

XBRL – Statutory Filings

Editorial

The financial data has to be available for analysis of various stake holders and for the general information of the public at large. Statutes' time and again have necessitated filing the financial statements in prescribed formats with various authorities.

One such statutory filing has been the annual filing of the financial statements with the Registrar of Companies. The mechanism of filing and the modality of the filing has undergone a sea change. There were times when the ROF filings were done manually with tones and loads of paper.

The electronic filing made its way and replaced the paper filing by filing documents in soft copy using the Portable Document Formats [PDF]. The transition from the paper filing to the PDF filing achieved the objective of elimination of paper in the entire process. However, PDF filing did not enable ready reference and extensive analysis of financial data and comparison of financial data.

XBRL is the new found mechanism to ensure paperless filing and in turn enabling comprehensive analysis of data and comparison of financials among the corporate. The regulatory authorities in times to come have access to ready data for analysis and consolidation of meaningful data.

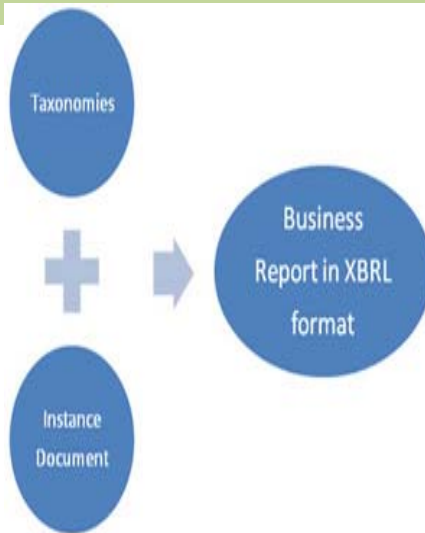
Introduction

Extensible Business Reporting Language (XBRL) is a language for creating business reports. It is one of a family of "XML" languages which is becoming a standard means of communicating information between businesses and on the internet. It consists of two sections as depicted by the following diagram:



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Introduction...

Taxonomies

It defines the concepts that are to be reported. Concept is the basic piece of information that is in a report. They are the dictionaries used by XBRL. Taxonomy includes the definition of the concept and describes the relationship between concepts which are known as Schema and Linkbases respectively.

Instance Document

The values of a concept as described by the taxonomies are defined in the instance document and are called facts. It is generated by mapping the line items of the document to be reported with the taxonomy elements. The taxonomy and instance documents are combined to form the desired business report in XBRL format. The following diagram depicts an extract of Balance Sheet as it will appear in a business report.

XBRL can read and understand data sent between various computers using different languages. The taxonomies and tags associated with the system are designed to be read by computers and not humans which allows for speedier multi-language data reads.



The XBRL filing process can be understood in the following steps:

Step 1:

Mapping of account heads in financial statement to corresponding element in Taxonomy. This will help convert the accounting information into XBRL form.

Step 2:

Create Instance document. An instance document is an XML file that contains business reporting information and represents a collection of financial facts and report specific information using tags from the XBRL taxonomy. Separate instance documents have to be created for the following with current as well as previous year financial data:



- Balance Sheet of the Company
- Profit & Loss account of the company
- Consolidated Balance Sheet of the Company
- Consolidated Profit & Loss account of the company

Step 3:

Review and verify the instance document to ensure that all the information has been correctly captured in it.

Step 4:

Download XBRL validation tool from MCA portal as validating the instance document is a pre requisite for filing the returns.

Step 5:

Use the tool to validate the Instance document to ascertain whether the Instance document is as per the latest and correct version of taxonomy.

Step 6:

Pre scrutiny of the validated instance document through the tool for further validations from MCA21 portal. This step would require the system to be connected to the Internet.

Step 7:

Attach Instance document to Form 23AC and Form 23ACA and upload the same as per the normal e-filing process.

Step 8:

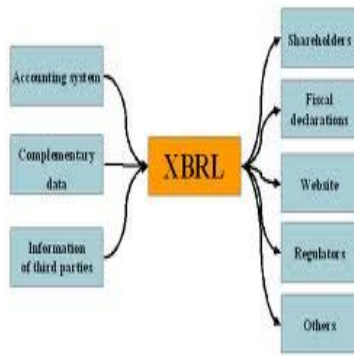
View Balance Sheet and Profit & Loss submitted in XBRL form on MCA portal and certified copies of these documents can also be applied for.



