



**PROPTech**

**1<sup>st</sup> Quarter Report**

**For the period ended September 30<sup>th</sup>, 2023**

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**LSE PROPTech LIMITED**

**Quarterly Report September 30, 2023**



## 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 Sajjad Hyder	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 Sajjad Hyder	Secretary

### Company Secretary

Mr. Muhammad Sajjad Hyder

### 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

## DIRECTORS' REVIEW

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Un-audited Condensed Interim Financial Statements of the Company for the 1<sup>st</sup> quarter ended September 30<sup>th</sup>, 2023.

During the 1<sup>st</sup> Quarter of FY 2023-24, the economic activities of Pakistan showed some signs of recovery and improvement due to the impact of fiscal measures taken by the government; aiming of attaining fiscal consolidation through broadening the tax base, providing targeted subsidies only to the most vulnerable, and reducing losses of public sector enterprises through privatization or reforms. These measures would also help bring inflation down in the targeted range and achieve sustainable economic growth over the medium term.

### Financial Performance - LSEPL

The financial highlights of the Condensed Interim Financial Statements of the Company for the 1<sup>st</sup> quarter ended September 30, 2023, in comparison with the corresponding 1<sup>st</sup> quarter of previous year are as follows:

Financial Highlights	1 <sup>st</sup> Quarter September 2023	1 <sup>st</sup> Quarter September 2022 Restated
	Rs. in '000	Rs. in '000
Revenue	28,860	14,777
Operating expenditures	(17,095)	(19,867)
Depreciation	(6,422)	(4,452)
<b>Profit/ (Loss) before Taxation</b>	<b>4,643</b>	(9,542)
Taxation	(1,456)	-
<b>Net Profit / (Loss) for the period</b>	<b>3,187</b>	(9,542)
<b>Earnings/ (Loss) Per Share (EPS)</b>	<b>Rs. 0.04</b>	Rs. (0.11)

The above results indicate that operations of the company have started to generate profit after overcoming initial teething problems after demerger/splitting.

The future of PropTech business of the Company holds incredible promises. We are hopeful that the Company will continue with the current momentum and deliver good results in the coming quarters.

Chief Executive

October 26, 2023

**LSE PROPTech LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2023 (UN-AUDITED)**

	Note	September 30, 2023 Un-Audited	June 30, 2023 Audited
Rupees in thousands			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	1,295,681	1,301,828
Investment property - at fair value		378,432	378,432
Goodwill from demerger		26,533	26,533
Net investment in finance lease	6	4,362	4,276
Long term deposits	7	75	75
		<u>1,705,083</u>	<u>1,711,144</u>
<b>CURRENT ASSETS</b>			
Stores and spares		2,683	2,923
Trade and other receivables	8	53,010	39,163
Prepayments and advances	9	10,582	3,462
Tax refunds due from the Government - net	10	4,063	2,285
Cash and bank balances	11	30,053	43,517
		<u>100,391</u>	<u>91,350</u>
		<u>1,805,474</u>	<u>1,802,494</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized Share Capital</b>			
150,000,000 (June 30, 2023: 150,000,000) ordinary shares of Rs. 10 each		<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid-up capital	12	900,907	900,907
<b>Capital reserves</b>			
Revaluation surplus on property and equipment		706,004	706,004
<b>Revenue reserves</b>			
Building Reserve fund	13	11,349	10,082
Unappropriated profit		130,896	127,709
		<u>142,245</u>	<u>137,791</u>
		<u>1,749,157</u>	<u>1,744,702</u>
<b>NON-CURRENT LIABILITIES</b>			
Other liabilities		5,913	5,643
Deferred taxation		1,537	1,403
		<u>7,450</u>	<u>7,046</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	48,867	50,746
<b>CONTINGENCIES AND COMMITMENTS</b>			
		<u>1,805,474</u>	<u>1,802,494</u>

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

Lahore:

Chief Executive Officer



Chief Financial Officer



Director




**LSE PROPTech LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)**

	Note	Quarter ended	
		September 30, 2023 <u>Un-Audited</u>	September 30, 2022 <u>Un-Audited</u> <u>Restated</u>
Rupees in thousands			
REVENUE	16	25,290	11,849
OTHER INCOMES	17	3,570	2,928
		<u>28,860</u>	<u>14,777</u>
<b>OPERATING EXPENSES</b>			
Administrative and general expenses	18	(24,216)	(24,299)
<b>OPERATING PROFIT / (LOSS)</b>		<u>4,644</u>	<u>(9,522)</u>
Finance cost		(1)	(20)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<u>4,643</u>	<u>(9,542)</u>
Taxation	19	(1,456)	-
<b>PROFIT / (LOSS) AFTER TAXATION</b>		<u>3,187</u>	<u>(9,542)</u>
<b>EARNINGS / (LOSS) PER SHARE OF RS. 10 EACH - basic and diluted</b>	20	<u>0.04</u>	<u>(0.11)</u>

