

THE ORACLE

Mangaluru Branch of SIRC of ICAI

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OCTOBER 2026

RERA Certification
Course



GST Seminar

CHAIRMAN'S MESSAGE



CA. Daniel Marsh Pereira
Chairman- ICAI Mangaluru
Branch

September is traditionally the most demanding month in our professional calendar. With tax audits at their peak and the statutory due dates approaching, members have spent long days and longer nights ensuring that assignments are completed on time and to standard. To every member and every articled assistant who has carried that load, the Branch salutes your effort and dedication.

The month also brought sadness to our fraternity. The Branch convened a Condolence Meet in memory of the Late CA Zameer Amber, where members, colleagues and well-wishers gathered to pay their respects. Members recalled his contribution to the profession and the goodwill he enjoyed across the fraternity.

We remember him with gratitude and extend our heartfelt condolences to his family. May his soul rest in peace.

In keeping with the demands of the season, the Branch deliberately kept its calendar light this month so that members could focus on their assignments. This also offers a moment to look back. Since February, the Branch has conducted study circles on the Income Tax Act, 2025, seminars on GST, bank audit, TDS, cooperatives and tax audit, the MSME Mahotsava, programmes on data analytics and data protection, CA Day and Independence Day celebrations, career counselling drives, and above all, Adhigama 2026, our two-day National Conference. Each was made possible by our members, faculty and a Managing Committee that worked as one team.

As the festive season of Navaratri and Deepavali approaches, I hope members will find time to rest and be with their families once the deadlines are behind us.

A Note for Our Students: To our articled assistants, this has been a season of hard work, and you have earned the experience it brings. As you return to your studies, look back at what SICASA has achieved this year: UDGAM 2026, which brought over 1,000 students to Mangaluru, the National Talent Search, seminars on litigation, ITR and tax audit, an industrial visit, sports tournaments and creative competitions. Students like Shannel D'Souza and Shashaank Rao B have won recognition at national conferences, and Garuda carries thoughtful articles by students every month. I look forward to the Tax Audit Reel competition and the Trek that SICASA has planned next.

Looking Ahead: October will see the commencement of the RERA Certification Course, offering members a structured opportunity to build expertise in real estate regulation, an area of growing professional demand in our region. The Branch will also conduct a GST Seminar to update members on recent developments. I encourage members to register early.

As we enter the second half of our term, the Managing Committee renews its commitment to serving every member and student of the Mangaluru Branch.

CA Daniel Marsh Pereira
Chairman
Mangaluru Branch of SIRC of ICAI



Dear Members,
Warm greetings to all.

September brings with it the festive spirit and cultural vibrancy that is an integral part of our region. The celebrations of Krishna Janmashtami and Ganesh Chaturthi bring communities together with devotion, tradition, and enthusiasm. In Mangaluru and the surrounding areas, the unique celebrations associated with Janmashtami, including Mosaru Kudike, continue to reflect the rich cultural heritage of Tulunadu. The arrival of Lord Ganesha during Ganesh Chaturthi further adds to the festive atmosphere, marking the beginning of a season filled with celebrations and togetherness.

From the professional perspective, September remains one of the most demanding months for Chartered Accountants. With tax audit assignments reaching their peak and various income-tax and GST related compliances requiring attention, members are engaged in ensuring timely completion of assignments while maintaining the quality and standards expected of our profession. This period once again highlights the importance of effective planning, teamwork, and professional diligence.

The Mangaluru Branch continues to focus on providing meaningful learning opportunities and engagement platforms for members and students. The active participation and support of members remain the driving force behind the success of various Branch initiatives.

The sporting world has also witnessed exciting developments. Indian athletes have continued to demonstrate their capabilities across various international platforms, while cricket enthusiasts have been treated to competitive contests during the season. The performances of sportspersons remind us of the importance of preparation, consistency, and the pursuit of excellence.

As we enter the festive season and continue with our professional commitments, let us strive to maintain the balance between tradition, responsibility, and excellence in all that we do.

Warm regards,
CA. B. Krishnananda Pai
Editor, Newsletter
Mangaluru Branch of SIRC of ICAI

TOP EXECUTIVES OF FINANCE, PRODUCTION, HR & MARKETING

Legal and Moral Roles and Responsibilities Towards the Board and Shareholders



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1. Executive Summary & Statutory Architecture of Executive Governance

In the modern corporate ecosystem, executive leadership operates within a rigorous matrix of statutory mandates, fiduciary duties, and moral stewardship. Under the Indian Companies Act, 2013, executive leaders are statutorily recognized as 'Key Managerial Personnel' (KMP) under Section 2(51) and elevated to direct legal accountability under Section 2(60) as 'Officer who is in Default'. Allied global frameworks—including Sarbanes-Oxley (SOX), SEBI LODR Regulations 2015, POSH Act 2013, Consumer Protection Act 2019, and the Digital Personal Data Protection (DPDP) Act 2023—have collapsed historical legal buffers shielding senior C-suite officers from personal liability.

