

ETHICS FOR VIKSIT BHARAT & PROFESSIONALISM IN TENDERS AND CONTRACTS



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BUILDING THE NATION

- The growth of a country is closely linked to the development of the infrastructure and industry.
- Every country aspires to fast track the infrastructure sector and tries to make considerable investment in creating the infrastructure.
- In order to build huge infrastructure, we need to have **manpower** who is **efficient** in handling the infrastructure projects which are generally of very large scale.

- The implementation of infrastructural projects requires **massive investment** by Government or private entrepreneurs.
- It is necessary to ensure that the projects are implemented at the **earliest**, which is possible only when the **implementers have complete knowledge of what and how to do**.
- Their endeavour should be **to implement the project in the least possible time with least possible cost and with best possible quality**.
- Execution of infrastructural projects normally requires coordination with **numerous stake holders** and therefore involves complex project management with several interdependent activities.

(For a Mining Project: MoM, MOEF, IBM, DGMS, State Govt(Distt Admn, Mining Deptt, Land Deptt, Forest Deptt), Customers like industry(Copper Smelters), Workers, Contractors, etc.)

VIKSIT BHARAT:2047

- To become the third largest economy in the World in a few years
- To become an Upper middle-income country within a decade
- To become a high-income country by 2047

- What does it require:
 - To carry out reforms in various sectors and place these on the superhighway of fast track development
 - To transform the **quality of our human resources so that they can deliver the required development**
 - To take advantage of the new trends in global polity and economy, and technology so that the growth is fast tracked and sustained for atleast three decades.

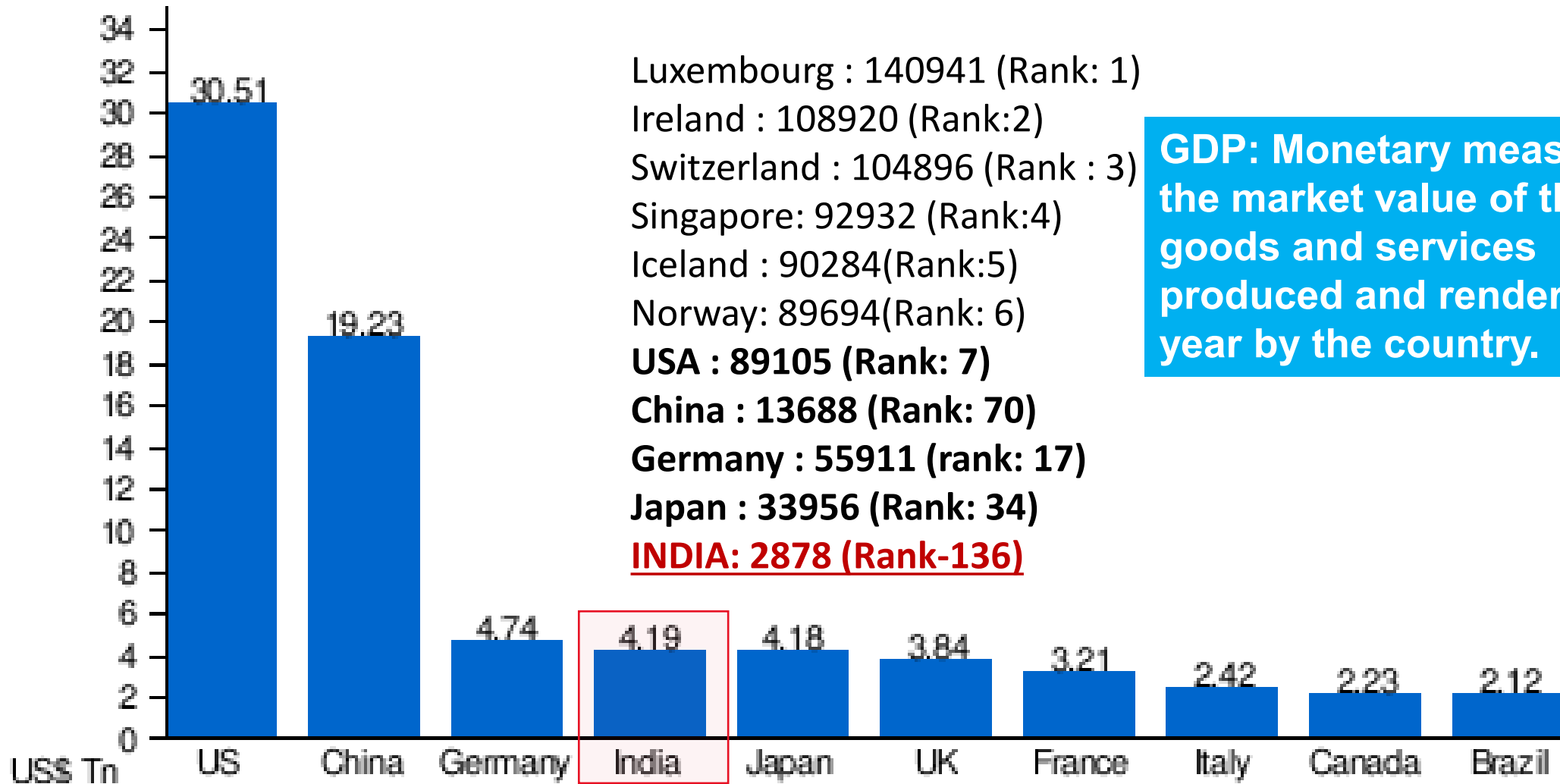
INFRASTRUCTURE BY 2047

- India will have national multimodal transport and logistics system matching the best in Asia, in terms of costs and transit & turn-around time.
- Roads/highways, ports, airports, waterways, rail lines will be upgraded to HIC standards and quality.
- Electricity generation, distribution and transmission operations will be optimized by intelligent systems, which are fully isolated from foreign Cyber-attacks.
- Railway lines and signalling systems, gas and oil pipelines, electric goods will be considerably upgraded with open access to all suppliers for running train services, transporting oil & gas and electric power, respectively.
- Power generation will depend increasingly on nuclear fuel, solar & wind, and hydrogen fuel.
- Mobile/digital network for 99% geographical coverage including India's coastal Exclusive Economic Zone will be achieved.
- Telecom and 6G infrastructure that is thoroughly firewalled from hostile & unfriendly countries and international mafia operators.

