

DAILYTAXREPORTER.COM

Practice procedure- XBRL

© reserved

Exploring
Provisions

2012, February issue

GopalNathani& Associates



303, DLF Qutab Plaza,
DLF City Phase I,
Gurgaon, Haryana



0124-4061225/226



www.dailytaxreporter.com

XBRLProcedure– Practice Manual



PREFACE

This document aims to facilitate the preparation and filing of XBRL financial reporting data. It provides guidance on the preparation, filing, and validation of financial statements prepared in eXtensible Business Reporting Language (XBRL) format on the MCA portal.

Purpose of this Document

This document describes the various specifications and guidelines to be followed for preparation of XBRL documents. It also includes the various steps required to be followed for submission of the XBRL documents on the MCA portal.

Intended Audience

This document is intended for use by the companies and for the public users.

Table of Contents

S.No.	Particulars	Page No.
1	Overview	3
2	Benefits of XBRL	4
3	Applying XBRL	4
	3.1 Phased-in adoption	5
	3.2 MCA Taxonomy	6
	3.3 XBRL & IFRS	6
	3.4 Tagging and instance documents	6-8
4	How it Works	
	4.1 Steps	9-12
	4.2 Flow Chart	12
5	What Should I Do	12-14
6	Nuts And Bolts	14-18
7	References	18
	Appendix 1 Details of Directors	19
	Appendix 2 Details of Principal products and services	20
	Appendix 3 Details of Auditors	21
	Appendix 4 Details of every class of share capital	22
	Appendix 5 Details of every class of debenture	23
	Appendix 6 Detail of every class of share capital issued	24
	Appendix 7 Detail of Goods	25
	Appendix 8 Details of Raw Material consumed	26
	Appendix 9-10 Details of related party transactions	27
	Appendix 11 Details of Subsidiaries	28-29
	Appendix 12 Details Of guarantees	30
	Appendix 13 Details of guarantee on borrowings	31
	Appendix 14 Details of Investments in Associates	32
	Appendix 15 Details of Balances with foreign banks	33

Overview

XBL is a universal business reporting language. It is a language based on XML (Extensible Markup Language) for the electronic communication of business and financial data. It was developed specifically to communicate information between businesses and other users of financial information, such as analysts, investors and regulators. XBRL provides a common, electronic format for business reporting. It does not change what is being reported. It only changes how it is reported.

XBRL is:

- An open technology standard for reporting and analyzing business and financial information
- Software driven, or self-governing
- Accounting framework neutral

The XBRL is not

- an accounting standard
- an accounting language
- chart of accounts.

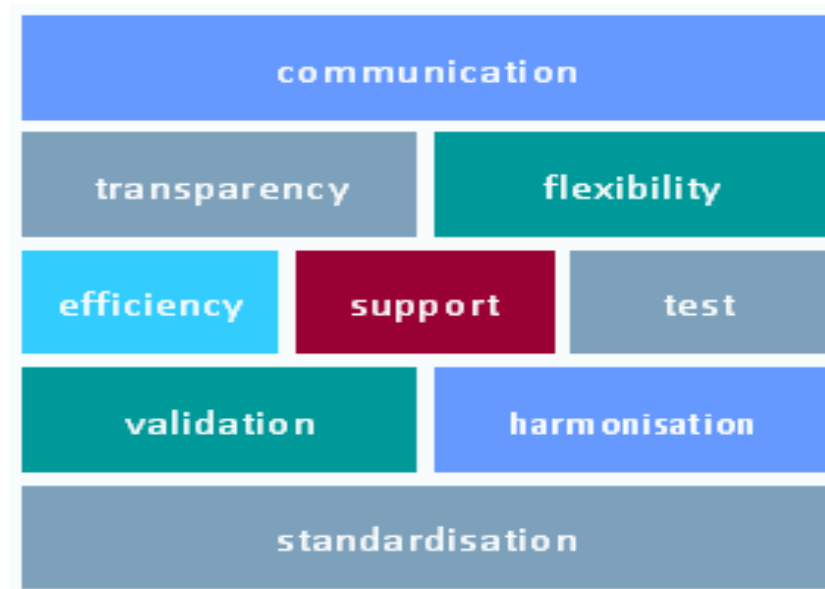
XBRL Document Structure

Instead of treating financial information as a block of text, XBRL provides a computer-readable tag to identify each individual item of data. By attaching identifying tags to individual pieces of data, a business reporting document becomes "intelligent" data, allowing the exchange of business reporting data by encoding the information in a meaningful way.

