

Vertical Profit and Loss Statement

Company Name: Example Industries Ltd.

Period: For the Year Ended 31st December 2023

Particulars	Amount (â,¹)
Revenue / Sales	10,00,000
Less: Cost of Goods Sold	6,00,000
Gross Profit	4,00,000
Less: Operating Expenses	
Administrative Expenses	70,000
Selling & Distribution Expenses	30,000
Operating Profit	3,00,000
Add: Other Income	20,000
Less: Financial Expenses	40,000
Profit Before Tax	2,80,000
Less: Income Tax	70,000
Net Profit After Tax	2,10,000

Important Notes

- A vertical profit and loss statement presents all figures in a single column for clarity and easy comparison.
- This format helps in highlighting the step-wise deduction from revenues to arrive at net profit.
- Percentages can be added in a separate column to show each item as a proportion of sales.
- It is widely used for internal management reporting and financial analysis.
- Standardization enables comparability across periods and with other businesses.