GDP PER CAPITA in Oct2025 AS PER IMF ESTIMATES (in US\$)

- Luxembourg : 140941 (Rank: 1)
- Ireland : 108920 (Rank:2)
- Switzerland : 104896 (Rank : 3)
- Singapore: 92932 (Rank:4)
- Iceland : 90284(Rank:5)
- Norway: 89694(Rank: 6)
- USA : 89105 (Rank: 7)**
- China : 13688 (Rank: 70)**
- Germany : 55911 (rank: 17)**
- Japan : 33956 (Rank: 34)**
- INDIA: 2878 (Rank-136)**

GDP: Monetary measure of the market value of the final goods and services produced and rendered in a year by the country.



LARGEST ECONOMIES IN THE WORLD BY GDP (NOMINAL) IN 2025 AS PER IMF ESTIMATES

HIGH INCOME COUNTRIES

GNI PER CAPITA in 2023 AS PER IMF ESTIMATES (in US\$)

TOP 5 HIC s

Liechtenstein : 116600 (Rank:1, 2009)

Norway : 102460 (Rank: 2)

Switzerland : 95160 (Rank:3)

Luxembourg : 88370 (Rank: 4)

Ireland : 80450 (Rank : 5)

USA : 80450 (Rank: 5)

China : 13400 (Rank: 64)

Germany : 53970 (rank: 17)

Japan : 39030 (Rank: 27)

INDIA: 2540 (Rank-139)

UK : 47800 (Rank : 23)

Canada : 53930 (Rank : 18)

Russia : 14250 (Rank: 61)

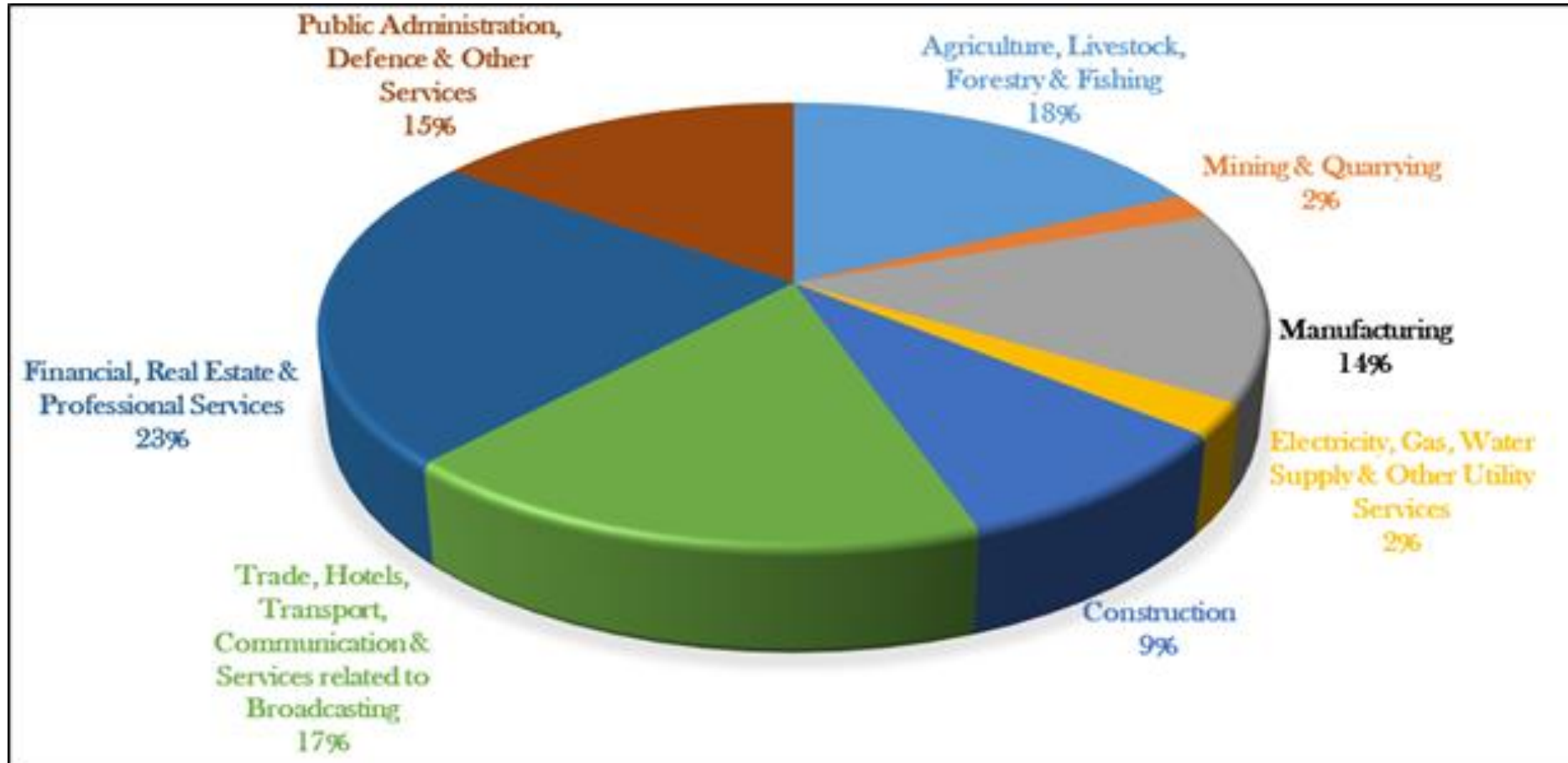
Finland : 53390 (Rank : 19)

New Zealand : 48610 (Rank : 22)

