

February, 2026

# THE ORACLE

Mangaluru Branch of SIRC of ICAI



**The Managing Committee of Mangaluru  
Branch of SIRC of ICAI for 2026-2027**

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# UPCOMING EVENTS

## THROUGHTOUT MARCH

Study Circles on Income  
Tax Act 2025

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Women's Day

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Bank Audit Seminar

## **CHAIRMAN'S MESSAGE**



**CA. Daniel Marsh Pereira**  
**Chairman- ICAI Mangaluru Branch**

Dear Members,

It is a privilege to assume office as the Chairman of the Mangaluru Branch of the Institute of Chartered Accountants of India (ICAI). I express my sincere gratitude to the members of the branch for the trust reposed in me. This responsibility is viewed not merely as a position of leadership, but as an opportunity to serve the profession, strengthen our institution, and contribute to the professional growth of our members and students.

The Mangaluru Branch has grown steadily over the years owing to the dedication and foresight of our Past Chairmen and Managing Committees. Their leadership has built strong institutional systems and a culture of professional excellence that continues to guide our activities today. The current Managing Committee remains committed to carrying this legacy forward with renewed focus and collective effort. The year ahead will emphasise strengthening the institutional relevance of ICAI within the region. Our focus will be on enhancing the visibility and influence of the profession in Mangaluru through meaningful engagement with industry, participation in economic discussions, and the creation of platforms for professional thought leadership. As the city continues to expand economically and industrially, Chartered Accountants have an important role to play in supporting governance, compliance, and advisory functions across sectors.

The branch also aims to actively collaborate with industry bodies, academic institutions, government authorities, and chambers of commerce to align with the broader economic development of the region. Such institutional partnerships will help position ICAI as a constructive participant in regional growth and policy dialogue.

Another important focus area will be career guidance and talent retention. Through structured career counselling initiatives and industry interaction forums, the branch will endeavour to create awareness of professional opportunities within the region, thereby encouraging talented students to build their careers in Mangaluru.

With the increasing prominence of Global Capability Centres (GCCs) as drivers of employment and investment, the branch will also explore platforms for professional discussions on regulatory readiness, compliance frameworks, and advisory support that can facilitate such emerging opportunities in the region.

Public outreach will remain an integral part of our activities. Programs focused on financial literacy, tax awareness, and MSME advisory will be conducted to strengthen public trust in the profession while contributing to greater financial awareness in society.

At the core of all our initiatives will remain the commitment to high-quality technical programs and conferences that equip members and students with relevant knowledge in an evolving regulatory and economic environment. The emphasis will be on delivering meaningful and impactful learning platforms.

The success of the branch depends on collective participation. Continued guidance from our seniors, active involvement from members, and the dedicated efforts of the Managing Committee will be essential in achieving the goals set for the year. With shared commitment and professional unity, the Mangaluru Branch will continue to uphold the values and stature of ICAI.

Warm regards,

CA. Daniel Marsh Pereira

Chairman, Mangalore Branch

## **IMMEDIATE PAST CHAIRMAN'S MESSAGE**



**CA. Prashanth Pai K**  
**Immediate Past Chairman- ICAI Mangaluru Branch**

Dear Esteemed Members,

As my term as Chairman of the Mangalore Branch comes to an end on 28th February 2026, I take this opportunity to reflect with gratitude on the enriching journey we have shared over the past year. It has been a privilege and honour to serve the members and students of the Branch.

During the month of February 2026, the Branch organised a series of Study Circle Meetings on the Income Tax Act, 2025, which were very well received by the members. The sessions were conducted by eminent professionals and covered important aspects of the Act:

- ☛ 04.02.2026 - Income from Business and Profession - Part 1 by CA Vignasha M
- ☛ 07.02.2026 - Income from Business and Profession - Part 2 by CA Prasanna Shenoy M, Past Chairman
- ☛ 11.02.2026 - Trusts by CA Rudolf Rodrigues, Past Chairman
- ☛ 18.02.2026 - Tax Deduction and Collection at Source by CA Vrinda Konnar
- ☛ 21.02.2026 - Salary, Clubbing Provisions, Unexplained Cash Credit, Investment, Money and Expenditure by CA B. Krishnanand Pai, Managing Committee Member
- ☛ 25.02.2026 - Capital Gains by CA Gautham Nayak, Past Chairman

In addition to these knowledge initiatives, the Branch also organised a Walkathon on 15.02.2026 in association with SICASA, which witnessed enthusiastic participation from members and students.

