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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 December 31,	
	2014	2013
Land (Refer note 8)	69,308,894	69,308,894
Solar energy systems	2,227,362,376	2,227,353,769
Total property and equipment, at cost	2,296,671,270	2,296,662,663
Less accumulated depreciation	(140,377,562)	(66,012,090)
Total property and equipment, net	2,156,293,708	2,230,650,573

Depreciation expense was INR 74,365,472 and INR 66,012,090 for the years ended December 31, 2014 and 2013 respectively.

4. Debt

Debt consists of the following:

In INR	As of December 31, 2014			As of December 31, 2013		
	Total principal	Current	Long-term	Total principal	Current	Long-term
International Finance Corporation	624,163,204	31,408,640	592,754,564	334,134,478	44,105,751	290,028,727
PTC India Financial Services Limited	1,009,260,000	49,395,000	959,865,000	—	—	—
Industrial and Commercial Bank of China Limited	—	—	—	1,068,000,000	1,068,000,000	—
Total	1,633,423,204	80,803,640	1,552,619,564	1,402,134,478	1,112,105,751	290,028,727

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