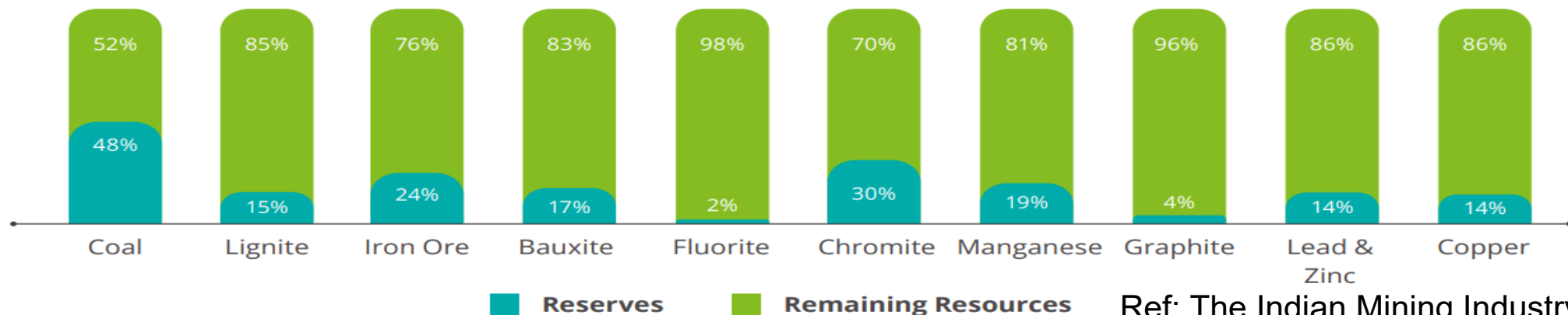
Large
Econo-
mies

A high-income country is a country with a high gross national income (GNI) per capita. The World Bank defines a high-income economy as a country with a GNI per capita of \$14,005 or more.









- India's mining infrastructure includes open-cast and underground mines, drilling, and pumping operations. The mining industry in India is important for the country's industrial development.



- India is a 4th largest exporter of iron ore, accounting for about 15 percent of global exports. The country also exports significant quantities of bauxite, chromium, manganese, and limestone, **But imports are far more than exports.**
- In FY23, India's total mineral exports were USD24 billion but imports were USD73 billion.
- Inadequate conversion of resource to reserve leading to India's mining potential remaining underutilized and many minerals are still largely at the resource level, with further exploration required to take them to the reserve stage.



DEMAND FOR CRITICAL MINERALS

									
		EVs and battery storage	Solar	Wind	Nuclear	Hydro	Geothermal	Hydrogen	Electricity networks
Minerals used in one or two technologies	Cobalt Co	↑							
	Graphite Gr	↑							
	Lithium Li	↑							
	Rare Earth elements	↑		↑					
Minerals used across a wide range of technologies	Bauxite Al₂O₃	↑	↑	↓	↓				↑
	Copper Cu	↑	↑	↑	↓	↓	↓	↓	↑
	Chromium Cr	↓		↓	↓	↓	↑		
	Manganese Mn	↓		↑		↓	↓		
	Molybdenum Mo		↓	↓	↓	↓	↓		
	Nickel Ni	↑	↓	↓	↓	↓	↑	↑	
	Tantalum Ta	↓			↓				
	Tin Sn		↓		↓				
	Titanium Ti				↓	↓	↓		
	Zinc Zn	↓	↓	↑	↓	↓			

↑ Higher ↓ Lower

Ref: The Indian Mining Industry- The Amrit Kaal Journey, Mar'2024 by Deloitte & FICCI

ROLE OF MINING SECTOR

- If properly tapped, the mining sector's performance will be a key factor for India to achieve the desired GDP growth to become a USD30 trillion economy by 2047.
- Mining sector currently employs about 1.2 Crore workers, both directly and indirectly. By some estimates, 4 informal workers are also associated with the industry for each direct employee.
- Accelerated economic growth with GDP growth rate of more than 6–7 percent can potentially create an **additional 2.5 Crore jobs (direct and induced)** over the business-as-usual scenario by 2047.
- Mining industry could contribute an **additional USD 500 billion** to India's GDP by 2047. However, the complete ecosystem should work together to unlock India's potential in mining