All the programmes conducted during the month were highly appreciated by the members, reflecting the collective commitment of our fraternity towards professional development and community engagement.

As I conclude my tenure, I would like to express my heartfelt gratitude to all the members, students, past chairmen, the Managing Committee, and the distinguished resource persons who have extended their constant support and encouragement throughout my term. Your active participation and guidance have been instrumental in making our initiatives meaningful and successful.

Serving the Mangalore Branch has been an immensely rewarding experience, and I remain thankful for the trust and cooperation extended to me during this journey. I am confident that the Branch will continue to grow and achieve greater milestones in the years ahead. I wish all the very best to the incoming Chairman CA Daniel Marsh Pereira and his team.

With warm regards and sincere thanks to everyone.

CA Prashanth Pai K  
Outgoing Chairman  
Mangalore Branch of SIRC of ICAI



Dear Members,

February has been a steady month from a professional standpoint, with members engaged in ongoing audit assignments, GST compliance, and income-tax advisory. As the financial year draws closer to closure the focus has appropriately shifted towards year-end planning, review of books, and addressing pending compliance matters.

With March now underway, the professional workload will intensify significantly. The year-end brings critical responsibilities including finalisation of accounts, tax audits, and adherence to statutory timelines. Advance tax considerations, closing procedures, and proper documentation will be key areas of focus. Members are advised to plan assignments efficiently to ensure a smooth and compliant closure of the financial year.

At the Branch level, there was a change in the Managing Committee effective 28th February.

On the economic front, the domestic environment remained stable during February, supported by steady tax collections and controlled inflation trends. However, towards the end of the month, geopolitical developments in the Middle East, particularly the escalating conflict involving Iran and Israel, have started influencing global energy markets. The firming up of crude oil prices is a key development that members should closely monitor, as it may have implications on inflation, cost structures, and overall economic conditions in the coming months.

On the sports front, February witnessed regular cricketing activity, and March is expected to bring increased attention with the commencement of major tournaments, adding a sense of excitement alongside the demanding professional calendar.

We encourage members to stay focused during this crucial period and continue upholding the highest standards of the profession.

Warm regards,

CA. B. Krishnananda Pai

Editor, Newsletter

Mangaluru Branch of SIRC of ICAI

## **KNOW YOUR 2026-27 MANAGING COMMITTEE**



**CA. Daniel Marsh Pereira**  
**Chairman**



**CA. Mamta Rao**  
**Vice Chairperson**



**CA. Balasubramanya N**  
**Secretary**



**CA. Bantwal Nithin Baliga**  
**Treasurer**



**CA. Gaurav R Hegde**  
**SICASA Chairman**



**CA. B Krishnananda Pai**  
**Member**



**CA. Prashanth Pai K**  
**Immediate Past Chairman**



**CA. Pramod R Hegde**  
**Ex-Officio Member**

# **Using Vibe Coding in the Chartered Accountancy Profession: Transforming Audit, Taxation, Drafting and Professional Judgment in the Digital Era**



**Rahul Sharma**

**FCA, MBA(Fin.), LL.b., CAIIB**

**Chartered Accountant & Banker**

The Chartered Accountancy profession is undergoing a profound transformation driven by rapid advancements in technology, artificial intelligence, data analytics, and automation. One of the most recent and influential developments is the emergence of “vibe coding” – an intuitive, intent-driven, AI-assisted coding approach that enables professionals to translate business logic, professional judgment, and regulatory intent into executable analytical workflows without deep traditional programming expertise. This paper examines the concept of vibe coding and evaluates its applicability, relevance, and impact on the Chartered Accountancy profession in India and globally.

