XBRL

eXtensible Business Reporting Language

XBRL

Basic Concepts

Applicability in India

Filing Process

Auditors' Role

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Basic Concepts

What XBRL is	**Stands for eXtensible Business Reporting Language.**
	XBRL is a language for the electronic communication of business and financial data
	It is one of a family of "XML" (Extensible Markup Language) which is becoming a standard means of communicating information between businesses and on the internet.

Basic Concepts

What XBRL is not

An Accounting Standard

A standardized chart of accounts

An Indian GAAP translator

A proprietary technology

Basic Concepts

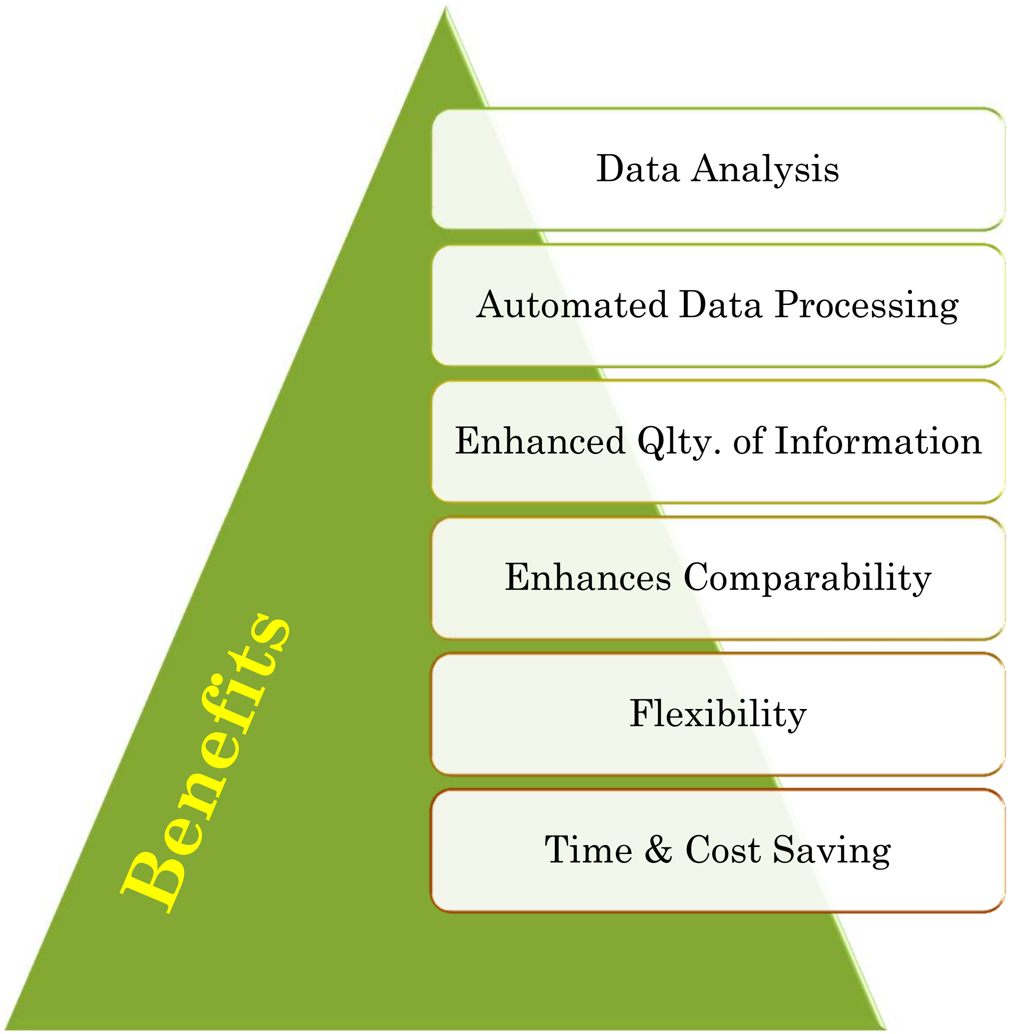
XBRL Development

XBRL is being developed by an international non-profit consortium of approximately 650 companies, organisations and government agencies.

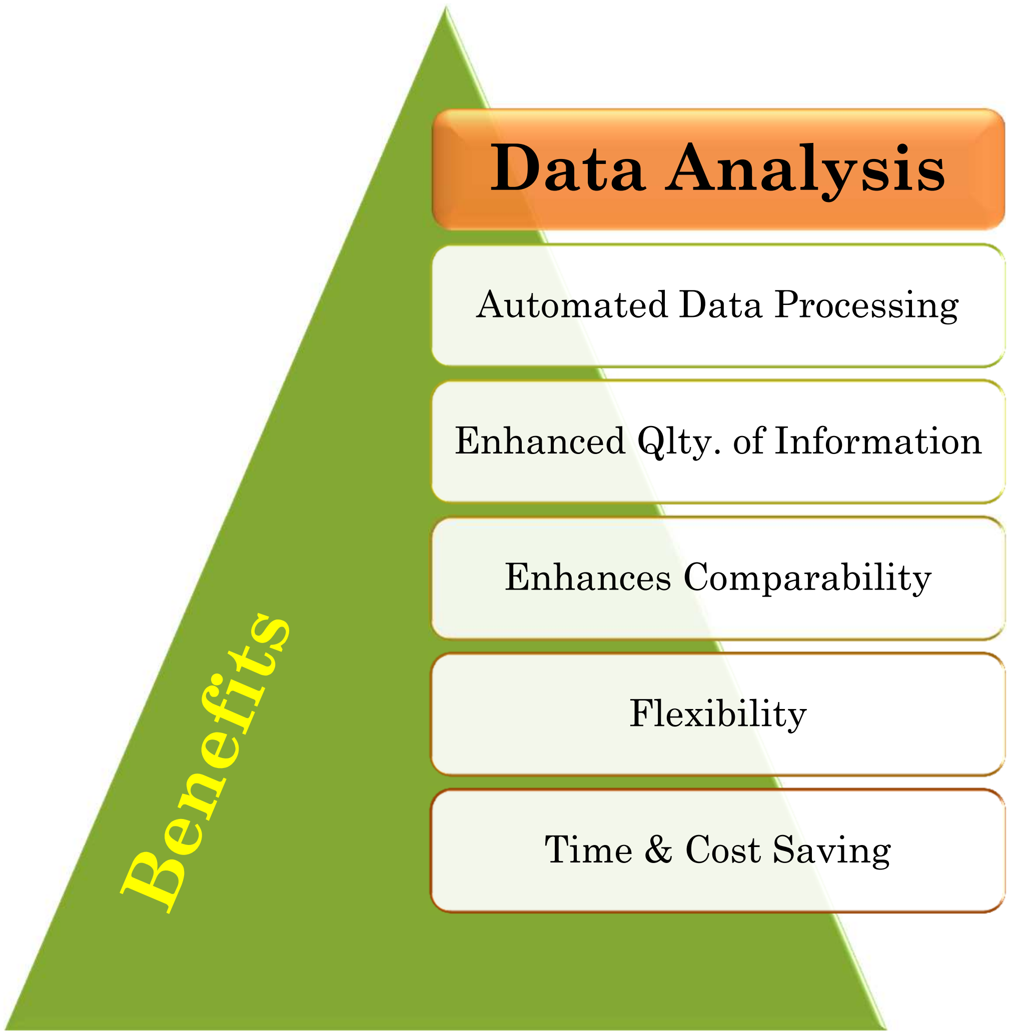
Idea behind XBRL

The idea behind XBRL is simple. Instead of treating financial information as a block of text, XBRL technology allows electronic tagging of each individual item of data so that computers can work on the information using a set of rules.

BASIC CONCEPTS – BENEFITS OF XBRL



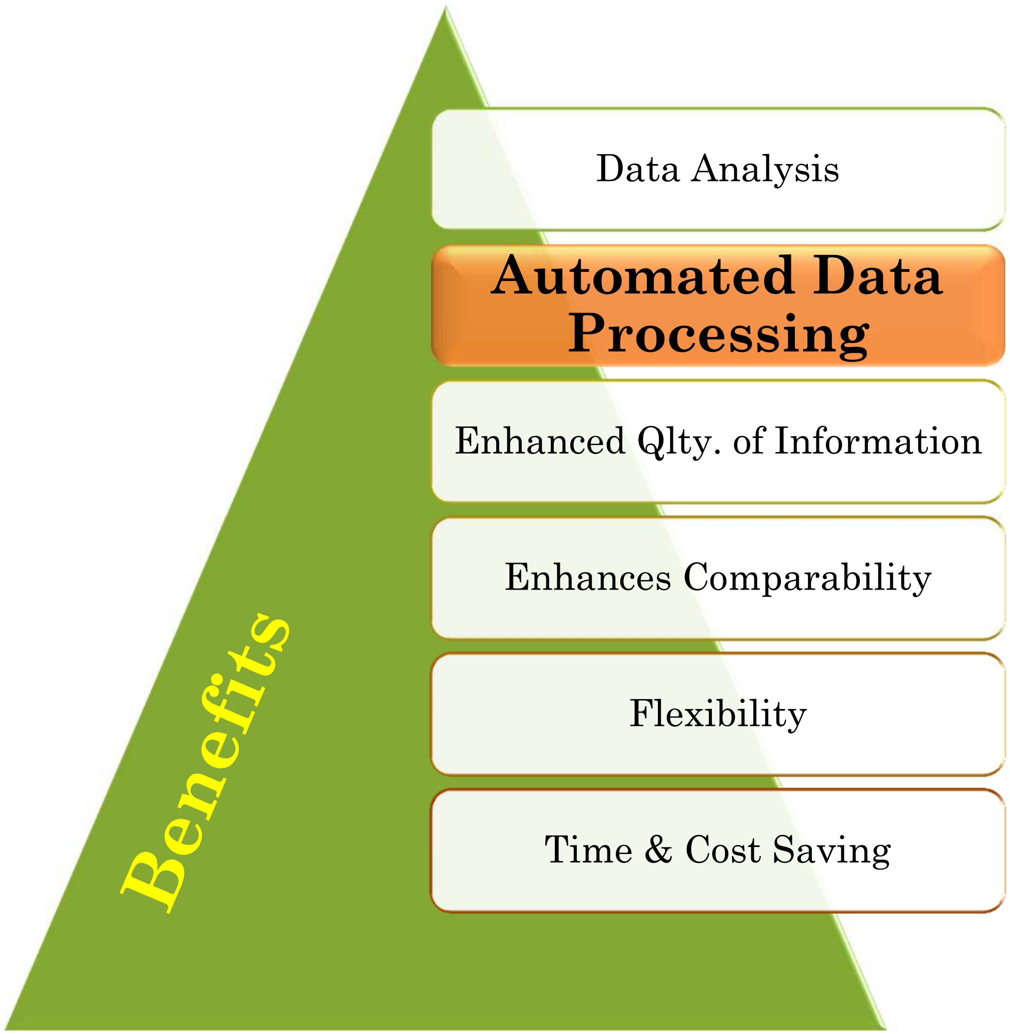
BASIC CONCEPTS – BENEFITS OF XBRL



Data can be retrieved electronically.

Businesses can use software to automatically validate data.

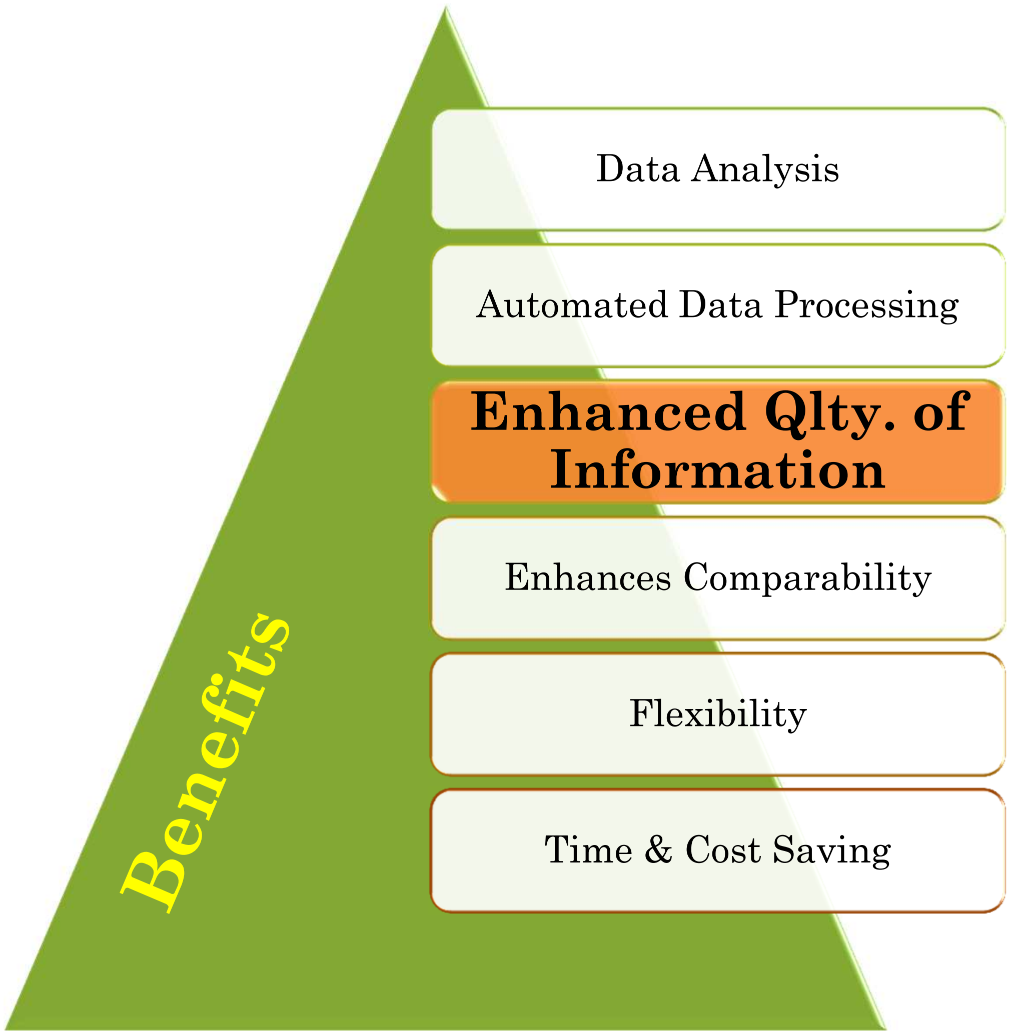
BASIC CONCEPTS – BENEFITS OF XBRL



XBRL identification tags reduce and eliminate need to manually input data into software applications.

Computers can read the identification tags easily and eradicates manual comparison of entered data.

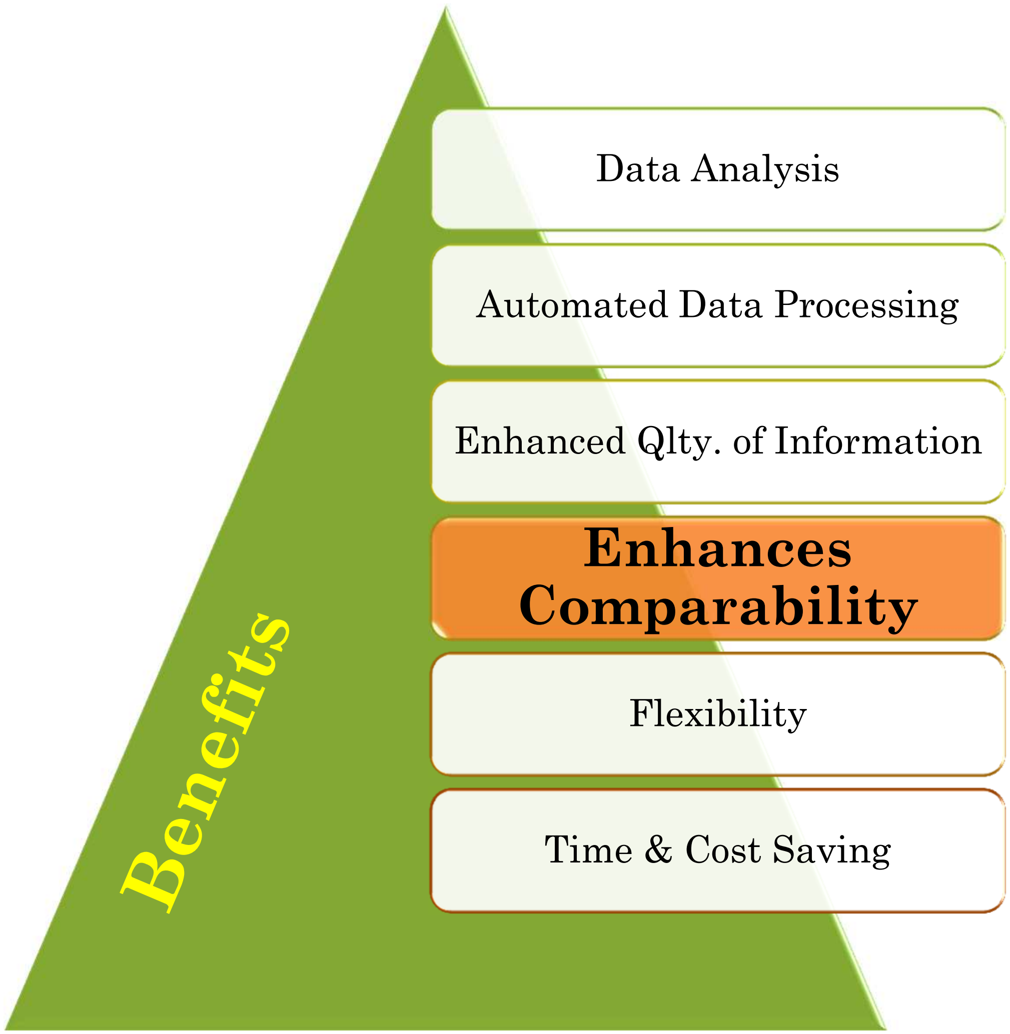
Basic Concepts – Benefits of XBRL



Analysis and exchange of information can be more reliable using XBRL since the computer application accesses the data directly.

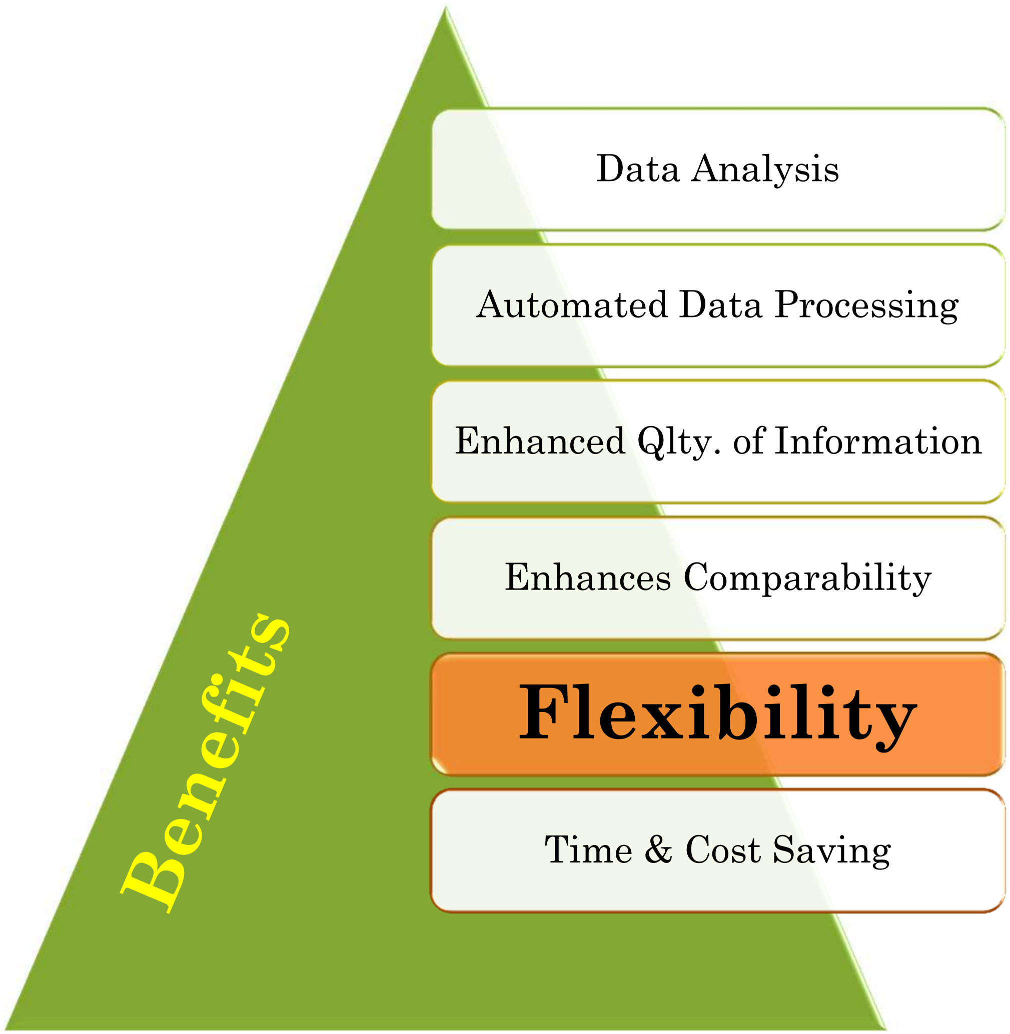
Since the data need not be re-entered, the accuracy of information is greatly enhanced.

