



# Introduction to XBRL

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# Outline

- What is XBRL?
- Why XBRL?
- A dive into XBRL
- Myths about XBRL
- XBRL Progress in India
- XBRL Filing Process at MCA
- Role of Chartered Accountants
- XBRL and IFRS



## What is XBRL

- X-e**X**tensible
- B-**B**usiness
- R-**R**eporting
- L-**L**anguage

XBRL is a XML(extensible mark up language) base computer language which is a new way of communication of business information in which business reports are converted from paper format to machine readable format.



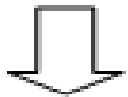
## XBRL Framework

XBRL have two things which make it works:

**Technology**

+

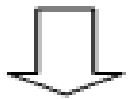
**Finance**



XML

+

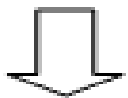
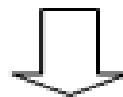
Accounting Concepts



Software

+

Finance Professionals

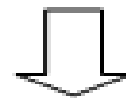


IT Professionals

+

Expert (CA's)

= Quality Output





## Why XBRL



Regulatory Requirement



Automation



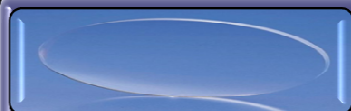
Once entered, data does not have to be re-entered



Data Analysis



Generate various outputs and reports based on a single set of data



Transparency



The technology is ideal for web-enabled applications and those who gather financial information over internet



## Potential User of XBRL





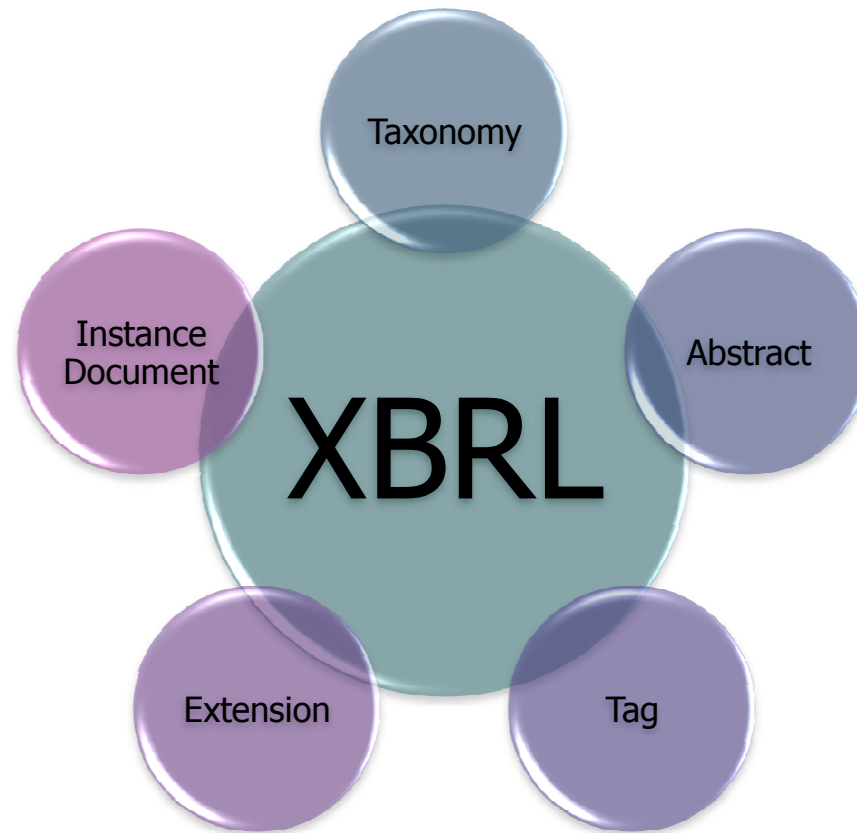
## Three Waves of Innovation in XBRL

- ❖ First Wave – Preparation Software & Services
- ❖ Second Wave – Analytical Tools for Investors
- ❖ Third Wave – Internal Analysis





## A Dive into XBRL







# Taxonomy

Taxonomy is a hierarchal structure of business terms. It is like a dictionary from which definition/information of business concepts can be extracted. It also depicts the relationship between the total item and the sub items.