In typical usage, XBRL consists of an 'XBRL instance', containing primarily the business facts being reported, and a collection of [taxonomies](#) (called a Discoverable Taxonomy Set (DTS)),

which define metadata about these facts, such as what the facts mean and how they relate to one another. XBRL uses [XML Schema](#), [XLink](#), and [XPointer](#) standards.

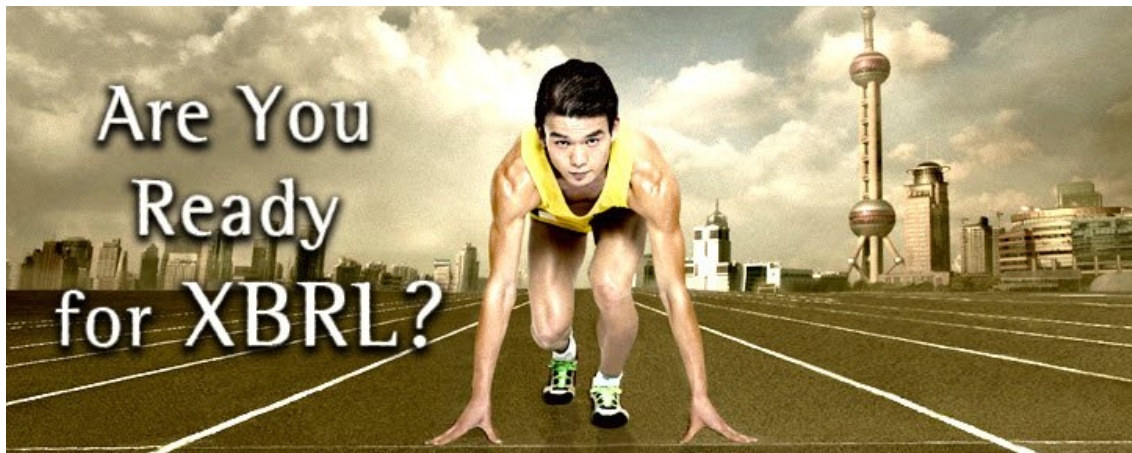
Benefits of XBRL



XBRL offers a number of benefits such as:

- Electronic transmission of financial and business information;
- Increased accessibility of financial reports to users;
- Easier regulatory compliance;
- Data Analysis with greater accuracy and continuous reporting;
- Enhanced availability of financial reports;
- Enhances Usability of Information;
- Enhances Comparability.

Applying XBRL



Phased-in adoption of XBRL

Currently there is mandatory adoption of XBRL tagging for MCA filings for following class of companies.

- All companies listed in India and their Indian subsidiaries
- All companies having paid up capital of Rs. 5 crores and above
- All companies having turnover of Rs 100 crores and above

In the times to come XBRL will integrate into accounting software and hence would find its application in accounting and auditing apart from present day use for corporate reporting and regulation.

In order to apply XBRL, we need to recognize the following concepts/terminology:

- MCA Taxonomy
- Tagging and Instance document
- Relationship between taxonomy and instance document

MCA Taxonomy or set of rules

"Taxonomies

XBRL tags are defined and organised using a categorisation scheme called taxonomy. Taxonomies are the computer-readable 'dictionaries' of XBRL. Taxonomy provides definitions for XBRL tags, it provides information about the tags, and it organises the tags so that they have a meaningful structure."

MCA Taxonomy is for XBRL representation of Indian GAAP. It is an organised system of classification and an electronics description for the contents of financial statement and other reporting documents

The current version of MCA taxonomy has 3187 terms or definitions or what are called as XBRL tags for Indian GAPP disclosures. These tags would increase in their number with each new disclosure. This taxonomy thus represents hundreds or even thousands of individual business reporting concepts with mathematical and definitional relationship amongst them. Today we have only one MCA Taxonomy for mandatory reporting under Companies Act, 1956 and SEBI Regulations. Gradually there could be separate taxonomies for different reporting purposes. So it is important to gain knowledge and understanding on them for day to day handling of financial information, analysis and their matching presentation.

XBRL and IFRS

The International Accounting Standards Committee or IFRS Foundation issue IFRS taxonomy almost one every year for the XBRL representation of IFRSs, including International Accounting Standards (IASs), Interpretations, and the IFRS for Small and Medium-sized Entities (SMEs), issued by the IASB. It contains tags for all IFRS disclosures. With the growing convergence of Indian GAPP with the IFRS and with the growing number of companies having foreign listings or submission to foreign regulatory it is desirable to learn and use the IFRS taxonomy apart from MCA taxonomy.

