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ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. ASU 2014-09 is effective for us on January 1, 2017. Early application is not permitted. The standard permits the use of either a retrospective or cumulative effect transition method. We have not determined which transition method we will adopt, and we are currently evaluating the impact that ASU 2014-09 will have on our financial statements and related disclosures upon adoption.

ASU No. 2014-15, Subtopic 205-40, Presentation of Financial Statements—Going Concern (Topic 718)

In August 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, which requires management to evaluate, at each annual and interim reporting period, whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date the financial statements are issued and to provide related disclosures. ASU 2014-15 is effective for us for our fiscal year ending December 31, 2016 and for interim periods thereafter. We are currently evaluating the impact of this standard on our financial statements.

3. Property and equipment

Property and equipment consists of the following:

In INR	As of	
	March 31, 2015	December 31, 2014
Land (Refer note 8)	69,308,894	69,308,894
Solar energy systems	2,227,362,376	2,227,362,376
Total property and equipment, at cost	2,296,671,270	2,296,671,270
Less accumulated depreciation	(158,551,721)	(140,377,562)
Total property and equipment, net	2,138,119,549	2,156,293,708

Depreciation expense was INR 18,174,159 for both the quarters ended March 31, 2015 and 2014 respectively.

4. Debt

Debt consists of the following:

In INR	As of March 31, 2015			As of December 31, 2014		
	Total principal	Current	Long-term	Total principal	Current	Long-term
International Finance Corporation	624,163,204	31,408,640	592,754,564	624,163,204	31,408,640	592,754,564
PTC Indis Financial Services Limited	997,512,000	50,196,000	947,316,000	1,009,260,000	49,395,000	959,865,000
Total	1,621,675,204	81,604,640	1,540,070,564	1,633,423,204	80,803,640	1,552,619,564

Our solar energy projects for which we have long-term debt obligations are included in these financial statements. We typically finance our solar energy projects through specific debt secured by the entity's assets including movable and immovable properties, both present and future and share capital. Typically, these financing arrangements provide for a credit facility used for a construction, which upon completion is converted into term debt.

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