BASIC CONCEPTS – BENEFITS OF XBRL



XBRL benefits comparability by helping to identify data which is genuinely alike and distinguishing information which is not comparable. Computers can process this information and populate both predefined and customised reports.

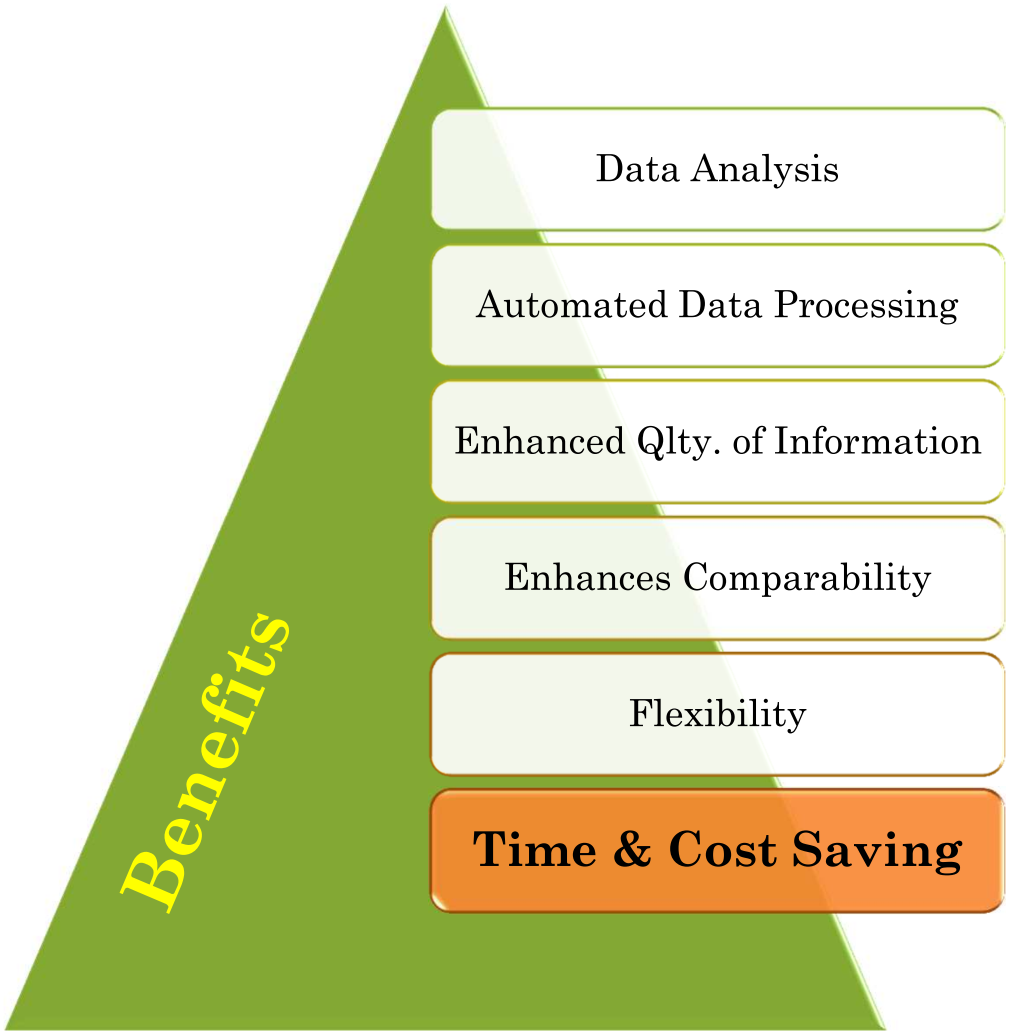
BASIC CONCEPTS – BENEFITS OF XBRL



XBRL is a flexible language, which is intended to support all current aspects of reporting in different countries and industries.

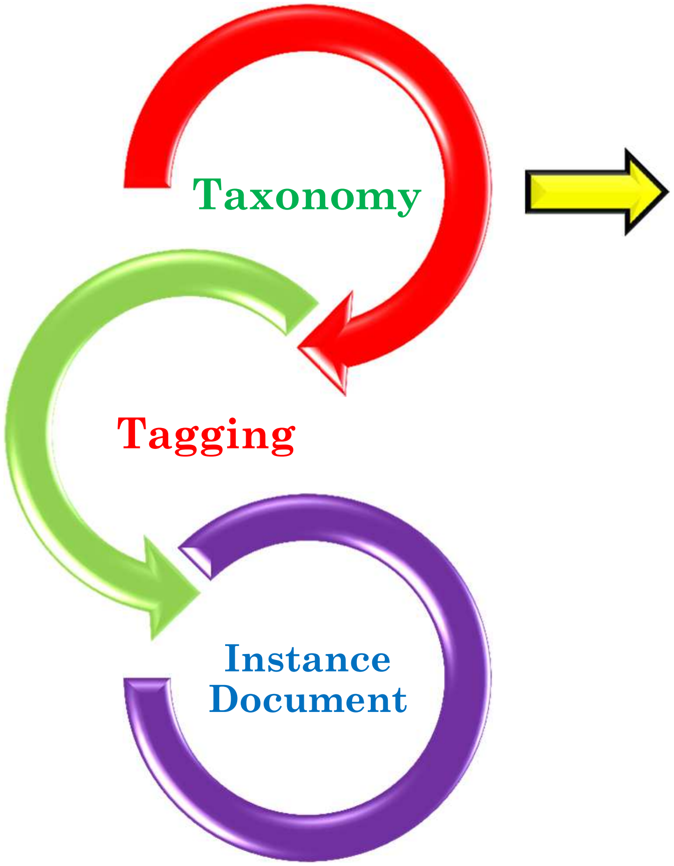
Its extensible nature means that it can be adjusted to meet particular business requirements, even at the individual-organisational level.

Basic Concepts – Benefits of XBRL



There is no need to key in and validating the data multiple times. This helps in saving time and cost both.

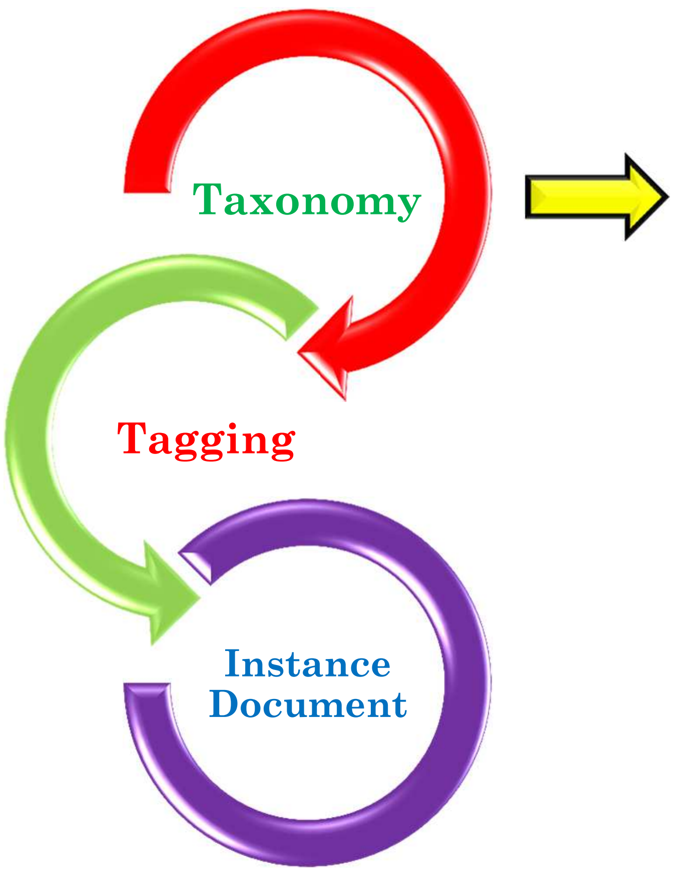
BASIC CONCEPTS – HOW XBRL WORKS?



An XBRL taxonomy is defined as an electronic description for contents of financial statements and other business reporting documents.

Taxonomies are based on regulatory requirements and standards.

