



October 17, 2011

White Paper on XBRL Filings & Reporting in India

MCA has released XBRL filing form nos. 23AC XBRL and 23ACA XBRL by introducing “Companies (Filing of Documents and Forms in eXtensible Business Reporting Language) Rules, 2011” effective from today i.e. 6th October, 2011.

Eligibility

- All Companies listed with any Stock Exchange(s) in India and their Indian subsidiaries; or
- All Companies having paid up capital of Rs. 5 crores or above; or
- All Companies having turnover of Rs. 100 crores or above

Forms

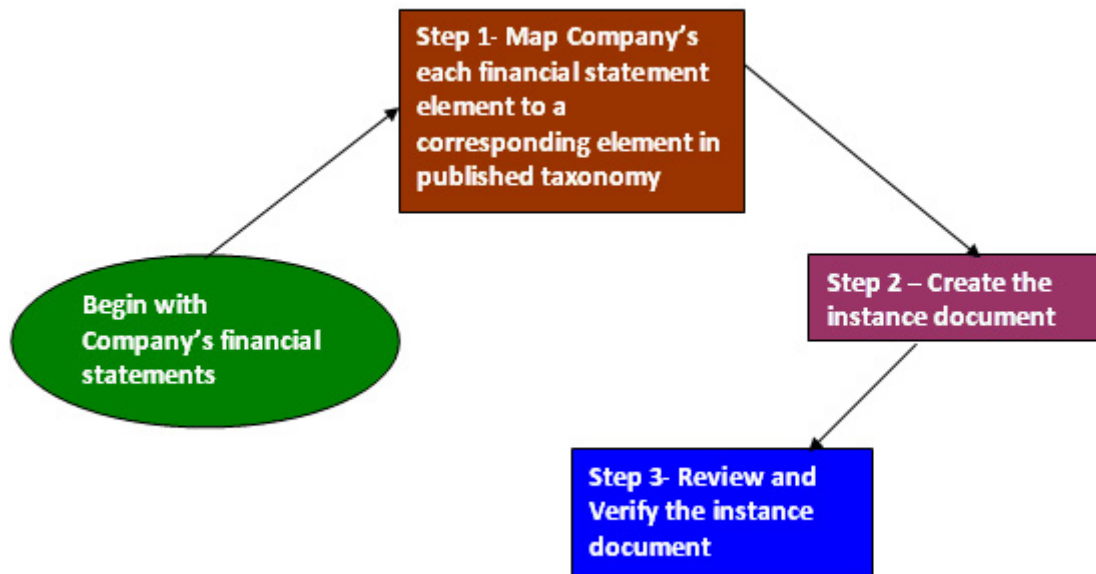
The existing Form 23AC and Form 23ACA are not to be used for filing balance sheet and profit and loss account in XBRL mode. For this, new Form 23AC-XBRL and 23ACA-XBRL have been made available on the MCA portal today and therefore Companies can now file the Balance Sheet and Profit and Loss Accounts and related schedules in XBRL mode.

Time lines for filing XBRL forms

MCA has given exemption of additional fee for filing the financial statements in XBRL mode for the financial year 2010-11. The company can file the Form 23AC-XBRL and Form 23ACA- XBRL without additional fees up to 30th November 2011 or 60 days from due date of filing, whichever is later.



Process Overview



Forms and Filing Manual

The Forms and the detailed filing manual can be downloaded from the link below:

<http://corporatelawreporter.com/form-23ac-xbrl-23aca-xbrl-released-mca-filing-bs-pl-xbrl-mode-6325.html>

Steps Involved in XBRL Conversions

Step 1: Tagging / Mapping of Company's each financial statement element and books of accounts to a corresponding element in the published taxonomy

The first step in creation of an instance document is to do tagging of the XBRL taxonomy elements with the various accounting heads in the books of accounts of the company.

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.

This would create the mapping of the taxonomy elements with the accounting heads so that the accounting information can be converted into XBRL form.



Selecting the appropriate elements for some financial statement elements may require a significant amount of judgment. The mapping should therefore be reviewed before proceeding further as the complete reporting would be dependant on the mapping.

Step 2: Mapping of Non-Financial information

Mapping of prescribed information in the Auditors' Report, Directors' Report, Notes to the Accounts and other non-financial information to corresponding elements in the published taxonomy.

Step 3: Creation of an XBRL instance document for Balance sheet and Profit and loss Account

Once the tagging of financial statement elements with the published taxonomy elements is done, the next step is to create the instance document with the help of an XBRL Software. 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 is 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.