Taxonomy ▾

**Network Browser** << Details Relationships Tree Locations

Network: Presentation ▾ Lang: en ▾

- ⊕ [100000] Sources and Application of Funds
- ⊕ [100010] Total Assets and Liabilities
- ⊕ [100100] Schedule - Share capital
- ⊕ [100200] Schedule - Reserves and Surplus
- ⊕ [100300] Schedule - Secured debt
- ⊕ [100400] Schedule - Unsecured debt
- ⊕ [100600] Schedule - Fixed assets
- ⊕ [100610] Schedule - Fixed assets, net-gross classification
- ⊕ [100700] Schedule - Investments
- ⊕ [100800] Schedule - Sundry debtors
- ⊕ [100900] Schedule - Cash and bank balances
- ⊕ [101000] Schedule - Inventories
- ⊕ [101100] Schedule - Other current assets
- ⊕ [101200] Schedule - Loans and advances
- ⊕ [101300] Schedule - Current liabilities
- ⊕ [101400] Schedule - Provisions
- ⊕ [101500] Schedule - Miscellaneous Expenditure Not Written Off
- ⊕ [101600] Additional Details - Balance Sheet
- ⊕ [200000] Income Statement [Main]

**No Concept Selected**

Labels

References

Properties

Custom Type Information



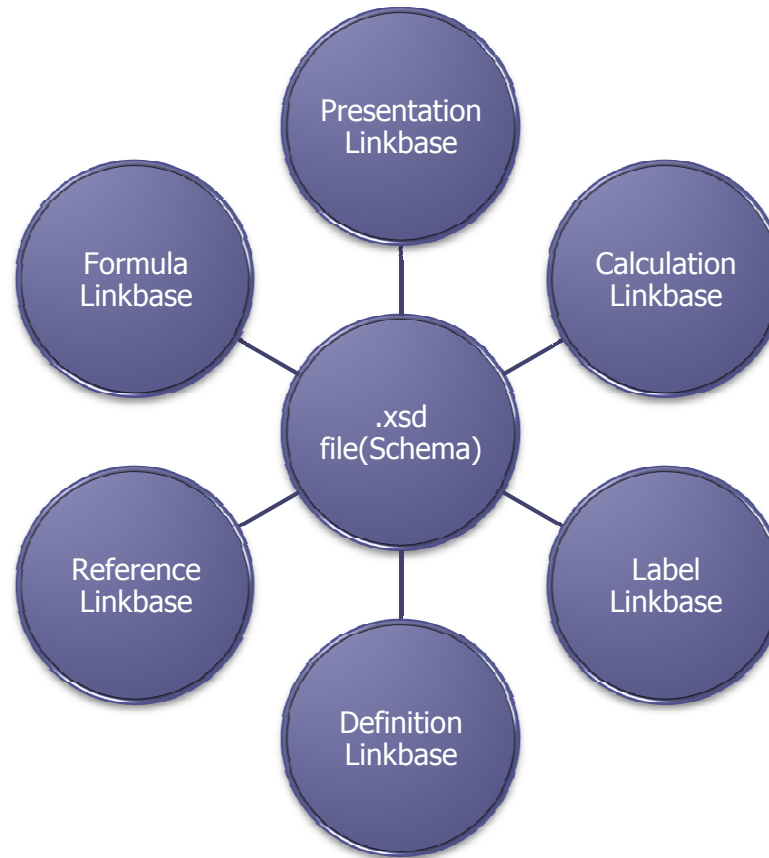
# Taxonomy Files

## Schema

XBRL Schema stores information about taxonomy elements

Can be regarded as container where unstructured list of elements and references to Linkbase files are described.

Main purpose is to provide the computer with information on how it should represent and process accounting terms.



## Linkbases

They are the components of a taxonomy that provide information about relationships between elements and link them with specified external resources

It is based on two XML technologies

- XLink (XML Link Languages)
- XPointer (XML Pointing Languages)



## Abstract

Abstract is used to cover all the tags of same group under one heading (roof), in such a way that hierarchy between the elements can be depicted in a systematic and logical manner.

The screenshot shows a 'Taxonomy' window with a 'Network Browser' section. The network is set to 'Presentation' and the language is 'en'. The hierarchy is as follows:

- [100000] Sources and Application of Funds
- [100010] Total Assets and Liabilities
  - Total assets total liabilities [abstract]
    - Total liabilities [abstract]
    - Total assets [abstract]** (highlighted with a red box)
      - Goodwill on consolidation [abstract]
      - Fixed assets [abstract]
      - Investments, net
      - Net deferred tax asset
      - Finance lease receivables long-term
      - Current assets loans advances [abstract]
        - Current assets [abstract]
          - Loans advances
          - Current assets loans advances
        - Miscellaneous expenditure not written off
        - Profit loss debit balance
        - Other assets
        - Total assets



## Tag

Tag is an element that is used to identify (map) and describe the elements of financial statements or any business term. E.g. Cash and Bank Balance, Profit & Loss.