However, legal compliance represents merely the floor of executive responsibility, not its ceiling. The moral duties of top executives—rooted in Kantian ethics, stakeholder theory, and institutional trust—dictate that executives must act with unyielding integrity, intellectual honesty, and courage even when statutory loopholes exist.

2. Cross-Functional Statutory & Fiduciary Responsibilities Matrix

C-Suite Role	Primary Statutes & Regulations	Core Board Responsibility	Shareholder Moral & Fiduciary Duty	Statutory Penalties for Non-Compliance
CFO	Companies Act Sec 2(51), 134, 138, 203; SEBI LODR 17/33; SOX 302/404	Ensure IFC integrity, true & fair accounts, financial disclosures	Refuse aggressive earnings management and hidden debt	Fines up to ₹5L; Imprisonment up to 10 yrs (Sec 447); SOX criminal liability
COO	Factories Act 1948; Environment Protection Act 1986; Sec 134(5)(f); Consumer Protection	Maintain asset integrity, plant safety, operational business continuity	Prioritize zero-harm workforce safety over short-term production volume	Personal criminal prosecution (IPC 304A); Plant shutdown orders; Environmental claims
CHRO	POSH Act 2013; Labour Codes; Companies Act Sec 197; SEBI PIT Regulations	Oversee talent risk, POSH compliance, executive pay ratios, UPSI access	Foster psychological safety, non-discrimination, fair wages, zero toxicity	Cancellation of industrial license; Fines per POSH default; Class-action claims
CMO	Consumer Protection Act 2019; DPDP Act 2023; Competition Act 2002; ASCI	Ensure truth in advertising, consumer data privacy, brand equity health	Eliminate greenwashing, deceptive dark patterns, and data exploitation	CCPA Fines up to ₹50L; DPDP Fines up to ₹250 Cr per breach; Brand impairment write-downs

3. Deep-Dive Executive Analysis, Corporate Case Studies & Quantified Value Impact

1. The Chief Financial Officer (CFO):

- **Statutory Mandate:** Certify financial statement integrity (Sec 134/138) and maintain internal financial controls (IFC).

- Corporate Case Studies: Satyam Computer Services (2009; ₹7,040 Cr fake bank balances), Enron (2001; Fastow's off-balance-sheet SPE debt), Wirecard AG (2020; €1.9B phantom escrow cash).
- Numerical Impact: In 'Alpha Corp', hiding debt and artificially inflating EBITDA by \$210M triggered a restatement that collapsed market capitalization by \$3.24 Billion (90% drop) and breached debt covenants (Debt/EBITDA jumped from 2.0x to 9.44x).

2. The Chief Operating Officer (COO) / Head of Production:

- Statutory Mandate: Operational environmental safety (Environment Protection Act), plant safety (Factories Act), and Sec 134(5)(f) compliance.
- Corporate Case Studies: Boeing 737 MAX (MCAS sensor design shortcuts causing 346 fatalities and \$20B fines), BP Deepwater Horizon (\$65B cleanup costs), Union Carbide Bhopal Gas Tragedy (Sec 304A IPC).
- Numerical Impact: At 'Beta Manufacturing', deferring \$10M in safety CapEx yielded \$11.3M short-term savings but resulted in a \$146.7M catastrophic operational failure loss (\$132.7M net loss).

3. The Chief Human Resources Officer (CHRO):

- Statutory Mandate: Mandate Internal Complaints Committees (ICC) under POSH Act 2013, enforce labor compliance, and regulate executive remuneration ratios (Sec 197).
- Corporate Case Studies: Uber (2017 toxic workplace erasing \$10B in funding valuation), Activision Blizzard (2021; \$18M EEOC settlement, 35% stock drop).
- Numerical Impact: Unchecked toxic culture at 'Gamma Tech' spiked attrition from 10% to 28%, causing an annual financial drain of \$24.55 Million in recruitment, lost productivity, and litigation.

4. The Chief Marketing Officer (CMO):

- Statutory Mandate: Consumer Protection Act 2019 (CCPA guidelines against deceptive claims) and DPDP Act 2023.
- Corporate Case Studies: Volkswagen Dieselgate (\$33B clean diesel deception penalties), Johnson & Johnson Talcum Powder (\$8.9B proposed settlement framework).
- Numerical Impact: 'Delta Consumer Goods' greenwashing campaign generated \$70M short-term sales but resulted in \$190 Million net shareholder value loss post-fines, class actions, and brand write-downs.

■ **GOVERNANCE PRINCIPLE: DUTY OF CANDOR:** Executive officers maintaining direct, unvarnished communication with Board Sub-Committees (Audit, Risk, NRC, SRC) fulfills fiduciary mandates. Suppressing operational, financial, or workplace safety risks triggers personal 'Officer in Default' liability under Section 2(60).

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THE MONTH GONE BY - SEPTEMBER 2026
CONDOLENCE MEET IN RESPECT OF LATE CA. ZAMEER AMBER



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 .

Feedback on this e-bulletin can be sent to the editorial team at mangaluru@icai.org .

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