

Multi-step Profit and Loss Report

For the Year Ended 31st December 2023 - ABC Retail Ltd.

Revenue	
Net Sales	₹ 5,000,000
Cost of Goods Sold (COGS)	
Opening Inventory	₹ 800,000
Add: Purchases	₹ 3,600,000
Less: Closing Inventory	(₹ 900,000)
Cost of Goods Sold	₹ 3,500,000
Gross Profit	₹ 1,500,000
Operating Expenses	
Selling Expenses	₹ 350,000
Administrative Expenses	₹ 200,000
Store Rent	₹ 250,000
Total Operating Expenses	₹ 800,000
Operating Profit	₹ 700,000
Other Income/Expenses	
Interest Income	₹ 18,000
Interest Expense	(₹ 55,000)
Miscellaneous Income	₹ 7,000
Net Other (Expense)	₹ (30,000)
Profit Before Tax	₹ 670,000
Income Tax	
Income Tax Expense	₹ 215,000
Net Profit After Tax	₹ 455,000

- This format divides profit and loss into clear sections for better performance analysis.
- Gross Profit, Operating Profit, and Net Profit are separately presented for transparency.
- Cost of Goods Sold is calculated in detail, which is crucial for retail sector reporting.
- Operating and non-operating items are distinctly classified for accurate business assessment.
- This report helps stakeholders pinpoint where business strengths and weaknesses arise.