The article analyses how vibe coding can be effectively deployed in statutory audits, internal audits, forensic audits, systems audits, concurrent audits, and tax-related engagements including income-tax, GST, international taxation, and transfer pricing. It further explores the use of vibe coding in professional drafting such as notices, replies, assessment submissions, appeals, opinions, and representations. Through Indian and global corporate case studies, real-life professional illustrations, and numerical examples, the paper demonstrates how vibe coding enhances audit quality, improves compliance accuracy, reduces professional risk, and strengthens ethical accountability.

Written at an ICAI Journal / Research Bulletin level, the paper critically examines regulatory, ethical, and professional responsibility considerations, and outlines a future-ready competency framework for Chartered Accountants. The paper concludes that vibe coding is not a replacement for professional judgment but a powerful augmentation that reinforces the credibility, efficiency, and sustainability of the Chartered Accountancy profession.

### **1. INTRODUCTION: TECHNOLOGY AND THE EVOLUTION OF THE CA PROFESSION**

The Chartered Accountancy profession has historically evolved alongside economic complexity, regulatory expansion, and technological change. From manual ledgers to computerized accounting systems, from basic spreadsheets to enterprise resource planning platforms, and now from rule-based automation to artificial intelligence, each technological wave has redefined professional practice.

In the current decade, the profession is witnessing a transition from deterministic automation to probabilistic, learning-based systems. Artificial intelligence tools are no longer limited to data processing; they increasingly interpret context, intent, and risk. Vibe coding represents a significant milestone in this evolution. It allows professionals to express analytical intent in natural language or semi-structured prompts, which are then translated into executable logic by AI systems.

For Chartered Accountants, whose work fundamentally involves interpreting law, standards, numbers, and business realities, vibe coding offers a bridge between professional judgment and computational execution. This article examines how this bridge can be responsibly and effectively built.

## 2. CONCEPT AND MEANING OF VIBE CODING

Vibe coding refers to an AI-assisted programming paradigm where the user conveys the “vibe” or intent of a task rather than writing detailed procedural code. The system interprets the intent, understands contextual constraints, and generates analytical workflows, scripts, or models accordingly.

In practical terms, a Chartered Accountant may express a requirement such as: “Identify revenue transactions that are unusually timed near year-end and deviate from historical patterns.” A vibe coding system can convert this professional intent into data queries, statistical tests, anomaly detection algorithms, and visual outputs.

Key characteristics of vibe coding include:

- Intent-driven logic rather than syntax-driven coding
- Heavy reliance on domain knowledge and context
- Rapid prototyping and iteration
- Embedded explainability and documentation
- Continuous learning and refinement

Vibe coding does not eliminate the need for understanding logic, controls, or risk. Instead, it shifts the professional focus from writing code to validating intent, interpreting results, and exercising judgment.

## 3. RELEVANCE OF VIBE CODING TO CHARTERED ACCOUNTANTS

The relevance of vibe coding to Chartered Accountants arises from the nature of their work. Audit, taxation, and advisory engagements involve complex rule interpretation, large datasets, judgment-intensive decisions, and high accountability.

Traditional coding requires significant time investment and technical training. Vibe coding lowers this

barrier while preserving analytical rigor. It allows CAs to:

- Independently design analytical procedures
- Rapidly test hypotheses
- Customize analyses to client-specific risks
- Document rationale and logic transparently

In India, where regulatory frameworks such as the Companies Act, Income-tax Act, and GST laws are complex and frequently amended, vibe coding enables faster adaptation and consistent application.

#### 4. APPLICATION OF VIBE CODING IN STATUTORY AUDIT

Statutory audits require assurance on financial statements in accordance with applicable standards. Vibe coding can significantly enhance audit planning, execution, and reporting.

##### 4.1 Risk Assessment and Audit Planning

A statutory auditor may instruct a vibe coding tool to analyze multi-year financial data and identify accounts with high volatility, unusual trends, or deviations from industry benchmarks. The system can generate risk heat maps and suggest focus areas.

