

## A Study on Disclosure of Segment Financial Reporting Information under XBRL

Priya V<sup>a</sup>, Mahadevappa B<sup>b</sup>

<sup>a</sup>Research Scholar Department of Studies in Commerce University of Mysore Hemangotri, Hassan

<sup>b</sup>Professor Department of Studies in Commerce Post Graduate Centre University of Mysore Hemangotri, Hassan.

### Abstract

The study aims to compare the contents of physical annual report with that of contents of XBRL instance document, a digital format. The study also aims to test the hypothesis that the information disclosed in XBRL format is more than that of physical annual report format.

The paper aims to the extent and variety of financial segment reporting disclosure of Infosys Co.Ltd under XBRL (eXtensible Business Reporting Language). The research also addresses the XBRL financial statements and requirements in India, the objective of management responsibility in XBRL format. The essence of segment financial reporting and the degree of compliance with SEBI'S disclosure requirement of public listed companies are investigated in this paper.

XBRL is followed from late 2007 and its NOT a new method of reporting standard, the study gives more importance on the reporting and usability of business and financial information of IND AS 14 which deals with Segment Reporting.

The research outcome can analyze XBRL and IFRS working together and provide more insights into Financial reporting and Digital reporting standard setting.

The study concludes that relevant and reliable information is disclosed in XBRL format which is easily understandable by users for making decisions.

**KEYWORDS:** Segment Reporting, XBRL instance document, annual report.

### INTRODUCTION:

**Segment reporting** establishes principles for the organization which provide large variety of products and also those organizations which work at different geographical areas. By dividing the large organization into segments it helps for the better performance of an organization, to meet the need of financial information for the users and to analyze the risk and return of the organization.

In the view of ICAI'S AS17 SEBI has made segment wise disclosure mandatory vide clause 41 of the listing segment. This accounting standard is not mandatory for privately held ones but public companies require segment reporting.

Segment reporting under AS 17 has the aim to help better understand performance risk and returns of an enterprise. Segment reporting provides information to both the users that is investor and creditors regarding the financial results of the most important operation unit of a company.

Institute of Chartered Accountant of India issued a standard i.e. AS17

- All business entities commercial and industries which are commencing on or after 1-04-2001

- Those reporting companies which has exceeding Rs 50 crore turnover for accounting period and is not mandatory for small and medium sized companies.
- Accordingly as per clause (ii) of sub rule(1) the rule 4 of the companies rules 2015, the following company should comply IND AS 108 w.e.f. 1-04-2016.
- Companies listed on stock exchange having net worth of Rs.500 crore
- Holding, subsidiaries, joint venture or associated companies of above.

Due to the volatility of business economy in India corporate sector initiated diversification to combat volatility , hence there was a wide range of customer group and spread of business.

### **XBRL:**

**XBRL** stands for the eXtensible Business Reporting Language. This language is used around the world for the business and financial communication. which has brought revolution in business reporting. It makes communication of business reports easier. It has greater efficiency, accuracy and reliability of business report which can be accessed easier by the financial data users. It has used by many companies in the current era for the purpose of cost saving and improvised version of presenting data.

Though manual procedure of entering the data is bit difficult and time consuming an automated and electronic version of data entry is made more convenient to many business firms. Hence we can find global adoption of XBRL by many companies.

### **LITERATURE REVIEW:**

01. SEGMENT REPORTING IN INDIA AND ABROAD A  
COMPARATIVE STUDY  
NAME: Y.V.REDDY and R. SATISH

Approach to the problem:

There are many special and peculiar problems found in the area of segment reporting at diversified companies. So these diversified companies should report segment information that allows investor to determine profitability, risk, growth opportunities and also evaluation of total performance.

Objective of the study:

To analyze the segment reporting practices in Indian and abroad, Comparing various rules and regulations, accounting standards regarding segment reporting in India and abroad and also they have studied the problems in segment reporting.

