XBRL - Till Now and the Way Forward

A lot has been discussed about the collection of data which forms the basis of analysis for the regulators. The corporate also spent a substantial amount in generating various reports from the huge volume of data captured through their ERP packages. The form of capturing data by the companies and the regulators has changed over the years from manual to electronic reporting, in PDF to the online formats. Now is an era of computer readable format, which not only provides a standard way of reporting but is also capable of being analysed from multiple angles without re-keying the information across various forms of databases called the Extensible Business Reporting Language (XBRL). Without getting into the intricacies of what XBRL is, as those have already been dealt by various authors in detail in the earlier issues, this article attempts to restrict itself to the title and discusses the present usage of XBRL by various regulatory bodies in India and the expected increased XBRL mandate in the times to come. Read on...

XBRL is no magical wand which itself would produce magical results, but, it is capable of generating magical results when put to use properly. Having captured the data in XBRL, one needs to make its best possible use. Since the data is in a format which is capable of being put to multiple use, the other possible areas in which the data can be used for must also be explored.

Indian Scenario

The regulators like the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) and the Ministry of Corporate Affairs (MCA) have been in the process of undertaking various XBRL projects. Given the benefits offered by XBRL and its usage across the globe by regulatory bodies, many of the regulators in India have been exploring the possibilities of commonalities in taxonomy and data elements to the extent possible.

(Contributed by XBRL India Secretariat. Comments can be sent to xbrl@icai.in.)

Reserve Bank of India (RBI)

The concepts of data standardisation, data quality issues and data gaps have become key focus for the banking industry in the aftermath of the financial crisis. With the advent of technology in banking, huge volume of data is produced and stored digitally. The transformation of banking in the form of anywhere/virtual banking has also resulted in increased information availability which necessitates banks to implement robust information management processes to facilitate effective decision support system.

The RBI collects large volume of data from banks for its key functions like monetary policy

formulation, supervision, regulation and promoting research. Around 220 returns submitted by Scheduled Commercial Banks (SCBs) excluding Regional Rural Banks, the returns submitted to the Department of Banking Supervision (DBS), Department of Banking Operations and Development (DBOD), Department of Statistics and Information Management (DSIM) and Monetary Policy Department (MPD) cover most of the data elements reported by the banks. This pool of banking data spans over various dimensions and granularities with different structures, formats, naming conventions, levels of aggregation and frequencies.

Within the Reserve Bank of India, XBRL has been viewed as a natural evolution of the existing online returns filing system (ORFS). While ORFS does the job of data capturing and transmission of returns from banks to the Reserve Bank, it incorporates no in-built standardisation. XBRL enables standardisation and rationalisation of elements of different returns using the internationally recognised best practices available in electronic transmission. In the process, XBRL also facilitates the rationalisation of a number of returns to be submitted by the banks, thus reducing the reporting burden of banks.

The XBRL phase I at the Reserve Bank of India began in the year 2008, with the regulatory set of returns. The return on capital adequacy (RCA2) being the first set of returns to be implemented under the XBRL system, followed by the implementation of a statutory return on liquidity *viz* Form 'A' (under Section 42(2) of the RBI Act, 1934). The gap, position and cash balances (GPB) of the commercial banks, a high frequency daily return, was also implemented under XBRL submission. As part of the implementation of XBRL, facilitating rationalisation of returns in return, the Reserve Bank could bring down the number of returns from 291 to 223 *(vide* RBI press release dated 14th August, 2008), thereby reducing the reporting burden on banks.

The implementation of phase II returns started in the year 2012, wherein 58 returns have been taken up in the project. The banks have been submitting financial statements through XBRL from the financial year 2012-13. It is expected that the RBI would cover all the regulatory returns filed to it by the banks in XBRL format in the years to come and would also be able to generate the early warning signals for the banks' exposures under different

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heads beyond the laid limits, thereby creating a robust information mechanism for the banking industry as a whole.

For instance, before a loan account turns into an NPA, banks are required to identify incipient stress in the account by creating three sub-categories under the special mention account (SMA) category as given in the table below:

SMA sub-categories	Basis for classification
SMA-0	Principal or interest payment not overdue for more than 30 days but account showing signs of incipient stress
SMA-1	Principal or interest payment overdue between 31-60 days
SMA-2	Principal or interest payment overdue between 61-90 days

With the implementation of XBRL in these returns, such reports of SMA-0, 1 and 2 could be generated on a real time basis and a warning can be sent to the banks for the overdue limits.

Ministry of Corporate Affairs (MCA)

The Ministry of Corporate Affairs (MCA) had mandated the use of XBRL for a certain set of companies from the year 2011, totalling to around 30,000 in the first phase of implementation. The scope mandated, submission of the complete financial statements, which included the balance sheet, statement of profit and loss and the notes to accounts, the auditor's report and the directors' report.

The MCA upon scrutiny of the random XBRL submitted financial statements had raised concerns in the quality of filings. As per the circular, the Ministry highlighted the instances of incorrect mapping of the elements when the appropriate

element was available in the taxonomy. It also brought to the light the cases of the block text tagging in the financials when it was required to be tagged in detail.

While there has not been any report by the MCA with respect to the consumption of XBRL data for itself and its findings and considering that it has not yet, in the last 4 years, broadened the scope of XBRL filings, it can be inferred that the MCA intends to restrict its focus on the top notch companies which are already filing in XBRL or it still has concerns regarding the quality of the XBRL filings.

The XBRL financial statements filed by the corporate with the Ministry of Corporate Affairs, is being put to other uses as well. The XBRL data along with the non-XBRL data captured in the MCA 21 system has been used to generate national accounts statistics (NAS) for private corporate sector through a sub-committee on private corporate sector including the PPPs formed by the Ministry of Statistics and Programme Implementation (MOSPI).