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

Lahore

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**LSE PROPTech LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)**

	Quarter ended	
	September 30, 2023	September 30, 2022
Note	Un-Audited	Un-Audited Restated
Rupees in thousands		
PROFIT FOR THE PERIOD	3,187	(9,542)
<i>Items that will never be reclassified to statement of profit or loss:</i>		
Share of other comprehensive income of associates	-	-
Revaluation surplus on property, plant and equipment net of tax - associates	-	-
Actuarial loss on employees' retirement benefits net of tax- associates	-	-
	-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>3,187</b>	<b>(9,542)</b>

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

Lahore

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

**LSE PROPTech LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)**

	SHARE CAPITAL	CAPITAL RESERVES	REVENUE RESERVES		TOTAL EQUITY	
	Issued, subscribed and paid up capital	Revaluation surplus on property, plant and equipment	Building reserve fund	Unappropriated profit		Total
.....'Rupees in thousands'.....						
<b>Balance as at June 30, 2022 - Audited</b>	-	-	-	(25)	(25)	(25)
Loss for the period	-	-	-	(9,542)	(9,542)	(9,542)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(9,542)	(9,542)	(9,542)
<b>Demerger Adjustments</b>						
Transfer of retained earnings as per demerger scheme to:		706,080	9,236	155,016	164,252	870,332
Adjustment of Data Textile Limited balances				(18,448)	(18,448)	(18,448)
<b>Transactions with owners of the company</b>						
Goodwill arising on demerger	26,533	-	-	-	-	26,533
Fresh issuance of share capital	50,000	-	-	-	-	50,000
Transfer of share capital from LSE Financial Services Limited	824,374	-	-	-	-	824,374
	900,907	-	-	-	-	900,907
<b>Balance as at September 30, 2022 - Audited</b>	<b>900,907</b>	<b>706,080</b>	<b>9,236</b>	<b>127,001</b>	<b>136,237</b>	<b>1,743,225</b>
<b>Balance as at June 30, 2023 - Audited</b>	<b>900,907</b>	<b>706,004</b>	<b>10,082</b>	<b>127,709</b>	<b>137,791</b>	<b>1,744,702</b>
Profit for the period	-	-	-	3,187	3,187	3,187
Other comprehensive loss - net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,187	3,187	3,187
Transferred to building reserve	-	-	-	-	-	-
Amount collected from building occupants for fixed assets replacement fund	-	-	1,267	-	1,267	1,267
<b>Balance as at September 30, 2023 - un-audited</b>	<b>900,907</b>	<b>706,004</b>	<b>11,349</b>	<b>130,896</b>	<b>142,245</b>	<b>1,749,157</b>

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

Lahore

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

**LSE PROPTech LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)**

	Note	Quarter ended	
		September 30, 2023 <u>Un-Audited</u>	September 30, 2022 <u>Un-Audited</u> <u>Restated</u>
Rupees in thousands			
<b>Cash flows from operating activities</b>			
Profit / (Loss) before tax		4,643	(9,542)
<b>Adjustments for non - cash and other items:</b>			
Depreciation		6,422	-
Finance income on net investment in finance lease		(86)	-
Rental income		(16,206)	-
Gain on disposal of property, plant and equipment		5	-
Finance cost		1	-
<b>Loss before working capital changes</b>		(9,863)	-
<b>Movement in working capital</b>	21	(3,913)	7,914
<b>Cash (used in) / generated from Operations</b>		(9,133)	(1,630)
Finance cost paid			
Income tax paid		(5,046)	(212)
<b>Net cash (used in) / generated from operating activities</b>		(14,178)	(1,842)
<b>Cash flows from investing activities</b>			
Fixed capital expenditure incurred		(275)	-
Share deposit money received		-	50,000
Loan given to associates		(1,446)	-
Long term deposits received		270	-
Profit received on saving accounts, Treasury bills & MTS		2,165	-
<b>Net cash generated from investing activities</b>		714	50,000
<b>Cash flows from financing activities</b>			
<b>Net cash (used in) / generated from financing activities</b>		-	-
<b>Net Increase / (decrease) in cash and cash equivalents</b>		(13,464)	48,159
<b>Cash and cash equivalents at the beginning of the year</b>		43,517	-
<b>Cash and cash equivalents at the end of the year</b>	11	30,053	48,159

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

Lahore

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



**LSE PROPTECH LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

**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.

LSE Ventures Limited holds 29.92% shares of the Company as at the reporting date.