INDIA

VIS-A-VIS

WORLD

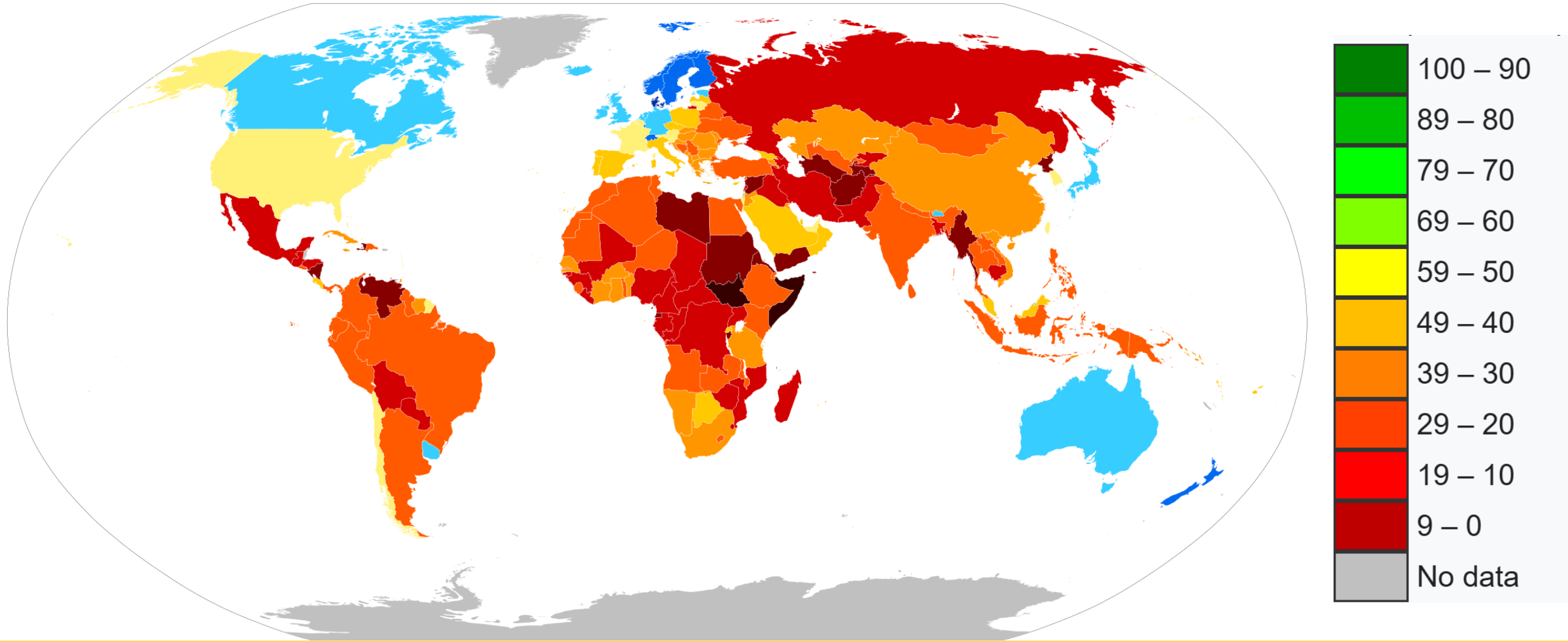
CORRUPTION PERCEPTION INDEX BY TRANSPARENCY INTERNATIONAL

The 2024 CPI, published in February 2025, currently ranks 180 countries "on a scale from 100 (very clean) to 0 (highly corrupt)" based on the situation between 1 May 2022 and 30 April 2023.

Denmark, Finland, Singapore, New Zealand, Luxembourg, Norway, Switzerland & Sweden (all scoring above 80 over the last four years), are perceived as the least corrupt nations in the world — ranking consistently high among international [financial transparency](#).

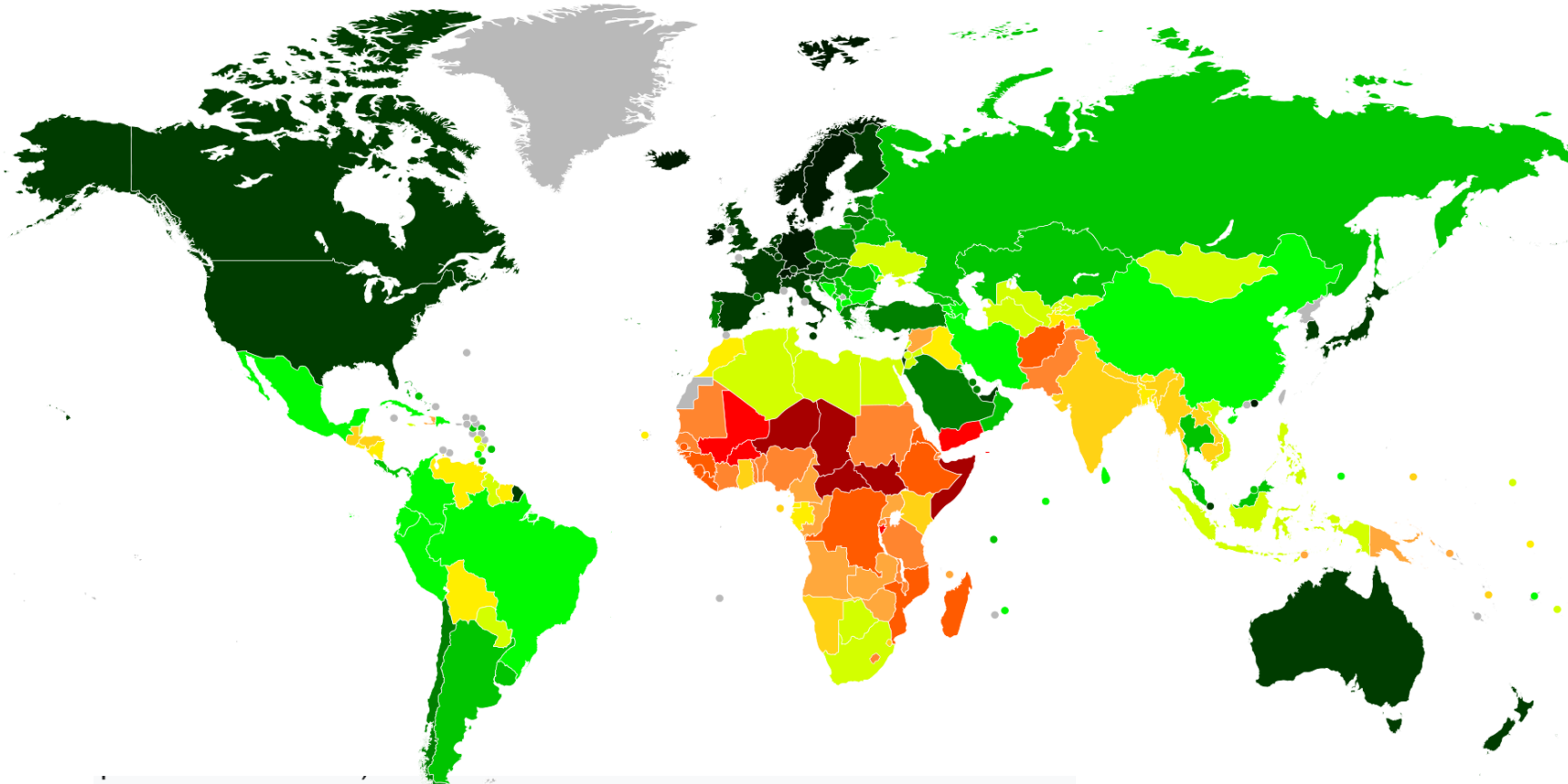
Apparently most corrupt is South Sudan (scoring 8) along with Somalia (9) & Venezuela (10)

