

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The transactions with key management personnel includes remuneration and other benefits under the terms of their employment which are as follows:

	2011				2010			
	Chief executive	Directors	Executive	Total	Chief executive	Directors	Executive	Total
	----- Rupees -----							
Managerial remuneration	558,900	356,400	2,072,177	2,987,477	625,950	807,300	625,950	2,059,200
Housing and utilities	683,100	435,600	2,532,661	3,651,361	337,050	434,700	337,050	1,108,800
	<u>1,242,000</u>	<u>792,000</u>	<u>4,604,838</u>	<u>6,638,838</u>	<u>963,000</u>	<u>1,242,000</u>	<u>963,000</u>	<u>3,168,000</u>
No. of persons	1	2	5	8	1	2	1	4

38 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings of the Company comprise of group companies, other associate companies, directors and key management personnel. Transactions with related parties and associated undertakings are as under:

Relation with the Company	Nature of Transaction	2011 Rupees	2010 Rupees
Associated Company			
Toyota Rawal Motors (Private) Limited	Sales of tiles	-	4,078,044
	Short term financing - Mark up	278,680	12,993
	Rental for building	480,000	-
	Utilities	120,000	-
Key management personnel			
	Long term financing - addition	8,140,000	2,790,000
	Long term financing - repaid	10,470,000	4,180,000
	Remuneration and other benefits	6,638,838	3,168,000

39 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. Significant changes made during the year were as follows:

Reclassification from	Reclassification to	2010 Rupees	2009 Rupees
Advances	Taxation - net	4,784,178	2,980,081
Provision for taxation	Taxation - net	2,454,201	1,609,569
Due from associate	Trade debts	4,078,044	-
Due from associate	Short term financing	1,770,521	-
Short term financing	Long term financing	615,130	-
Trade and other payables	Current portion of long term financing	19,452,634	-
Administrative expenses	Other operating expenses - WPPF	975,169	-
	Other operating expenses - WWF	362,775	-
	Other operating expenses - Legal and professional charges	728,238	-
	Other operating expenses - auditor's remuneration	375,000	-
	Administrative expenses - depreciation	Cost of sales - depreciation	1,269,374
Distribution cost - depreciation	Cost of sales - depreciation	1,269,374	-
Distribution cost - advertising and promotion	Administrative expenses - printing and stationery	53,270	-
Administrative expenses - rent, rates and taxes	Distribution cost - rent expense	156,250	-
Distribution cost - travelling and conveyance	Administrative expenses - travelling and conveyance	277,306	-

40 CORRECTION OF ERROR

40.1 During the last and prior periods the Company had wrongly charged incremental depreciation on revaluation surplus relating to land, moreover, deferred tax effect relating to revaluation surplus was charged to profit and loss account instead of equity. Further, the Company had first time accounted for deferred tax liability in financial statements in June 30, 2010, however, comparative information was not restated to account for the effect of deferred tax relating to prior years. The error has been corrected retrospectively and comparative information has been restated. The effect on prior periods is tabulated below:

	Amount Rupees
<i>Effect on year ended June 30, 2010:</i>	
Decrease in accumulated loss	113,046,979
Decrease in surplus on revaluation of fixed assets	152,729,567
Increase in deferred tax liability	39,682,589
	113,046,979

**Amount
Rupees**

Effect on periods prior to June 30, 2010:

Decrease in accumulated loss	40,921,605
Decrease in surplus on revaluation of fixed assets	66,723,875
Increase in deferred tax liability	<u>25,802,270</u>

Effect on year ended June 30, 2010:

Decrease in deferred tax expense	75,749,281
Decrease in deficit for the year	<u>75,749,281</u>

- 40.2 For the year ended June 30, 2009, Company had recorded other income of Rs.114,126,275 in respect of waiver of principal and mark up payable to financial institutions under long term financing. As per settlement agreement signed on March 05, 2009, write off / waiver granted by the financial institutions shall become effective only after full payment of the total settlement amount and till then the loan should not be written off. The error has been corrected retrospectively and comparative information has been restated. The effect of significant changes are tabulated below:

**Amount
Rupees**

Effect on year June 30, 2010 and prior periods:

Increase in long term financing	114,126,275
Increase in accumulated loss	107,187,765
Decrease in trade and other payables - WPPF payable	5,027,906
Decrease in trade and other payables - WWF payable	<u>1,910,604</u>

41 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 08, 2011 by the Board of Directors of the Company.

42 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR