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The Trade Council

Decoding India's GovTech and FinTech landscape

A playbook for Danish companies

February 2025

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Executive summary

India has been expanding the boundaries of its booming digital economy. Internet penetration, coupled with access to affordable smartphones and mobile apps, has enabled the proliferation of digital public goods in various areas, such as citizen identity, digital payments, education and health, to name a few. Significantly improving access to digital tools, government services and information, the Digital Public Infrastructure (DPI) has unified previously isolated economic pockets. The country's ambitious target of achieving a ~EUR 9.68 trillion economy by 2035 is poised to be driven by the power of digitisation.

Enabled by an ecosystem of conducive policy, regulatory and technological framework, the Indian federal and state governments have initiated several programmes, in collaboration with domestic and international entities. In this regard, Denmark has also taken similar initiatives for nurturing a participative, sustainable and technology-driven environment. Several Danish IT firms have been contributing to various digital transformation initiatives in the domestic arena and in the global playfield. Exhibiting a stellar track record with strong credentials, these firms have been using advanced technologies such as AI, analytics, internet of things, cloud computing and robotics.

The purpose of this report is to provide strategic insights to Danish FinTech and GovTech companies for potential entry into the Indian market, by identifying synergies and whitespaces. The report is based on an in-depth analysis of ~240 Danish companies, categorising them into multiple key segments, and then further examining select companies on their strengths and product/service offerings. Six key FinTech segments, including ESG/climate finance, payments, credit, investment/finance/BankTech, InsurTech and FS horizontal tech were examined. For GovTech, 3 focus areas and 11 sub-segments across public service delivery, education and health were considered. FinTech and GovTech companies in India were also analysed and mapped to the identified strengths of the Danish players for potential collaboration and partnership in the Indian market.

The analysis of Danish companies and their Indian counterparts has revealed potential opportunities for Danish players with Indian counterparts in several FinTech and GovTech areas. Multiple FinTech areas, such as ESG tracking platforms, ESG compliance and payments security solutions offer future market engagement prospects. Similarly, health awareness, massive open online courses and workflow management areas in GovTech can be explored for market penetration.

The Danish players in AI and automation for FinTech and GovTech offer a wide variety of services backed by advanced technology. With Indian players still in the growth stage segment, this can pave the way for Danish players to enter the Indian market. By adopting a strategic multi-dimensional entry approach, Danish firms can expedite their market adaptation, building customer trust and satisfaction.

The report contains an analysis of Danish and Indian firms in the FinTech and GovTech sectors based on secondary research. The insights drawn are suggestive in nature, and Danish players should perform proper due diligence on a case-to-case basis before making a decision to enter the Indian market.

The report also includes an overview of the foreign investment's regulatory ecosystem which would aid businesses in identifying key policy and regulatory priorities while mitigating risks. The report provides a brief summary of the regulatory framework for India's GovTech and FinTech sectors, encompassing multiple regulators, sector-specific norms and compliance standards.

About the study

Background and our understanding

India and Denmark have shared strong bilateral ties since 1949, with relations steadily growing over the decades. In 2020, the two nations established a strategic partnership focused on green initiatives to address climate goals.[1] Between 2000 and 2021, Denmark's total investment inflows into India amounted to EUR 1.74 billion.[2] As of 2022, Danish exports to India stood at EUR 489.16 million.[3] Currently, about 200 Danish companies operate in India, primarily in shipping, renewable energy, environment, agriculture, food processing and smart urban development. Despite these promising developments, there remains significant untapped potential to expand Danish investments in India. For comparison, Sweden, Denmark's neighbour, recorded a total FDI of EUR 2.42 billion in India as of 2024, ranking as the 21st largest investor in the country.[4]

Objectives of the report

The report identifies specific opportunities for midsized Danish companies in India's emerging GovTech and FinTech sectors. Danish companies with proven use cases are well-positioned to explore these opportunities.

Our approach and methodology

To deliver the report, a structured and consultative approach is adopted to ensure alignment with the desired objectives. This will include a detailed study of India's GovTech and FinTech sectors, identifying key applications and use-cases for potential engagement by Danish companies. It also addresses market entry challenges and regulatory imperatives while providing suggestive recommendations for successfully entering the Indian market within the specified sectors.

A **"What-Why-How"** approach would be followed to curate the report as outlined below:

What

Industry analysis

- Map the regulatory landscape of GovTech and FinTech sectors in India
- Perform market assessment of the specified sectors

Why

Identify opportunities

- Map demand-supply gap
- Identify specific use-cases for which solutions can be delivered by Danish companies

How

Recommendations

- Provide suggestive recommendations on market entry by Danish companies

Methodology

The study employs quantitative data and qualitative analysis, using secondary research from the public domain, including:

Existing literature – This includes reports from Deloitte, Gartner, Invest India and other sources on regulations, market potential, incentives and opportunities in India's FinTech and GovTech sectors.

