

Modern Education Society's  
NESS WADIA COLLEGE OF COMMERCE  
PUNE

Citation in honour of

**CA MAYUR B. NAYAK**

Scholar of the Year Awardee (2011-12) and Guest of Honour, 43<sup>rd</sup> Foundation Day (16<sup>th</sup> July, 2011)

We, the Principal, Students and the Members of the Staff, Ness Wadia College of Commerce, Pune are please to honour you, CA Shri Mayur B. Nayak, on the 43<sup>rd</sup> Foundation Day of the College with this citation, the 'Scholar of the Year Award' and felicitation for your illustrious and scholarly contribution to the field of Chartered Accountancy in India.

You have had a distinguished professional career marked with an equally distinguished scholastic career. In 1985, you obtain your B.Com in First Class under the Mumbai University and 1986, you became Fellow Member of the Institute of Chartered Accountants of India (ICAI) wherein you were a rank holder in the final examination. You have also completed the 'Business Consultancy Studies Programme' and the 'Independent Director Studies Programme' organised respectively by the well-known Jamnalal Bajaj Institute of Management Studies and S. P. Jain Institute of Management Studies jointly with the Bombay Chartered Accountants' Society.

Your field of choice has been International Taxation, Transfer Pricing, Service Tax and the Foreign Exchange Management Act. You have authored number of books, articles and publications in this area, including a paper at an international conference held in 2005 under the auspices of the International Fiscal Association (IFA) which enjoys a consultative status with the United Nations. You have also interacted with experts and lay public in this regard at various forums all over the country. As a result, your academic work has covered a wide range of topics in this area ranging from international business and tax strategies, the concept of Permanent Establishment, Double Non-Taxation to Non-Resident Taxation, Tax & Treaty.

You establish in 1987, 'M. B. Nayak & Co.' which under your leadership has emerged as one of the leading Chartered Accountancy firms in India. The firm provides all types of consultancy services to corporates, banks, firms and individuals both Indian & Foreign, in respect of Foreign Exchange Management Act (FEMA), Tax Consultancy, Statutory Audits, Transfer Pricing Audits, Tax Audits, Project Financing, Business Structuring, Cross Border Investments and many other related areas.

Your work in the area received professional recognition when the Bombay Chartered Accountants' Society elected you to be its President for the year 2010-11.

In the humdrum world of taxation and foreign exchange, you have happily preserved a nook of your personality for spiritual thinking and writings which have covered such topics of eternal human concern as the existence of God, the power of prayer, graceful ageing and the issue of leadership. You are also a staunch supporter of inclusive growth, the Gandhian tenets of public governance and the current anti-corruption movement, and have shown a genuine concern for the wide gap between the haves and have-nots in the country. As the President of the BCAS, you took initiative in involving the profession of Chartered Accountancy in projects that aimed at the amelioration of the conditions of the lowest stratum of our society-the nomadic and tribal communities.

We at the Ness Wadia College of Commerce feel happy we have been able to appreciate your academic and professional contribution by honouring you with the 'Scholar of the Year Award', by having you as the Guest of Honour at the 43<sup>rd</sup> Foundation Day of the college and by having you felicitated at the hands of the Vice Chancellor of the Pune University.

PRINCIPAL, FACULTY, STAFF & STUDENTS

**Ness Wadia College of Commerce**

**Pune**

**43<sup>rd</sup> Founding Day Celebration**

**and**

**“Scholar of the Year Award”**

**To**

**CA. Mayur Nayak**

**Saturday, 16<sup>th</sup> July 2011**

**\*\*\*\*\***

**Founding Day Celebration Talk**

**By**

**CA. Mayur B. Nayak**

**on**

**Good Governance and Accountability**

**- A Perspective**

## **Good Governance and Accountability**

### **- A Perspective**

Respected Dean of the Modern Education Society Principal, H. D. Moogat, Principal of Ness Wadia College of Commerce, Dr. M. M. Andar, Past Principal Dr. Hemant V. Deosthali, Vice Principal Prof. Dr. Girija Shankar, Vice Principal Prof. P.N. Choudhury, Vice Principal of the Junior College, Prof. Lakshmi Parmeshwaran, Faculty members, distinguished guests and dear students,

Hearty Greetings to all of you!