MCA 21 database which was created under an e-governance project by the MCA for online data submission by the companies under the two web platforms, Form 23 AC and ACA and XBRL was looked down as an alternative source of data against the analysis of the sample size of the study by the RBI. The alternative source was sought for in view of the limitation of data as not being amenable to any sampling strategy, given the size of the sample for the private corporate sector.

As per the earlier practice, the results of the analysis of the sample companies conducted by the Reserve Bank of India were used to prepare the estimate of gross value added (GVA) for private corporate sector. The sample size of the study result of RBI was around 1500 for non-financial companies but not fixed. As per the findings of the report for the year 2012-13, the estimate of GVA for non-financial corporate sector derived from MCA-21 database is 9.5% higher than the estimate obtained from NAS 2014. The complete report can be found on the website of Ministry of Statistics and Programme Implementation (MOSPI).

MCA had also mandated the filing of cost audit report and cost compliance report in XBRL format using the taxonomy as developed by the Institute of Cost Accountants of India on the basis of Companies (Cost Audit) Rules, 2011 and Companies (Cost Accounting Record) Rules, 2011 for the effective and smooth analysis of the costing records.

Seeing the trend and the new requirements in the Companies Act, 2013 in respect to the corporate social responsibility, secretarial audit report, *etc.*, it is expected that these may also be covered in the XBRL format in the years to come.

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Ministry of Heavy Industries and Public Enterprises

Department of Public Enterprises (DPE) under the Ministry of Heavy Industries and Public Enterprises *vide* its office memorandum dated 31st October, 2011 has noted that certain central public sector enterprises (CPSEs) are filing their financial statements with the MCA in XBRL format and accordingly, required the CPSEs to submit the financial data for memorandum of understanding (MoU) using the XBRL taxonomy.

Securities and Exchange Board of India (SEBI)

Securities and Exchange Board of India (SEBI), the capital market regulatory body, has also initiated XBRL based reporting platform for the registered mutual fund/assets management companies on voluntary basis from the year 2011. For the said reporting, SEBI has also developed a separate XBRL taxonomy referred as SEBI Mutual Fund Taxonomy as per the disclosures and other requirements for mutual funds filing with SEBI as provided in SEBI (Mutual Fund) Regulation, 1996 and other applicable circulars available on SEBI website. The following forms/ reports are to be reported by mutual funds and assets management companies in XBRL format to SEBI:

- Monthly cumulative report
- Percentage of assets under management from city clusters
- Ageing analysis of assets by asset under management
- Number of branches of the AMCs

- Half yearly portfolio disclosures
- Deployment of funds in equity and debt schemes
- Balance in load account

Around ten mutual funds have joined in this pilot project of SEBI and have started XBRL filing of the specified reports with SEBI on voluntary basis.

In this line, SEBI is also working on the development of a comprehensive reporting, filing and dissemination system for filing of information reports in XBRL by listed entities, registered intermediaries and other entities. The new system will be called as SUPER-D (SEBI unified platform for electronic reporting - dissemination). It is being developed to disseminate the information on real time basis to investors and others.

The two major stock exchanges, the BSE (Bombay stock exchange) and the NSE (National stock exchange) have an XBRL-based financial reporting platform (www.corpfiling.co.in) for listed companies for all their filings and the system helps the investors to get real-time access. Both these have migrated to XBRL from the paper based model and offer a unified electronic platform, popularly known as 'CorpFiling' system, which enables the companies listed in either or both of the exchanges to electronically file their disclosures.

In a recent development, BSE Ltd. has also moved towards the XBRL based reporting for shareholding pattern with effect from 12th June, 2015 vide press release DCS/COMP/04/2015-16 dated 11th June, 2015. As per the listing agreement, all the listed companies are required to file their shareholding pattern on a quarterly basis with the stock exchange as per the prescribed format. The submission under the other clauses of the listing agreement is also expected to join the list shortly.

Tata Index for Sustainable Human Development Taxonomy

With the growing use of XBRL for financial reporting, Tata Council for Community Initiatives (TCCI) has taken a lead in the development of the XBRL taxonomy for non-financial reporting and has developed a Tata Index for Sustainable Human Development Taxonomy to report and gauge its performance on the corporate sustainability scale. The purpose and scope of the said taxonomy is:

1. To standardise the non-financial information reported across corporations, individuals, not-for-profit organisations, and government communities.

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2. Create a basis for integrated reporting of financial and non-financial information through linkages with the existing financial taxonomies.

The Tata Index for Sustainable Human Development Taxonomy is recognised by the XBRL International Inc. (XII).

Conclusion and Way Forward

In the light of the above scenario, India is not way behind in terms of technology adoption, thereby, keeping it up to the international standards. From the capital market to banking to corporate regulator, all have understood the importance of standardisation in the business reports and have implemented XBRL as a language for business reporting. Slow and steady, it is expected that more and more returns/ industries shall get covered under the ambit of the XBRL mandate in the years to come. It is also expected that the regulators who are using XML, which is the mother language of XBRL, for their reporting requirements, would also migrate to the XBRL which provides a further advantage of standardisation of data.

Till now we have been talking about the regulatory usage of XBRL data which is comprehended by the filers as a mere regulatory compliance burden. However, the XBRL data can be of use to the filers, investors, analysts and other stakeholders as well. Once the XBRL is integrated with the ERP packages, it could be used by the filers for generating various other business reports on real time basis without manual intervention. Since the data available in XBRL format is capable of being exported to any type of database, it could be of immense help to the analysts and investors as well. They would be able to analyse without re-keying the information. ■