

Manager's Guide to XBRL reporting

— By SearchCIO.in



Two of India's regulatory bodies, the [Securities Exchange Board of India \(SEBI\)](#) and the [Ministry of Corporate Affairs \(MCA\)](#), have made it mandatory for Indian companies and mutual funds to report their financial statements using extensible business reporting language (XBRL), from the year 2011 onward. Since XBRL reporting is compulsory for all listed companies, their overseas subsidiaries, Indian companies with Rs 50 million and above paid-up capital, and, for those with Rs 1,000 million or higher annual revenue, it's likely to have a wide-scale impact on the Indian market.

This Manager's Guide to XBRL compliance covers the following topics:

- **XBRL basics: Definition and scope**
- **Benefits of XBRL reporting**
- **Current XBRL standard**
- **Generating XBRL reports**
- **List of XBRL conversion tools**
- **Further reading**



SearchCIO.in

XBRL basics: Definition and scope

XBRL is an outgrowth of extensible markup language (XML), designed specifically for publishing and circulating financial and business information. It is an open standard format, and no license fee is required to be paid for using it.

XBRL conversion involves tagging of each business data type to enable quick identification by computer systems. With XBRL, handling of any type of business data such as processing of application forms (for credit cards or phone services, say), MIS inputs, project updates, stock and supply reporting, or even internal reporting of HR data, can all become easier to accomplish, and the converted data simpler to analyze and share.

Benefits of XBRL reporting

Once XBRL compliant, business data gains a greater visibility (to varied computer systems) as all information reporting and exchange is done in a standardized format.

Take for example a financial services company. With XBRL, it will gain a deeper insight into a borrower's credit history on a real-time basis.

As loan applications, credit assessment reports, credit history and transaction history of the borrower become available across the range of information sources, it expedites the credit risk assessment task of the company.

XBRL reporting is relevant for a company's internal reports such as MIS, periodic sales and stock statements, and service audits, as well as for external reports such as tax returns, financial statements, and so on.



XBRL reporting can make it easier for the regulator to monitor the huge amounts of data that are churned out and reported on continuously by market participants worldwide.

With XBRL reporting, the regulatory bodies and the government can get a quick but deep understanding of the country's overall financial health and keep fraud-risk under control.



Current XBRL standard

XBRL has undergone several changes to reach its present form. The XBRL 2.0 specification was published in the year 2001 and the current 2.1 specification was released in 2003 by XBRL International Domain Working Group.

In XBRL 2.1, much attention is given to defining various taxonomies, schemas, and link bases. As a philosophy, XBRL uses the existing XML schema so that developers do not have to write any code anew. However, if needed, new code can be written with ease and accuracy.

XBRL 2.1 focuses on clearly defining relationships of various data types and sets with each other, thus simplifying the task for developers. It provides detailed authoritative taxonomy definitions and technical literature for quick reference.



XBRL 2.1 facilitates compliance with Financial Reporting Taxonomies Architecture (FRTA). The XBRL body has made available the XBRL 2.1 conformance suite which comprises over 250 taxonomy fragments as examples including the XML schema and the XLink files.

The XBRL 2.1 Conformance Suite can be downloaded from the [XBRL International](#) website to facilitate XBRL reporting.

Generating XBRL reports

The task of XBRL conversion is essentially automated, with the easy availability of tools that can read and port data to XBRL format. These tools add XBRL tags to various information types.

In addition to [accounting software](#) tool vendors, a few third party products are available that can convert the data generated by existing accounting packages to the XBRL format for reporting. There are also a few vendors that provide XBRL conversion through the [cloud service model](#) for piecemeal report generation work as well as for large projects.

XBRL International has a local chapter in India to guide Indian companies on XBRL reporting and compliance.



List of XBRL conversion tools

Currently different types of tools are available to aid XBRL conversion to facilitate reporting.

As per XBRL International's published data, the vendors that offer tools for instance documents include Altova MissionKit, Blast Radius (XMetal), CaseWare International, CompSci Resources, Creative Solutions, EDGARfilings, Ez-XBRL, Fujitsu, J2R (Batavia), Hitachi Systems and Services, Hyperion, and Invoke. The companies who provide taxonomy tools are Altova MissionKit, CoreFiling, Edicom, Ez-XBRL, Fujitsu, Hitachi Systems and Services, Reporting Standard S.L., Semansys, UBmatrix, and XBRL Cloud. The tools for taxonomy exploration and review include CoreFiling and Ez-XBRL and those for validation include Altova MissionKit, CoreFiling, Ez-XBRL, Fujitsu, J2R, Reporting Standard S.L., Semansys Technologies, UBmatrix, and XBRL Cloud.



Further reading

Definition from Whatis.com: [XBRL \(Extensible Business Reporting Language\)](#)

Q&A: [Challenges confronting the XBRL implementer](#)

XBRL backgrounder: [XML meets the CPA](#)

News: [XBRL financial reporting a hard sell; new GRC XBRL taxonomy on the way](#)

News: [XBRL reporting not just for SEC anymore, but business is slow to adopt](#)

Blog: [SEC provides additional guidance on XBRL compliance](#)

News: [Financial benchmarking helped by CPM, XBRL](#)