Each tag has some properties Like :-

- ❖ Data Type
- ❖ Period Type
- ❖ Balance Type
- ❖ Reference                      .... Etc





# Tag Example

Taxonomy Window - +

[all] en

presentationLink [all]

Index	Label	type
ELR	[100000] Sources and Application of Funds	
ELR	[100010] Total Assets and Liabilities	
1	Total assets total liabilities [abstract]	-
1.1	Total liabilities [abstract]	-
1.2	Total assets [abstract]	-
1.2.1	Goodwill on consolidation [abstract]	-
1.2.2	Fixed assets [abstract]	-
1.2.3	Investments, net	X
1.2.4	Net deferred tax asset	X
1.2.5	Finance lease receivables long-term	X
1.2.6	Current assets loans advances [abstract]	-
1.2.6.1	Current assets [abstract]	-
1.2.6.1.1	Sundry debtors	X
1.2.6.1.2	Cash bank balance	X
1.2.6.1.3	Inventories	X
1.2.6.1.4	Other current assets	X
1.2.6.1.5	Current assets	X
1.2.6.2	Loans advances	X
1.2.6.3	Current assets loans advances	X

Name/Code: CashBankBalance

Info	value
xsd:element	
@name	CashBankBalance
@id	in-gaap_CashBankBalance
@type	xbrl:monetaryItemType
@substitutionGroup	xbrl:item
@abstract	false
@nilable	true
@xbrl:balance	debit
@xbrl:periodType	instant

Info Label Reference Linkage iXBRL <source/>

XBRL Tuple List

Name/Code

DetailsOfEveryClassOfDebenture

DetailsOfEveryClassOfShareCapital

DetailsOfEveryClassOfShareCapitalIssuedDuringPeriod

DetailsOfGoods

Attributes of Cash and Bank Tag



## Extension

Extensibility is one of the important aspects of XBRL. When there is no tag available in public taxonomy to identify an element of financial statements of Reporting Entity, Extension tag is used to identify (Map) the same element.

**Add Element that was not described in the base taxonomy.**

**Modify relationship between elements in terms of reference or order.**

Order	Element Name	Value
9	NON CURRENT ASSETS	
0	Fixed Assets-Net	15,495
1	Investment Property	464,598
2	Intangible Assets including Goodwill	45,448
3		*****
4		510,012



## Instance Document

XML file that contains business reporting information and represents a collection of financial facts and report-specific information using tags from XBRL taxonomies. Instance Document captures following information:

- ❖ Tag from the taxonomy
- ❖ Value
- ❖ Calendar
- ❖ Unit
- ❖ Decimal





# Myths About XBRL



XBRL is a  
Software



XBRL is  
New  
Accounting  
Standard



XBRL is  
Full Proof





## XBRL in INDIA

### XBRL INDIA

XBRL India is a Company registered under Section 25 of Companies Act, 1956, incorporated for managing the affairs of Indian Jurisdiction of XBRL International.

XBRL International is comprised of Jurisdictions which represent countries, region or international bodies and focus of XBRL in their area.

XBRL Indian Jurisdiction is an established Jurisdiction of XBRL International.

Web address for XBRL India: <http://www.xbrl.org/in/>

Web address for MCA XBRL: <http://www.mca.gov.in/XBRL/>



## XBRL Mandate in India

General Circular No. 09/2011, Dated 31.03.2011 followed by chain of corrigendum and circulars :

The following companies are required to file the financial statements in XBRL form the year 2010-11:

- ❖ all companies listed in India and their subsidiaries excluding overseas subsidiaries or
- ❖ Companies having a paid up capital of 5 Crore and above or
- ❖ a Turnover of 100 Crore or above.

However banking companies, insurance companies, power companies and Non-Banking Financial Companies (NBFCs) are exempted for XBRL filing.



## XBRL Mandate in India-Scope

Applicable for the year ended on or after 31st March, 2011.