Illustration:

A manufacturing company reports revenue of ₹1,200 crore in FY 2023–24 compared to ₹900 crore in FY 2022–23. Vibe coding analysis identifies that ₹180 crore of revenue was recognized in the last 15 days of March, compared to a historical average of ₹60 crore. This triggers enhanced substantive testing.

##### 4.2 Substantive Procedures

Vibe coding can generate sampling models based on risk parameters, perform full-population testing, and identify exceptions. For example, it can scan all journal entries to detect manual postings with unusual combinations of user IDs, timing, and amounts.

##### 4.3 Audit Documentation

The intent, logic, and results generated through vibe coding can be automatically documented, enhancing compliance with Standards on Auditing and reducing documentation risk.

#### 5. APPLICATION IN INTERNAL AND CONCURRENT AUDITS

Internal and concurrent audits emphasize continuous assurance and operational risk management. Vibe coding enables near-real-time analytics. In a banking environment, a concurrent auditor may deploy vibe coding to flag transactions breaching internal limits or regulatory thresholds. For example,

cash transactions exceeding prescribed limits can be monitored daily rather than retrospectively.

#### Case Illustration:

An Indian public sector bank uses vibe coding-driven analytics to monitor daily cash withdrawals above ₹10 lakh. The system identifies clusters of transactions structured to avoid reporting thresholds, enabling timely escalation.

### 6. APPLICATION IN FORENSIC AND FRAUD AUDITS

Forensic audits require pattern recognition, anomaly detection, and behavioral analysis. Vibe coding excels in these areas.

A forensic auditor may instruct the system to identify vendors with round-figure invoices, unusual payment frequency, or links to employee master data. The system correlates datasets and highlights suspicious relationships.

#### Global Case Study:

In a multinational corporation, vibe coding-based forensic analysis uncovered a procurement fraud involving shell vendors by identifying common IP addresses and bank accounts, leading to recovery and legal action.

### 7. SYSTEMS AND INFORMATION SYSTEMS AUDITS

Systems audits evaluate controls, data integrity, and system reliability. Vibe coding can test access logs, segregation of duties, and exception reports across large datasets.

For example, a systems auditor may instruct the tool to identify users with both creation and approval rights in an ERP system, flagging control weaknesses.

### 8. APPLICATION IN DIRECT TAXATION

Income-tax engagements involve computation, compliance, litigation, and advisory. Vibe coding enhances accuracy and efficiency.

#### 8.1 Tax Computation and Review

A CA may use vibe coding to reconcile book profit with taxable income, identify disallowances, and test compliance with provisions such as section 40(a)(ia) or section 43B.

#### Numerical Illustration:

A company reports book profit of ₹50 crore. Vibe coding identifies disallowable expenses of ₹2.8 crore and timing differences of ₹1.5 crore, resulting in a taxable income of ₹54.3 crore.

#### 8.2 Scrutiny and Litigation Support

Vibe coding can analyze assessment orders, identify inconsistencies, and draft structured responses aligned with judicial precedents.

#### 9. APPLICATION IN GST AND INDIRECT TAXATION

GST compliance involves transactional-level accuracy. Vibe coding can reconcile GSTR-1, GSTR-3B, and GSTR-2B data, identify mismatches, and quantify exposure.

#### Indian Case Study:

A mid-sized manufacturing company used vibe coding-based reconciliation to identify ITC mismatches of ₹3.2 crore, enabling timely rectification and interest savings.

#### 10. INTERNATIONAL TAXATION AND TRANSFER PRICING

In transfer pricing, vibe coding can analyze comparables, margins, and functional profiles. It can simulate arm's length ranges and document reasoning.

#### Global Illustration:

A multinational group uses vibe coding to update transfer pricing documentation annually, reducing compliance time while improving consistency across jurisdictions.

#### 11. PROFESSIONAL DRAFTING AND REPRESENTATION

Drafting is a core professional skill. Vibe coding assists by structuring arguments, referencing laws and precedents, and ensuring logical coherence. However, final responsibility and judgment remain with the CA.