THE CORRUPTION PERCEPTION INDEX 2024

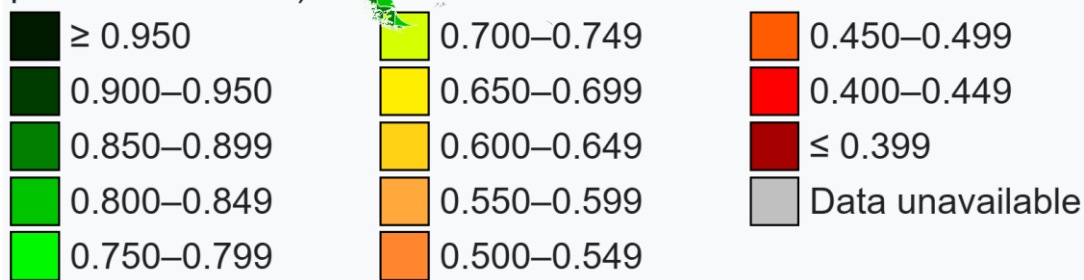


INDIA STANDS 96th with index of 38
(Last year India was better at 93rd with index of 39)

UNDP's HDI 2024



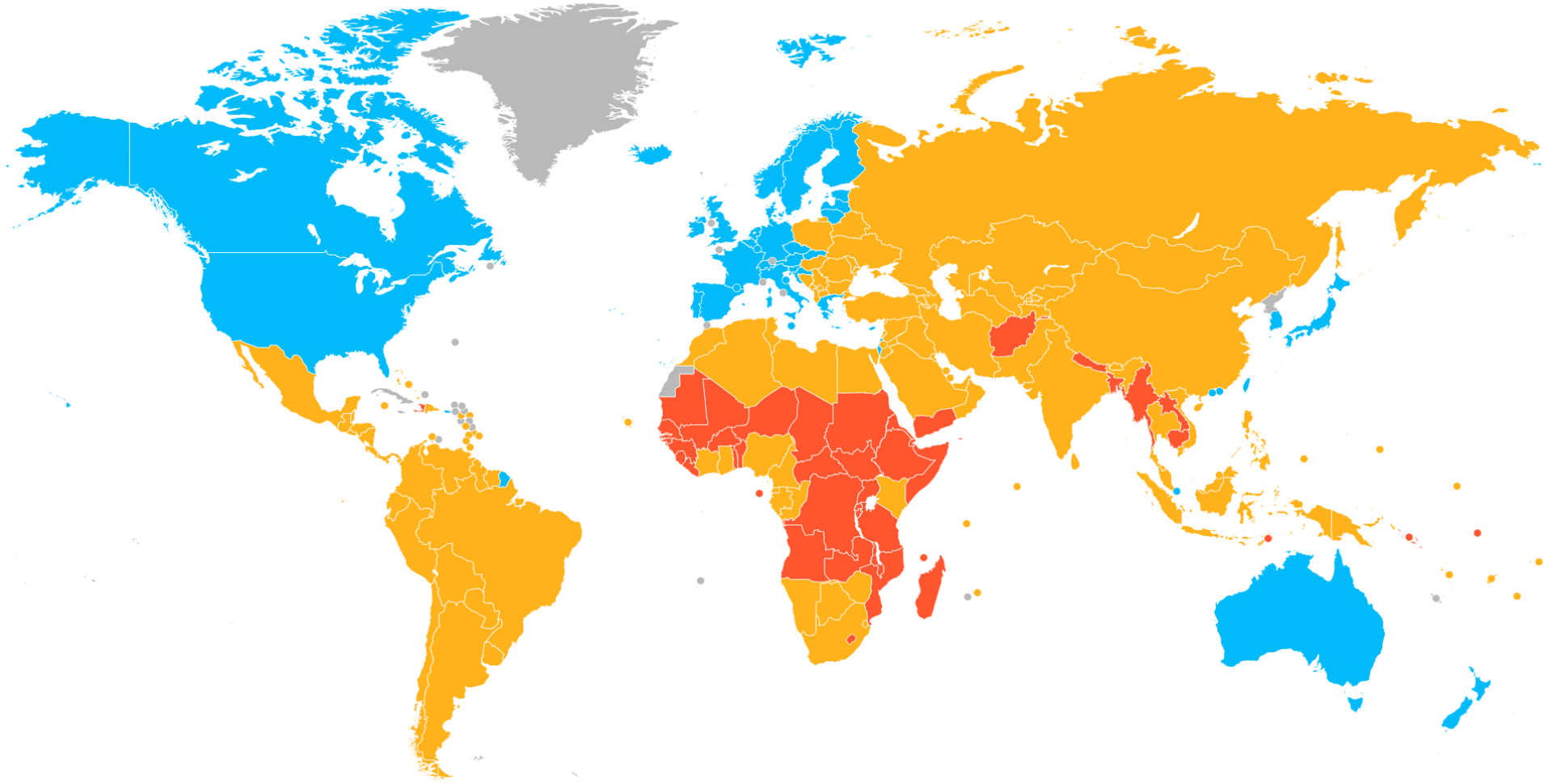
TOP RANKERS IN HDI		
1	Switzerland	0.967
2	Norway	0.966
3	Iceland	0.959
4	Hong Kong	0.956
5	Denmark	0.952
	Sweden	