Mandatory class of companies required to do:

- ❖ Balance Sheet and Schedules-Detail Tagging
- ❖ Profit & Loss A/c and Schedules-Detail Tagging
- ❖ Cash Flow-Detail Tagging
- ❖ Notes-Block Tagging(Except some elements mentioned in Table 1 & 2)
- ❖ Director's Report-Block Tagging(Except some elements)
- ❖ Auditor Report-Block Tagging(Except some elements)

All companies falling in Phase -I were permitted to file up to 31-12-2011 without any additional filing fee.

Certification of the XBRL document on e-form will be done by the CA/CS/CWA in whole time practice.



## XBRL India Progress

An analysis of taxonomy is as follows:

- 3,187 Number of elements are there.
- 3,187 elements has been covered in 57 extended links.
- 3,187 element contains 24 tuples.
- 3,187 tags contains 361 rules.

Final Taxonomy is available on [www.mca.gov.in](http://www.mca.gov.in)

Business Rules are available on [www.mca.gov.in](http://www.mca.gov.in)

This mandate is applicable on Approx. 29,000 companies out of which aprox. 22,000 companies has filed the data before 31<sup>st</sup> December, 2011.

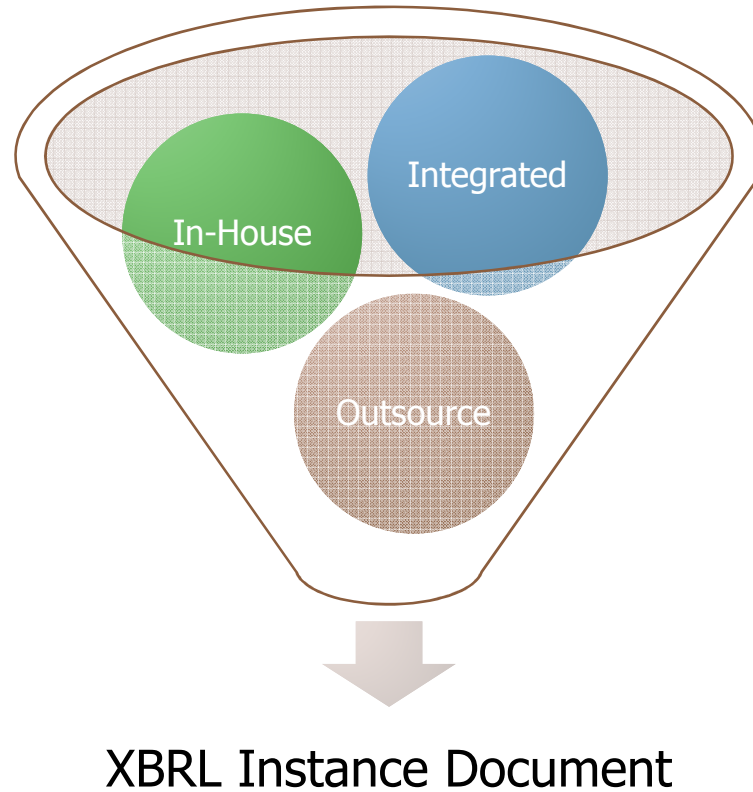


## Business Rules Summary

Category	Number
Based Upon CIN	19
Based Upon Date	15
Value greater than Zero	16
Based Upon Zero Value	132
Mandatory Field	82
Mandatory field with condition	43
Others	54
<b>Total Rules</b>	<b>361</b>