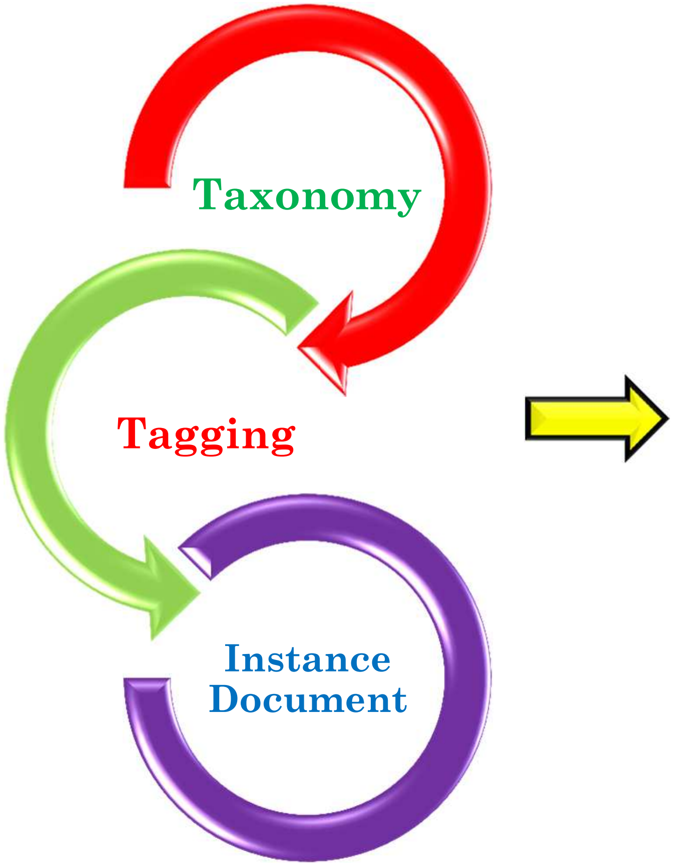
BASIC CONCEPTS – HOW XBRL WORKS?



Taxonomies for Indian companies are developed based on the requirements of

- Schedule VI of Companies Act
- Accounting Standards
- SEBI requirements

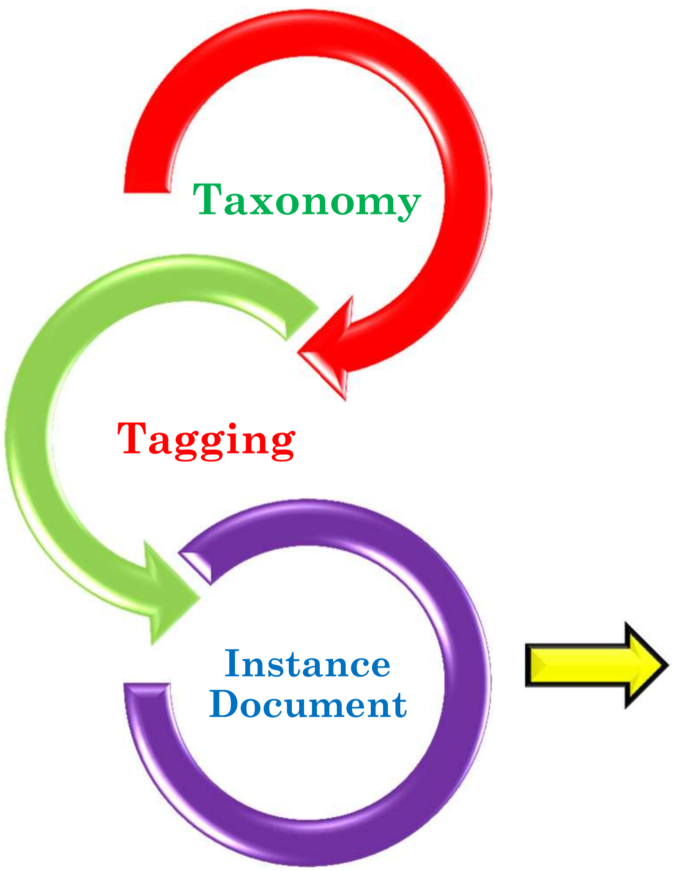
Basic Concepts – How XBRL works?



It is the process of assigning tags (referred as elements in taxonomy) from the taxonomy to the company specific reporting concepts.

Tagging required appropriate selection of elements from the taxonomy based on its attributes, documentation and relationships with other elements.

BASIC CONCEPTS – HOW XBRL WORKS?



An instance document is an XBRL-enabled document.

XBRL Instances contain the reported data with their values and contexts.

Instance Document generated by XBRL software – Machine Readable form


```xml
<ifrs-gp:AssetsHeldSale contextRef="Current_AsOf" unitRef="U-Euros"
  decimals="0">100000</ifrs-gp:AssetsHeldSale>
<ifrs-gp:ConstructionProgressCurrent contextRef="Current_AsOf"
  unitRef="U-Euros" decimals="0">100000</ifrs-
  gp:ConstructionProgressCurrent>
<ifrs-gp:Inventories contextRef="Current_AsOf" unitRef="U-Euros"
  decimals="0">100000</ifrs-gp:Inventories>
<ifrs-gp:OtherFinancialAssetsCurrent contextRef="Current_AsOf"
  unitRef="U-Euros" decimals="0">100000</ifrs-
  gp:OtherFinancialAssetsCurrent>
<ifrs-gp:HedgingInstrumentsCurrentAsset contextRef="Current_AsOf"
  unitRef="U-Euros" decimals="0">100000</ifrs-
  gp:HedgingInstrumentsCurrentAsset>
<ifrs-gp:CurrentTaxReceivables contextRef="Current_AsOf" unitRef="U-
  Euros" decimals="0">100000</ifrs-gp:CurrentTaxReceivables>
<ifrs-gp:TradeOtherReceivablesNetCurrent contextRef="Current_AsOf"
  unitRef="U-Euros" decimals="0">100000</ifrs-
  gp:TradeOtherReceivablesNetCurrent>
<ifrs-gp:PrepaymentsCurrent contextRef="Current_AsOf" unitRef="U-Euros"
  decimals="0">100000</ifrs-gp:PrepaymentsCurrent>
<ifrs-gp:CashCashEquivalents contextRef="Current_AsOf" unitRef="U-
  Euros" decimals="0">100000</ifrs-gp:CashCashEquivalents>
<ifrs-gp:OtherAssetsCurrent contextRef="Current_AsOf" unitRef="U-Euros"
  decimals="0">100000</ifrs-gp:OtherAssetsCurrent>
<ifrs-gp:AssetsCurrentTotal contextRef="Current_AsOf" unitRef="U-Euros"
  decimals="0">1000000</ifrs-gp:AssetsCurrentTotal>
```

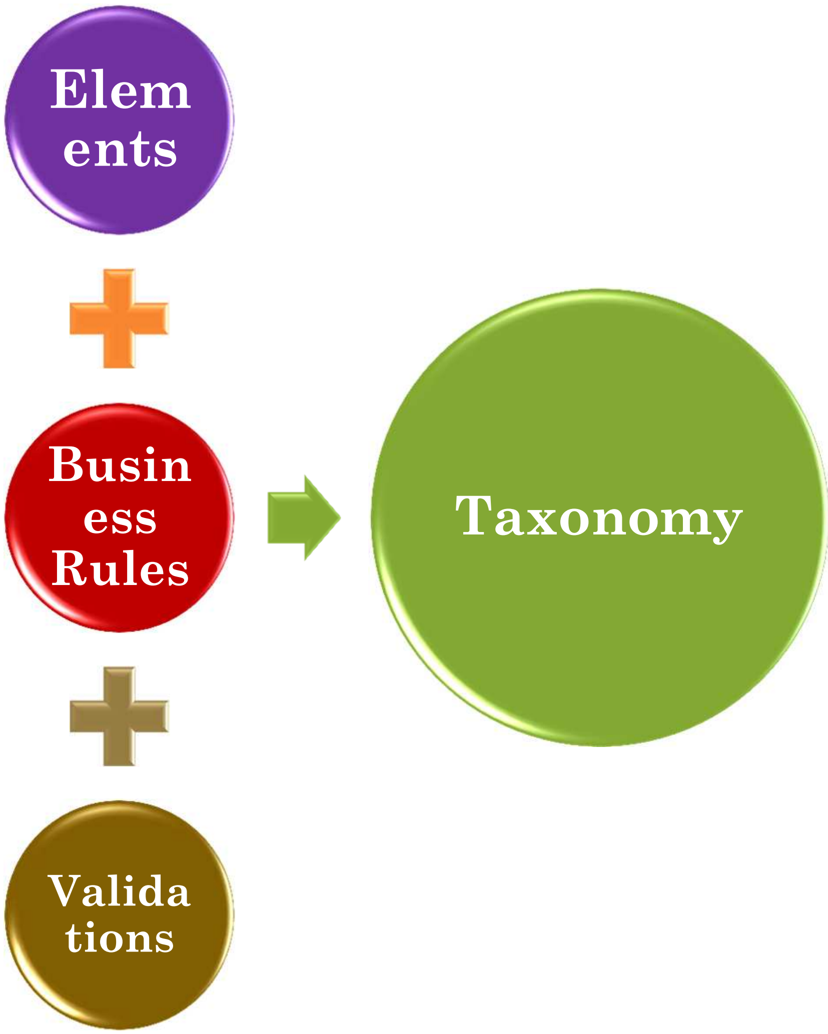
XBRL DATA IN HUMAN READABLE FORM.

CURRENT ASSETS	
Assets Held for Sale	100,000
Construction in Progress, Current	100,000
Inventories	100,000
Construction in Progress, Current	100,000
Hedging Instruments, Current [Asset]	100,000
Current Tax Receivables	100,000
Trade and Other Receivables, Net, Current	100,000
Prepayments, Current	100,000
Cash and Cash Equivalents	100,000
Other Assets, Current	100,000
Current assets, Total	1,000,000

Basic Concepts – Taxonomy

Taxonomy	**Taxonomy is a combination of various Elements with inbuilt business rules and validations.**
	Taxonomies enable computers with XBRL software to: **Understand what the tag is;** **What characteristics the tag has;** **Its relationship to other items.**
	Different taxonomies may be defined for different purposes and types of reporting.

Basic Concepts – Taxonomy



BASIC CONCEPTS – MCA PUBLISHED TAXONOMY

Elements

Total 3187 Elements are provided in MCA published Taxonomy.

