

**Blue Mountain Limited**  
**Notes to the Accounts**  
**For the year ended March 31,2013**

**01 Statement of Accounting Policies.**

The financial statements presented here are for the entity Blue Mountain Limited, a registered company under the Companies Act,1993.

Blue Mountain Limited qualifies as an exempt company under the Financial Reporting Act,1993. These financial statements have been prepared in accordance with the Financial Reporting Act.1993 and the financial Reporting Order 1994.

The accounting principles recognized as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used with the exception of certain items for which specific accounting policies have been identified.

**02 Significant Accounting Policies**

**2.1 Basis of accounting**

The financial statements of the Company are prepared on a going concern and accrual bases under historical cost convention and in accordance with generally accepted accounting principles. Wherever appropriate, such principles are explained in the succeeding notes.

**2.2 Property, plant and equipment (PPE)**

These are stated at cost less accumulated depreciation. Depreciation is charged on the items of property, plant and equipment using reducing balance method.

Full year depreciation is charged on additions irrespective of date of their acquisition. The rates of depreciation on various classes of property, plant and equipment are as under:

<b><u>Asset category</u></b>	<b><u>Rate (%)</u></b>
Air conditioner	10
Furniture	10
Office Equipment	10

**2.3 Provision for Taxation**

Provision for current income tax is made at the prevailing rate of 35% on the accounting profit of the company.

**2.4 Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, bank balances which are held and are available for use by the Company.