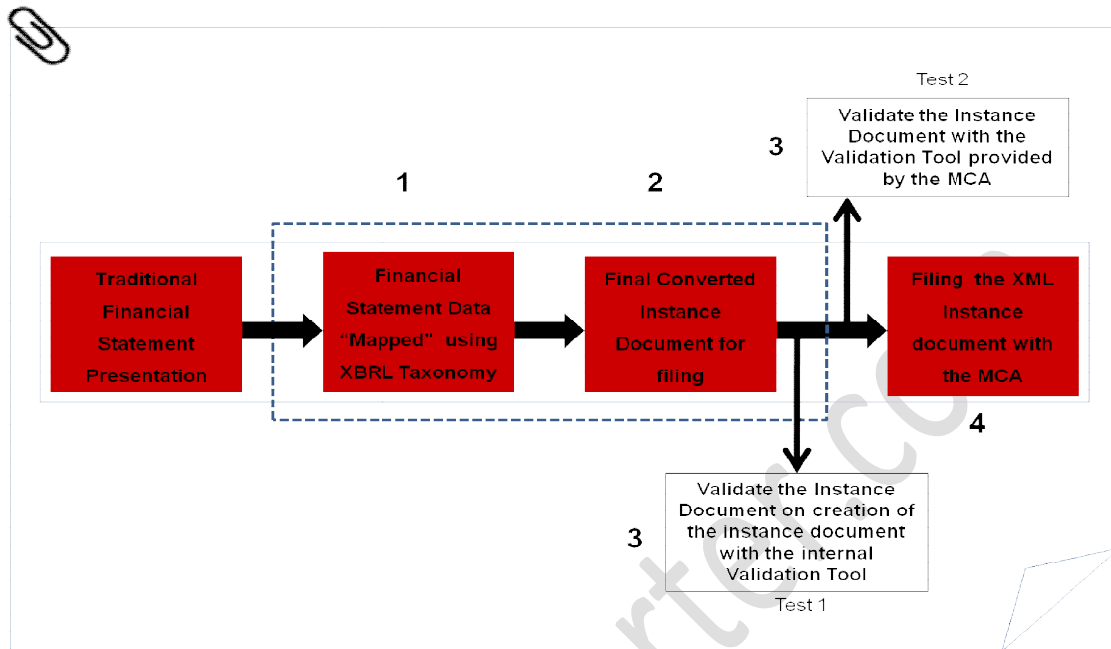
Tagging and Instance Documents

Taxonomy enables a computer with XBRL software to:

- understand what the tag is (whether it is a monetary item, a percentage or text);
- what characteristics the tag has (e.g. if it has a negative value);
- Its relationship to other items (e.g. if it is part of a calculation).

and further tag relevant data in the taxonomy and store them in XBRL instance document. Hence an XBRL instance document is a business report in an electronic format created by using the XBRL Software based upon the MCA taxonomy. In other

words, the instance document is the electronic version of financial statements and other reporting documents of reporting entity.



For the ease of understanding

The whole of entity's financial information are divided in to two parts/instance documents as follows:

Instance Document-1: Balance Sheet

Instance Document-2: Income Statement

The instance document-1 Balance Sheet contains the following:

- General information about financial statements
- Director's Report
- Details of directors signing board report
- Auditor's Report
- Details regarding auditors
- Balance Sheet
- Details of directors signing balance sheet

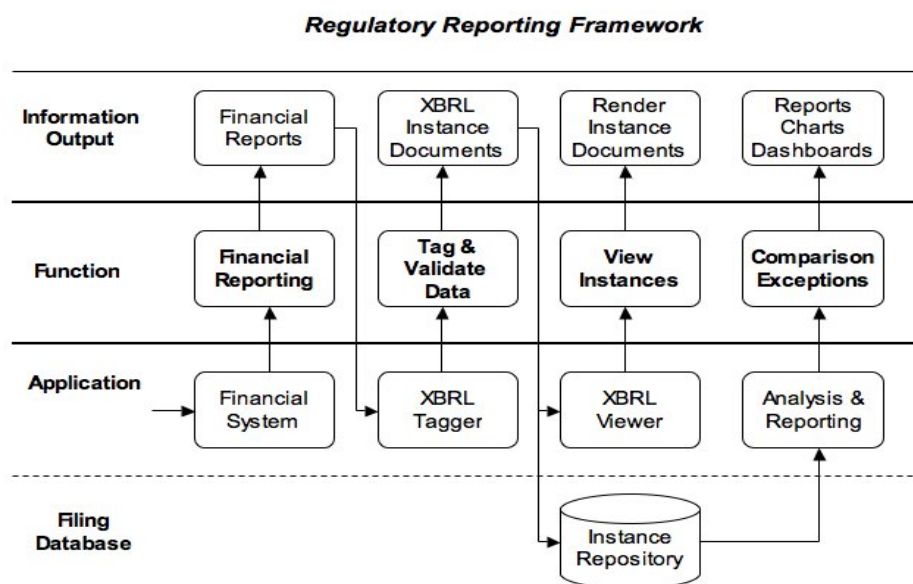
- Schedules forming part of balance sheet
- Cash-flow Statement
- Notes to accounts