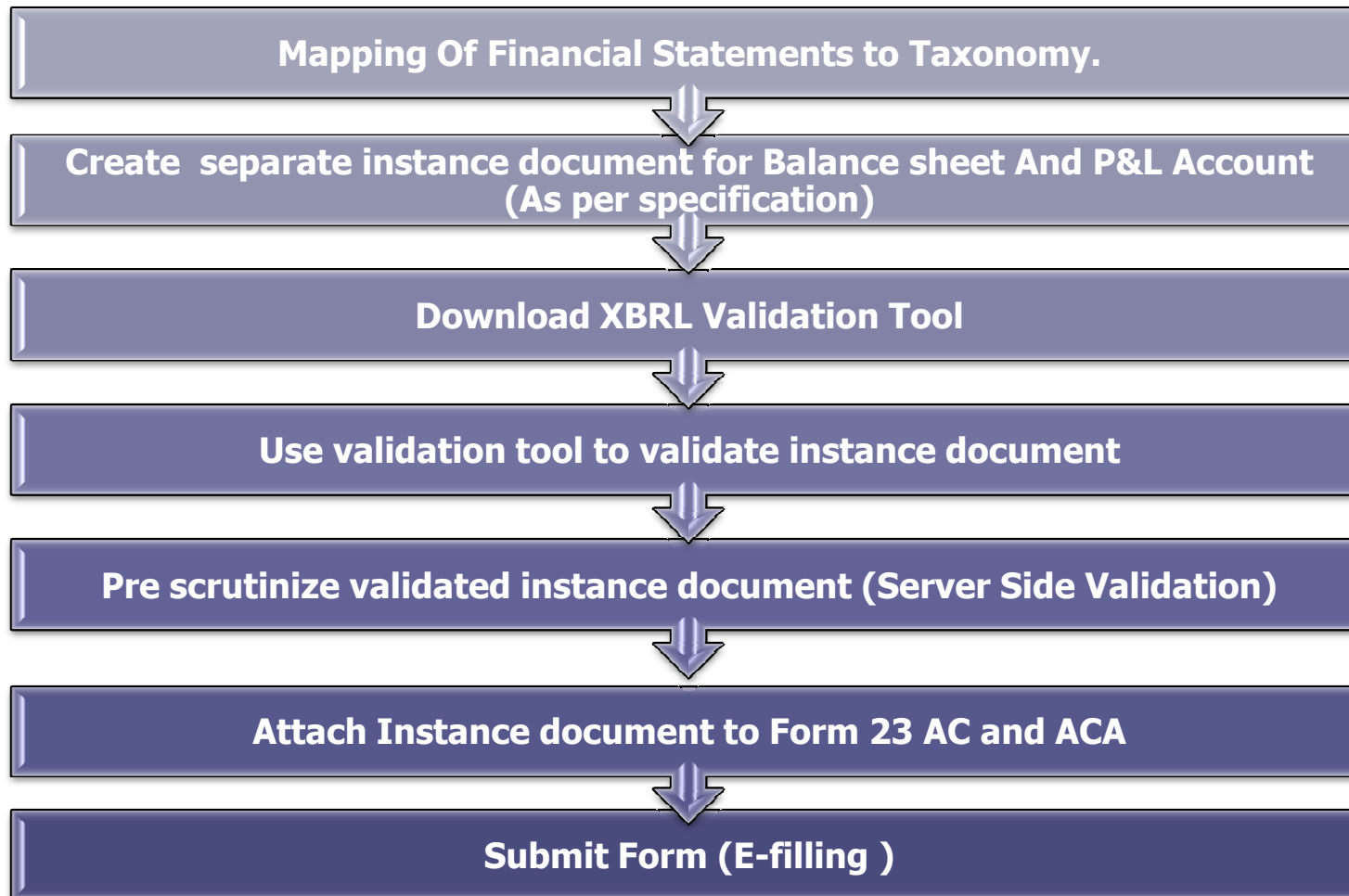


## How compliance can be done?





## XBRL Process Workflow





## Role of Chartered Accountants

- Regulatory Requirement.
- Taxonomy Development.
- Tool Evaluation.
- Examine the different option available suitable to company.
- Training
- Outsourcing Business.





## Road Ahead

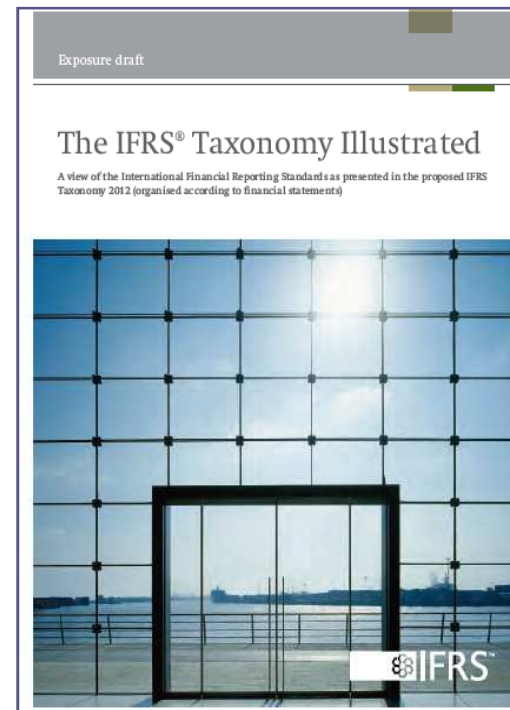
- Applicability will extend to all sectors.
- Applicability will extend to all 9,00,000 companies.
- Scope will be enhanced to full report including notes.
- Unified Reporting to all the regulators.
- Adoption of IFRS along with IFRS Taxonomy.