**2 BASIS OF PREPARATION**

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Act, 2017. Wherever the requirements of the Companies Act, 2017, differ with the requirements of IFRS, the requirements of the Companies Act, 2017 shall prevail.

This condensed interim financial information does not include all information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2020.

The management of the Company is confident that it will be able to meet its obligations and carry on business without any curtailment based on the grounds that the Company will be able to achieve satisfactory level of profitability in the future based on the plans drawn up by the management for this purpose, which include income arising from rentals and investments.

**3 ACCOUNTING POLICIES**

The significant accounting policies are adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**4 Taxation**

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

**5 Property, plant and equipment**

September 30,	June 30,
2023	2023
<u>Un-Audited</u>	<u>Audited</u>
Rupees in thousands	

Property, plant and equipment	1,274,828	1,280,976
Capital work-in-progress	20,852	20,852
	<u>1,295,681</u>	<u>1,301,828</u>

	Note	September 30, 2023 Un-Audited	June 30, 2023 Audited
Rupees in thousands			
<b>6 NET INVESTMENT IN FINANCE LEASE</b>			
Opening balance		4,276	4,309
Add: Finance income for the year		86	311
Less: Rental received during the year		-	(344)
		<u>4,362</u>	<u>4,276</u>
<b>7 LONG TERM DEPOSITS</b>		<u>75</u>	<u>75</u>
<b>8 TRADE AND OTHER RECEIVABLES - considered good</b>			
Trade receivables			
- leaseholders	8.1	12,093	6,800
- Tenant	8.2	12,356	5,249
		24,449	12,049
Receivable from related party		28,554	27,109
Accrued mark-up		6	6
		<u>53,010</u>	<u>39,163</u>
<b>8.1 Trade receivables from leaseholders</b>			
Considered good		12,093	6,800
Considered doubtful		19,962	19,962
		32,054	26,761
Less: Provision against doubtful receivables	8.1.1	(19,962)	(19,962)
		<u>12,093</u>	<u>6,800</u>
<b>8.1.1 Expected Credit Loss</b>			
Opening balance		19,962	16,346
Impairment loss recognized		-	3,615
Closing balance		<u>19,962</u>	<u>19,962</u>
<b>8.2 Receivables from tenants</b>			
-Considered good		12,356	5,249
-Considered doubtful		-	-
		<u>12,356</u>	<u>5,249</u>
Less: provision against doubtful receivables		-	-
		<u>12,356</u>	<u>5,249</u>
<b>9 ADVANCES AND PREPAYMENTS</b>			
Considered good			
Advances to employees - secured	9.1	3,395	199
Prepayments		7,188	3,263
		<u>10,582</u>	<u>3,462</u>
9.1 This amount is secured against employees salaries and benefits payable & funds held by the company. Recoveable through monthly installments.			
<b>10 TAX REFUNDS DUE FROM THE GOVERNMENT - NET</b>			
Income tax deducted at source during the year		5,046	3,443
Provision of income tax for the year		(1,133)	(1,158)
PRA Sales Tax		150	-
		<u>4,063</u>	<u>2,285</u>
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand		100	100
Cash at banks on - Saving accounts	11.1	29,953	43,417
		<u>30,053</u>	<u>43,517</u>
11.1 These carry mark-up ranging from @ 19.50% to 20.50% p.a. (June 30, 2023: 12.25% to 19.50% p.a.)			

12 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

September 30, 2023	June 30, 2023		September 30, 2023	June 30, 2023
(Number of shares)		Note	Un-Audited	Audited
			Rupees in thousands	
90,090,731	90,090,731	12.1	900,907	900,907
			<u>900,907</u>	<u>900,907</u>

12.1 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 shares of the company has been issued in favor LSE Ventures Limited and remaining 63,137,803 shares comprising 70.10% shares of the company have been issued to shareholders of LSE Ventures Limited.

13 BUILDING RESERVE FUND

This reserve was formed for replacement of major fixed assets of the Company and the Company & its long term lease holders contribute their respective shares in the fund.