My Namaskaar to the distinguished people of Pune – the “sanskar nagari” of Maharashtra!

India’s first Prime Minister, Pandit Jawaharlal Nehru, referred to Pune as “the Oxford of the East”. In Pune, we find Colleges and Universities ranging from Engineering, Medicine (all streams), and Commerce to Linguistics and Fine Arts, some of which were founded in the 19<sup>th</sup> century. Pune is also home for many educational institutions dedicated to the Indian Army. Such high profile educational institutions reflect the culture and versatility of those inhabiting Pune. Ness Wadia College has made history, in that it has entered into collaborative agreements with the overseas Universities of Adelaide and California.

I heartily thank the Management of Ness Wadia College for choosing me for the “Scholar of the Year” Award. With all humility, I accept the

honour. On the occasion of the 43<sup>rd</sup> founding day, I would like to share some of my thoughts on the subject of “Good Governance and Accountability”.

### **Dialogue With Yama**

It is said, there are two certitudes in life, namely, death and taxes. We shall talk about taxes a little later; let me share with you a story about “death”. Imagine, there are two places, namely, heaven and hell and between the two, there is a gate where Lord Yama is sitting, disposing of the departed to heaven or hell, depending upon their karma. Now, there were three gentlemen - , a banker, a professor and a chartered accountant who met their end simultaneously. As they all reached up to the gate, Yama first asked the Banker, “tell me what good deeds you have done such that I grant you heaven?” The banker responded, “Sir, I helped my customers out of the way. I was honest and sincere in my work and was also engaged in social work.” Yama thereupon said, all right, go to heaven.

The next in line was the professor to whom Yama posed the same question: The professor replied: Sir, “I am from the noble profession of teaching. I imparted knowledge without any fear or favour. I inculcated a sense of duty in my pupils and imparted value based education.” Yama said, “Very good, go to heaven”.

Then came the turn of the CA. Yama repeated the standard question, with the CA answering “Sir, I was in a delicate situation; on the one

hand, I had to protect my client's interest and on the other, I had to serve my Country. Well, I have been able to do that to the best my ability and my conscience is clear as I did not indulge in wrong practices. Yama said, well, this was expected of you. Have you anything to add further? The CA submitted, I was also delivering lectures and sharing my knowledge with others. Yama said, well this, too was expected of you. Tell me something else? The CA tendered Sir "I was actively involved in social service and tried to make a difference in the lives of fellow beings". Yama said, this also was expected of you. Anything else? Yama evidently was not satisfied and the CA was getting plainly nervous. He sensed that hell is reserved for him, unless he gives a proper answer and suddenly, it flashed across his mind and he said: "I was practicing Income Tax in India". "Is that so?" Yama exclaimed and said, "Well in that case, you must to go to haven".

The other two persons still standing by, out of curiosity, were astonished by Yama's rationale. They asked "When the CA said all good things, Sir, you were not convinced, but, Sir, when he told you that he practised Income tax in India, you readily granted him an abode in haven, may we know what is so special about Income tax practice in India, which entitles one to a heavenly abode. Yama observed: "Look, he has already experienced hell on earth, so he goes to heaven."

Well, this is an imaginative scenario, but the underlying message is that it is a nightmare to do tax practice in India, not so much because of uncertainty of law, but because of its patently faulty administration. People, by and large, do not mind paying taxes, what they fear is harassment. One of the major reasons is lack of "accountability" on the part of officialdom, which can get away with any amount of addition to income, no matter how baseless and the assessment reversed ultimately.

The Finance Minister, Mr. Pranab Mukhjee, at the function to celebrate 150 years' of Taxation in India, quoted **Chanakya who had said *"Ideally, governments should collect taxes like a honeybee, which sucks just the right amount of honey from the flower, so that both can survive....."***.

Not only that, he went further on record to say that the Income tax department has earned a dubious distinction of being the largest litigant in India. And rightly so, as it is estimated that, more than 90 per cent of tax disputes originate from that department.

