software services**

Revenue is recognized when the Company has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable within 10 days from the invoice date.

**Funds**

Income from trusts operations is recognized on the basis of average monthly net asset value of the funds.

**Finance lease**

The Company follows the 'financing method' in accounting for recognition of finance lease. The total unearned finance income i.e. the excess of minimum lease payments over the cost of the leased asset is deferred and then amortized over the term of the lease, so as to produce a systematic return on the net investment in finance leases.

**Return on MTS investments and fixed income securities**

Return on MTS investments and fixed income securities is recognized on a time proportionate basis over the term of the investments that takes into account the EIR method.

**Rental income**

Rental income from investment property is recognized in profit or loss on a straight-line basis over the lease term.

**Dividend income**

Dividend income is recognized in profit or loss on accrual basis in case of cumulative preference shares and at the time dividend is declared in case of ordinary shares.

**3.14 Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that made strategic decisions. The management has determined that the company has a single reporting segment, as board of directors use the company's operations as one reportable segment.

**3.15 Related party transactions**

Related parties comprise the parent Company, associated companies / undertakings, directors of the Company and their close relatives and key management personnel of the Company. Transactions in relation to revenue, purchases and services with related parties are made at arm's length prices determined in accordance with the Company's policy except for the allocation of expenses such as utilities, rental and common overheads shared with related parties, which are on actual basis.

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and its related parties are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company to not to do so.

**3.16 Dividend distributions**

Dividends to shareholders of the Company and appropriations other than statutory appropriations are recognized as a liability in the period in which these are approved.

**3.17 Earnings per Share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, if any.



Note 4, Scheme of Demerger - Continued...

**LSE Proptech Limited**

	Before Merger	Transfer from		Merger	After Merger	30-Jun-23
	LPL	LSE FSL	DATM	Adjustment	LPL	LPL
	Rupees in thousands					
Property and equipment	3,253	1,285,028	128	-	1,288,410	1,301,829
Investment property	-	378,432	-	-	378,432	378,431
Net investment in finance lease	-	4,214	-	-	4,214	4,276
Long term deposits	-	-	-	-	-	75
Inventory	-	2,991	-	-	2,991	2,923
Trade and other receivables	-	9,273	-	-	9,273	39,163
Advances and prepayments	3,768	21,940	-	-	25,708	3,462
Short term investment	43,350	-	-	-	43,350	-
Refund due from Government	(181)	-	1,721	-	1,540	2,285
Cash and bank balances	1,963	10,000	45	-	12,008	43,517
Deposits against vehicles	-	(5,153)	-	-	(5,153)	(5,643)
Deferred tax (asset) / liability	-	(3,422)	-	-	(3,422)	(1,403)
Trade and other payables	(172)	(48,498)	(23,019)	-	(71,688)	(50,746)
Receivable from / payable to group companies	-	(4,000)	-	-	(4,000)	-
Share capital	(50,000)	(850,907)	-	-	(900,907)	(900,907)
Unappropriated profit	-	(155,016)	21,124	-	(133,892)	(127,709)
Profit for the period	(1,980)	43,902	-	-	41,922	-
Revaluation surplus on property and equipment	-	(706,080)	-	-	(706,080)	(706,004)
Building reserve fund	-	(9,236)	-	-	(9,236)	(10,082)
Goodwill arising on demerger	-	26,533	-	-	26,533	26,533
	-	-	-	-	-	-

**DATA TEXTILES LIMITED**

	Before Merger	Transfer to		Merger Effect	After Merger
	LPL	LPL	LVL		
	Rupees in thousands				
Property and equipment	128	(128)	-	-	-
Refund due from Government	1,721	(1,721)	-	-	-
Cash and bank balances	45	(45)	-	-	-
Long term financing	(39,222)	-	-	39,222	-
Trade and other payables	(23,019)	23,019	-	-	-
Payable to LSE Financial Services Limited	(4,144)	-	-	4,144	-
Share capital	(99,096)	-	-	99,096	-
Accumulated loss / (unappropriated profit)	163,587	(21,124)	-	(142,463)	-
	-	-	-	-	-

Note 5  
**Property and Equipment**

		<b>2023</b>	<b>2022</b>
	Note	Rupees in thousands	
Operating fixed assets	5.1	1,280,976	-
Capital work-in-progress	5.2	20,852	-
		<u>1,301,829</u>	<u>-</u>

**Measurement of fair values**

The Company obtains an independent valuation for its freehold land and building (classified as property and equipment) every three to five years. The valuation is conducted by an independent valuer who is approved by Pakistan Banks' Association (PBA). Latest revaluation was carried out by LSE FSL on June 30, 2019.

