Fabricated Balance Sheet

Vishnu Mohan is a dynamic, pushy managing director of a fast-growing retail sales chain. He has struck a deal with the board of directors to receive a part of his pay as a percentage of the company's net profits.

Although the company is doing well, the growth of sales and profits has been modest. Vishnu Mohan realised that his pay has become less compared to that of his peers drawing pay but without profit sharing.

It was then that he called the Chief Finance Officer Sarita Gohil. He told her that the chairman had expressed anxiety about profitability levels of the company in view of the need to raise funds from banks for the proposed expansion plans. He wondered how they could reach a more attractive profit figure.

Sarita knew that pushing up profits will be an artificial move. But she joined the firm recently and wanted to make a good impression on the boss. She also thought that the feelings of the chairman can be hardly ignored considering his interest in the expansion plans. She also knew that an increase in the company's turnover will help her in eventually migrating to a blue-chip company.

In your opinion, what approach should Sarita follow in the above-mentioned scenario?