Inception of XBRL

XBRL is a standards-based way to communicate and exchange business information between business systems. These communications are defined by metadata set out in XBRL taxonomies, which capture the definition of individual reporting concepts as well as the relationships between concepts and other semantic meaning. Information being communicated or exchanged is provided within an XBRL instance.

Early users of XBRL included regulators such as the U.S. Federal Deposit Insurance Corporation^[1] and the Committee of European Banking Supervisors (CEBS).^[2] Common functions in many countries that make use of XBRL include regulators of stock exchanges and securities, banking regulators, business registrars, revenue reporting and tax-filing agencies, and national statistical agencies. A wiki repository of XBRL projects is available to be freely explored and updated.^[3] An XBRL Adoption Survey is available as well. According to the FT "the Securities and Exchange Commission (SEC) in the US, the UK's HM Revenue & Customs (HMRC), and Companies House in Singapore have begun to require companies to use it, and other regulators are following



Creation of Instance Document

Once the tagging of financial statement elements with the published taxonomy elements is done, the next step is to create the instance document. An instance document is a XML file that contains business reporting information and represents a collection of financial facts and report-specific information using tags from the XBRL taxonomy.

It is to be noted that no extensions to the core Taxonomy will be allowed.

Separate instance documents need to be created for the following:

- (i) Stand Alone Balance sheet of the company
- (ii) Stand Alone Profit and Loss Account of the company
- (iii) Consolidated Balance sheet of the company
- (iv) 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.

Consolidated balance sheet and Profit and Loss instance documents to be created only in case the same is applicable to the company.

The following are the specifications to be followed while preparing the instance document –

- An XBRL instance document must be schema valid according to all schemas in the DTS
- The scheme element in the context must be <http://www.mca.gov.in/CIN>

The value of identity element in the context must all be x-equal and must be the CIN of the company.

- Context must not have segment or scenario element present
- An instance must not contain duplicate xbrli:context elements.
- Every xbrli:context element must appear in at least one context Ref attribute in the same instance.
- An instance must not have more than one fact having the same element name and equal context Ref attributes
- All monetary facts must have the same unit Ref attribute.
- A link:footnoteLink element must have no children other than link:loc, link:footnote, and link:footnoteArc.
- A link:footnoteLink link:loc xlink:href attribute must start with the sharp sign “#”.
- Every nonempty link:footnote element must be linked to at least one fact
- Non significant digits for values for numeric facts MUST be equal to “00”.
- An instance document must not contain unused units
- If the unescaped content of a fact with base type nonnum:escapedItemType contains the “<” character followed by a QName and whitespace, “/>” or “>”, then the un-escaped content must contain only a sequence of text and XML nodes <eg:AcidityTextBlock> pH<1.0 </eg:AcidityTextBlock>
- The value of the decimals/precision attribute of a fact must correspond to the accuracy of the corresponding amount as reported in the financial statements.
- The content of a numeric fact never has a scale factor

- When choosing the most appropriate element for facts in one or more periods, the element's `xbrli:periodType` attribute takes precedence over the `type` attribute, which takes precedence over the element's documentation string, which in turn takes precedence over the label string, which in turn takes precedence over `link:reference` elements.
- Do not define or use units that imply a scale factor on a currency.
- Text that is shown in the financial statements at the bottom of a page or at the bottom of a table preceded by a superscript must appear in the instance as the text of a `link:footnote` element.
- Each unit should appear with only one scale factor in a given instance.
- Every numeric fact (such as 'Number of shares') must also have an associated unit (e.g. `xbrli:shares`) and the unit must be declared.
- XBRL document names must be unique in the disclosure system
- Filers must use one of the taxonomies as specified in the disclosure system as their standard taxonomy.
- Encoding of all XBRL documents must be "UTF8"
- The `xbrli:xbrl` element must not have any facts with the `precision` attribute.
- Priority for selection of element must be in following order, Period type, data type, documentation, label and reference.