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The applicable Indian statutory tax rate for the tax years ended 2015 and 2014 is 34.61%.

Income tax expense differed from the amounts computed by applying the statutory Indian income tax rate of 34.61% to profit before income taxes.

	As of March 31,	
	2015	2014
Current tax		
Income tax at Indian statutory rate	34.61%	34.61%
<i>Increase (reduction) in income taxes:</i>		
Impact of tax holidays	45.15%	63.27%
Others	—	0.43%
Effective tax rate	<u>79.76%</u>	<u>98.31%</u>

Significant component of deferred taxes

The significant components of deferred tax assets and liabilities attributable to income from operations for the quarters ended March 31, 2015 and 2014 are as follows:

	As of March 31,	As of December 31,
	2015	2014
Deferred tax assets / liabilities		
<i>Deferred tax liabilities:</i>		
Plant and equipment, principally due to differences in depreciation	59,857,446	52,014,041
<i>Deferred tax assets:</i>		
Land, due to indexation benefits in tax	3,227,940	3,227,940
Less: valuation allowance	(3,227,940)	(3,227,940)
Net deferred tax liabilities	59,857,446	52,014,041

The Company has unabsorbed depreciation for Indian income tax purposes of INR 219,734,540 as at March 31, 2015 and INR 204,880,652 as at December 31, 2014 and which are available to offset future taxable income, if any, over an indefinite period. In addition, the Company has a net operating loss carryforward of INR 128,772,265 as at March 31, 2015 and December 31, 2014 which is available to offset future taxable income, if any, until the tax year ended March 31, 2021.

The Company has a tax holiday which expires 15 years from the date of commissioning of the solar energy system and is available for a 10 year period starting from the date on which the project entity starts claiming the holiday. The Company expects the tax holiday to apply from April 1, 2017 through March 31, 2027. The tax holiday provides for a zero percent tax rate during the years it applies. The Company had a net expense as a result of the tax holiday due to the origination of taxable temporary differences expected to reverse after the expiration of the tax holiday, while the related deductions are expected to be utilized during the tax holiday period and provide no tax benefit.

There is no change in valuation allowance during the quarters ended March 31, 2015 and 2014.

The 2015 and 2014 tax years remain open to examination by tax authorities. The Company does not have any unrecognized tax benefits.