Step 4: Reviewing and verifying the instance document

Once the instance document is prepared, it needs to be ensured that the instance document is a valid instance document and all the information has been correctly captured in the instance document. The said verification is done with the Audited Financial Statements to ensure that the XBRL input documents prepared tally with the same.



Step 5: Validating the XBRL instance document at the MCA portal

There shall be a tool provided at the MCA 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. The tool also provides a facility to view and search the taxonomy. The following validations are required:

- 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 validations as per taxonomy

Step 6: Performing pre-scrutiny of the validated instance document

Once the instance document is successfully validated from the tool, the next step is to pre-scrutinise the validated instance document.

Step 7: Attaching the instance document to the Form 23AC and Form 23ACA

There shall be a separate set of Form 23AC and Form 23ACA available on the MCA portal for filing in XBRL form. Separate instance documents need to be attached w.r.t. Standalone financial statements and consolidated financial statements.

Step 8: Certification and Submitting the Form 23ACA and Form 23ACA on the MCA portal

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

Step 9: Generating Human Readable formats of the XBRL documents

The XBRL instance documents submitted along with Form 23AC and 23ACA are in XML i.e. machine readable format. Therefore, for viewing the same in a human readable format, these shall be converted into human readable format and shared with you.

Information Required from the Company

- Audited Balance sheet (Excel and pdf format)
- Profit & Loss Account along with Schedules (Excel and pdf format)
- Schedules to the above statements (Excel and pdf format)
- Balance sheet Abstract (Excel and pdf format)
- Notice of the AGM & Directors Report (Word and pdf format)
- Auditors' Report with Annexure (Word and pdf format)



eMinds Deliverables

We will do the complete tagging, conversion, verification, validation and filing for you and shall take responsibility for the following deliverables in particular:

- Generation of XBRL instance documents for B/S and P&L including Schedules, Notes to the Accounts, Director's Report and Auditors' Report
- Preparation of Form 23AC (Balance Sheet) and 23ACA (P&L)
- Certification of the above forms and certification of the XBRL instance documents
- Filing of the above forms alongwith XBRL instance documents

Timelines

- 7-10 business days from the receipt of the following information

Benefits to You

- No XBRL training required for your staff
- No need for you to buy expensive XBRL software
- You get specialized professional services w.r.t. Tagging of the Financials which is a technical and time consuming exercise involving accounting knowledge and skills as opposed to the popular myth that the software will do it automatically
- Cost savings to you on the following counts:
 - Salary of XBRL people/team for the year i.e. Maintaining pool of people with specialized knowledge in XBRL taxonomy throughout the year for this "once a year" filing
 - Specifications / Taxonomies / Business rules might change – requiring more trainings and support.

Moreover, with taxonomy elements and extensions still under consideration by MCA, we will ensure that all changes notified are always covered and you stay Future Proof.



Capability Statement

Our Partners and Team members comprise of Qualified Company Secretaries, Lawyers, Chartered Accountants and MBA (F) and have extensive experience in Corporate Secretarial, Legal and Accounting Domains. We are already engaged in providing Accounting Retainership services and XBRL conversion services to a few reputed clients which gives us an edge over others in providing XBRL conversion services.

Value Proposition & USP

Our value proposition is as follows:

- Over 12 years of rich experience of each of our Partners in Corporate Secretarial, Legal and Accounting
- The close proximity of our location to your office. This will ensure quick flow of information and documents from each other's offices and model will be capable of handling exigencies, if any
- Tie-up with Best-in-Class IT partners for software support

About the Firm

eMinds Legal represents a Consulting Firm with an “e-Focus” that aims at providing a wide spectrum of Corporate Legal, Secretarial, Regulatory & Compliance Services. The Firm comprises of a team of Qualified Company Secretaries, Lawyers, Chartered Accountants and MBA (F) with in-depth subject matter knowledge and participative industry experience of over 12 years.

We specialize in the following areas of Corporate Legal and Advisory:

- ▶ India Entry Services
- ▶ Company Law & Corporate Secretarial including XBRL
- ▶ Foreign Exchange Management (FEMA)
- ▶ Regulatory Compliances & Audits
- ▶ Labour Laws
- ▶ Cyber Laws
- ▶ Commercial Contracts
- ▶ Indirect Taxation; and

eMinds Legal Consulting

XBRL CONVERSION • COMPLIANCE • CONSULTING



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eMinds Legal Consulting Private Limited
D-126, 2nd Floor, Sushant Lok II, Sector 56, Gurgaon - 122011
Ph: +91-124-4260141 E-mail: contact@emindslegal.com
Url: www.emindslegal.com