The instance document-2 Income Statement contains the following:

- General information about financial statements
- Details of principal products and services
- Profit & Loss Account
- Schedules forming part of profit & loss account
- Director's Remuneration
- Auditor's Remuneration

Relationship between taxonomy and instance document

By the use of XBRL terminology, the business concepts we need to report are defined in taxonomy and the tagged data are stored in XBRL instance documents that are created by referring to the taxonomy.



How it Works

Conversion and e-Filing of XBRL documents (Step by step process)

Creation of XBRL instance document

The first step in creation of an instance document is to do tagging of the MCA XBRL taxonomy elements with the various accounting heads in the books of accounts of the company. This would mean mapping of the taxonomy elements with the accounting heads so that the accounting information can be converted into XBRL form.

Mapping is the process of comparing the concepts in the financial statements to the elements in the published taxonomy, assigning a taxonomy element to each financial statement concept.



Download XBRL validation tool

A tool has been provided on the MCA XBRL portal for validating the generated XBRL instance document. Validating the instance document is a pre requisite before filing the balance sheet and profit & loss account on MCA portal.



Load the instance document

To load the instance document, click the open button, select the instance document and upload it.



Validate the instance document

The next step is to validate the instance document. The following validations shall be performed by the tool-

- Validating that the instance document is as per the latest and correct version of taxonomy prescribed by MCA
- All mandatory elements have been entered
- Other business rules as specified by MCA
- Other validations as per taxonomy



Pre-scrutiny of the instance document

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.



Convert to pdf and verify the contents of the instance document. (This step is essential to ensure that the textual information entered in the instance document is clearly viewable)

Once the instance document has been successfully pre-scrutinized, the next step is to generate pdf by using 'Export to pdf' functionality in the tool to verify the final instance document. It is imperative that the company and the professional certifying the instance documents should use this feature to verify the accuracy of the instance document.



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

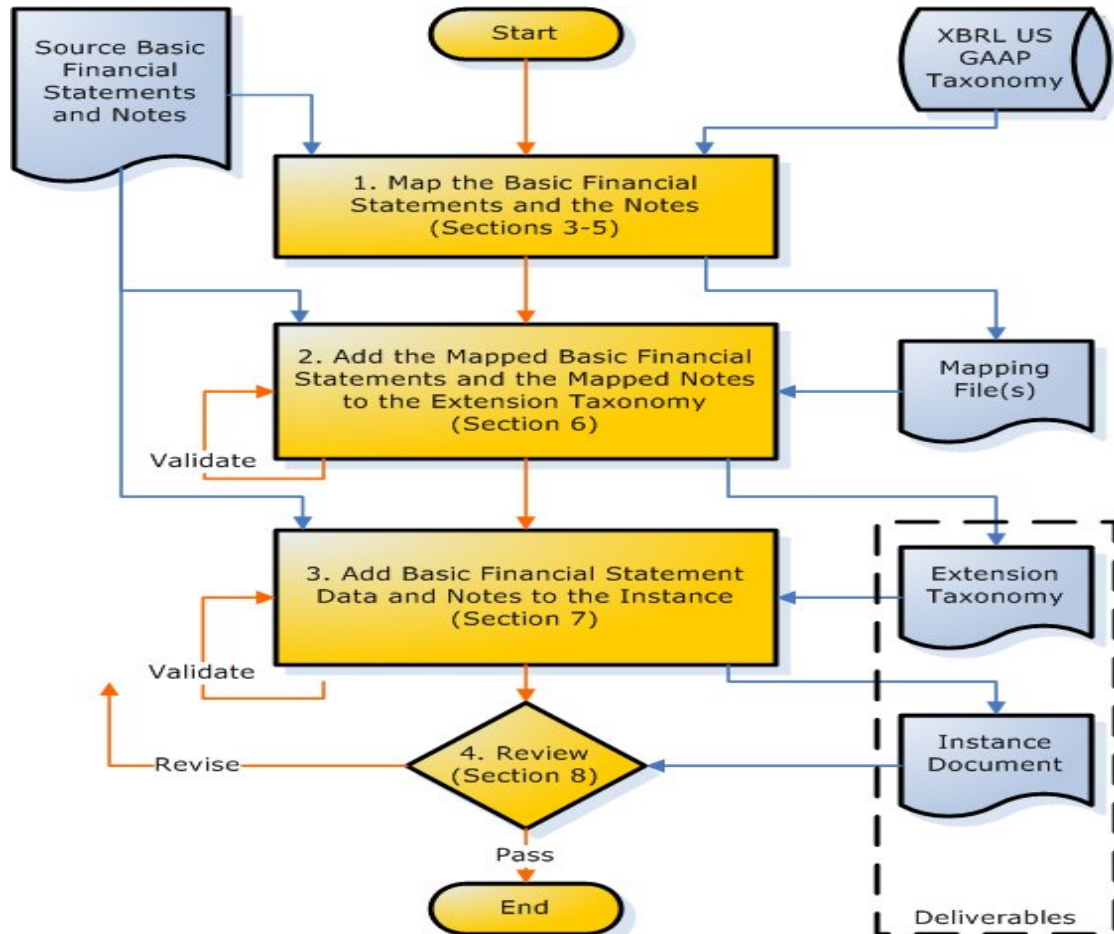
Form 23AC-XBRL and Form 23ACA-XBRL are available on the MCA portal. First fill up the Form 23AC-XBRL and Form 23ACA-XBRL. Thereafter, attach the validated and pre-scrutinised instance document for Balance sheet to Form 23AC-XBRL. Similarly, the instance document for Profit and Loss account is to be attached to Form 23ACA-XBRL. Separate instance documents need to be attached w.r.t. Standalone financial statements and consolidated financial statements.