### **Accountability of Officialdom**

The lack of accountability on the part of government employees is one of the reasons for the cancerous growth of corruption. The Direct Tax Code proposes to introduce General Anti Avoidance Rules (GAAR) with wide powers to officers. Gandhiji said, "Power corrupts, and absolute power corrupts absolutely". Indeed, there is a need for accountability

matching with authority. The lack of accountability coupled with wide powers to officialdom aggravates the vulnerability of tax payers. However, there is a need to address the issue from the other side of the coin, namely, "tax payers" as well. To quote Gandhiji again, "There is enough in the world for man's need but not for man's greed". According to one estimate, if only black money parked abroad can be brought back to the country, India can wipe out its external debt in one stroke. There cannot be two views that tax evasion should be dealt with sternly. However, it should not be at the cost of harassment of genuine tax payers. More often than not, tax payers resort to corrupt practices to buy peace of mind. If only clean administration is in place, fair assessment would follow and in that scenario, the majority of the tax payers would certainly stay away from corrupt practices. There is a constant tug of war between the Income-tax Department to extract more from tax payers, owing to unreasonable targets set for tax collection, and the inclination of the taxpayers to save more not only owing to greed but also to provide for the rainy day. In this context, the transparent functioning of the Reserve Bank of India is noteworthy. It is one of the finest institutions of India. How I wish this culture spreads to all departments of Government of India as well as of the States in the Indian Union.

## **Accountability on the part of the Fourth Estate**

Today, we live in an era of all pervading negativity. TV Channels in their quest to compete each other are sensationalizing news and scaring viewers. Every news has become breaking news. Most of the news is picked from police files, resulting in plain crime reporting. Flood or draught, fire or earth-quake, any small or big incident is projected as the beginning of the end of the world, i.e. *Pralay*, in 2012. More than natural calamities, this country suffers from perverted TV serials which tear apart the social fabric of the country. People try to find solutions to their problems unfortunately from these TV serials; what is worse, the teenagers identify themselves with star casts and start imitating them. This is dangerous, as depiction of extra marital affairs, cheating and looting, betrayals in families have become the cornerstones of most of the TV Serials during prime time. In the name of reality shows, all blatantly unreal things are projected, resulting in more harm than good. In the name of encouragement to child prodigy, children are abused and humiliated. For the success of a few children, the confidence and future of thousands of children are ruined. It puts tremendous pressure on parents and children as well, and some children go into depression or develop suicidal tendency. If at all, such programmes are allowed, the judges and other organizers of the show must be imparted special training in child psychology and human behavior and made accountable. Use of abusive language in TV serials and movies has deteriorated the social value frame further. It is a

patent abuse/misuse of freedom of expression, owing to lack of accountability on the part of exhibitors.

Today, the media sit in judgment and do make or mar anyone's personality. Again, the underlying reason for this malady is lack of accountability. Media, being the most powerful medium of expression/communication, and capable of influencing masses, must restrain themselves voluntarily on account of social responsibility. Well, if at all, the power of media is rightly and wisely used; it can make the politicians and bureaucrats accountable and provide clean and good administration.

### **Educational Scenario**

Let me turn to education and educational institutions. There is a Chinese proverb: "Give man a fish and you feed him for a day, teach him fishing and you feed him for life". Such is the power of teaching. The difference between the developed and developing countries is reflected more in the human capital, earned out of acquisition of knowledge. If we refer to some of the statistics of present day educational scenario, we will find answers to all our questions, as to why India is still a developing nation, why almost one-third of our population is below poverty line and so on. Today, we are about 1.21 billion people, out of which about 220 million children go to school. The recent Economic Survey reports that in 2010, 96.5 per cent of children in the 6 to 14 age group in rural India were enrolled in school. Well,

this ratio seems impressive but then out of 220 million, only 13 million reach up to college level. Even amongst those who enrol, how many really complete schooling? The percentage is dismally low. We all need to apply our mind and work out solution to ameliorate the pathetic situation.

