



PROPTech

3rd Quarter Report

For the period ended March 31st, 2024



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. Muhammad Usman

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 3rd quarter ended March 31st, 2024.

During the 3rd Quarter of FY 2024-25, 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.

Financial Performance - LSEPL

The financial highlights of the Condensed Interim Financial Statements of the Company for the 3rd quarter ended March 31, 2024, in comparison with the corresponding 3rd quarter of previous year are as follows whereas, the Company has started generating profit after overcoming initial problems:

Financial Highlights	3 rd Quarter March 2024	3 rd Quarter March 2023
	Rs. in '000	Restated Rs. in '000
Revenue	97,005	68,923
Operating expenditures	(70,697)	(73,137)
Depreciation	(19,260)	(19,007)
Profit/ (Loss) before Taxation	7,048	(23,222)
Taxation	(6,083)	-
Net Profit / (Loss) for the period	965	(23,222)
Earnings/ (Loss) Per Share (EPS)	Rs. 0.01	Rs. (0.31)

Future Outlook:

The Honorable Lahore High Court, in his order dated Apr 3, 2024, has allowed the merger petition and has sanctioned the Scheme of Arrangement and Reconstruction (C.O 78278/2023) in the matter of transfer of complete business and undertaking of Modaraba Al Mali to LSE Capital Limited. Upon the completion of merger / amalgamation through the intended Scheme and the issuance of shares of LSECAP to the registered members of MODAM and transfer of its listing status to LSEFSL, MODAM will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up.

Chief Executive

April 30, 2024

LSE PROPTECH LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2024

	Note	March 31, 2024 (Un-audited) (Rupees in thousands)	June 30, 2023 (Audited)
ASSETS			
Non-Current Assets			
Property and equipment	5	1,282,695	1,301,829
Investment property		378,431	378,431
Goodwill from demerger		26,533	26,533
Net investment in finance lease		4,190	4,276
Long term deposits		75	75
		1,691,924	1,711,144
Current Assets			
Inventories		2,278	2,923
Trade and other receivables	6	26,745	39,163
Prepayments and advances	7	12,987	3,462
Financial assets	8	31,320	-
Tax refunds due from Government - net		9,084	2,285
Cash and bank balances		29,246	43,517
		111,660	91,350
		<u>1,803,584</u>	<u>1,802,494</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		1,500,000	1,500,000
150,000,000 (June 30, 2023: 150,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up share capital		900,907	900,907
Surplus on revaluation of property and equipment		705,691	706,004
Revenue reserves			
Building reserve fund	9	15,026	10,082
Un-appropriated profit		127,921	127,709
		142,947	137,791
Total Equity		1,749,545	1,744,702
Non-Current Liabilities			
Other liabilities		6,154	5,643
Deferred tax liability		3,805	1,403
		9,959	7,046
Current Liabilities			
Trade and other payables		44,080	50,746
CONTINGENCIES AND COMMITMENTS			
	10	-	-
		<u>1,803,584</u>	<u>1,802,494</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements (un-audited).


Chief Executive Officer



Director


Chief Financial Officer

LSE PROPTECH LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

	Note	Nine months ended March 31,		Quarter Ended March 31,	
		2024	2023	2024	2023
		Rupees in thousands		Rupees in thousands	
Revenue	11	79,935	59,253	28,593	24,096
Other Income		17,070	9,670	7,782	4,370
Operating Expenses					
Administrative and general expenses		(89,922)	(88,778)	(30,750)	(26,747)
Other operating expenses		(33)	(3,287)	4,128	(1,328)
Operating (Loss) / profit		7,050	(23,143)	9,753	391
Finance cost		(2)	(79)	(1)	(59)
(Loss) / profit before Taxation		7,048	(23,222)	9,752	332
Taxation	12	(6,083)	-	(4,627)	-
Net (Loss) / profit for the Period		<u>965</u>	<u>(23,222)</u>	<u>5,125</u>	<u>332</u>
Loss per Share - Basic and Diluted		<u>0.011</u>	<u>(0.31)</u>	<u>0.06</u>	<u>0.00</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements (un-audited).


Chief Executive Officer


Director


Chief Financial Officer

LSE PROPTech LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

	Nine months ended March 31,		Quarter Ended March 31,	
	2024	2023	2024	2023
	Rupees in thousands		Rupees in thousands	
Net (Loss) / profit for the Period	965	(23,222)	5,125	332
Other Comprehensive Income				
<i>Items that may be classified to profit and loss</i>	-	-	-	-
<i>Items that may not be classified to profit and loss</i>	-	-	-	-
	-	-	-	-
Total Comprehensive (Loss) / profit for the Period	<u>965</u>	<u>(23,222)</u>	<u>5,125</u>	<u>332</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements (un-audited).