Submitting the Form 23AC-XBRL and Form 23ACAXBRL on the MCA portal.

After the forms are filled, you are required to perform pre-scrutiny of the form, digitally sign the form and then upload the same as per the customary eForm filing process. It shall be validated that the attached instance documents are validated and pre-scrutinised from the XBRL validation tool.

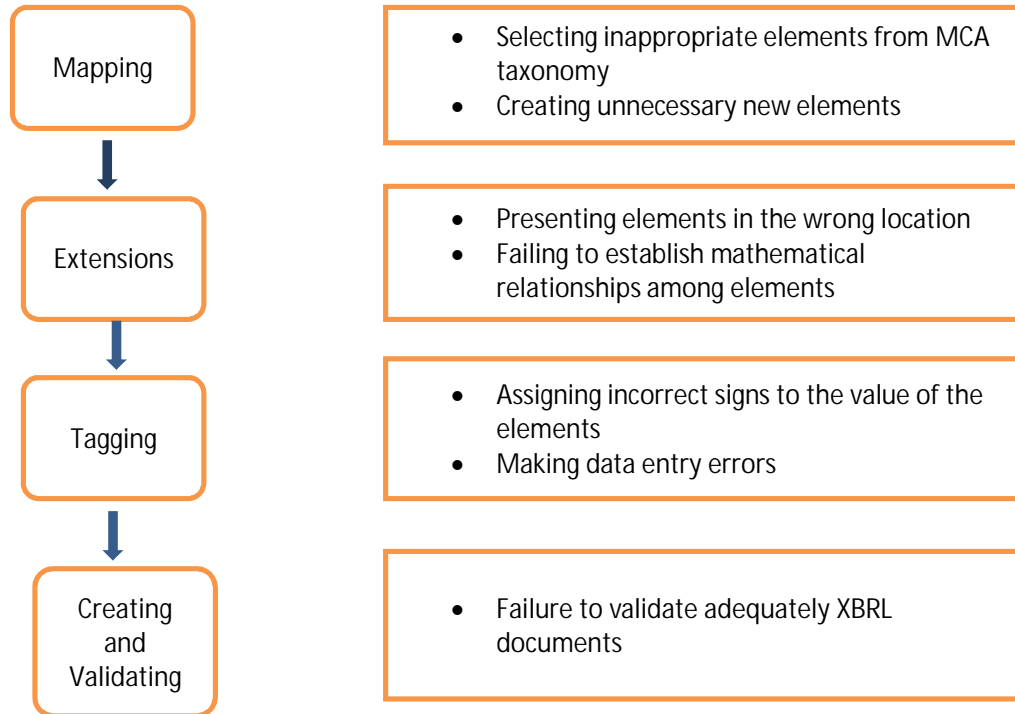
FLOW CHART



What should I do?

The big challenge in the process of generation of Instance documents is to understand the errors reported by the software and then resolving the same. There may be several reasons for these errors such as wrong date format, wrong currency code, mandatory fields not been entered, ordering of elements in tuple is not correct etc.

Following are steps where errors occur:



More Specifically:

1. The pdf is not getting generated or pdf generated is of zero kilobytes in size.

Ex: Error creating pdf.