3187 Elements are combination of

3039 Elements based on GAAP in India

148 Elements based on Companies Act 1956.

Elements based on GAAP in India are pre fixed with **'in-gaap'**.

Elements based on Companies Act 1956 are pre fixed with **'in-ca'**.

BASIC CONCEPTS – BUSINESS RULES

Business rules are things like formulas and computations that explain how one concept relates to other concepts. *Business rules fall into two categories:*

Computation Rules

All those numeric relationships within an instance.

Report-ability Rules

***Report-ability rules,* ensuring that everything that is supposed to be reported is actually reported.**

ELEMENT WISE BUSINESS RULES SPECIFIED BY MCA

Out of 3187 elements, business rules have been specified by MCA for 358 elements.

Example

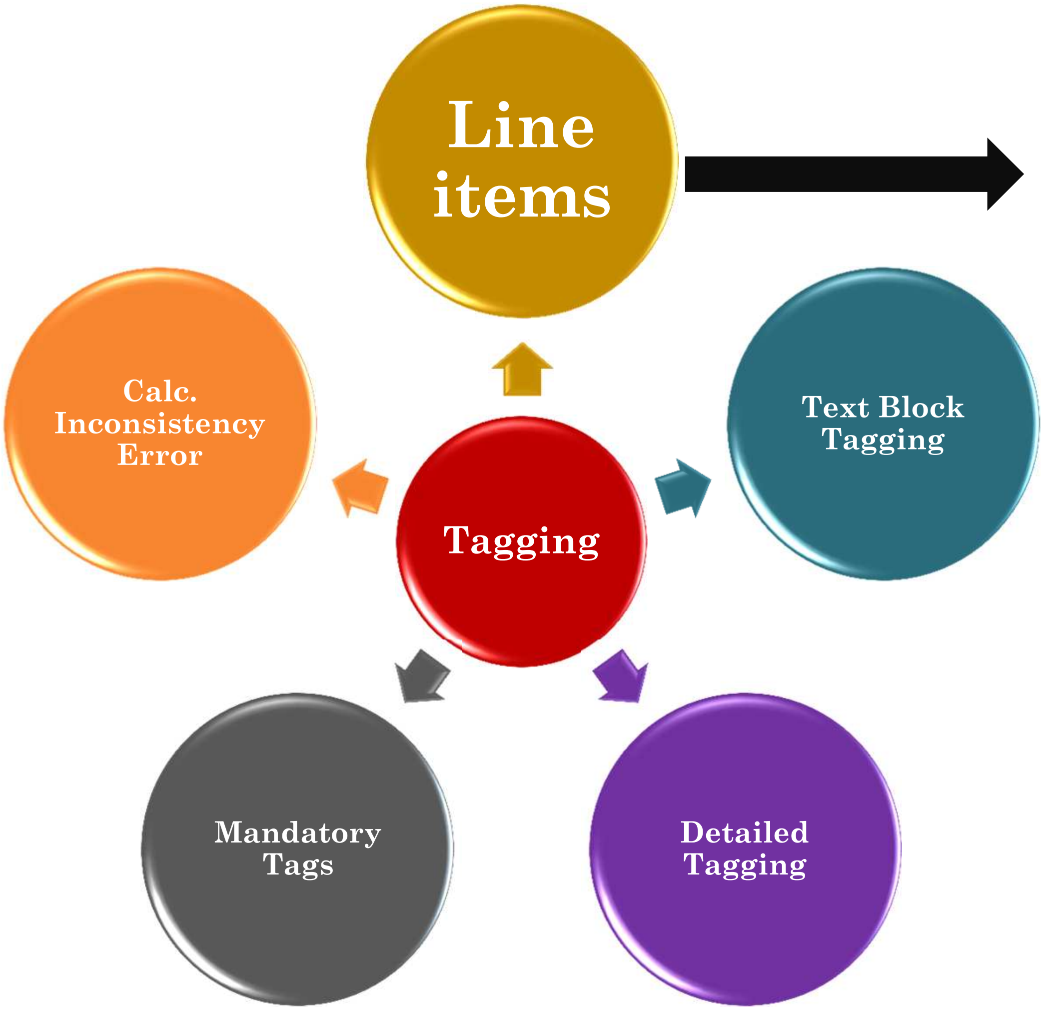
SourcesofFunds - Should be equal to value entered in element 'ApplicationofFunds'

PaidupEquityShareCapital - Should be greater than equal to zero. Should be less than or equal to Subscribed Equity Share Capital

LoansSubsidiariesSecured - If this is greater than zero for the current period; then at least one subsidiary details should be entered.

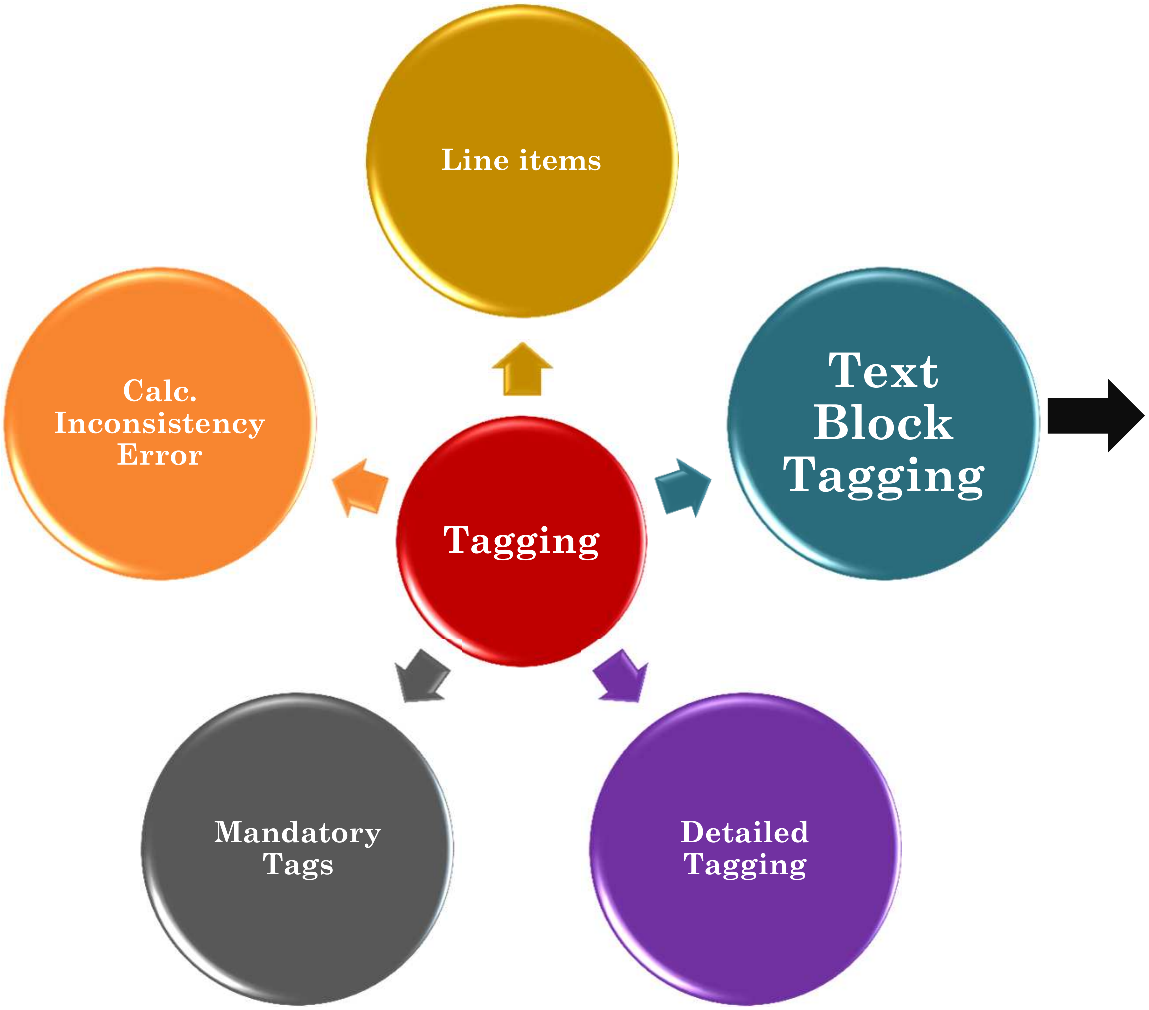
Basic Concepts – Tagging

Basic Concepts – Tagging



The concepts as reported by the company in its reports are also referred as line items.