Chief Executive Officer


Director


Chief Financial Officer

LSE PROPTECH LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

	Nine months ended March 31,	
	2024	2023
	Rupees in thousands	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	7,048	(23,222)
Adjustments for:		
- Depreciation	19,260	19,007
- Return on investments	(4,902)	(4,159)
- Finance income on net investment in finance lease	(257)	(141)
- Lease rentals	(47,581)	(38,606)
- Loss on disposal of property and equipment	33	39
- Revenue from Margin Trading System of NCCPL	(2,524)	-
- Employees' welfare fund	130	220
- Recovery from expected credit loss of trade receivables	(4,830)	-
- Provision against expected credit loss of trade receivables	-	3,248
- Finance cost	2	79
	<u>(40,669)</u>	<u>(20,313)</u>
Operating loss before working capital changes	<u>(33,621)</u>	<u>(43,535)</u>
Decrease / (increase) in current assets:		
- Inventories	645	325
- Trade and other receivables	17,248	(3,411)
- Prepayments and advances	(9,525)	(1,447)
Decrease in current liabilities:		
- Trade and other payables	(10,439)	(1,381)
	<u>(2,071)</u>	<u>(5,914)</u>
Cash Used in Operations	<u>(35,692)</u>	<u>(49,449)</u>
Employees' welfare fund paid	(130)	(62)
Finance cost paid	(2)	(79)
Income tax paid	(11,499)	-
Net Cash Used in Operating Activities	<u>(47,323)</u>	<u>(49,589)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(285)	(924)
Additions in capital work in progress	(51)	(8,008)
Proceeds from disposal of property and equipment	178	158
Net investment in finance lease - rentals	343	344
Rentals received during the period	52,372	44,866
Investments made during the period	(31,320)	-
Deposits received back	511	-
Return on investment in MTS	2,524	-
Profit received from banks	4,902	4,153
Net Cash Generated from Investing Activities	<u>29,174</u>	<u>40,589</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Building reserve fund	3,878	-
Net Cash Used in Financing Activities	<u>3,878</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	<u>(14,271)</u>	<u>(9,000)</u>
Cash and cash equivalents at the beginning of the period	43,517	79,824
Cash and Cash Equivalents at the End of the Period	<u>29,246</u>	<u>70,824</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements (un-audited).

Chief Executive Officer

Director

Chief Financial Officer

LSE PROPTECH LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

Note 1

Corporate and General Information

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:

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

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

Note 2

Basis of Preparation

2.1 Statement of Compliance

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

- International Accounting Standard (IAS 34) - Interim Financial Reporting, 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 with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements are unaudited. The figures for the quarters ended on March 31, 2023 and 2024 presented in the condensed financial statements have not been reviewed by the external auditors.

2.3 These condensed interim financial statements are presented in Pak rupees, which is the Company's functional and presentation currency. Figures have been rounded off to nearest thousand rupees, unless stated otherwise. These condensed financial statements do not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2023.

Note 3

Significant Accounting Policies

The accounting policies and methods of presentation of these condensed interim financial statements are the same as those followed in the preparation of annual financial statements for the preceding financial year ended June 30, 2023.

Note 4

Accounting Estimates and Judgment

The accounting estimates and associated assumptions used in the preparation of these interim financial statements are consistent with those applied in the preparation of annual financial statements of the Company for the immediately preceding year ended June 30, 2023.

Note 5

Property and Equipment

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
Rupees in thousands			
Operating fixed assets	5.1	1,261,791	1,280,976
Capital work-in-progress	5.2	20,903	20,853
5.1 Operating fixed assets		1,282,695	1,301,829
Opening written down value		1,280,977	1,273,547
Additions during the period / year		285	34,600
Disposals during the period / year		(211)	(773)
Depreciation charge for the period / year		1,281,051	1,307,374
		(19,260)	(26,398)
5.2 Capital work in progress		1,261,791	1,280,976
Opening balance		20,852	4,837
Additions during the period / year		51	16,015
Transferred to property and equipment		20,903	20,852
		-	-
		20,903	20,852

Note 6

Trade and Other Receivables

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
Rupees in thousands			
Trade receivables:			
- From leaseholders		5,191	6,800
- From tenants		7,245	5,249
Other receivables:	6.1	12,436	12,049
- From related parties - secured		14,302	27,108
- Accrued mark-up		6	6
		14,308	27,114
		26,745	39,163
6.1 Trade receivables			
Considered good		12,437	12,049
Considered doubtful		15,132	19,961
Less: expected credit loss on doubtful receivables	6.2	27,568	32,010
		(15,132)	(19,961)
		12,437	12,049
6.2 Expected credit loss on doubtful receivables			
- From leaseholders		13,226	19,961
- From tenants		1,905	-
		15,132	19,961

Note 7 Prepayments and Advances		March 31, 2024	June 30, 2023
		(Un-audited)	(Audited)
		Rupees in thousands	
Prepayments	7.1	10,068	3,263
Advances to employees	7.2	2,919	199
		<u>12,987</u>	<u>3,462</u>

7.1 This includes payments made on behalf of merger in process with LSE Capital Limited amounting Rs. 4.11 million receivable from LSE Capital Limited.