Key: Please check the textual information entered in the instance document and follows the html guidelines provided in section 1.1.3.1 point no. 38 technical specifications to correct the instance document and validate and pre-scrutinize again.

2. The format of the date entered is not as per the valid format.

Ex: cvc-datatype-valid.1.2.1: '01-04-2011' is not a valid value for 'date'.

Key: It should be in 'yyyy-mm-dd'.

3. For Boolean data types 'Yes' or 'No' has been entered.

Ex: cvc-datatype-valid.1.2.1: 'yes' is not a valid value for 'boolean'.

Key: Only 'True' or 'False' can be entered for Boolean DataType

4. 0-100 entered for Percentage Data Type fields

Ex: Proportion Of Voting Power In Associate should be less than equal to 100%.

Key: Only value between 0-1 needs to be entered. For example to report 60 % as value you need to enter 0.6 in the field.

5. Mandatory fields have not been entered.

Ex: Element 'Provision Current Tax' is required - Not present for date: 31/03/2010.

Key: Please refer Taxonomy and Business Rules for the list of mandatory elements.

6. For Membership number of Auditor even letters have been entered i.e. A*****.

Ex: 'Membership Number of Auditor' at least one value is not of valid format: [A534].

Key: Only numeric value needs to be entered.

Nuts and bolts

The company should have all the requisite information organised before starting the XBRL e-filing process in order to carry out the filing process efficiently. Further, entity's financial

information should be structured in such a layout and manner that it aligns with the XBRL taxonomy.

MCA specific data types

CINNumberItemType	Maximum length 21 characters. If there is fixed pattern, the same can also be incorporated
SRNNumberItemType	Length 9 characters. Pattern : first character is alphabet, and remaining 8 are numbers
DINNumberItemType	Length 8 characters. All numbers
NatureOfReport	Enumerations : Standalone, Consolidated
ContentOfReport	Enumerations : Balance Sheet, Profit and Loss Statement
LevelOfRounding	Enumerations : Actual, Thousands, Lakhs, Millions, Crores, Billions
IndustryType	Enumerations : Commercial and Industrial, Bank, NBFC, Power
CountryName	Pattern : Should be as per ISO 3166-1 format
TypeOfSubsidiary	Enumerations : Section 4(1)(a), Section 4(1)(b), Section 4(1)(c), Section 4(6), (Section 4(7)
TypeOfBalanceSheet	Enumerations : Sources and application, total assets and liabilities format
TypeOfIncomeStatement	Enumerations : Main, Alternative
TypeOfCashFlowStatement	Enumerations : Direct Method, Indirect Method
ShareType	Enumerations : Equity, Preference

Sr.	Inputs	Form/Formats/Description
No.		

1.	Corporate Identity Number (CIN) of the Company	CIN is a unique number issued by the Registrar of Companies at the time of incorporation of company for the identity of each corporate.
2.	Permanent Account Number (PAN) of the Company.	Unique number allotted by the Income Tax Department.
3.	Address of registered office of the company.	The address which is registered with the registrar of companies (ROC).
4.	Type of industry	
5.	Date of board meeting when final accounts were approved	The date of approval of the final accounts of the company by the Board of Director's.
6.	Date of Board of directors' meeting in which board's report referred to under section 217 was approved	The date of approval of the board's report of the company by the Board of Director's.
7.	Period of closure of register of members	<p>In case of private limited company closure is not mandatory but optional.</p> <p>In the case of a listed company, the transfer books should be kept closed at least once a year at the time of the annual general meeting, if they have not otherwise been kept closed during the year.</p> <p>[Refer Sec. 154 of Companies Act, 1956 and SS-4(Secretarial Standard</p>

on Registers and Records)]

- | | | |
|-----|--|---|
| 8. | SRN of form 66, only if paid up capital of company is greater than 10 lakh and less than 5 crore and Company is not having a whole time Company Secretary. | SRN stands for Service Request Number just like acknowledgement number of receipt of e-form which is generated by the MCA web-portal, when e-form has been successfully uploaded. |
| 9. | Details of Directors | As per Appendix-1 |
| 10. | Details of principal products and services | As per Appendix-2 |
| 11. | Details of Auditors | As per Appendix-3 |
| 12. | Details of every class of share capital both for previous year as well as current year | As per Appendix-4 |
| 13. | Details of every class of debenture both for previous year as well as current year | As per Appendix-5 |
| 14. | Details of every class of share capital issued during period both for previous year as well as current year | As per appendix-6 |
| 15. | Details of Goods both for previous year as well as current year | As per Appendix-7 |
| 16. | Details of raw material consumed both for previous year as well as current year | As per Appendix-8 |
| 17. | Details of related party transactions both for previous year as well as current | As per Appendix-9 & 10 |

year

- | | | |
|----|---|--------------------------|
| 18 | Details of subsidiaries (As per appendix-11) then details of guarantee given for loans borrowed by subsidiary (As per appendix-12) & details of guarantee by subsidiary for loans borrowed by company (As per appendix-13) for both current & previous year(s). | As per Appendix-11,12,13 |
| 19 | Details of investments in associates both for previous year as well as current year | As per Appendix-14 |
| 20 | Details of balances with foreign banks both for previous year as well as current year | As per Appendix-15 |