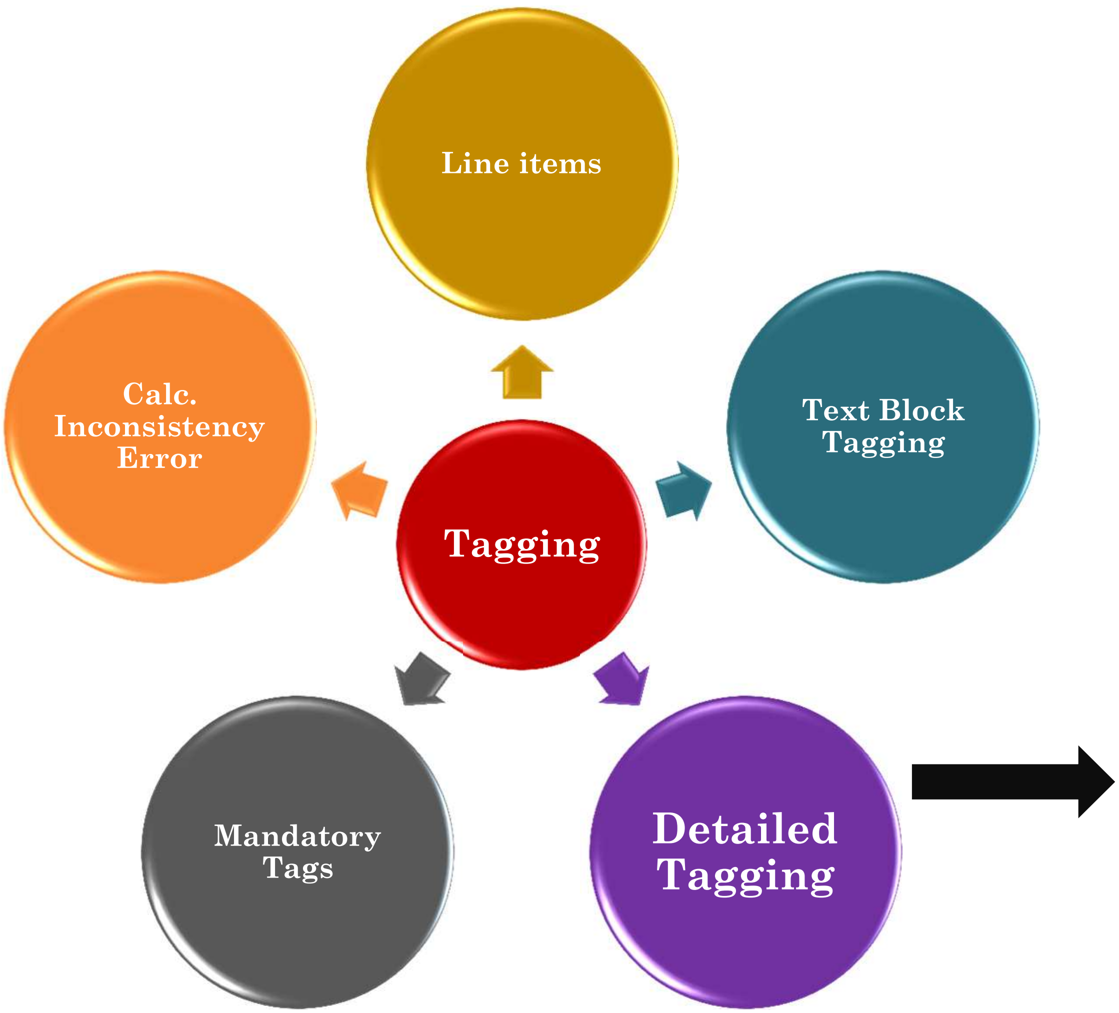
Basic Concepts – Tagging



This indicates capturing a group of information as one single fact, using one single tag from the taxonomy.

Presently, information given in Notes to Accounts which appear in many paragraphs will be tagged completely under the data type Text Block.

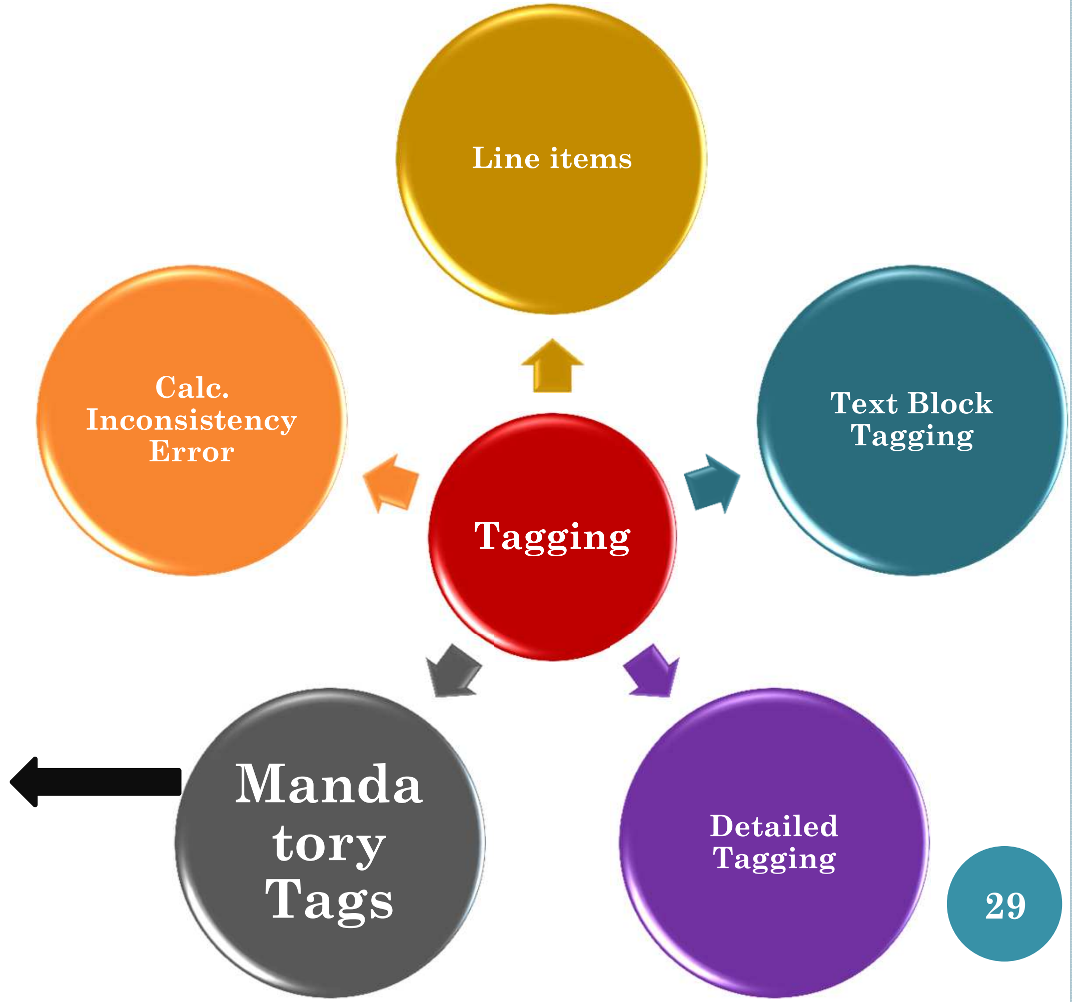
Basic Concepts – Tagging



This implies capturing the granular information or the specific information as reported by the companies.

This information should be captured by entities, if it is applicable to them and prepared by them as part of annual report or annual returns as submitted to MCA.

BASIC CONCEPTS – TAGGING



The tags as included in the MCA taxonomy, for which values have to be necessarily included in the instance document.

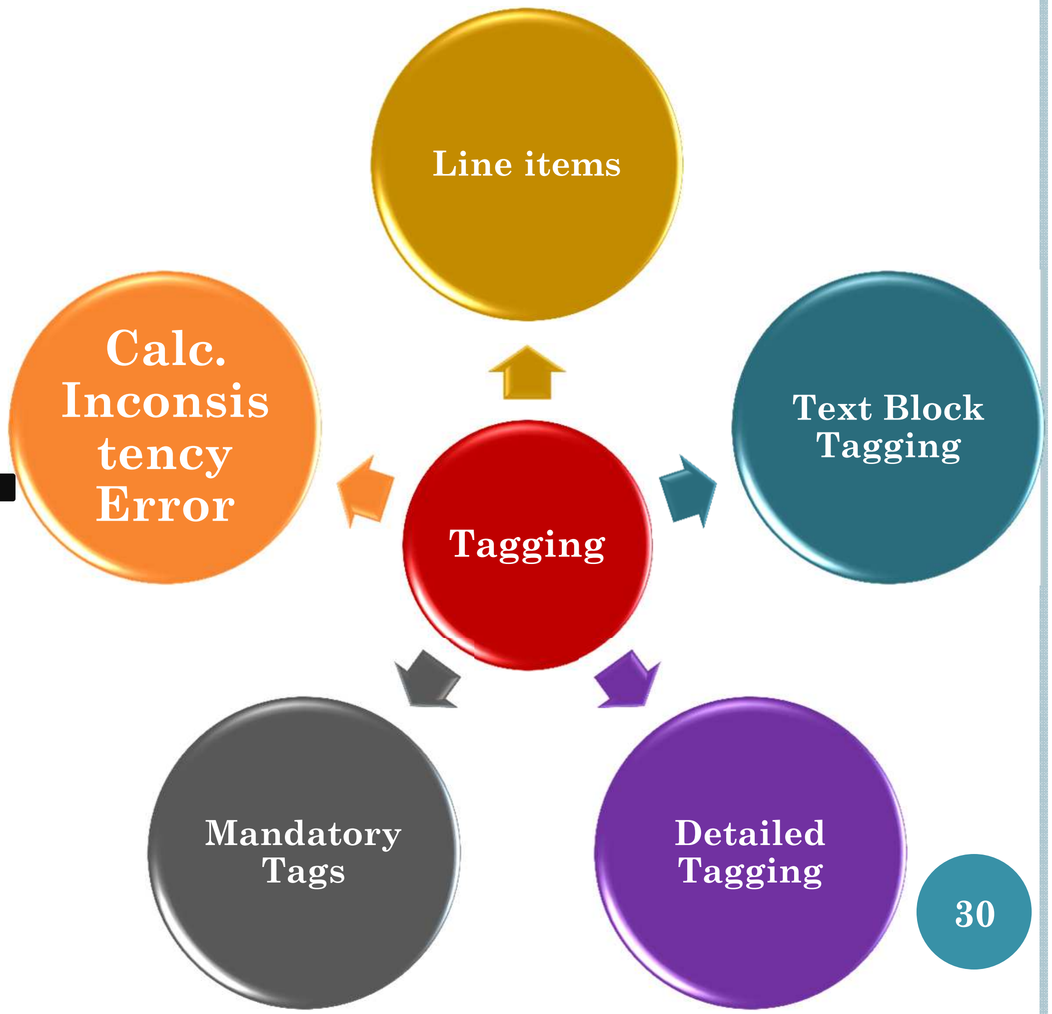
If there is no corresponding value for the tag, then "0" should be entered.

