

“E-filing of Cost Audit Report in XBRL format”

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XBRL

XBRL Definition

- XBRL is a language for the electronic communication of business and financial and costing data which is revolutionizing business reporting around the world.
- It provides major benefits in the preparation, analysis and communication of business information. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial and Costing data.
- XBRL stands for extensible Business Reporting Language. It is already being put to practical use in a number of countries and implementations of XBRL are growing rapidly around the world

Who developed XBRL

- XBRL is an open, royalty-free software specification developed through a process of collaboration between accountants and technologists from all over the world. Together, they formed XBRL International which is now made up of over 650 members, which includes global companies, accounting, technology, government and financial services bodies.
- XBRL is and will remain an open specification based on XML that is being incorporated into many accounting and analytical software tools and applications

XBRL

Advantages of XBRL

- XBRL offers major benefits at all stages of business reporting and analysis.
- The benefits are seen in automation, cost saving, faster, more reliable and more accurate handling of data, improved analysis and in better quality of information and decision making.
- XBRL enables producers and consumers of Costing data to switch resources away from costly manual processes, typically involving time-consuming comparison, assembly and re-entry of data.
- They are able to concentrate effort on analysis, aided by software which can validate and process XBRL information. XBRL is a flexible language, which is intended to support all current aspects of reporting in different countries and industries.
- Its extensible nature means that it can be adjusted to meet particular business requirements, even at the individual organization level.

Who can benefit from using XBRL

- All types of organizations can use XBRL to save costs and improve efficiency in handling business and financial and costing information.
- Because XBRL is extensible and flexible, it can be adapted to a wide variety of different requirements.
- All participants in the financial and costing information supply chain can benefit, whether they are preparers, transmitters or users of business data.

XBRL

How does XBRL work

- XBRL makes the data readable, with the help of two documents – Taxonomy and instance document. Taxonomy defines the elements and their relationships based on the regulatory requirements.
- Using the taxonomy prescribed by the regulators, companies need to map their reports, and generate a valid XBRL instance document.
- The process of mapping means matching the concepts as reported by the company to the corresponding element in the taxonomy.
- In addition to assigning XBRL tag from taxonomy, information like unit of measurement, period of data, scale of reporting etc., needs to be included in the instance document.

PART –A 1.General Information

1.General Information

- Select Type of the Company from the Drop down (Ex.Domestic /Foreign Company).

A

- i. Enter **21** Digit Corporate identity number or foreign company registration number
- ii. Enter Name of the Company
- iii. Enter Address of registered office or of principal place of business in India of company
- iv. Enter Address of corporate office of company
- v. Enter Email address of company

B Current Financial year

- i. Select Date of start of reporting period from the drop list in the format : **DD/MM/YYYY**
- ii. Select Date of end of reporting period from the drop list in the format : **DD/MM/YYYY**
- iii. Enter Duration in months of reporting period **Ex.12**

C Previous financial year

- i. Select Date of start of reporting period from the drop list in the format : **DD/MM/YYYY**
- ii. Select Date of end of reporting period from the drop list in the format : **DD/MM/YYYY**
- iii. Enter Duration in months of reporting period **Ex.12**

PART –A 1.General Information

D

- i. Select the Level of rounding used in cost statements from the Drop down List **Ex Actual ,Lakhs, Millions**
- ii. Enter Reporting currency of entity -**INR**
- iii. Enter Number of cost auditor(s) for reporting period
 - **If we Enter 1 we are able to enter one cost Auditor details in the Sheet 2 of Part A ie,.General details of Cost Auditor**
 - **If we Enter 2 or more we are able to enter two or More cost Auditor details in the Sheet 2 of Part A ie,.General details of Cost Auditor**
- iv. Enter Date of board of directors' meeting in which annexure to cost audit report was approved
- v. Select the Whether cost auditors report has been qualified or has any reservations or contains
- vi. Enter Consolidated qualifications, reservations or adverse remarks of all cost auditors if any
 - **Click on Add Text Box icon and enter the Information in the Text box and click Save button to save the enter information**

PART –A 1.General Information

- vii. Enter Consolidated observations or suggestions of all cost auditors if any
 - **Click on Add Text Box icon and enter the Information in the Text box and click Save button to save the enter information**
- viii. Explanation of company to every reservation or qualification of cost auditors if any
 - **Click on Add Text Box icon and enter the Information in the Text box and click Save button to save the enter information**
- ix. Select the Whether company has related party transactions for sale or purchase of goods or services from the drop list
 - **If we select Yes It Enables the Sheet 5 in Part D**