References:

1. A hands-on Approach to XBRL AND Revised Schedule VI by CA. (DR.) SanjeevSinghal and CA. R. Sankaraiah.
2. www.mca.gov.in
3. www.ifrstaxonomy.com

Details of Directors

S. No.

Name Of Director

Director Identification Number Of
Director

Date Of Birth Of Director

Designation Of Director

Qualification Of Director

Shares Held By Director

Basic Pay Director

Allowances Director

Perquisites Director

Commission Director

Total Salary To Director

Sitting Fees Director

Stock Compensation Director

Post-Retirement Benefits Director

Other Compensation Director

Director Remuneration

Appendix-2

Details of principal products and services

S. No.

ITC Number Of Product

Description Of Product Or Services

Unit Of Measurement Of Principal Product Or Services

Turnover Of Principal Product Or Services

Quantity Of Principal Product Or Services (In Uom)

Details of Auditors

S. No.

Name Of Audit Firm

Name Of Auditor Signing Report

Membership Number Of Auditor

Address Of Auditors

Permanent Account Number Of Auditor Or
Auditor's Firm

Srn Of Form 23B

Date Of Signing Audit Report By Auditors

Date Of Signing Of Balance Sheet By Auditors

Appendix-4

Details of every class of share capital both for previous year as well as current year

S. No.

Class Of Debenture

Nominal Value Per Debenture

Number Of Debentures

Value Of Debenture

Rate Of Debenture

Nature Of Any Security

Terms Of Redemption Or Conversion

Earliest Date Of Redemption

Nominal Amount Of Debentures Held By Nominee Or Trustee Of

Company

Book Value Of Debentures Held By Nominee Or Trustee Of

Company

Appendix-5

Details of every class of debenture both for previous year as well as current year

S. No.

Class Of Debenture

Nominal Value Per Debenture

Number Of Debentures

Value Of Debenture

Rate Of Debenture

Nature Of Any Security

Terms Of Redemption Or Conversion

Earliest Date Of Redemption

Nominal Amount Of Debentures Held By Nominee Or Trustee Of Company

Book Value Of Debentures Held By Nominee Or Trustee Of Company

Appendix-6

Details of every class of share capital issued during period both for previous year as well as current year

Type Of Share

Nature Of Share

Nominal Value Per Share Issued During Period

Number Of Shares Issued In Initial Public Offering

Amount Of Public Issue During Period

Number Of Shares Issued As Bonus Shares

Amount Of Bonus Issue During Period

Number Of Right Shares Issued

Amount Of Rights Issue During Period

Number Of Shares Issued In Private Placement

Amount Of Private Placement Issue During Period

Number Of Shares Issued As Preferential Allotment

Amount Of Preferential Allotment Issue During Period

Number Of Shares Allotted For Contracts Without Payment Received In Cash

Amount Of Issue Allotted For Contracts Without Payment Received In Cash During Period

Number Of Shares Issued Under Scheme Of Amalgamation

Amount Of Issue Under Scheme Of Amalgamation During Period

Global Depository Shares Issue

Amount Of Global Depository Issue During Period

American Depository Shares Issue

Amount Of American Depository Issue During Period

Number Of Other Issues Of Shares

Amount Of Other Issues During Period

Number Of Shares Arising Out Of Conversion Of Securities
Amount Of Issue Arising Out Of Conversion Of Securities During Period
Number Of Shares Issued During Period
Aggregate Amount Of Issues During Period

Appendix-7

Details of Goods both for previous year as well as current year

S. No.
Class Of Goods
Nature Of Goods
Value Of Goods Sold
Quantity Of Goods Sold
Value Of Goods Purchased Or Produced
Quantity Of Goods Purchased Or Produced
Value Of Stock Of Goods
Quantity Of Stock Of Goods
Unit Of Measurement Of Goods

