

Updated Online video classes available for CA,CS,CMA for May20 and Nov20 batch. Call: 1800-3000-0505

[Home](#) / [Articles](#) / [GST](#)

Enroll. Refer. Earn
With ICICI Bank
Home Loans



ENROLL NOW T&C apply

Unbilled Revenue at the beginning of financial year



CA Ruchika Tulsyan

on 24 June 2019

Checklist for 5B of Part II of GST Audit- Unbilled Revenue at the beginning of the financial year

Before understanding the scope of this point, one need to understand what is unbilled revenue.

Unbilled revenue means the revenue, which is recognized in the books of accounts before issue of an invoice at the end of a particular period.

According to Accounting Standard 9/ IND AS 115 one can recognize revenue on full completion/partial completion of the services however, due date for issuing invoice as per the contract would be on a later date



Popular Articles

1

GST Audit Date Extension & Denial of Extension

2

21 Big Mistakes in GST

3

What is GST Audit?

4

Clause by clause analysis of changes in GST vide Finance Bill 2020

5

GST Taxpayers!! - Arise and Fight against Injustice of Interest Charged

6

Steps for Filing Form GSTR 9C

Unbilled revenue, which was recorded in the books of accounts in the earlier financial year on the basis of the accrual system of accounting for which invoice is issued in GST law, is required to be declared here.

In other words, when GST is payable during the financial year on such revenue, value of such revenue will be declared here.

Detailed Analysis

Unbilled revenue would appear in Profit and loss account of the previous year. For Information of unbilled revenue at the beginning of financial year, previous year audited financial statement can be used.

GST was implemented from 1st of July 2017 hence, the invoice issued between 1st April 2017 to 30th June 2017 must be excluded for calculation.

When entities have multiple GSTIN, a separate statement is to be obtained for each GSTIN reconciling the total with the amount disclosed in the financials.

7

Chargeability of GST On Interest Income

8

How to overcome fake billing in GST?

CCI Articles

You can also submit your article by sending to article@caclubindia.com

submit article

Stay updated with latest Articles!

Enter your email

Subscribe

CCI Online Courses



GST certification

Professional Course



Online Excel Course

Professional Course



GST Annual Return

Professional Course

As per sec. 9 of the CGST Act liability to pay tax arise on supply of services, further sec. 13 defines time of supply of service. As per section 13 time of supply of service will be

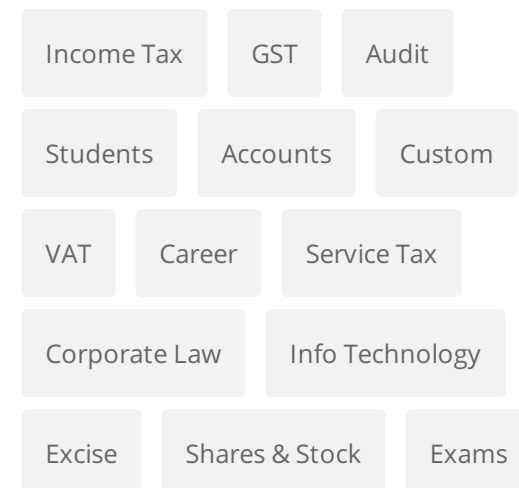
- a. The date of issue of invoice by the supplier or date of receipt of payment, whichever is earlier.
- b. The date of provision of service or the date of receipt of payment, whichever is earlier.
- c. The date on which the recipient shows the receipt of service in his books of account, when above two provision do not apply

As per Section 31(2) an invoice for supply of services needs to be issued before or after the Provision of service but not later than thirty days from the date of provision of service. From the above it is clear that, if the supplier does not receive money in advance, he gets 30 days' time from the date of provision of service to raise invoice and collect tax on the same. Therefore, there would be a timing difference in the recognition of revenue in the books of accounts and the GST provisions.

Because of this, Sl. No. 5B is necessary to reconcile the revenue between the books and the GST returns

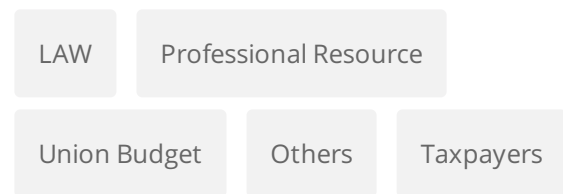
Particulars	Amount (Rs.)
Opening balance of unbilled revenue as on (1 April 2017 or) 1 July 2017	XXXXXX
Less: Invoice raised during the period April 2017 to June 2017	XXXXXX

Browse by Category



A grid of category buttons for browsing content. The buttons are arranged in five rows and three columns. The categories are: Income Tax, GST, Audit, Students, Accounts, Custom, VAT, Career, Service Tax, Corporate Law, Info Technology, Excise, Shares & Stock, Exams.