BASIC CONCEPTS – TAGGING

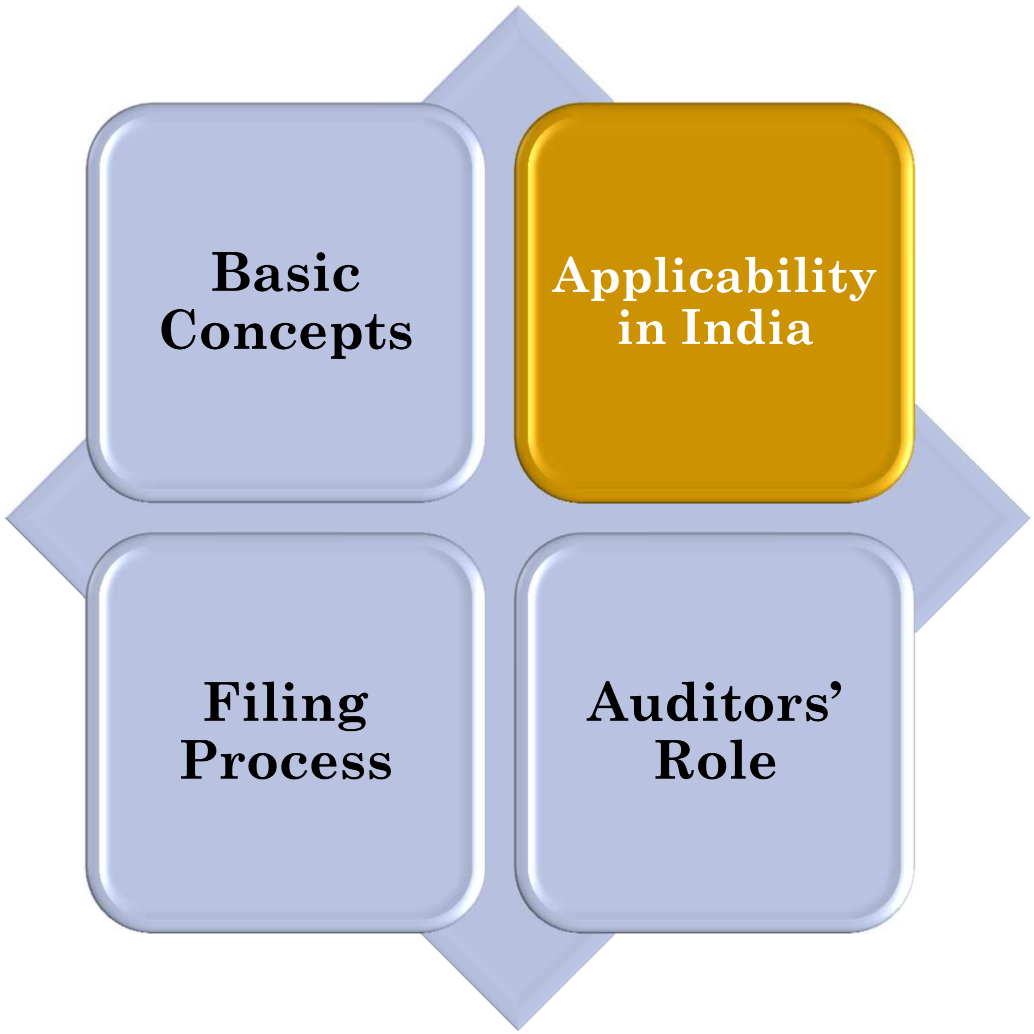
The taxonomy has predefined mathematical rules between accounting concepts, which is stored in calculation linkbase.

The values which are included in instance documents are checked for correctness based on the rules defined in calculation relationship.

If the values for totals and sub-totals do not match as per calculation linkbase, the XBRL software will highlight the same as calculation inconsistency.



XBRL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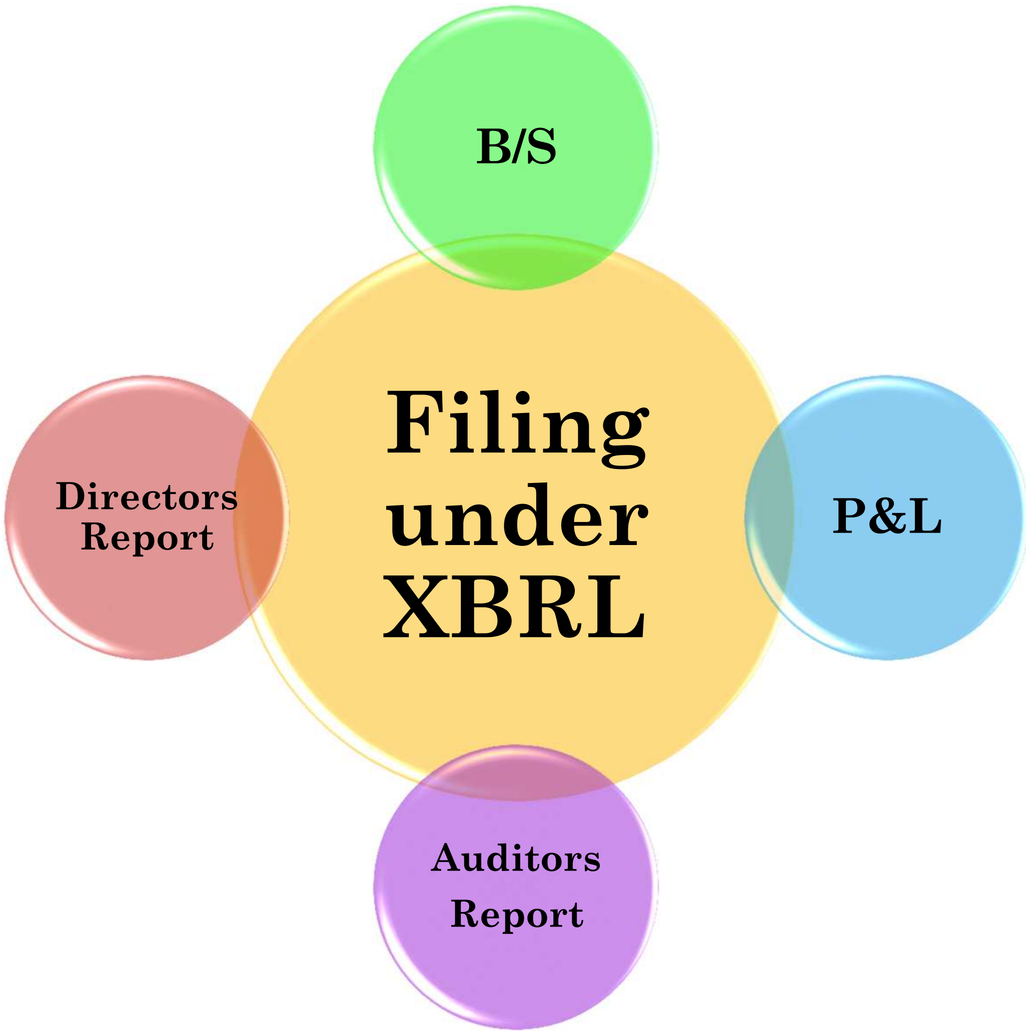
Applicability of XBRL in India

- ***Vide General Circular No. 09/2011 dated 31.03.2011,*** **It has been decided by the Ministry of Corporate Affairs to mandate certain class of companies to file balance sheets and profit and loss account for the year 2010-11 onwards by using XBRL taxonomy.**

Companies covered/Not covered in Phase – I
(General Circular 37/2011 dated 07.06.2011)

Covered	Not covered
Listed Companies and their Indian Subsidiaries	Banking Companies
Companies having paid up capital of R 5 crores and above or	Insurance Companies
Companies having Turnover of R 100 crores or above	Power Companies
	Non Banking Financial Companies

WHAT NEED TO BE FILED UNDER XBRL FILING



Format of Financial Statements for XBRL Filing

(General Circular 37/2011 dated 07.06.2011)

- Based upon the Taxonomy on XBRL developed for.
- The Schedule – VI applicable for financial year 2010-11.
- The existing (non converged) Accounting Standards.

XBRL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INTRODUCTION OF E-FILING – MCA 21 SYSTEM

- Vide Notification No. S.O. 1844(E), dated 26-10-2006 MCA introduced the Scheme for filing of Statutory Documents and other Transactions by Companies in Electronic Mode.

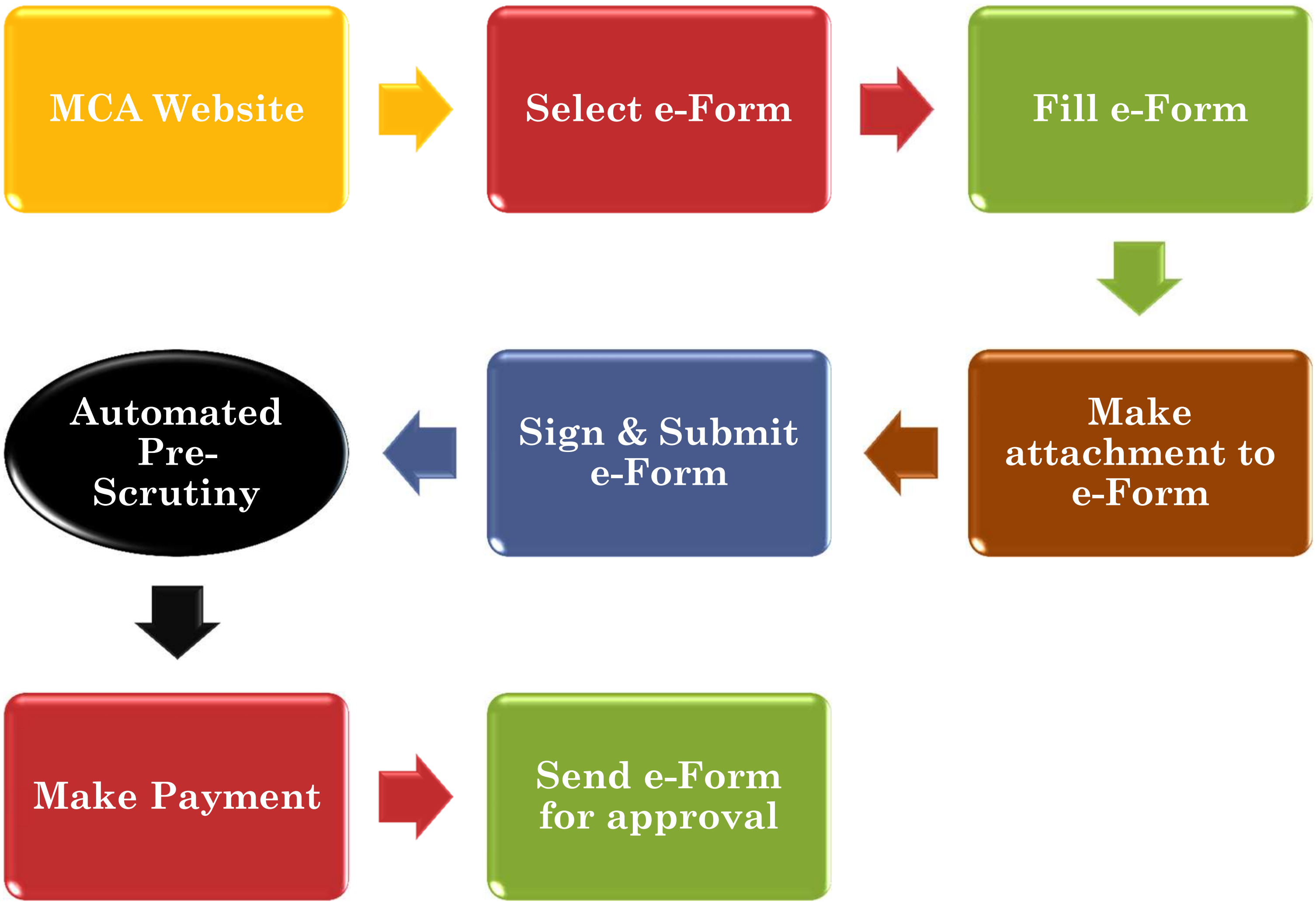
- The new e-Forms are in the 'PDF' format.