Appendix-8

Details of raw material consumed both for previous year as well as current year

S. No.

Class Of Raw Materials Consumed

Value Of Raw Materials Consumed

Quantity Of Raw Materials Consumed

Unit Of Measurement Of Raw Materials Consumed

Appendix-9

Details of related party transactions both for previous year as well as current year

S. No.
Name Of Related Party
Country Of Incorporation Or Residence Of Related Party
Permanent Account Number Of Related Party
CIN Of Related Party
Identification Number Of Foreign Related Party In Country Of Incorporation Or Residence
Nature Of Issuing Authority In Country Of Incorporation Or Residence
Description Of Nature Of Related Party Relationship
Outstanding Balances For Related Party Transaction
Explanation Of Terms And Conditions Of Outstanding Balances For Related Party Transaction
Explanation Of Details Of Guarantees Given Or Received Of Outstanding Balances For Related Party Transaction
Provisions For Doubtful Debts Related To Outstanding Balances Of Related Party Transaction
Expense Recognised During Period For Bad And Doubtful Debts For Related Party Transaction

Appendix-10

S. No.
Description Of Related Party Transaction

Amount Of Related Party Transaction

Appendix-11

Details of subsidiaries

S. No.

Name Of Subsidiary

Country Of Incorporation Or Residence Of Subsidiary

Cin Of Subsidiary Company

Section Under Which Company Became Subsidiary

Whether Subsidiary Has Filed Balance Sheet

Srn Of Filing Of Balance Sheet By Subsidiary

Reason If No Filing Has Been Made By Subsidiary

Whether Financial Year Of Subsidiary Coincides With Financial Year Of Holding Company

Start Date Of Accounting Period Of Subsidiary

End Date Of Accounting Period Of Subsidiary

Date Of Becoming Subsidiary

Date Of Ceasing To Be Subsidiary

Number Of Shares Held Of Subsidiary

Face Value Of Shares Of Subsidiary

Paid Up Value Of Shares Held Of Subsidiary

Percentage Of Share Holding In Subsidiary

Proportion Of Voting Power In Subsidiary

Reporting Currency Of Subsidiary

Exchange Rate As Applicable For Subsidiary

Share Capital Of Subsidiary

Reserves And Surplus Of Subsidiary

Total Assets Of Subsidiary

Total Liabilities Of Subsidiary
Investment Of Subsidiary
Total Income Of Subsidiary
Profit Before Tax Of Subsidiary
Provision For Tax Of Subsidiary
Profit After Tax Of Subsidiary
Proposed Dividend Of Subsidiary
Aggregate Amount Of Profit Loss Of Subsidiary For Previous Years Since It Became Subsidiary
Aggregate Amount Of Subsidiary Not Accounted For Current Year
Aggregate Amount Of Subsidiary Not Accounted For Previous Years Since It Became Subsidiary
Aggregate Amount Of Subsidiary Accounted For Period
Aggregate Amount Of Subsidiary Accounted For Previous Years Since It Became Subsidiary
Details Of Assets Liabilities Of Subsidiary Included In Consolidated Statements
Details Of Participating Interests Through Subsidiary
Nature Of Relationship With Subsidiary Where Parent Has Directly Or Indirectly Less Than Half Of Voting Power
Details Of Jointly Controlled Assets With Subsidiary

Details of guarantee given for loans borrowed by subsidiary

S. No.

Name Of Guaranteed Party

Cin Of Guaranteed Party

Amount Guaranteed On Loans Borrowed By Subsidiary

Appendix-13

Details of guarantee by subsidiary for loans borrowed by company for both current & previous year(s).

S. No.

Name Of Guaranteed Party

CIN Of Guaranteed Party

Amount Guaranteed On Loans Borrowed By Company

Details of investments in associates both for previous year as well as current year

S. No.

Name Of Associate

Country Of Incorporation Or Residence Associate

CIN Of Associate Entity

Proportion Of Ownership Interest In Associate

Proportion Of Voting Power In Associate

Description Of Associates

Name Of Associate For Which Reporting Date Is Different

CIN Of Associate Entity Whose Reporting Date Is Different

Differences In Reporting Dates

Disclosure For Non- Adoption Of Uniform Accounting Policies By Associates

Description Of Differences In Accounting Policies Followed

Share Of Commitments Of Associates For Which Entity Contingently Liable

Share Of Contingent Liabilities Incurred Jointly With Other Investors

Contingent Liabilities Of Associates For Which Entity Is Severally Liable

Reasons For Not Accounting Investments Associate Using Equity Method

Details of balances with foreign banks both for previous year as well as current year

S. No.

Name Of Foreign Bank

Nationality Foreign Bank

Balance Outstanding With Foreign Banks

Maximum Balance Outstanding During Year With Foreign Banks