## XBRL at IFRS Foundation

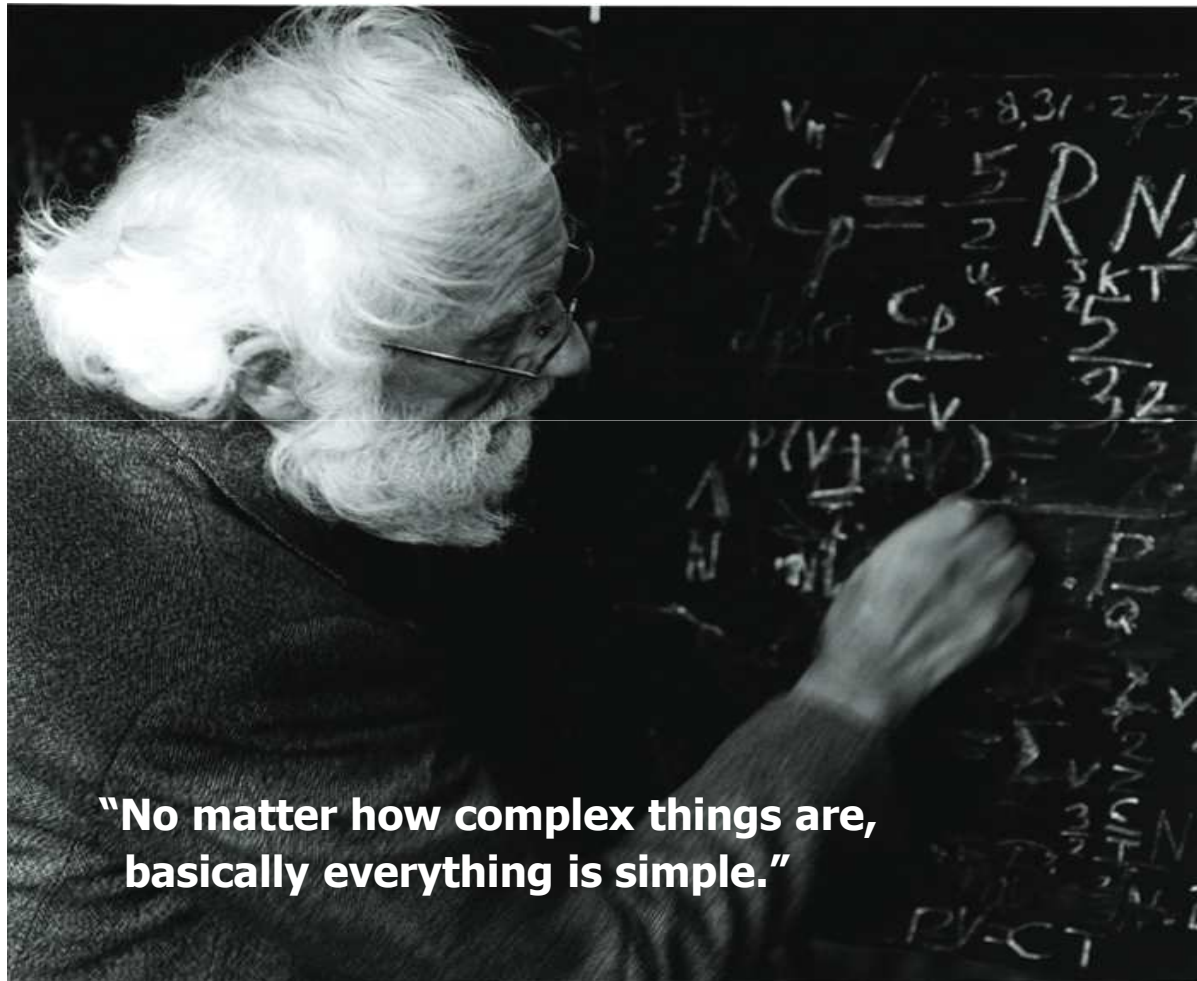
“Both IFRS & XBRL are intended to standardize financial reporting in order to promote transparency and improve the quality of comparability of business information, therefore the two form a perfect partnership.”

*- International Accounting Standards Board*





# Questions ?



**Einstein**

**"No matter how complex things are,  
basically everything is simple."**



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