14 DEFERRED TAXATION

		September 30, 2023	June 30, 2023
	Note	Un-Audited	Audited
Rupees in thousands			
Deferred tax liability	14.1	1,537	1,403
		<u>1,537</u>	<u>1,403</u>

14.1 The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement.

15 TRADE AND OTHER PAYABLES

		September 30, 2023	June 30, 2023
	Note	Un-Audited	Audited
Rupees in thousands			
Trade creditors		21,633	22,495
Accrued liabilities		11,568	11,019
Advance rent received from tenants		8,749	6,260
Payable to related party		-	4,228
Advances received from members and companies		5,720	5,549
Retention money		1,196	1,196
		<u>48,867</u>	<u>50,746</u>

16 REVENUE

		September 30, 2023	September 30, 2022
	Note	Un-Audited	Un-Audited Restated
Rupees in thousands			
Investment properties - rental income		16,206	7,634
Room maintenance services		8,328	3,971
Software services		2,000	831
		10,328	4,802
Less: PRA Sales tax		(1,244)	(587)
		<u>9,084</u>	<u>4,215</u>
		<u>25,290</u>	<u>11,849</u>

	September 30, 2023	September 30, 2022
	<u>Un-Audited</u>	<u>Un-Audited</u> <u>Restated</u>
	Rupees in thousands	
<b>17 OTHER INCOMES</b>		
<b>Income from financial assets</b>		
<b>Financial assets</b>		
Profit on saving bank accounts	2,165	1,413
<b>Net Investment In Finance Lease</b>		
Finance income on net investment in finance lease	86	-
<b>Income from non - financial assets</b>		
Gain on disposal of property, plant and equipment	-	(22)
Recovery of written off receivables	-	4,509
Miscellaneous	1,319	2,972
	<u>1,319</u>	<u>1,515</u>
	<u>3,570</u>	<u>2,928</u>

	September 30, 2023	September 30, 2022
	<u>Un-Audited</u>	<u>Un-Audited</u> <u>Restated</u>
	Rupees in thousands	
<b>18 ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Salaries and benefits	10,337	5,538
Information technology related expenses	302	565
Insurance	205	199
Travelling and conveyance	1,099	1,595
Printing and stationery	131	323
Utilities	155	4,467
Communication and public relations	2,085	1,411
Repair and maintenance	1,230	2,002
Security expenses	555	1,528
Legal and professional charges	169	-
Consultancy charges	602	424
Fee and subscription	144	-
Rent, rates and taxes	349	341
Auditors' remuneration	32	236
Board meetings fee expenses	-	300
Donations	-	100
Others charges	401	817
Depreciation	6,422	4,452
	<u>24,216</u>	<u>24,299</u>

18.1 Salaries and benefits include Rs. 0.422 million (2021: Rs. 0.363 million) in respect of contribution to provident fund.

	September 30, 2023	September 30, 2022
	<u>Un-Audited</u>	<u>Un-Audited</u> <u>Restated</u>
	Rupees in thousands	
<b>19 TAXATION</b>		
Current	1,322	-
Deferred	134	-
	<u>1,456</u>	<u>-</u>

<b>20 EARNINGS PER SHARE</b>			
<b>Basic earnings / (loss) per share</b>			
Profit after tax attributable to ordinary shareholders	<i>(Rupees in thousand)</i>	<u>3,187</u>	<u>(9,542)</u>
Weighted average number of shares outstanding during the year	<i>(Number of shares in thousand)</i>	<u>90,091</u>	<u>90,091</u>
Earnings per share	<i>(Rupees)</i>	<u>0.04</u>	<u>(0.11)</u>

21 MOVEMENT IN WORKING CAPITAL

(Increase) / decrease in current assets:

- Stores and spares
- Trade and other receivables
- Advances and prepayments

Increase / (decrease) in current liabilities:

- Trade and other payables
- Advance rent received from tenants

September 30, 2023	September 30, 2022
<u>Un-Audited</u>	<u>Audited</u>
Rupees in thousands	
240	-
(13,847)	-
(7,120)	(2,433)
(20,727)	(2,433)
270	-
16,544	10,347
16,814	10,347
(3,913)	7,914

22 AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized to issue on Oct 26, 2023 by the Board of Directors of the company

23 Corresponding Figures

23.1 In order to comply with the requirements of International Accounting Standard 34 - "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statement of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

23.2 The figures in this financial information have been rounded off to the nearest Rupees in thousands unless otherwise specified.

Lahore:

  
Chief Executive Officer

  
Chief Financial Officer

  
Director