**Valuation techniques**

***Freehold land***

The valuer determined the fair value of freehold land based on the market comparable approach that reflects transaction prices for similar properties in the area. The key observable inputs under this approach are the price per square feet from current year sales of comparable lots of land in the area (location and size). Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered other relevant factors as well.

***Building on freehold land***

The valuer used a cost approach (i.e. current replacement values) for building on freehold land to arrive at the fair value. Construction specifications were noted for each building and structure and new construction rates were applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

The effect of changes in the observable inputs used in the valuations cannot be determined with certainty; consequently, a qualitative disclosure of sensitivity has not been presented in these financial statements.

Note 5, Property and Equipment - Continued...

Note 5.1

**Operating Fixed Assets**

Particulars	Cost / Revalued Amounts				Accumulated Depreciation				Written Down Value as at June 30, 2023	
	Transfer from LSE FSL	Additions	Disposals	Transfer from CWIP	Balance as at June 30, 2023	Rate	Transfer from LSE FSL	Charge for the Year		Disposals
Rupees in thousands										
<b>Owned assets</b>						%				
Land freehold	1,059,660	-	-	-	1,059,660	-	-	-	-	1,059,660
Buildings on Freehold land	122,386	5,245	-	-	127,631	5%	16,017	5,028	-	21,045
Computer and accessories	34,946	2,046	(4,186)	-	32,806	30%	30,143	1,658	(4,103)	27,698
Furniture and fixture	15,279	2,121	(147)	-	17,253	10%	8,508	798	(84)	9,222
Office equipment	6,631	-	-	-	6,631	20%	6,417	35	-	6,452
Electric fittings and appliances	136,923	3,978	(1,860)	-	139,040	20%	84,755	9,714	(1,474)	92,995
Vehicles	21,521	20,705	(334)	-	41,891	20%	2,140	6,486	(94)	8,532
Elevator	19,969	-	-	-	19,969	20%	14,317	936	-	15,253
Generators	34,206	-	-	-	34,206	10%	19,356	1,369	-	20,725
Arms and security equipment	6,210	505	-	-	6,715	10%	2,531	374	-	2,905
Library books	318	-	-	-	318	25%	317	0	-	317
Leasehold improvements	5,697	-	-	-	5,697	20%	5,697	-	-	317
	1,463,745	34,600	(6,528)	-	1,491,818		190,199	26,398	(5,755)	210,842
										1,280,976

Note 5.1.1  
**Reconciliation of Transfer of Balance as per note 4**

Balance as per Note 4 as on April 26, 2023	(1,285,028)
CWIP	4,837
Operating fixed assets	(1,280,191)

Cost	29,563
Additions	(6,527)
Disposals	23,036
Depreciation for the period	22,146
Disposal Depreciation	(5,755)
	(16,391)

Balance as on July 31, 2022 (1,273,546)

Note 5, Property and Equipment - Continued...

**5.1.2 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:**

Location / Address	Usage of Immovable property	Total Area (Sq. ft.)	Covered Area (Sq. ft.)
19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.	Land and Building	44,213	North Tower: 96,540 Sqft South Tower : 50,132 Sqft

**5.1.3** No disposals were made during the year having individual book value exceeding Rs. 500,000 or more.

**5.1.4** The disposal in operating fixed assets relates to those assets which were damaged / discarded during the year and were subsequently claimed by the Company under the insurance policy from the insurer i.e. IGI General Insurance Limited.

**5.1.5** Had the revaluation of these assets not been made, the carrying value of these assets as at the reporting date would have been as under:

	2023	2022
	Rupees in thousands	
Freehold land	362,013	-
Building on freehold land	91,447	-
	<u>453,460</u>	<u>-</u>

**5.1.6** Property and equipment contains fully depreciated assets, having cost of Rs. 6.015 million (2022: Nil) that are still in use as at the reporting date.