### **Pathetic Schooling Facilities**

Recently, I visited a tribal district of south Gujarat where I found that a boy travels 25 kms one way daily to attend the school. He has to change 3 public transport vehicles to reach his school. Imagine, when his father's daily income is barely Rs.50/- and that, too, not all though the year, how can he afford Rs.20/- per day on his child to travel school to and fro. The child eats just once a day, not because he does not have time, but because he cannot simply afford the second meal. Such is the state of affairs in the so called developed State Gujarat; the fate in other backward States can well be imagined.

A residential school in Simultala village, Bihar, has been deprived of recognition and electricity for the past 20 years, as the Management does not believe in greasing palms. As a result, children live in sub-human conditions during summer and the school suffers for want of good teachers and other facilities. All attempts to get recognition for the school and provision of electricity supply have been in vain, because there is no accountability on the part of officialdom, in the encouragingly emerging State of Bihar.

Is this not a sorry state of affairs? What kind of future are we providing for our children – the future of our nation? We are ruining their career and growth prospects. It is dangerous, in that we are eliminating the possibility of creation of human capital.

Let me turn to Higher Education.

Well, we belong to a country where the world's first University, Takshshila, was established in 700 B.C. Nalanda was established in 4<sup>th</sup> century AD. These were the places where students from foreign lands used to come for higher education. Today, our students go abroad for higher education. I am glad that the Ness Wadia College admits foreign students every year.

According to an estimate, only about 12.4% of our youth in the age group of 18 to 24 goes to college, as against 50 to 70% in a developed country. The recent population census reveals that about 50% of our population is below the age of 25 and is regarded as the greatest demographic advantage of the country. However, this advantage could turn into disadvantage unless we are able to impart the needed knowledge and training for employment so as to make them worthy citizens in the long run.

Mr. Kapil Sibal, Minister for Human Resources Development, Govt. of India, while addressing the Eighth Nani A. Palikhivala Memorial Lecture at Mumbai in February 2011 said that his target is to increase the Gross Enrolment Ratio (GER) of college going youths from 12.4% to

30% by 2020. In absolute terms, the college going students will rise from 13 million to 45 million. Today, we have about 800 Universities and 26,000 colleges to accommodate 13 million youths. In order to accommodate the residual 32 million, we would need 1000 more Universities and another 40,000 to 50,000 colleges in the next decade. Such is the magnitude of the problem challenging us. Therefore, large scale reforms need to be brought about and in this context, the private sector could be encouraged to set up more and more schools, colleges and universities, as may be expedient.

Are we really geared to take up this challenge?

In education, the plight of the teaching staff is no better. How can a teacher inculcate moral values when he himself is the victim of corrupt system?

### **Gandhi Governance – A Role Model**

If India has to register progress exponentially, we need to adopt the Gandhian model of governance. “Inclusive Growth” and “Principle of Trusteeship” are two of the cornerstones of this model.

Even after 63 years of independence, many Indians live below the poverty line, as they are still deprived of basic necessities of life, such as food clothing and shelter.

India is a land of contrasts. On the one hand, we find modern cities, with latest malls and fashion shops, five star hotels and luxurious apartments, whilst on the other; we find slums mired in abject poverty. Unabated inflation only worsens the economic conditions of the poor.

The latest available report (2010) on the India's high networth individuals reveal that it had only about 1,27,000 people comprising 0.01% of the population whose combined networth was close to one-third of India's Gross National Income. The gap between "haves" and "have not" is widening, by the day which phenomenon may lead to civil strife and increase in crime rates unless the Government puts in place an effective policy for inclusive growth. Which is why Gandhiji coined the word "*Antyodaya*" i.e. upliftment of the poorest of the poor. Our aim should be centered around the betterment of those who are at the bottom of the pyramid.

How do we achieve this? Well, through the principles of trusteeship, of course.

We are custodians of wealth and riches of future generations. In the Bhagvad Gita, it is said: "What belongs to you today, belonged to somebody yesterday and will belong to someone else tomorrow". Looked at the limited life span of mortals, is this not true? We should be thankful to God for allowing us to enjoy the wealth for the intermediate period. Wealth is like water, if you allow it to flow as

running water, it remains pure and clean like a river but if you hoard it, it stinks like a puddle.

