**The Council of the ICWAI at its 251st Meeting held on 12-13 February 2009 decided as below:**

Mandatory application of Cost Accounting Standards

"**RESOLVED THAT** the following Cost Accounting Standards

CAS 1: Classifications of Costs

CAS 2: Capacity Determination

CAS 3: Overheads

CAS 4: Cost of Production for Captive Consumption

CAS 5: Determination of Average (Equalized) Cost of Transportation

CAS 6: Material Cost

shall be mandatory with effect from period commencing on or after 1st April 2010 for being applied for the preparation and certification of General Purpose Cost Accounting Statements. Since there is no statutory requirement for the application of such Cost Accounting Standards for the preparation and certification of Cost Accounting Statements, in case the cost accountant is of the opinion that the aforesaid standards have not been complied with for the preparation of the Cost Statements, it shall be his duty to make a suitable disclosure/qualification in his audit report/certificate"