**5.1.7** Forced sale value and assessed value of these fixed assets as at the date of revaluation (i.e. June 30, 2019) was as under:

	Forced sale value	Assessed sale value
	Rupees in thousands	
Freehold land	900,711	1,059,660
Building on freehold land	90,598	106,586
	<u>991,309</u>	<u>1,166,246</u>

**5.2 Capital work in progress**

	2023	2022
	Rupees in thousands	
Transfer from LSE Financial Service Limited as per Note # 4	4,837	-
Additions during the period	16,015	-
	<u>20,852</u>	<u>-</u>
Transfers during the year	-	-
Closing balance	<u>20,852</u>	<u>-</u>

Note 6

**Investment Property - At Fair Value**

	2023	2022
	Rupees in thousands	
Carrying value	<u>378,431</u>	<u>-</u>

**6.1** The fair value of investment property is determined at the end of each year by independent suitably qualified valuer. The fair value of the investment property as at June 30, 2023 and June 30, 2022 were performed by M/s Unicorn International Surveyors, who are independent valuers not related to the Company. M/s Unicorn International Surveyors, have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties/capitalization of net income method, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighborhood. The capitalization rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

There are no level 1 and level 3 assets or any transfers between levels 1, 2 and 3 during the year.

Property Type	Location	Area	Independent Valuer	Fair Value	Forced Sale Value
				Rupees in thousands	
Building on land	Lahore	25,018 square feet	M/s Unicorn International	378,431	321,660

Note 7

**Net investment in finance lease**

		<b>2023</b>	<b>2022</b>
	Note	Rupees in thousands	
Transfer from LSE Financial Services (LSE FSL) Limited as per Note # 4		4,309	-
Add: Finance income for the year		311	-
Less: Rental received during the year		(344)	-
Closing balance	7.2	<u>4,276</u>	<u>-</u>

**7.1** The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Upto one year	342	-
Two to five years	1,368	-
Above five years	21,762	-
	23,472	-
Less: Discounting	(19,196)	-
Closing balance	<u>4,276</u>	<u>-</u>

**7.2** The Company has entered into lease arrangements for lease of office spaces i.e. 106,199 square feet in North and South Towers for a lease period of upto 99 years. Interest rate implicit @ 8% in the lease is used as a discount factor to determine the present value of minimum lease payments.

**7.3 Reconciliation of transfer as per demerger**

	<b>2023</b>
	Rupees in thousands
Transfer as per Note 4 as on April 26, 2023	(4,214)
Add: Finance income for the year	249
Less: Rental received during the year	(344)
<b>Balance as per July 31, 2022</b>	<u>(4,309)</u>



Note 8

**Long Term Deposits**

		2023	2022
		Rupees in thousands	
Deposits paid to Central Depository Company Limited	8.1	75	-

8.1 This amount has been deposited with Central Depository Company Limited for share registrar services.

Note 9

**Trade and Other Receivables - Considered good**

		2023	2022
		Rupees in thousands	
Receivables from ex-members	9.1	6,800	-
Receivable from related party	9.2	27,108	-
Other receivables:			
- Accrued mark-up		6	-
- Tenant	9.3	5,249	-
		<u>39,163</u>	<u>-</u>

**9.1 Receivables from ex - members**

Considered good		6,800	-
Considered doubtful		19,962	-
Less: Expected Credit Loss	9.1.1	26,761	-
		<u>(19,962)</u>	<u>-</u>
		<u>6,800</u>	<u>-</u>

**9.1.1 Expected Credit Loss**

Transfer from LSE Financial Services Limited		16,346	-
Expected credit loss during the year		3,615	-
Recovery of expected credit loss during the year		-	-
Closing balance		<u>19,962</u>	<u>-</u>

**9.1.2 Age analysis of trade receivables from ex - members**

Description	Year End	Past due					Total Gross
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days	
----- Rupees in thousands -----							
Ex- members	2023	3,946	1,932	921	5,382	14,580	26,761

9.2 This represents receivable from LSE Ventures Limited against the expenses paid by the Company on behalf of LSE Ventures Limited. The maximum amount due at the end of any month is Rs. 27.108 million (2022 : Nil).