Gautama, the Buddha said:

“I lost what I have, I have what I gave”

Mother Teresa said: “Giving is true giving when it hurts!”

If at all, these high networth people decide to donate even half of their wealth, I think we would generate sufficient funds to build 50,000 schools and 1000 Universities to take care of educational needs of our children – the future of our country.

If one adopts this principle of trusteeship in one’s life, I think one need not become *sanyasi*, for he would knowingly contribute to the growth and development of the society.

All these can be achieved only when we become accountable for the growth of our country and ourselves. Is this possible? Is the situation so dismal? We find that the lack of accountability alone is the root cause in the present day woes.

Let me now share with you as to how we can turn the situation around. Let us look at the brighter side of India and Indians as a whole.

## **Assimilation of Individual Social Responsibility**

At present I am conversing with you in a foreign language. You belong to that minority out of 1.2 billion people who can follow my communication in this language. We, as an educated class of the society, need to shoulder the major responsibility of nation building. It would not be wise to crib about problems and wait for someone else to solve them. As Gandhiji said: "Be the change, you want to be!" We need to accept our Individual Social Responsibility and contribute our mite for the betterment of our unfortunate brethren. If each one of us takes on the responsibility of teaching or at least making one other person literate, soon our country would achieve cent percent literacy, believe me.

At the Bombay Chartered Accountants' Society, we have launched a novel project called 'Chalo English Sikhayein' i.e. "Teach English Project". The idea here is to teach conversational English to students from Municipal and other Vernacular Medium schools. The lack of English speaking ability generates inferiority complex amongst the otherwise bright students. The entire project is handled by the BCAS Foundation and four other Trusts with the help of volunteers from different walks of life, who have the burning desire to discharge their social obligation. Dharma Bharati Mission, one of the participative trusts, is already running a similar project at the Municipal School at Govandi, a suburb in Mumbai, for the past couple of years.

So “each one, teach one” would be my message to young students whom I hereby exhort.

### **Introducing Accountability**

The Right to Information Act is a powerful tool in the hands of ordinary citizens to seek justice and instil accountability in public servants. Many of the scams have surfaced because of vigilant citizens who, with the help of this Act, exposed corruption in high places. I would strongly recommend to the management of Ness Wadia College of Commerce to screen the topical film in Marathi on Right to Information entitled “*Ek Cup Chaya*” with sub-titles in English. It depicts graphically how an honest man fights against the corrupt system and wins by resorting to RTI. At the BCAS, we are running a RTI clinic where free guidance is provided to citizens at large.

Swami Chinmayananda said: “This world suffers more from passiveness of good people, than activeness of bad people”. We need to be aggressively good in order to make this society a better place to live in. It is really our apathy towards evil practices that has brought us to this chaotic state of affairs, bad governance etc. If we cannot fight individually, we should help strengthen movements led by Public Concern for Governance Trust (PCGT) and such other organisations. PCGT was launched in Mumbai by some leading citizens like Mr. B. G. Deshmukh, Padma Bhushan, Julio F. Rebeiro, CA. Narayan Varma and others, which has an office in Pune also. PCGT fights for justice by

resorting to Public Interest Litigations and other similar modes. Unless we unite and raise our voice against injustice, no change can be brought about.

Youngsters can play a vital role in restoring good governance through the use of social network media. The recent example is Egypt where students were literally the torch bearers.

Another way for reduction in corruption is through the use of technology where human intervention is avoided. Many of you would have experienced speedy refunds from the Income tax department with online filing of tax returns. These returns are now processed by the Centralized Processing Centre managed by Infosys at Bangalore.