Case studies – Study case studies of companies providing FinTech and GovTech solutions to the government and industry, focusing on 2–3 sub-sectors such as InsureTech, RegTech and Lending.

Use experience – Drawing on experience from technology transformation projects in India, including smart cities, urban development, fintech, policy advocacy, impact assessments and state-level technology adoption programmes. In addition, using the experiences across Deloitte's network of member firms to bring in sectoral expertise.

1 https://indien.um.dk/en/denmark-in-india/green-strategic-partnership
2 https://www.indianembassycopenhagen.gov.in/page/india-denmark-relations-india/#:~:text=16.,processing%20and%20smart%20urban%20development.
3 https://oec.world/en/profile/bilateral-country/ind/partner/dnk
4 https://www.investindia.gov.in/country/sweden

Glossary of terms

ABDM	Ayushman Bharat Digital Mission
ADB	Asian Development Bank
AI	Artificial Intelligence
AICPA	American Institute of Certified Public Accountants
AML/CFT	Master Guidelines on anti-money laundering/counter financing of terrorism
APBS	Aadhaar Payments Bridge System
B2B	Business to Business
BCMS	Business Continuity Management Systems
BIS	Bureau of Indian Standards
Bn	Billion
BNPL	Buy Now, Pay Later
BO	Branch Office
BRSR	Business Responsibility and Sustainability Reporting
CBS	Core Banking Solution
CIC	Core Investment Company
CIET	Central Institute of Educational Technology
CSCRF	Cybersecurity and Cyber Resilience Framework
CSICSS	Central Sector Schemes/ Centrally Sponsored Schemes
CSPs	Cloud Service Providers
CDD	Customer Due Diligence
CDSCO	Central Drugs Standard Control Organisation
CERT-In	Computer Emergency Response Team-India
CPSEs	Central Public Sector Enterprises
DIA	Digital India Act
DIKSHA	Digital Infrastructure for Knowledge Sharing in Education
DLAs	Digital Lending Apps
DoE	Department of Expenditure
DNDGP	Draft National Data Governance Policy
DPIIT	Department for Promotion of Industry and Internal Trade
DPDP Act	Digital Personal Data Protection Act, 2023
DPSS	Department of Payment & Settlement Systems
EHR	Electronic Health Record
EoDB	Ease of Doing Business
ECB	External Commercial Borrowing
ESG	Environmental, Social and Governance
EWS	Early Warning Signals
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FIU-IND	Financial Intelligence Unit-India

FC-GPR	Foreign Currency - Gross Provisional Return
FC-TRS	Foreign Currency - Transfer of Shares
GCC	Government Community Cloud
GFR	General Financial Rules
GDP	Gross Domestic Product
GeM	Government e-Marketplace
General PPO	Public Procurement (Preference to Make in India) Order, 2017
GDPR	General Data Protection Regulation
GTE	Global Tender Enquiry
GST	Goods and Services Tax
GTM	Go-to-market
HFC	Housing Finance Company
HMIS	Health Management Information System
ICT	Information and Communication Technology
IDF-NDFC	Infrastructure Debt Fund NBFC
IGNOU	Indira Gandhi National Open University
IMDRF	International Medical Device Regulators Forum
IaaS	Infrastructure as a Service
IoT	Internet of Things
IIT	Indian Institute of Technology
IRCTC	Indian Railway Catering and Tourism Corporation
IRDAI	Insurance Regulatory Development Authority of India
ISMS	Information Security Management System
JV	Joint Venture
KRA	KYC Registration Agency
KYC	Know Your Customer
LC	Local Content
LMS	Learning Management System
LO	Liaison Office
LSPs	Lending Service Providers
MD-PPIs	Master Directions on Prepaid Payment Instruments
MDDS	Metadata and Data Standards
MeitY	Ministry of Electronics and Information Technology
MFA	Multi-factor authentication
MoHFW	Ministry of Health and Family Welfare
MoU	Memorandum of Understanding
NBFC	Non-Banking Financial Company
NBFC-AA	NBFC-Account Aggregator
NBFC-ICC	Non-Banking Financial Company-Investment and Credit Company
NBFC-MFI	Non-Banking Financial Company-Micro Finance Institution
NBFC-P2P	NBFC-Peer to Peer Lending Platform
NETF	National Educational Technology Forum
NEP	National Education Policy, 2020
NIOS	National Institute of Open Schooling
NIT	National Institute of Technology

