



The Council of the Institute in its 367<sup>th</sup> meeting held on 20<sup>th</sup> & 30<sup>th</sup> March 2026, and 9<sup>th</sup> April 2026 has approved the issuance of the following clarification about the **Cost Accounting Standard on Valuation of Inventory (CAS-25)**:

**Clarification on CAS-25**

1. The objective of this standard is to ensure uniformity in the calculation and valuation of inventory. It provides detailed guidance on determining the cost of inventory and also outlines the method for calculating Net Realizable Value (NRV) when required for inventory valuation.
2. The principles for calculating and valuing inventory as prescribed under CAS-25 are to be applied in accordance with the requirements of the relevant statute under which the cost statement is prepared. For the Companies (Cost Records and Audit) Rules, 2014, the provisions relating to inventory valuation specified in Form CRA-1 shall prevail.

**CMA Neeraj D Joshi**  
Vice-President, ICMAI and  
Chairman, CASB of ICMAI

Date: 15<sup>th</sup> April 2026