

Nature of Expense Method Statement

For the year ended 31st March 2024

Particulars	Note	Amount (â‚¹)
Revenue	1	4,500,000
Other Income	2	100,000
Total Income		4,600,000
Raw Materials Consumed	3	1,600,000
Employee Benefit Expenses	4	700,000
Depreciation and Amortization	5	150,000
Rent and Utilities	6	80,000
Other Operating Expenses	7	250,000
Total Expenses		2,780,000
Profit Before Tax		1,820,000
Tax Expense	8	520,000
Profit After Tax		1,300,000

Notes:

- This statement classifies expenses according to their nature, such as raw materials, salaries, depreciation, etc.
- Useful for understanding expense patterns and cost drivers directly associated with business activities.
- Commonly used under IFRS and in statutory financial reporting requirements.
- Helps management make cost control and budgeting decisions.
- Does not allocate expenses by function (like selling, administration, etc.).