**9.2.1 Age analysis of other receivables from related parties:**

Description	Year End	Past due					Total Gross
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days	
----- Rupees in thousands -----							
LSE Ventures Limited	2023	27,108					27,108

**9.3 Other receivables from tenants**

Considered good		5,249	-
Considered doubtful		1,460	-
Less: Expected credit loss	9.3.1	6,709	-
		<u>(1,460)</u>	<u>-</u>
		<u>5,249</u>	<u>-</u>

**9.3.1 Allowance for impairment**

Opening balance		-	-
Impairment loss recognised		1,460	-
Reversal of impairment loss during the year		-	-
Closing balance		<u>1,460</u>	<u>-</u>

**9.3.2 Age analysis of other receivables from tenants:**

Description	Year End	Past due					Total Gross
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days	
----- Rupees in thousands -----							
Other receivables	2023	3,118	536	136	972	487	5,249

Note 10

**Advances and Prepayments**

	<b>2023</b>	<b>2022</b>
	Rupees in thousands	
<b>Unsecured - Considered good</b>		
Advances to employees against expenses	100	-
Advances to employees against salaries	66	-
Advances to employees against vehicles	33	-
Prepayments	3,263	-
	<u>3,462</u>	<u>-</u>

Note 11

**Tax Refunds Due from the Government - Net**

	<b>2023</b>	<b>2022</b>
	Rupees in thousands	
	Note	
Advance income tax	11.1	<u>2,285</u> <u>-</u>
<b>11.1 Income tax</b>		
Income tax deducted at source - net		3,443
Less: Provision of income tax for the year		<u>(1,158)</u>
		<u>2,285</u>

Note 12

**Cash and Bank Balances**

	<b>2023</b>	<b>2022</b>
	Rupees in thousands	
	Note	
Cash in hand		100
Cash at banks in savings accounts	12.1	<u>43,417</u>
		<u>43,517</u>

**12.1** These carry mark-up @ 12.25% to 18.50% p.a.

Note 13

**Issued, Subscribed and Paid-up Share Capital**

<b>2023</b>	<b>2022</b>		<b>2023</b>	<b>2022</b>
			Rupees in thousands	
Number of shares				
5,000,000	-	Ordinary shares of Rs. 10 each issued for cash	50,000	
(5,000,000)	-	Ordinary shares of Rs. 10 each Cancelled as per demerger	(50,000)	
<u>90,090,732</u>	-	Ordinary shares of Rs. 10 each issued other than in cash	<u>900,907</u>	-
<u>90,090,732</u>	<u>-</u>		<u>900,907</u>	<u>-</u>

**13.1** LSE Financial Service Limited has demerged as per Lahore High Court order dated April 26, 2023 under which 26,952,897 shares comprising 29.90% equivalent share of the company has been issued in favor LSE Ventures Limited and remaining 63,137,803 shares comprising 70.10% share of the company have been issued to shareholders of LSE Ventures Limited.

**13.2** The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

**13.3** Reconciliation of changes in number of shares is as follows:

	<b>2023</b>	<b>2022</b>
	Number of shares	
Opening balance	-	-
Shares issued during the year	95,090,732	-
Shares cancelled during the year	<u>(5,000,000)</u>	-
Closing balance	<u>90,090,732</u>	<u>-</u>

**CAC**

Note 14

**Surplus on Revaluation of Property and Equipment**

	<b>2023</b>	<b>2022</b>
	Rupees in thousands	
Transfer from LSE Financial Service Limited as per Note 4	709,502	-
Incremental depreciation for the year	(107)	-
	<u>709,395</u>	-
<b>Less: Deferred tax</b>		
Transfer from LSE Financial Services Limited as per Note 4	(3,422)	-
Incremental depreciation for the year	31	-
Closing balance	<u>(3,391)</u>	-
	<u>706,004</u>	-
	<u><u>706,004</u></u>	<u><u>-</u></u>

**14.1** The surplus on revaluation of property and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

**14.2** The revaluation surplus represents net cumulative increase in the carrying amount as a result of revaluation of property and equipment.

Note 15

**Building Reserve Fund**

This reserve was created for replacement of fixed assets of the Company and the Company and its tenants contribute their respective shares in fund. This fund has been transferred to LSE Proptech Limited as per demerger scheme.

