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नई दिल्ली
Government of India
Ministry of Corporate Affairs
New Delhi



May 17, 2011

Message

Technological advancements in recent decades have given us a digital platform for financial information. However, 'digital' does not mean 'compatible' because each software application generates the financial document in different format (pdf, xls, html, doc, etc), which unfortunately cannot be read directly by another software application. Such challenges have resulted in inconsistencies in the financial data as well as inordinate delay in discharging the regulatory roles of the Ministry.

With the development of XBRL as a standard to exchange financial data, such constraints have largely been mitigated. XBRL is a language for the electronic communication of business and financial data that has revolutionised business reporting around the world. Its major benefits include ease in preparation, analysis and communication of business information. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial data. It is an open standard, free of licence fees, being developed by a non-profit making international consortium of major companies, organisations and government agencies, and is widely accepted by the international accounting community.

Ministry of Corporate Affairs has mandated the filing of financial statements of select class of companies in XBRL from FY 2010-11. It is proposed to expand its coverage from next year. The experience gathered from this years' filing would be incorporated to further streamline the XBRL filings in coming years. Extensive orientation and training programmes have been planned by the Ministry for awareness and handholding of all stakeholders in different parts of the country. I urge all to work with the Ministry in this endeavour towards improving the quality of financial reporting in India.

(D.K. Mittal)