Less: Invoice raised during the period July 2017 to March 2018	XXXXXX
Add: Unbilled revenue recognized as on 31st March 2018	XXXXXX
Closing balance of unbilled revenue as on 31st March 2018	XXXXXX



Another aspect to note in the opening unbilled revenue for the year 2017-18 is to reconcile the

Same with the transition declaration filed under Section 142(11) in GSTR Form TRAN 01

Examples

1. Representation services provided on 25th of March for which invoice is raised on 5th April would be recognized as unbilled revenue. However, this would not be part of Clause 5B as this transaction is of the period April 2017 to June 2017
2. IT/ITES services provided for the month of March 2017 for which invoice is raised on 1st of July 2017 as per the terms of contract would be recognized as unbilled revenue.
3. Rental contract for which billing is on 20th of every month, unbilled revenue would be recognized in the books of accounts as on 31st March to the extent of 11 days of services provided in March.
4. Maintenance contract for which billing is on 5th of the subsequent month, unbilled revenue would be recognized in the books of accounts as on 31st March.

Notes to consider/control checks

Following checks need to be performed for correct calculation of amount to be reported under this head

- a. Reconcile with declaration made under 142(11) in GSTR TRAN 01
- b. Must be vouched / checked with notes to accounts in the Balance Sheet (PY and CY);
- c. Notes to GSTR FORM 9-C may be drafted for this Sl. No. as to the manner of its quantification from the books and records and correlated with returns filed in GSTR 3-B;
- d. Cross-link with the corresponding item in GSTR 9 - Part III Sl. No. 6K;
- e. Invoices raised during April 01, 2017 to June 30, 2017 to be excluded and reconciled with GSTR TRAN 01;
- f. Adequate attention of the reader must be drawn to 'Notes on accounts' and 'Significant Accounting policies' in cases of entities which need to adhere to Statutory Audit provisions under the allied laws.

Disclosure

Reliance has been placed on the audited financial statements for determining the unbilled revenue and no separate exercise is conducted to validate the same.

The author can also be reached at ruchika.tulsyan@gmail.com

Tags : [GST](#)

Recommended Read

- [How to amend turnover details for the year 2017-18 in GSTR 9](#)

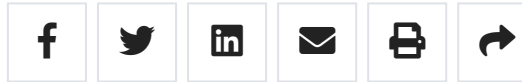
- [Analysis of Financial Reporting \(CA Final - Old / New\) Paper May'19](#)



2 Likes 5540 Views 16 Shares

Category [GST](#)

Other Articles by - [CA Ruchika Tulsyan](#)



[Report Abuse](#)

Be the first to leave a comment.

You are not logged in . Please login to post comments.

[Click here to Login / Register](#)

Related Articles

- ▶ [Analysis of Strategic Financial Management \(CA Final\) Paper May'19](#)
- ▶ [Checklist for Unadjusted advances at the end of financial year \(Clause 5C of GSTR-9C\)](#)
- ▶ [Credit Note accounted in the Audited annual financial statement but not in GST](#)

Other Latest Articles

- ▶ [What is Form 26AS?](#)
- ▶ [Plan of action after Budget 2020](#)
- ▶ [Budget 2020 impact on charitable trust/Institutions](#)
- ▶ [Analysis of recommendations made by SEBI appointed group for regulating related party transactions](#)

- ▶ What is National Financial Reporting Authority?
- ▶ How to choose the right financial reporting software
- ▶ Fair value of Financial Guarantees under Ind AS Regime
- ▶ Coercive Recovery Measures of Tax Collection by Revenue Authorities need to change!
- ▶ Vicious circle of over ambitious revenue collection target by Authorities

[More »](#)

- ▶ Update on Certified Copies under the RTI by ICAI for Nov 2019 Examination
- ▶ Memorandum for GST problems faced by Trade and Industry and some suggestions to solve them to give relief to Trade and Industry
- ▶ Tax Audit u/s 44AB limit increased upto 5 Cr. w.e.f. FY 2020-21 - Is it applicable to all businesses?
- ▶ 10 Business Loans Myths Busted

[More »](#)

[Articles](#)

[News](#)

[GST](#)

[Trainee Corner](#)

[Forum](#)

[Experts](#)

[Scorecard](#)

[Notification](#)

[Career](#)

[Budget](#)

[CCI Online Learning](#)

[Featured](#)

[Jobs](#)

[Feed](#)

[Share Files](#)

[Poll](#)

[Video](#)

[Top Members](#)

[Bookmarks](#)

[Coaching Institutes](#)

[Income Tax](#)

[Rewards](#)

[Events](#)

[CA Online Classes](#)

Member Strength 30,55,049 and growing..

Get latest updates

Enter your email address:	<input type="submit" value="Submit"/>
---------------------------	---------------------------------------

Download CCI APP

Our Network Sites





[About](#) [We are Hiring](#) [Media Coverage](#) [Advertise](#) [Terms of Service](#) [Disclaimer](#) [Privacy Policy](#) [Contact Us](#)

© 2020 CAclubindia.com. India's largest network for Finance Professionals.