INDIA STANDS at 134 with HDI of 0.644

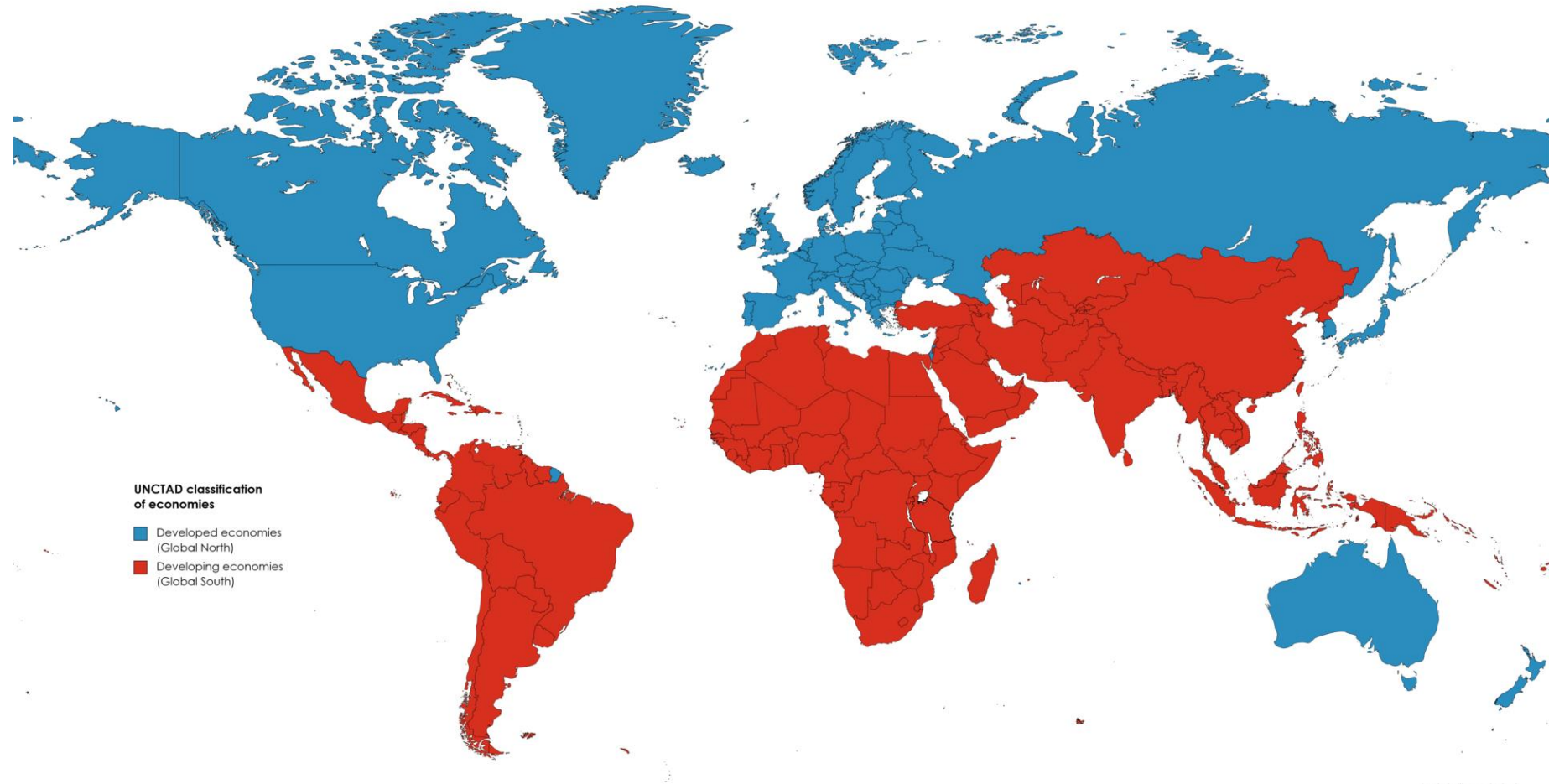
GENERAL TREND SHOWS THAT TRANSPARENCY IS PROPORTIONAL TO DEVELOPMENT OF THE NATION

DEVELOPED AND DEVELOPING ECONOMIES



AGAIN GENERAL **TREND** SHOWS THAT DEVELOPED ECONOMIES HAVE HIGH TRANSPARENCY AND HDI

DEVELOPED AND DEVELOPING ECONOMIES



- So to become developed economy, we must have qualities of transparency and our citizens must be healthy, educated and have good income/ decent standard of living.
- This implies, we need to work on **human quality**. We need to impart **ethical values** and **knowledge** and make them **healthy** and **enhance their income**. Infact it's a cycle where standard of living would improve when the skill level would increase.

NEED OF ETHICS & QUALITY FOR PROJECT IMPLEMENTATION AND INFRASTRUCTURE OPERATION & MAINTENANCE

We need to have **Best Quality** of **Design**, **Construction** & **Maintenance** with **Best Quality** of **Processes** and **Methods** and with **Best Quality** of **Equipment**, All handled by **Best Quality** of **Manpower**.

Manpower that has

- (i) strong ethical values of integrity, hardwork, sincerity**
- &**
- (ii) best skills and knowledge.**

This matter is required to be dealt

- (i) at level of family, institutions and society**
- &**
- (ii) through policy frameworks, institutions and organizations.**

WE NEED TO AIM FOR

Best Consulting Engineers

Best Project Managers/Engineers and Supervisors

Best Equipment Operators, Construction Material Handling Workers

Best Quality Control And Assurance Engineers

Best Safety Officers

Best Agencies for Execution of Works

Best Equipment

And above all Best MEN

**ROLE OF EDUCATIONAL INSTITUTIONS,
SKILL DEVELOPMENT INSTITUTES, GOVT
& INDUSTRY, & SOCIETY**

INTRODUCTION TO ETHICS

- Ethics is the fundamental introspection of *what is right and wrong*.
- These are moral values and principles that help in making decisions that reflect respect for Society and amongst all sects of Humanity.



ETHICAL PRINCIPLES

- **Autonomy: Respecting individuals' rights to make their own choices**
- **Justice: Fairness in treatment and allocation of resources**
- **Beneficence: Obligation to do good and provide benefits**
- **Non-maleficence: Avoiding harm to others**
- **Being Honest in all dealings and all walks of life**
- **Imbibing the quality of Integrity- i.e. becoming dependable and trustworthy**
- **Showing respect to others especially the olders/seniors**
- **Loyalty to the organization and the Nation at large**

Culture of Integrity for Nation's Prosperity : The Theme of Vigilance Awareness Campaign for 2024

ETHICS IN BUSINESS

- **Transparency: Honest communication with the stakeholders.**
- **Code of Conduct: Set guidelines for ethical business behavior.**
- **Ethical Leadership: Leaders influencing an ethical organizational culture.**
- **Corporate Social Responsibility (CSR): Companies acting in a socially responsible way.**

Thus Ethics in a way would help discourage corrupt practices

CHALLENGES IN MAINTAINING ETHICS

- **Conflicts of Interest:** Personal gain versus professional duty.
- **Cultural Differences:** Varied ethical standards across societies, States and Nations.
 - International difference in ethics means difference between two different nations in their values, beliefs and culture.
 - Most prominent issues that MNCs face are *Acceptable Ethical Values and Acceptable Quality Standards*
- **Pressure to Succeed:** Ethical compromises for success.
- **Technology:** Ethical concerns with AI, privacy, and surveillance.