Note 16

**Deferred Tax Liability**

		<b>2023</b>	<b>2022</b>
	Note	Rupees in thousands	
Deferred tax liability	16.1	<u>1,403</u>	<u>-</u>
<b>16.1 Breakup of deferred tax liability</b>			
<b>Taxable temporary differences</b>			
Accelerated tax depreciation		2,561	-
Surplus on property and equipment		3,391	-
Net investment in finance lease		1,240	-
<b>Deductible temporary differences</b>			
Loss allowance on receivables		<u>(5,789)</u>	-
		<u>1,403</u>	<u>-</u>

**16.2** Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29%.

**16.3 Reconciliation of deferred tax liabilities - Net**

Opening balance	-	-
Transferred from LSE FSL as per demerger scheme	3,422	-
Deferred tax effect charged to profit or loss	(2,019)	-
Deferred tax effect charged to other comprehensive income	-	-
Closing balance	<u>1,403</u>	<u>-</u>

**CM**

Note 17

**Trade and Other Payables**

		2023	2022
	Note	Rupees in thousands	
Trade creditors		22,495	-
Accrued liabilities		11,019	25
Advance rent received from tenants		6,260	-
Advances received from ex - members and companies		5,549	-
Payable to related party	17.1	4,228	-
Retention money - unsecured		1,196	-
		<u>50,746</u>	<u>25</u>

**17.1** This represents payable to LSE Financial Services Limited against the expenses paid on behalf of LSE PropTech Limited.

Note 18

**Contingencies and Commitments**

**18.1 Contingencies**

Certain employees had been reinstated and arrears / back benefits were paid in accordance with Labour Court Order, dated August 13, 2020. However, these employees filed fresh petitions for determination and recovery back of benefits from the Company. Under the circumstances the Company incorporated a certain provision in the financial statements up to June 30, 2022. However, the Company expects a favourable outcome of the case.

**18.2 Commitments**

There is no commitment outstanding as at the reporting date (2022: Rs. Nil).

Note 19

**Revenue**

		2023	2022
	Note	Rupees in thousands	
Revenue from Margin Trading System of NCCPL		1,779	-
Investment properties - rental income		47,986	-
<i>Other revenues - inclusive of PRA sales tax</i>			
Room maintenance services		31,720	-
Software services		4,991	-
		36,712	-
Less: PRA sales tax	19.1	(4,613)	-
		32,099	-
		<u>81,863</u>	<u>-</u>

**19.1** The aggregate PRA sales tax amounting to Rs. 4.613 million (2022: Nil) is charged on room maintenance services and software income.

Note 20

**Other Income**

	2023	2022
	Rupees in thousands	
Cash and cash equivalents - profit on saving bank accounts	5,645	-
Finance income on net investment in finance lease	311	-
Advertisement income / parking charges & Misc.	7,913	-
	<u>13,868</u>	<u>-</u>

Note 21

**Administrative and General Expenses**

		2023	2022
		Rupees in thousands	
	Note		
Salaries and benefits	21.1	34,152	-
Information technology related expenses		2,394	-
Insurance		1,128	-
Travelling and conveyance		7,995	-
Printing and stationery		1,087	-
Utilities		2,859	-
Repairs and maintenance		7,734	-
Security expenses		3,633	-
Communication and public relations		5,454	-
Legal and professional charges		3,464	-
Marginal Trading System charges		42	-
Fees and subscription		98	-
Rent, rates and taxes		792	-
Auditors' remuneration	21.2	1,286	25
Board meetings fee		1,688	-
Others		1,542	-
Depreciation		26,445	-
		<u>101,793</u>	<u>25</u>

**21.1** Salaries and benefits include Rs. 1.199 million (2022: Nil) in respect of contribution to provident fund.

**21.2 Auditors' remuneration**

Annual audit fee	683	25
Other assurance services	341	-
Half yearly review	184	-
Agreed upon procedures	79	-
	<u>1,286</u>	<u>25</u>

Note 22

**Other Operating Expenses**

	2023	2022
	Rupees in thousands	
Loss on disposal of property and equipment	15	-
Impairment loss on trade and other receivables - net	3,615	-
	<u>3,631</u>	<u>-</u>

Note 24

**Taxation**

		2023	2022
		Rupees in thousands	
	Note		
Current tax		1,158	-
Deferred tax	24.2	(2,019)	-
		<u>(861)</u>	<u>-</u>

**24.1** Income tax return has been filed to the income tax authorities upto and including tax year 2022 under the provisions of the Income Tax Ordinance, 2001.