Methodology:

Collected sample of 125 public limited companies in INDIA from various industries and 50 from USA. Last 5 years annual reports were examined the information from USA and UK companies are considered as foreign companies. If UK company information not supported USA companies information is used and vice versa.

02. SEGMENT REPORTING IN HONGKONG LISTED FIRMS: AN  
EMPIRICAL ASSESSMENT ON IFRS NO 8

NAME: Yaunyaun LI.

This study has taken the sample of Hongkong listed firms. It notifies on theory of accounting information and its usefulness of segment disclosure. Research methodology used are portfolio return approach and regression analysis.

Research Objectives: how does the adoption of HKFRS08 improve the usefulness of segment report information by verifying its quantity information disclosed.

### 03. THE DISCLOSURE PRACTICES OF INDIAN LISTED COMPANIES AMONG SELECT INDUSTRIES

NAME: F J PETER, Dr. G. Sridharan

The objective of the study to know the disclosure level of segment reporting information of BSE and NSE among opted industries.

Research Design and Method: According to accounting standard 17 segment reporting, an entity should classify its segmental information business and (or) geographical areas. The population for the study is consisting of the India's top 500 companies published by Economic Times. 'ET 500 List, 2010'. The sampling method used is clustering sampling method.

Results of the study: , while as single segment companies consists of companies that disclose information of operations having only one segment. The information disclosed from the companies for past 3 years are taken into considered and results are seen that all three factors of disclosure on secondary segments required by ICAI are almost disclosed.

In order to fulfill the research objective the researcher has selected 85 multi segment Hong Kong listed firms. The sample has taken from firms annual reporting statement 2006-2011

Research Results: The study results indicated that the implementation of HKIFRS 08 has not improved the quantity of segment information but improved the usefulness of segment information disclosed by Hong Kong listed firms.

### 04. TITLE :MEASURING ACCOUNTING REPORTING COMPLEXITY WITH XBRL

AUTHOR:R HOITASH,U HOITASH

This helps to evaluate and develop a new measure of accounting reporting complexity based on the count of XBRL tags . it relies on a comprehensive set of detailed accounting data, ARC is outcomes are more agreeing and exhibit greater prime moving force.

### 05. TITLE:LONGITUDINAL ANALYSIS OF VOLUNTARY ADOPTION OF XBRL ON FINANCIAL REPORTING

AUTHOR: J EFENDI,LM SMITH,J WONG

This paper has the data of largest company for three years of public companies, its showcase a benefit and development of XBRLthe research has found that the companies reporting in xbrl in comparatively low but its increasing significantly. This article shows a result that XBRL is expected to have a more pragmatic effect on accounting and financial reporting.

## RESEARCH QUESTIONS:

On the basis of the literature reviewed some of the research questions raised are,

\*Which are the requirements of IND AS 17 for segment reporting?

\*How do we blend contents of physical annual report with that of contents of XBRL instance document?

## RESEARCH OBJECTIVES:

\*The objective of the research is to compare the contents of physical annual report with that of contents of XBRL instance document, a digital format.

\* To study the requirements of IND AS17 for segment reporting.

## RESEARCH HYPOTHESIS:

This research study aims to test the hypothesis that the information disclosed in XBRL format is more than that of physical annual report format

HO: Disclosure of segment reporting information in annual report and XBRL instance document is at same level

H1: disclosure of segment reporting information in XBRL instance document is more than information disclosed in annual report.

## RESEARCH METHODOLOGY:

SAMPLE: The sample taken for this reserch purpose is XBRL report and the general annual report of Infosys Co. Ltd.

### CONTENT ANALYSIS METHOD:

There are some researches questions like “Which are the requirement of IND AS17 for segment reporting?

In the search of this question I have used **content analysis method**.

Analysis which is used as research tool to identify the presence of certain word, themes or concepts within some given qualitative data (text).