CODE OF ETHICS

- Businesses have the responsibility to develop codes of conduct and ethics that every member of the organization must abide by and put into action.
- These help control malpractices and maintain good relations with all stakeholders
- These enhance decision-making and improve profitability and earn reputation

CODE OF ETHICS AND BUSINESS CONDUCT FOR EMPLOYEES OF HCL

- Ethical Conduct — General Expectations
- Workplace Responsibility
- Familiarisation With Relevant Laws, Regulations, Policies, Rules Etc. And Regulatory Compliance
- Protecting Assets Of The Company
- Conflict Of Interest
- Confidentiality Of Company Related Information
- Prohibition Of Use Of Company Related Information For Personal Gain
- Use Of Position In Company For Personal Purposes
- Concurrent Directorship Or Employment
- Social And Environmental Responsibility

NEED TO TACKLE THE UNETHICAL

- **Expose corrupt activities & risks**
- **Keep the organization honest, transparent & accountable**
- **Stop dishonest practice**
- **Adopt ethical behavior/practices**
- **Say no to bribery**
- **Mass awareness amongst citizens of the country**
- **Maintain well laid out processes and systems**
- **Use electronic systems to the maximum extent.**

GeM

IREPS

HOW TO ERADICATE CORRUPTION ?

- **Expose corrupt activities & risks**
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- **GeM**
- **Ireps**

POTENTIAL AREAS OF CONCERN

- **Procurement:** It is a vast area ranging from procurement of stores & services for execution of infrastructure projects. It is one of the major corruption prone areas in all organizations.
- **Sale of goods and services:** The disposal of goods & services (the reverse of procurement) is also a major area of corruption in some organizations.
- **Human resource management:** Human resource management is common to all organizations and the processes relating to recruitment, promotion, transfer and posting are prone to manipulation and corruption.
- **Delivery of services to public:** Major Government Departments and some PSUs are involved in delivery of services which are a potential area of corruption.
- **Enforcement:** The enforcement of Acts, Rules and Regulations is also an area vulnerable to corruption mainly due to lack of awareness among citizens and ineffective grievance redressal mechanism.

WAY FORWARD

- It has been observed that the detailed design is being outsourced by the Govt Organizations in a big way. This requires to have a fool proof system of selection of the Consultants as well as system of acceptance of their design.
- Rather than selecting Design Consultants based upon Lowest Bid System, QCBS(Quality Based Bidding System) should be adopted where the bidder with highest marks gets selected.
- In order to develop large scale infrastructure, designers must also be trained in innovative, economical and futuristic designs and the officials in Govt departments must be trained in making suitable policy frameworks.

ETHICAL AND PROFESSIONAL CONDUCT IN PUBLIC PROCUREMENT

PROFESSIONALISM IN CALLING STE & LTE

1. Selection of party for ST & for selection of parties for LTE with proper justification and with proper documentation such as scrutiny of technical and financial eligibility. (Not calling if OT can be easily called)
2. Refraining from Discretionary / Selective provisional registration of parties for issuing LTE, while not considering the last supplier who had successfully delivered.
3. Limited Tender Enquiry never to be issued to parties having common Directors / Partners as well as having known business relations with each other.
4. Avoiding steps that lead to deliberate creation of emergency situation to support STE/LTE.

PROFESSIONALISM IN WORKING OUT SCOPE OF WORK & QUANTITIES

- 1) Quantities procured on early delivery/ emergency basis must get consumed as stated in the indent.
- 2) Avoiding missing the quantities of important items in the scope that may resulting in Interim Deviation Statement/Variation Statement sometimes just at commencement stage, leading to proposals for new items.
- 3) Quantity and Scope for Free issue items to be stated clearly, such as provision of electricity, storage space, old rails for supporting excavation, etc.
- 4) Resources assumed during estimation must be indicated in Terms & Conditions of the contract.

PROFESSIONALISM IN WORKING OUT SCOPE OF WORK & QUANTITIES

- 5) Not splitting the indents to keep the value of tender within DOP of certain levels.
- 6) Avoiding separate concurrent proposals with overlapping service activities. E.g. it's not desirable to award and commence a contract for maintenance of plant when already one contract is in place, and that too may be at lower rates.
- 7) Scope of work mentioned must be relevant with the Job required to be executed in the Contract.

PROFESSIONALISM IN FIXING ELIGIBILITY CRITERIA

- 1) Not mentioning specific requirement for routine jobs of generic nature.
- 2) For item supply/ work execution contracts, not mention requirement of minimum quantity of the material supplied/ work executed. PQC should clearly mention the 80%, 50% or 40% of material supplied or work executed through 1, 2 or 3 contracts respectively.
- 3) Clear cut-off date for successful operation/experience should be indicated. It should be clearly mentioned that the similar work should have been completed during last 7 years(say) ending last date of the month preceding the month of NIT.
- 4) Documentation required for acceptance / eligibility should be clearly specified. Eligibility criteria should must be in consonance with Special Terms & Conditions of NIT. E.g. work may be of large structural steel shed and PQC may be mentioning about execution of work of RCC buildings.