PART A-2 Details of Cost Auditor

- we want to enter two or more Cost auditors Click on Add Cost Auditor Icon it enables the Fields to enter Two or more details
- **Note :** It happen only when we enter two or more in the Field called Number of cost auditor(s) for reporting period in Sheet 1 of Part A

- i. Whether cost auditor is lead auditor
 - **Select the Options from the Drop down List Ex :Yes /No**
 - **Note :** The Company More than One Auditors .Lead auditor for the company is only one. Only single auditor can be selected as Lead Auditor
- ii. Category of cost auditor
 - **Select the Options from the Drop down List Ex :Firm/LLP/Sole Proprietor**
- iii. Enter the Firm's registration number
 - **It Must be in Number Format**
- iv. Enter Name of cost auditor or cost auditors firm
- v. Enter Permanent account number of cost auditor or cost auditors firm
- vi. Enter Address of cost auditor or cost auditors firm
- vii. Enter Email id of cost auditor or cost auditors firm
- viii. Enter Membership number of member signing report

PART A-2 Details of Cost Auditor

- ix. Enter Name of member signing report
- x. Enter Name of product or industry
- xi. Enter SRN number of form 23C/form CRA-2
- xii. Enter SRN number of form 23C/form CRA-2-Additional 1
- xiii. Enter SRN number of form 23C/form CRA-2-Additional 2
- xiv. Enter SRN number of form 23C/form CRA-2-Additional 3
- xv. Enter SRN number of form 23C/form CRA-2-Additional 4
- xvi. Enter Number of audit committee meeting attended by cost auditor during year
- xvii. Enter Date of signing cost audit report and annexure by cost auditor
 - **Note : Date of Signing of the Report Must be on After Board Meeting in which the cost report is approved**
- xviii. Enter Place of signing cost audit report and annexure by cost auditor

PART A-3 .Cost Accounting Policy

- **Click on Add Text Box icon and enter the Information in the Text box and click Save button to save the enter information**

PART A-4 Product Group Details

- By using “ADD or DELETE PRODUCT / Service” a product/ Service can be added
- Select the options from the drop down list Ex :Manufactured Product /Service
 - a. If we select Manufactured product from the drop down list the CETA Code fields will Enable
 - b. If we select Service from the drop down list the CETA Code fields will disable
- Enter Name of the Product in the Name of Manufactured Product or Service Field
- Enter CETA Heading (4 Digit Code) in the CETA Code of Manufactured Product Field
- Enter CETA Sub Heading (4 Digit Code) in the Sub heading of CETA Code Field
- Enter UOM Ex : Kgs, MT, Nos, Ltrs
- Select the options from the drop down list Ex :yes/No for Previous figures are reported or not
 - a. When at the column “whether previous year figures reported (Yes/No)” is selected as “No” then data cells for previous year will get locked at sheets for PART B & Part C for the said product / Service and Text Block will be mandatory for details for P.Y.
- When at the column “whether Manufactured product or Service covered under cost audit (Yes/No)” is select as “YES” then only it will generate sheets with PART B 1 ,2 & 2a,2b & 2c for the said Manufactured product/Service
- If user wants to change from “Yes” to “No” at “Whether Manufactured Product or Service covered under cost audit (Yes/No)”, then the corresponding Lines in the sheets will also get deleted
- If user wants to delete desired Manufactured product or Service, user can put cell on said Manufactured product or Service and by selecting “delete” delete it. However, if “Yes” was chosen at “whether Manufactured product or Service covered under cost audit”, then the corresponding Lines in the sheets will also get deleted

PART B-For Manufacturing Sector

1.Quantative Information

- a. Name of the Manufactured product or Service, CETA/Service Code and UOM will automatically be derived from PART A -4 for both Years
- b. Simply Enter the other details in respective fields for both years

2.Abrigded Cost Statement

- a. Name of the Manufactured product or Service, CETA/Service Code, UOM and will automatically be derived from PART A -4 for both Years
- b. Quantitative details will automatically be derived from PART B - 1 for both Years
- c. Simply Enter the other details in respective fields for both years