**24.2** Numerical reconciliation between average effective tax rate and the applicable tax rate is not practicable due to application of normal income rate tax and minimum tax rate on services under section 153 (1) (b) of the Income Tax Ordinance, 2001.

Note 25

**Earnings per Share - Basic and Diluted**

	2023	2022
Net profit for the year attributable to ordinary shareholders (Rupees in thousands)	(8,911)	-
Weighted average number of ordinary shares (Number of shares in thousands)	82,439	-
Loss per share - Basic and diluted (Rupees)	(0.11)	-

Note 26

**Cash Generated from Operations**

	2023	2022
	Rupees in thousands	
Loss before tax	(9,772)	(25)
<b>Adjustments</b>		
Depreciation	26,398	-
Return on investments	(5,645)	-
Finance income on net investment in finance lease	(311)	-
Lease rentals	(47,986)	-
Gain on disposal of property and equipment	(15)	-
Impairment loss on trade and other receivables - net	3,615	-
Finance cost	79	-
<b>Loss before working capital changes</b>	(23,864)	-
(Increase) / decrease in current assets:		
- Inventory	(2,923)	-
- Trade and other receivables	(26,761)	-
- Advances, deposits and prepayments	(3,462)	-
	(33,146)	-
Increase / (decrease) in current liabilities:		
- Trade and other payables	18,235	-
- Other liabilities - deposits from employees	490	-
- Advance rent received from tenants	54,246	25
	72,971	25
<b>Cash Generated from Operations</b>	6,189	-

Note 27

**Financial Risk Management**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

**27.1 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

**Currency risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As there are no foreign currency receivables / payables of the Company, it is not exposed to currency risk (2022: Nil).

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to floating interest rate risk as it does not have any significant interest bearing liabilities. However, the Company has fixed and variable interest based investments. These investments are classified as short term and long term considering relative sensitivity of interest rates and management's intention. Other assets and liabilities of the Company do not expose the Company to interest rate risk substantially.

	<b>2023</b>	<b>2022</b>
	Rupees in thousands	
<b><u>Floating rate instruments</u></b>		
<b>Financial assets</b>		
Bank balances	43,417	-
<b><u>Fixed rate instruments</u></b>		
<b>Financial assets</b>		
Net investment in finance lease	4,276	-

**Cash flow sensitivity analysis for variable rate instruments**

As at reporting date, if interest rates get 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 0.434 million (2022: Nil), mainly as a result of yield on floating investment based financial assets.

**Price risk**

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is not exposed to any price risk.

Note 27, Financial Risk Management - Continued...

**27.2 Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at the reporting date, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	Note	2023	2022
		Rupees in thousands	
Net investment in finance lease	7	4,276	-
Trade and other receivables	9	39,163	-
Cash and bank balances	12	43,517	-
		<u>86,956</u>	<u>-</u>

The aging of trade debts and related impairment loss as at the reporting date is presented in note 9.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer such as repayment behavior, credit loss history and available securities etc. The management also considers other relevant factors that may influence the credit risk of its customer base, including the default risk associated with the customer. Majority of the Company's customers have been transacting with the Company for over five years, and only trivial customers' balances have been written off. In monitoring customer credit risk, customers are individually assessed according to their trading history and repayment behavior with the Company.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment terms are offered.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are operated in largely independent markets. The credit risk on liquid funds is limited because the counter parties are either banks (with reasonably high credit ratings) and trade receivables for which the exposure is spread over a large number of counter parties.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2023	2022
	Short term	Long term	Agency		
Bank Al-Habib Limited	A1+	AAA	PACRA	43,417	-

Rupees in thousands

**27.3 Liquidity risk**

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring critical liquidity ratios and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	5 - 10 years
			Rupees in thousands			
Contractual maturities of financial liabilities as at June 30, 2023:						
Trade and other payables	44,486	44,486	44,486	-	-	-
Contractual maturities of financial liabilities as at June 30, 2022:						
Trade and other payables	25	25	25	-	-	-



Note 27, Financial Risk Management - Continued...

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these financial statements, where applicable.

