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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.

The change in valuation allowance is INR 1,595,203 and INR 1,632,737 during the year ended December 31, 2014 and December 31, 2013, respectively.

The 2014 and 2013 tax years remain open to examination by tax authorities. The Company does not have any unrecognized tax benefits.

6. Equity**Common stock**

Holders of common stock are entitled to one vote per share, and to receive dividends and, upon liquidation or dissolution, are entitled to receive all assets available for distribution to stockholders. The holders have no preemptive or other subscription rights and there are no redemption or sinking fund provisions with respect to such shares.

Securities premium received and share application money received are included as part of additional paid in capital.

7. Related parties

The Company's ultimate parent company was SunEdison Inc. for part of the year in 2013 after which Astronergy Solar Korea Co. Ltd took over as the parent company whose ultimate parent company is Chint Group Corp., China.

Operations and maintenance

Operations and maintenance services are provided to the Company by an affiliate pursuant to contractual agreements. Costs incurred for these services were INR 25,014,033 and INR 18,606,816 for the years ended December 31, 2014 and 2013 respectively. Related amounts were reported as cost of operations in the statements of operations and were reflected in operating activities in the statements of cash flows.

Erection and commissioning of solar energy systems

The contract to erect and commission our solar energy systems was fulfilled by an affiliate. Pursuant to such contract the affiliate is responsible to carry out all such work necessary to construct, install and commission our solar energy systems in such manner that they are deemed to be fit for the purposes for which they are intended to be used. The Company incurred a cost of INR 780,738,851 during the year 2013 in relation to such contract which is capitalized as part of solar energy systems.

Support services

Corporate support services were provided by an affiliate company during the year ended December 31, 2013. The Company incurred a cost of INR 15,212,598 during the year ended December 31, 2013. Related amounts were reported as general and administrative expenses in the statements of operations and were reflected in operating activities in the statements of cash flows.

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