

On behalf of members of **Navi Mumbai Branch of WIRC of ICAI** please find below **"Suggestions/comments on the exposure Draft of the third edition of the IFRS for SMEs Accounting Standard issued by the IASB for comments"** which are compiled from the members.

1. The purpose of this research is to look into issues and challenges associated with the adoption of International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SMEs).
2. We find the one-size-fits-all-standard for SMEs, with a capital markets orientation, does not accommodate well the differing cultures, ways of doing business, regulatory frameworks, underlying philosophies, or needs of users of financial reports from SMEs. We conclude that adoption without modifications or exemptions would provide few benefits for SMEs in emerging economies; rather it would be burdensome to entrepreneurs and inappropriate for achieving national economic growth targets.
3. We question the suitability of the IFRS for SMEs for adoption, particularly by the developing economies.
4. SMEs have a small number of account users, lack accounting competence to deal with complexity, and are managed by their owners.
5. Furthermore, for SMEs, a reporting approach focused on stewardship and employing simplified historical cost accounting would be more appropriate.

Thanks and Regards

Navi Mumbai Branch of WIRC of ICAI.