### **Recognizing/Capitalizing our Strength**

The best social service that we can do is through Human Resources Development. We need to empower people. We need to make them aware about their inherent strengths, their rights and duties and make them confident individuals. A person or for that matter, even a nation can only grow from the platform of strength. Today, we find people get frustrated and depressed, encountering a small setback. Fear of failure is the biggest enemy, than failure as such. I feel sad when I find that young students end their lives just because they fail to get through examinations or they fear that they will not succeed. In many cases, it is found that a student commits suicide on the eve of declaration of results, fearing a failure, whereas in fact actually he cleared the

examination. Henry Ford said: "Failure is only the opportunity to begin again, only this time more wisely."

Confucius has said: "Our greatest glory is not in never failing, but in rising every time we fail."

My message to students is that each time you fail, remember this adage:

Go and observe the high tide waves in the sea. When a wave comes to the shore, it recedes and returns with double the force such that, many a time, it breaks the sea wall. You are all like high tide waves. Each time you take a step back, forge forward with force doubled and I am sure, nothing can ever stop you, not even the mighty sea wall, if you all are so determined.

After all,

*Sagar ki Gaherai he tum mein,*

*Aur Pahado ki Unchai bhi*

*Jab Jab chaha tumne Zukaya,*

*Uncha yah Aasman bhi.*

You need to develop this kind of determination confidence in yourself and encourage other youths with your record of successful experience.

## **India's Inherent Strength**

It is now recognized the world over that Indians are second to none. We have had a glorious past, rich heritage and best of the brains. India is a big country, a sub-continent, with diverse geography from deserts to sea, dense forest to snow peaks, vast green fields and valleys etc. You name the season and it is there in India. You name the religion and it is practised in India. We have a number of different languages and innumerable dialects. Nowhere in the world, would you find such diverse population, living under one banner. Indeed, Unity in Diversity is the hallmark of India. We all must recognize this fact and build on it for our betterment, growth, development, progress and prosperity.

Permit me to quote the former President of India, Dr. Abdul Kalam, who said:

*"Unless India stands up to the world, no one will respect us. In this world, fear has no place. Only strength respects strength. We have not invaded anyone. We have not conquered anyone. We have not grabbed their land, their culture, their history and tried to enforce our way of life on them. We must think and act like a nation of a billion people and not like that of a million people. We should not give up and we should not allow the problem to defeat us."*

We can achieve all these, provided we all dare to dream. Do dream of a corruption-free India, dream of a prosperous India, dream of an educated India, dream of a clean and green India where basic necessities of life of each individual are met with and each person has equal rights and responsibility. Of course, we must be passionate about realising this dream.

About dream, Dr. Kalam said: "A dream is not what we see in sleep, the dream is something which will not let us sleep".

If we have a dream in eyes, determination in mind, passion in belly and compassion in heart, believe me, we can actualise anything in this world. For this, we need to change our paradigm. We need to shed our age-old, time worn dogmas and negative mindset. We need to come out of legacy of the colonial era. We need to discover ourselves, recognize our inherent strengths and be aware that we are second to none. As Swami Vivekananda puts it: "Awake! Arise! And stop not till thy goal is reached!"

Our scriptures say "we are all children of God". Therefore, each person has a right to equal treatment and respect from society. We must propagate the message of love, peace and harmony in the world, as practiced by Gautama, the Buddha, and the venerable Mahatma Gandhi in the last Century.

Let me conclude quoting the poet laureate, Rabindranath Tagore, who wanted our motherland to be:

**“Where the mind is without fear and the head is held high;**

**Where knowledge is free;**

**Where the world has not been broken up into fragments**

**by narrow domestic walls;**

**Where words come out from the depth of truth;**

**Where tireless striving stretches its arms towards perfection;**

**Where the clear stream of reason has not lost its way**

**in to the dreary desert sand of dead habit;**

**Where the mind is led forward by thee**

**in to ever-widening thought and action;**

**In to that heaven of freedom, my Father,**

**let my country awake!”**

## Conclusion

May this will be our prayer and motto in life!

*Sarve Bhavantu Sukhi Naha:*

*Sarve Santu Niramayaha:*

*Sarve Bhadrani Pashyantu;*

*Maa Kaschid Dukh Bhak Bhavet!*

So be it. God bless you all.

JAI HIND

Mayur B. Nayak