- We have to attach supporting documents wherever applicable.

- We have to make sure that these are also in PDF format.

- If the e-form is identified as defective by the MCA 21 system, it will be rejected on submission and the user informed with pre-scrutiny error.

TRADITIONAL WAY OF E-FILING



INTRODUCTION OF XBRL IN E-FILING

Creation of Instance Document

Down load Validation tool from MCA Portal

Validation of Instance Document

Pre-scrutiny of the validated instance document

Attach instance document to the Form 23AC and Form 23ACA

Submitting the Form 23AC and Form 23ACA on the MCA portal

Step 1: Creation of XBRL Instance document

Mapping of Account heads	Do tagging or mapping of the XBRL taxonomy elements with the various accounting heads in the books of accounts of the company
	This will help in converting accounting information into XBRL form
	The mapping should be reviewed before proceeding further as the complete reporting would be dependent on the mapping

Step 1: Creation of XBRL Instance document

Creation of Instance Document

Separate instance documents need to be created for the following:

Stand Alone Balance sheet of the company

Stand Alone Profit and Loss Account of the company

Consolidated Balance sheet of the company

Consolidated Profit and Loss Account of the company

The instance document should contain the financial information for both the current as well as the previous financial year.

STEP 2: DOWNLOAD XBRL VALIDATION TOOL FROM MCA PORTAL

MCA portal shall provided a tool for validating the generated XBRL instance document.

Validating the instance document is a pre requisite before filing the balance sheet and profit & loss account.

STEP 3: VALIDATION OF THE INSTANCE DOCUMENT

Validation of Instance Document

Confirming that the instance document is as per the latest and correct version of taxonomy prescribed by MCA

All mandatory elements have been entered

Other validations as per taxonomy

Step 4: Perform pre-scrutiny of the validated instance document through the tool

Pre-Scrutiny

Once the instance document is successfully validated from the tool, the next step is to pre-scrutinise the validated instance document with the help of the same tool.

For pre-scrutinizing the instance document, internet connection is required.

In the Pre-scrutiny, further validations from the MCA21 portal are performed.

Step 5: Attach instance document to the Form 23AC and Form 23ACA

Attachment of Instance Document

There shall be a separate set of Form 23AC and Form 23ACA available on the MCA portal for filing in XBRL form.

First fill up the Form 23AC and Form 23ACA.

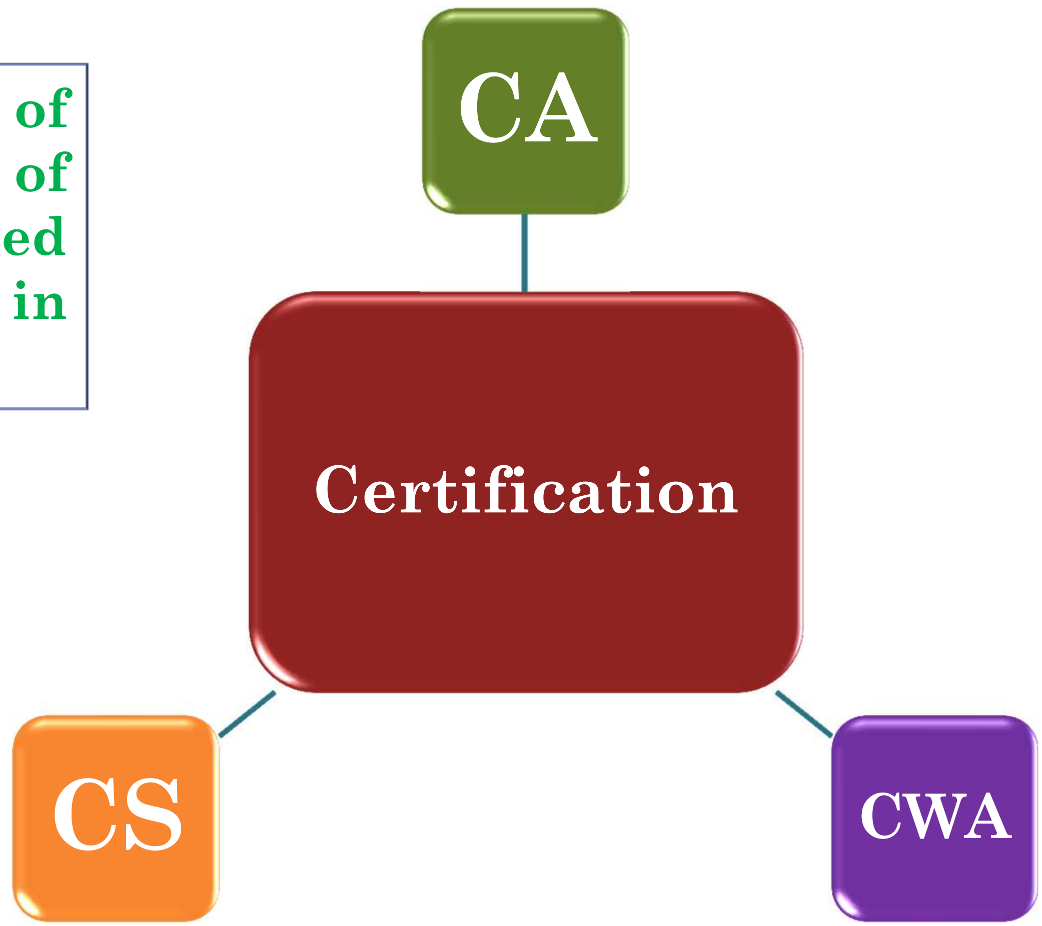
Attach the validated and pre-scrutinised instance document for

Balance sheet to Form 23AC.

Profit and Loss account to Form 23ACA.

Certification of e-forms under the Companies Act, 1956
(General Circular 14/2011 dated 08.04.2011)

Responsibility of ensuring integrity of documents filed with MCA in electronic mode.



Step 6: Submitting the Form 23AC and Form 23ACA on the MCA portal

Submission of Form 23AC & ACA

After the forms are filled,

Perform pre-scrutiny of the form

Sign the form and then upload the same as per the normal e-Form filing process

The system shall check that the attached instance documents are validated and pre-scrutinised from the XBRL validation tool.

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INTERNAL AUDITORS' ROLE IN XBRL

Audit Approach

- Right Taxonomy is used
- Reliability of source data for reporting
- Correct and complete tagging of source data to taxonomy elements
- Internal controls over the XBRL process are adequate
- XBRL report is technically correct & timely sent

XBRL Software/Tool - Vendors

- Adept Infoways Pvt Limited
- AlphaBricks Technologies
- Catalyst IT Solutions Pvt Ltd
- CCH Prosystem India Pvt Ltd
- Chartered Information Systems Private Limited
- EPSILON Technologies
- IRIS Business Services ltd
- MAIA Intelligence Pvt. Ltd.
- Pagaria Consultancy Services Limited

- SAG Infotech Pvt Ltd
- Sensys Technologies Pvt Ltd
- Skorydov Systems Private Limited
- SoftPark
- Software Technology Group Intl. Ltd(STG).
- Thirdware Solution Ltd
- Webtel
- Professional Softec Pvt Ltd.
- Rhapsody Accounting and Advisory Services Private Limited

XBRL Services - Vendors

- 123onlineXBRL.com
- A K G & Associates
- BAJAJ INSIGHT & TECHNOLOGIES PVT. LTD
- BAKSHI HK & ASSCOIATES
- B.D.Bansal & Co.
- Blue Consulting
- Chartered Systems Inc.
- DataTracks India
- DMK Associates
- DVA Consulting Partners Private Limited
- eMinds Legal Consulting
- Fujitsu
- Fermion Infotech Private Limited
- High on Information & Technology Pvt Ltd
- ICRA Online Limited

- Kantilal Patel & Co. Consultancy (P) Ltd
- Kerberos System Control Ltd
- MDS CORPORATE SERVICES LLP
- MGVG & CO. (Chartered Accountants)
- Munish K Sharma & Associates, Company Secretaries
- NextGen Knowledge Solutions Private Ltd
- PNJ Legal Consultants LLP
- Pro~Active Solutech (India) Private Limited
- RASESH SHAH AND ASSOCIATES
- RSA Consultants
- S. Jaykishan
- Shankar Saraf and associates
- Thakare & Associates
- Uttam Agarwal Corporate Advisory Private Limited
- Webtech Softwares & Services Ltd.
- XBRL Services Private Limited
- XBRL Solutions Private Limited

THANK YOU