### CONTENT ANALYSIS:

#### ➤ **What are the enterprises covered under segment reporting practices under AS17?**

1. Enterprises whose equity or debt securities listed on the stock exchange
2. Enterprises which are in the process of listing their equity or debt securities
3. Financial institutions
4. Banks
5. Insurance business
6. Those enterprises which have borrowings including public deposits also which exceeds of Rs. 10crore
7. Holding and subsidiary enterprise of any of the above
8. **As per RBI guidelines following sectors should also disclose “retail banking, corporate bank”.**

#### ➤ **XBRL taxonomy has made the foolowing companies mandatory to file the financial statements with registrar**

On the review of Ministry Of Corporate Affairs, the following class of companies shall file their financial statements and other documents under section 137 of the act with registrar in e- forms AOC-4 XBRL as per Annexure –I:

1. Companies which are listed with stock exchange in India and their Indian subsidiaries.
2. Those companies having paid up capital of Rs 5 crore and above
3. Companies having turnover of one hundred crore rupees and above.
4. All companies which are required to prepare their financial statements in accordance with (Indian Accounting Standards) companies rules 2015

**COMPLIANCE SCORE:**

It also require also require a compliance study to get information for the research objective above. Compliance study is a study that shows whether these companies complying the rules regulations and procedures to be followed as per the guidelines.

The study has assigned a score of 1 for Compliance and ZERO for non compliance.

**RESEARCH RESULT:**

Table below displays the descriptive analysis on general disclosure of company’s annual report contents and XBRL instance documents of Infosys ltd. . .

Infosys Co.Ltd. which is registered under stock exchange has disclosed its annual information in both XBRL format and general annual report disclosure.

**Table:1 DISCLOSURE SCORE TABLE OF XBRL AND ANNUAL REPORT OF INFOSYS CO.LTD.**

No.	Description	XBRL	ANNUAL REPORT	DIFFERENCE
01.	Number of pages of total annual report	513	320	193
02.	<b>LINE ITEMS</b>			
a.	Business Combination	08	37	29
b.	Interest on other parties	605	0	605
c.	Separate financial statements	137	0	137
d.	Related party	442	0	442

As per the table 1 disclose, according to sample size taken on standalone financial segment reporting of Infosys Co. we have found that XBRL have 1192 number of line items and annual report have number 37of line items. XBRL report consists of operating segments unless and otherwise specified, all monetary values are in crores.The company publishes this financial statement along with consolidated financial statements. . In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements. The Company publishes both standalone and consolidated financial statement.

**Table:2 Mean and Standard deviation of Annual Report and XBRL**

	Mean	Std. Deviation
AR	9.2500	18.500
XBR L	298.0000	273.864

Interpretation of the result :

Segment reporting information disclosed on annual report format that is in physical format has less content when compared to XBRL the number of pages of total annual report in physical format has 320 pages and XBRL format have 513 pages here we can find the difference of 193 pages in which XBRL format has more pages of information disclosures than physical annual report.

When we have a look at the table 2 the value of mean and standard deviation of non XBRL format and XBRL format is disclosed . when we compare the mean value of annual report with the mean value of XBRL we can find a large value of mean difference i.e. mean value of annual report on non xbrl format is 9.2500 and xbrl format is 298.0000 hence the mean average shows the items disclosed in both the format and its visualized that XBRL disclose more information which include line items like business combinations, interest on other parties , separate financial statements and related party where as in segment reporting information in non xbrl format has just business combination as a segments which intend to the mean value of annual report to be lesser than XBRL mean value.

By these difference in mean value we can also find the set of values have a deviation in the amount of variation or dispersion. When the value are close to mean of the set then it designate low standard deviation, while the values that are spread over wide range of deviation designate high standard deviation. Here in table 2 we can analyze that standard deviation of non xbrl annual report is 18.500 and xbrl format is 273.864 which has wide range of difference in the set of value which indicates and proves that the information disclosed in XBRL format is more than that of physical annual report format.

**CONCLUSION:**

Hereby to conclude this paper gives an brief knowledge on segment reporting information disclosed on physical format and XBRL format, and though XBRL is more widely to be used language in reporting financial information we can jointly upgrade to XBRL format of reporting which is reliable, cost effective, time saving and easily understandable information.

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