PROFESSIONALISM IN FIXING ELIGIBILITY CRITERIA

- 5) Similar Work should be specifically defined to avoid to subjectivity in Eligibility Criteria.
- 6) Similar work should be defined in such a way so as not to favour selective parties and restrict competitive bidding. (E.g. 'Construction of 10 spans of 45m PSC box bridge over well foundation across river for Railway line.)
- 7) Definition of similar work in eligibility criteria is based on minor component of work especially in Composite Contract. (E.g. PQC mentions about construction of a 30m span bridge while the work involves only 1no 30m span bridge and 6nos 45m span bridges).

PROFESSIONALISM IN PRESCRIBING SPECIFICATION

- 1) Specifications should not be too restrictive or based on old/obsolete models/technology. Later on change of specifications may be needed leading to contractual complications.
- 2) Specifications should not differ radically from what is mentioned in estimates. Critical parameters should be clearly identified and should be measurable.
- 3) Mentioning of brand name in tenders or mentioning of special features of equipment of a particular manufacturer. At most brand/specifications can be mentioned duly allowing equivalent ones also.
- 4) New item specification made in the lines of budgetary offer of a single firm should be avoided. Either proper rate analysis should be done or budgetary offer from 3 firms should be obtained.

PROFESSIONALISM IN PRESCRIBING SPECIFICATION

- 5) Avoiding contradiction in the quantifiable factors resulting in dispute for settlement of quantities. E.g. measurement by volume at one place and by lot at other place, or 2 different items for same work with different rates.
- 6) Requirement of Manpower and their Skill requirement must be defined in the contract as per the requirement of job. Mode of evaluation of skill of Manpower should be mentioned in the NIT. E.g., Ensure mentioning the marks for CV, qualification and experience.
- 7) While framing Terms & Conditions of Contract, appropriate clauses for deduction/recovery on account of substandard work, delayed work, w.r.t. less manpower/unskilled manpower deployment should be included judiciously to safeguard the interest of organization.
- 8) Penalty clauses should be included appropriately in line with the cost of the work. E.g. avoid minor fixed amount of LD in very large value contract or large fixed amount of penalty in a small value work.

PROFESSIONALISM IN ESTIMATION

- 1) Estimate should be based on Last Accepted Rate(LAR) or Last Purchase Price (LPP) duly considering price variation during intervening period.
- 2) Refrain from estimation based on LPP of disputed contract which has not materialized in terms of delivery, especially in case of good procurement contracts.
- 3) Engg. Estimate should be prepared as per prevailing Guidelines such as CPWD rates and AOR, etc.
- 4) In manpower contracts, avoid estimate prepared based on assumptions and not based on the historical data of actual deployment, and avoid payment on LS basis rather than manpower basis unless detailed foolproof analysis is available and stringent provisions are available.

PROFESSIONALISM IN ESTIMATION

- 5) Avoid estimate based on previous order placed on Single Tender awarded on Emergency basis.
- 6) Avoid estimate preparation considering branded products but keeping generalized specifications. E.g. rates of Godrej furniture, Polycab cables, Siemens Electric panel, etc but tender items are very generalized such as material of any brand and lower specifications can be supplied.
- 7) Important items required for the tender not considered during the estimate preparation. E.g. leaving out item of pile foundation for a bridge/ workshop project whereas it's essential as per design requirement.

PROFESSIONALISM IN TENDER EVALUATION

1. Uniformity in technical evaluation w.r.t. work experience of the bidders to avoid declaring eligible bidders as ineligible. There should not be different interpretations of credentials of different bidders.
2. Offers should be accepted without deviating from the tender terms and conditions.
3. Refrain from accepting the offer of the party evaluated and declared technically eligible without submission of the copy of the work order and without proper scrutiny of documents.
4. Job Completion Certificate should not be considered / accepted without mention of actual executed value of the work in the certificate or associated document and contract award value should not be considered as the executed value.
5. Work Orders / POs of ongoing contracts should not be considered during evaluation without being specifically mentioned in NIT.

PROFESSIONALISM IN TENDER EVALUATION

6. Care must be taken to avoid the situation that Credentials of a Party are rejected in one tender, however the same credentials are accepted in another tender having the same Eligibility Criteria.
7. Technical Evaluation sheet should be prepared mentioning all relevant data.
8. Apart from Govt organizations, credential from public listed company can be considered, which is listed on NSE/BSE, and is incorporated / registered at least 5 years prior to date of closing of tender and having average annual turnover of atleast Rs500Cr in last 3 years. Credentials issued by private individuals can't be considered.
9. In case of Budgetary Offer sought / Purchase Order issued to the Supplier on behalf of OEM, present status of authorization from OEM should be ensured.
10. Credential of the parent company of a subsidiary can't be considered.

PROFESSIONALISM IN CONTRACT MANAGEMENT

1. Ensure timely signing of Contract Agreement and execution of work and release of payment after Contract Agreement.
2. Ensure submission of Performance Security / Insurance Policies (if required) by the contractor within stipulated period
3. Allow subletting of job only with written consent of the Employer as per contract provisions.
4. Maintaining the Field Book and Measurement Book properly and ensuring quantities recorded in Field Book are matching those in Measurement Book and RA Bills.
5. Proper maintenance of record related to free issue of material from department such as cement, steel, rails, etc.
6. Proper maintenance of record related to Equipment, Vehicles and Key Personnel deployed in the contract.

PROFESSIONALISM IN CONTRACT MANAGEMENT

7. Maintaining hinderance register or making entries in it carefully.
8. Consumable and Non-consumable items of other Contract/site are used only with due permission of the competent authority and with proper records and accountal.
9. Refraining from advance certification of the quantities in RA Bills without proper records to avoid payments without completion of the work as per payment terms.
10. Receiving items and passing after ensuring conformance to the make/specifications mentioned in the Contract.
11. Avoiding discrepancies/shortfalls in payment of wages to contractual labour in regard to the statutory contributions/ amount prescribed.
12. Work/Job completion certificate must be issued by the authority competent to do so and must be issued only after satisfactory completion of the work as per the contract provisions.



The legacy I would like to leave behind is a very simple one - that I have always stood up for what I consider to be the right thing, and I have tried to be as fair and equitable as I could be.

Ratan Tata

धन्यवाद
THANK YOU



जय हिन्द