**27.4 Financial instruments by categories**

Fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
----- Rupees in thousands -----			
<b>Financial assets as at June 30, 2023</b>			
Net investment in finance lease	-	4,276	-
Trade and other receivables	-	39,163	-
Cash and bank balances	-	43,517	-
	-	95,626	-
			95,626
<b>Financial liabilities at amortized cost</b>			
		<b>2023</b>	<b>2022</b>
		Rupees in thousands	
Trade and other payable		44,486	25

**27.5 Fair value of financial instruments**

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The management believes that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Note 28

**Capital Risk Management**

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to shareholders.

The Company's objectives when managing capital are:

- a) to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- b) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, if possible, selling surplus property and equipment without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with the industry norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

The gearing ratio of the Company is not calculated as the Company is not geared.

Note 29

**Segment Reporting**

**29.1** Revenue from investment properties represents 98% (2022: Nil) of total revenue of the Company. Therefore, there is one reportable segment as per IFRS-8.

**29.2** The sales percentage by geographic region is as follows:

	<b>2023</b>	<b>2022</b>
	%	%
Pakistan	100.00	0.00

**29.3** There is no individual customer from whom more than 10% of total revenue is received.

**29.4** All non-current assets of the Company as at reporting date are located in Pakistan.

Note 30

**Transactions and Balances with Related Parties**

The related parties of the Company are as follows:

<b>Names of Related Parties</b>	<b>Relationship</b>	<b>Basis of relationship / (percentage shareholding or common directorship)</b>
LSE Ventures Limited	Holding Company	29.90%
Modaraba Al Mali managed by LSE Capital Limited	Associate Company	18.28%
LSE Financial Services Limited	Associate Company	Common directorship
Mr. Habib Ur Rehman Gilani	Chairman/Independent Director	Common directorship
Mr. Aftab Ahmad	Chief Executive Officer	Common directorship
Mr. Ghulam Mustafa	Non-Executive Director	Common directorship
Mr. Khalid Waheed	Non-Executive Director	Common directorship
Ms. Maleeha Humayun Bangash	Non-Executive Director	Common directorship
Mr. Rizwan Ejaz	Independent Director	Common directorship
Mr. Khashif Shabbir	Independent Director	Common directorship
Lahore Stock Exchange Limited - Employees' Provident Fund Trust	Post employment benefit	

Related parties include associated entities, directors and their close family members and other key management personnel. Balances with related parties are disclosed in respective notes. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

<b>Names of Related Parties</b>		<b>2023</b>	<b>2022</b>
		Rupees in thousands	
LSE Ventures Limited	Shares purchased of the Company	269,529	-
LSE Financial Services Limited	Funds given for investment in MTS	42,000	-
	Interest received on investment in MTS	1,779	-
Modaraba Al Mali	Reimbursement of facilities - receipts	93	-
<b>Balances outstanding as at,</b>			
<b>Trade and Other Receivables</b>			
Receivable from LSE Ventures Limited		27,108	-
<b>Trade and other payables</b>			
Payable to LSE Financial Services Limited		4,228	-

Note 31

**Remuneration of Chief Executive Officer, Directors and Executives**

The aggregate amount charged in these accounts for the year for remuneration, including benefits to chief executive of the company is as follows:

	<b>Chief Executive Officer</b>		<b>Directors</b>		<b>Executives</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	----- Rupees in thousand -----							
Managerial remuneration	2,833	-	-	-	-	-	2,833	-
Company's contribution to the provident fund trust	257	-	-	-	-	-	257	-
Housing and utilities	1,416	-	-	-	-	-	1,416	-
Meeting fees	-	-	1,688	-	-	-	1,688	-
Others	1,542	-	-	-	-	-	1,542	-
	<b>6,048</b>	<b>-</b>	<b>1,688</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,736</b>	<b>-</b>
Number of persons	<b>1</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>

Note 31, Remuneration of Chief Executive Officer, Directors and Executives - Continued...

**31.1** Chief Executive is provided with the Company's maintained vehicle.

**31.2** An Executive is defined as an employee, other than the chief executive officer and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 32  
**Staff Strength**

	<b>2023</b>	<b>2022</b>
Total number of employees at the year end	61	Nil
Average number of employees during the year	51	Nil

Note 33  
**Authorization For Issue**

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on 06-10-2023.

Note 34  
**General**

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No re-arrangement has been made in these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**