7.2 This includes advance to executive, Mr. Amir Zia amounting Rs. 2.41 million.

Note 8 Financial Assets		March 31, 2024	June 30, 2023
		(Un-audited)	(Audited)
		Rupees in thousands	
At amortised cost			
Investment in Margin Trading System of NCCPL through LSE FSL	8.1	<u>31,320</u>	<u>-</u>

8.1 Investment on Margin Trading System of NCCPL via LSE FSL is an undisclosed market of financees and financiers with a participation ratio of 85 to 15 carrying markup of KIBOR with spread of maximum upto 8%. During the period, the Company has invested the amount through LSE Financial Services Limited's MTS platform and receives markup income net of 1% to 2% (June 30, 2023: Nil) service charges and MTS charges.

Note 9
Building Reserve Fund

This reserve was created with the allocation of Rs 0.50 million to meet capital expenditures on the buildings of the Company. Later, it was decided that 2% of the rental income shall be allocated to this fund on annual basis. The management of the Company has decided that all the tenants, including the Company and all other leaseholders, of LSE plaza shall contribute @ Rs. 4 per square feet on monthly basis effective from April 20, 2022. This fund will be used for replacement of fixed assets of the Company.

	March 31, 2024	June 30, 2023
	(Un-audited)	(Audited)
	Rupees in thousands	
Opening balance	10,082	-
Additions during the period / year	4,944	10,082
Closing balance	<u>15,026</u>	<u>10,082</u>

Note 10
Contingencies and Commitments

10.1 Contingencies

There are no material contingencies outstanding as at reporting date (June 30, 2023: Nil).

10.2 Commitments

There are no material commitments outstanding as at reporting date (June 30, 2023: Nil).

Note 11

Revenue	Nine months ended March 31,		Quarter Ended March 31,	
	2024	2023	2024	2023
	Rupees in thousands		Rupees in thousands	
Revenue from Margin Trading System of NCCPL	2,524	-	2,524	-
Rental income from investment properties	47,581	38,606	31,376	30,972
Revenue from contracts with customers:				
- Room maintenance services	28,423	20,913	20,095	16,942
- Software services	6,268	3,242	4,268	2,412
	34,692	24,155	24,363	19,354
Less: PRA sales tax	(4,861)	(3,508)	(3,617)	(2,921)
	29,831	20,647	20,746	16,433
	79,935	59,253	54,645	47,404

Note 12

Taxation	Nine months ended March 31,		Quarter Ended March 31,	
	2024	2023	2024	2023
	Rupees in thousands		Rupees in thousands	
Current	3,941	-	2,619	-
Prior	(260)	-	(260)	-
Deferred	2,402	-	2,268	-
	6,083	-	4,627	-

Note 13

Transactions with Related Parties

Related parties comprise associated companies / undertakings, companies where directors also hold directorship, retirement benefits fund and key management personnel. Balances with related parties are disclosed in respective notes to these financial statements, whereas significant transactions with these related parties during the period are as under:

Transactions with related parties for half year ended December 31,

Name of related parties	Nature of Transactions	2023	2022
		----(Un-audited)----	
		Rupees in thousands	
LSE Financial Services Limited	Investment in MTS - Principal	(31,320)	-
	Expenses paid on behalf of Company	945	-
	Investment in MTS - Markup accrued	2,524	-
LSE Ventures Limited	Reimbursement shared expenses - received	32,823	-
	Reimbursement of expenses - receivable	10,834	-
Balance outstanding as at:		March 31, 2024	June 30, 2023
		----(Un-audited)----	
		Rupees in thousands	
Trade and Other Receivables			
LSE Financial Services Limited		3,468	-
LSE Ventures Limited		10,834	27,108
Financial Assets			
LSE Financial Services Limited (Investment in Margin Trading System of NCCPL)		31,320	-
Trade and Other Payables			
LSE Financial Services Limited		-	4,228

Note 14

Segment Reporting

14.1 Revenue from investment properties represents 98.77% (June 30, 2023: 98%) of total revenue of the Company. Therefore, there is one reportable segment as per IFRS-8.

14.2 The revenue percentage by geographic region is as follows:

	March 31, 2024	June 30, 2023
	%	%
Pakistan	<u>100.00</u>	<u>100.00</u>

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

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

Note 15


Authorization of Financial Statements

These condensed interim financial statements (un-audited) are approved and authorized for issuance on 30th April, 2024 by the Board of Directors of the Company.

Note 16

General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material reclassifications have been made in these condensed interim financial statements (un-audited).



Chief Executive Officer



Director



Chief Financial Officer