#### 12. ETHICAL, LEGAL, AND PROFESSIONAL RESPONSIBILITY CONSIDERATIONS

The use of vibe coding raises ethical and regulatory questions. Chartered Accountants must ensure confidentiality, data security, independence, and accountability. AI outputs must be reviewed, validated, and owned by the professional.

ICAI's Code of Ethics emphasizes professional competence and due care. Vibe coding must be used as an aid, not a substitute, for judgment.

### 13. IMPACT ON PROFESSIONAL COMPETENCIES AND EDUCATION

Vibe coding necessitates new competencies, including data literacy, analytical thinking, and technology governance. Professional education must integrate these skills.

### 14. FUTURE OUTLOOK AND SUSTAINABILITY OF THE PROFESSION

Vibe coding strengthens the sustainability of the profession by enhancing relevance, efficiency, and credibility. Chartered Accountants who adopt such tools responsibly will be better positioned to serve complex economies.

### 15. CONCLUSION

Vibe coding represents a paradigm shift in how Chartered Accountants interact with data, systems, and regulations. When used ethically and professionally, it enhances audit quality, strengthens tax compliance, improves drafting, and reinforces public trust. The future Chartered Accountant will not merely understand numbers and law but will also fluently translate professional intent into analytical insight through tools such as vibe coding.

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# **THE MONTH GONE BY FEBRUARY 2026**

STUDY CIRCLE ON INCOME TAX ACT, 2025 COVERING  
PROFITS & GAINS FROM BUSINESS OR PROFESSION  
BY CA VIGNESHA M  
ON 04.02.2026



# **THE MONTH GONE BY FEBRUARY 2026**

INCOME TAX STUDY CIRCLE ON INCOME TAX ACT, 2025 COVERING  
PROFITS & GAINS FROM BUSINESS OR PROFESSION

BY CA PRASANNA SHENOY M

ON 07.02.2026



# **THE MONTH GONE BY FEBRUARY 2026**

STUDY CIRCLE ON INCOME TAX ACT, 2025 COVERING

TRUSTS

BY CA RUDOLPH M C RODRIGUES

ON 11.02.2026



# **THE MONTH GONE BY FEBRUARY 2026**

**CERTIFICATE COURSE ON ARTIFICIAL INTELLIGENCE - LEVEL 1  
ON 13.02.2026, 14.02.2026 AND 15.02.2026**



# **THE MONTH GONE BY FEBRUARY 2026**

STUDY CIRCLE ON INCOME TAX ACT, 2025 COVERING  
DEDUCTION OF TAX AT SOURCE  
BY CA VRINDA KONNAR ON 18.02.2026



# **THE MONTH GONE BY FEBRUARY 2026**

STUDY CIRCLE ON INCOME TAX ACT, 2025 COVERING  
SALARIES AND AGGREGATION OF INCOME  
BY CA B KRISHNANANDA PAI  
ON 21.02.2026



**THE MONTH GONE BY FEBRUARY 2026**

STUDY CIRCLE ON INCOME TAX ACT, 2025 COVERING  
CAPITAL GAINS  
BY CA GAUTHAM R NAYAK  
ON 25.02.2026



**THE MONTH GONE BY FEBRUARY 2026**  
**MANAGING COMMITTEE TAKEOVER CEREMONY**  
**ON 28.02.2026**



## **EDITORIAL BOARD**



**CA. Daniel Marsh Pereira**



**CA. B Krishnananda Pai**

**The Managing Committee of Mangalore Branch of SIRC of ICAI invites articles, write-ups and other similar materials in the areas of Accounting, Taxation or any other subject of professional interest for publishing in its E-Bulletin. The articles submitted for consideration of publication should be of 2000-4000 words typed. Soft copy of the article, along with the author's photograph may be sent to [mangaluru@icai.org](mailto:mangaluru@icai.org) .**

**Feedback on this e-bulletin can be sent to the editorial team at [mangaluru@icai.org](mailto:mangaluru@icai.org) .**

### **Committee Members**

**CA. Mamta Rao | CA. Balasubramanya N |**

**CA. Bantwal Nithin Baliga | CA. Gaurav R Hegde | CA. Prashanth Pai K**

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