PART B-For Manufacturing Sector

2A,2B & 2C

2A- Raw Material Consumed

- a. Name of the Manufactured product or Service, CETA/Service Code, UOM and will automatically be derived from PART A -4 for both Years
- b. Enter the Description of the Raw Material
- c. Select the options Nature of the Raw Material from the drop down list Ex: Indigenous Purchased, Imported, Self Manufactured
- d. Simply Enter the other details in respective fields

Note: Maximum No of raw materials taken is TEN only

2B- Utilities

- a. Name of the Manufactured product or Service, CETA/Service Code, UOM and will automatically be derived from PART A -4 for both Years
- b. Simply Enter the other details in respective fields

2C- Industry Specific Expenses

Simply Enter the other details in respective fields

PART C-For Service Sector

1.Quantative Information

- a. Name of the Manufactured product or Service, CETA/Service Code and UOM will automatically be derived from PART A -4 for both Years
- b. Simply Enter the other details in respective fields for both years

2.Abrigded Cost Statement

- a. Name of the Manufactured product or Service, CETA/Service Code, UOM and will automatically be derived from PART A -4 for both Years
- b. Quantitative details will automatically be derived from PART B - 1 for both Years
- c. Simply Enter the other details in respective fields for both years

PART C-For Service Sector

2A,2B & 2C

2A- Raw Material Consumed

- a. Name of the Manufactured product or Service, CETA/Service Code, UOM and will automatically be derived from PART A -4 for both Years
- b. Enter the Description of the Raw Material
- c. Select the options Nature of the Raw Material from the drop down list Ex: Indigenous Purchased, Imported, Self Manufactured
- d. Simply Enter the other details in respective fields

Note: Maximum No of raw materials taken is TEN only

2B- Utilities

- a. Name of the Manufactured product or Service, CETA/Service Code, UOM and will automatically be derived from PART A -4 for both Years
- b. Simply Enter the other details in respective fields

2C- Industry Specific Expenses

Simply Enter the other details in respective fields

PART D

1 Product & Services Profitability Statement

Name of the Manufactured product or Service, CETA/Service Code , UOM ,Sales ,Cost of Sales and Margin will automatically be derived from PART B and Part C -2 (Abridged Cost Statement) for both Years

2 Profit Reconciliation

Use Buttons to ADD or DELETE the number of items at Incomes and/or Expenses not considered in cost accounts

3 Value addition and distribution of earnings

- Simply fill the data as required in relevant cells
- Some Fields like other Income will automatically be derived from PART A -4 Product Group Details
- Earnings available for Distribution figure must be Matched with Total distribution of Earnings

PART D

4 Financial position and ratio analysis

Simply fill the data as required in relevant cells

5 Related Party Transactions

- Related party data is divide in two parts viz. data about the related party and transaction data.
- Insert CIN will automatically fill Name of the Company. Hence, do fill CIN first wherever applicable.
- Drill down button is available for selecting country.
- By pressing Add Related Party, user is asked whether user want to add transaction with the said party. If yes then related party data will get copied automatically

6 Reconciliation of Indirect Taxes

Simply fill the data as required in relevant cells

Generation of Report & XBRL C2XSRF Instance document

- After Completion click on Home button in the sheets
- Click on Generate C2XSRF Document icon
- Save the Document

How to Download and use Validation Tool from MCA

- Go to MCA .Gov.in Website
- Go to Down of the Page and Click on XBRL Tool Icon it will go to this link <http://www.mca.gov.in/XBRL/index.html> right side of the page Validation tool for Costing Taxonomy tab is available if we click on that it will downloads automatically
- After Completion of Downloading click on XBRL Tool Exe file
- **MCA21** XBRL Validation Tool screen will open
 - ✓ Go to Taxonomy> Download Taxonomy> Cost Audit Report 2015
 - ✓ Go to Taxonomy> Select Taxonomy> Cost Audit Report 2015
 - ✓ Now open xml file which generated from Excel base XBRL software . File > Open>
 - ✓ Now Select XML document
 - ✓ Message will appear when xml loaded
 - ✓ User can validate sheet by : File > Validate
 - ✓ If there is no errors Validation Message will shown like this “The Cost audit Report of X Company Ltd Has been Successfully Validated”
 - ✓ We can also get PDF from MCA Tool also by: File> Export to PDF (PDF is Created and Saved)
 - ✓ Exit