



Corporate Capital Ventures

“

ITS TIME TO RE- DEVELOP  
**SENSE OF OPTIMISM**  
& START WORKING WITH  
**GREAT FORCE**

”

## **Its time to prepare Financial Reporting**

And its time to measure Fair Value of  
Investments in Indian Companies

## IND AS 109: FINANCIAL INSTRUMENTS

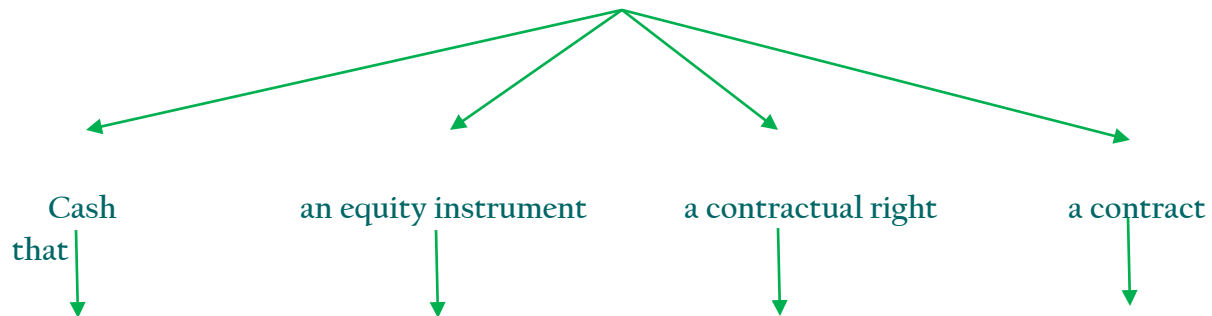
### Objectives of Ind AS 102

The objective of this standard is to establish principles for the **Reporting of financial assets and financial liabilities** that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

Ind AS 109 gives rule for **classification of a financial instrument** into

- \* Financial Assets
- \* Financial Liability
- \* Equity Instrument

### What is Financial Asset?



Currency notes  
Coin  
Bank Balance

such as investment in  
equity shares of  
another entity

To receive cash or other  
financial assets to another  
entity – such as trade  
receivables, loan receivables,  
bonds receivables

will or may be settled  
in the entity's own  
equity instruments  
under certain  
circumstances

To exchange financial assets  
or liabilities with another  
entity under condition that  
are potentially favourable to  
the entity.

## What is Financial Liability?

A contractual obligation to

deliver cash or to deliver another financial asset to another entity such as trade payable, loan liability; exchange the financial asset or financial liability with another entity under the conditions which are potentially unfavorable to the entity

A contractual that

will or may be settled in the entity's own equity instruments under certain circumstances

**Equity instruments:** Any contract that evidences a residual interest in the net assets of an entity like

- Equity shares,
- Compulsorily Convertible Preference shares
- Share Warrants etc.

Ind AS 109 shall be applied to all types of financial instrument except those specified under IndAS

### Measurement at initial recognition:

All financial assets and liabilities are measured initially at fair value under Ind AS 109. Fair value of the financial at the time of initial instrument is the transaction price (actual consideration received or paid).

### Measurement after recognition:

After Initial recognition, an entity should be valued financial assets on measurement date at Amortised Cost, Fair Value through P&L (FVTPL), Fair Value through other comprehensive income (OCI) and financial liability measured at Fair Value through P&L (FVTPL), at amortised cost.

**Our Role:** CCV has a team of experienced Professional from various disciplines having considerable experience in valuation of securities and financial assets in most effective and efficient manner.