NOF	Net Owned Fund
NOFHC	Non-Operating Financial Holding Company
NPS	National Pension Scheme
NPCI	National Payments Corporation of India
ODI	Overseas Direct Investment
PA-CB	Payment Aggregator-Cross Border
PA-DSS	Payment Application Data Security Standard
PAs	Payment Aggregators
PFRDA	Pension Fund Regulatory and Development Authority
PGs	Payment Gateways
PLI	Production Linked Incentive
PMLA	Prevention of Money-Laundering Act, 2002
PIMS	Privacy Information Management System
PO	Project Office
PSS Act	Payments and Settlement Systems Act, 2007
PSOs	Payment System Operators
PSP	Payment System Providers
PSUs	Public Sector Units
PCI-DSS	Payment Card Industry Data Security Standard
PoS	Point-of-Sale
RBI	Reserve Bank of India
RFA	Red Flagging of Accounts
RFCTLARR Act 2013	Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013
RE	Regulated Entity
SaMD	Software as Medical Devices
SAR	System Audit Report
S&P	Standard and Poor's
SEBI	Securities and Exchange Board of India
SRO	SEBI/Self-Regulatory Organization
SPDI	Sensitive Personal Data and Information Rules
SPDs	Standalone Primary Dealers
SPs	Service Providers
SQuaRE	Systems and Software Quality Requirements and Evaluation
SSO	Single sign-on
STQC	Standardisation Testing and Quality Certification
STRs	Suspicious Transaction Reports
SWAYAM	Study Webs of Active-Learning for Young Aspiring Minds
TDS	Tax Deducted at Source
UIDAI	Unique Identification Authority of India
UGC	University Grants Commission
UPI	Unified Payments Interface
UPSC	Union Public Service Commission
USOF	Universal Service Obligation Fund
VDA	Virtual Digital Asset
VPN	Virtual Private Network
VPC	Virtual Private Cloud

FinTech landscape in India

Background and objective

This section covers an analysis of the Indian Fintech landscape, alongside key strengths and value propositions offered by Danish Fintech players, with an objective to unearth potential market entry/partnership opportunities in India for Danish FinTech B2B players.

Approach and methodology

A Indian FinTech overview

- Overview of Indian B2B FinTech landscape encompassing market trends, FinTech segments, key players and growth drivers

B Denmark FinTech analysis

- Referred to Copenhagen Fintech Consortium and identified B2B players across six key segments *(ESG/climate finance, payments, credit, investment/finance/bankTech, insurTech and FS horizontal tech)*
- Performed analysis based on company background, product/service/technology capabilities, unique value proposition and financial metrics

C Opportunities deep dive

- Examined evolving/unmet needs in Indian B2B FinTech vis-a-vis capabilities/offerings/strengths of Danish FinTech companies
- Identified opportunities and provided actionable insights for market entry of Danish firms in India

Overview of Indian FinTech sector

As of 2024, India's FinTech sector is valued at ~EUR 106.7 billion,[5] which is projected to grow at a CAGR of ~31 percent,[1] positioning India as one of the fastest-growing FinTech markets globally. This transformation is driven by increasing demand in India for personalised, technology-enabled financial solutions and rising internet penetration (~52.4 percent).[6] FinTech innovations are reshaping traditional banking, shifting the financial services landscape from a one-size-fits-all approach to a more customer-centric, tailored approach.

14%
India's share of global fintech funding in 2023

#2
In terms of global fintech deal volume

2nd
Most funded start-up sector in the country in 2022

295
Fintech companies founded in 2024

EUR 1.64 billion
Total funding received in 2024

182
Total number of funding rounds

*Source: Invest India, Inc42

India at the forefront of FinTech innovation: Vision 2047

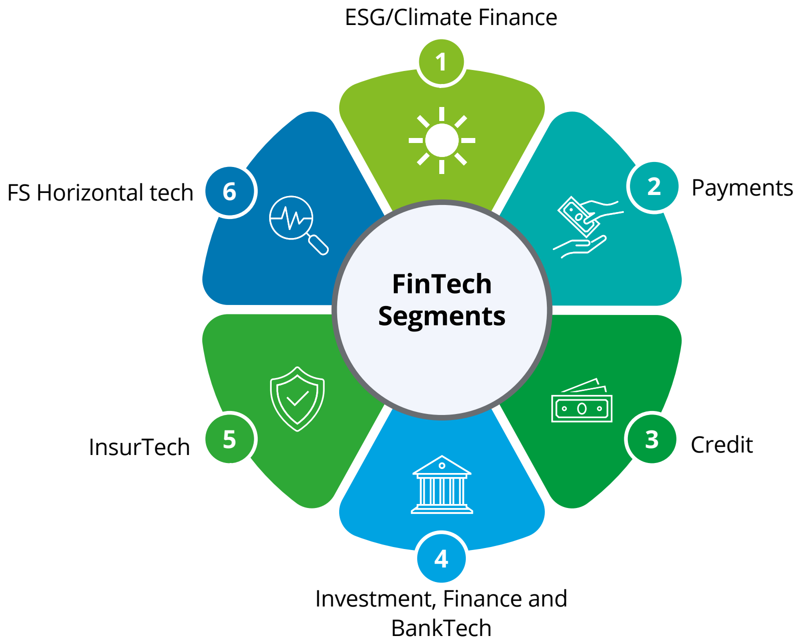
Viksit Bharat 2047 is the Indian government's ambitious vision to transform India into a developed, self-reliant economy by its centenary of independence. It will focus on sustainable development, equitable growth and technological advancements. India's FinTech sector is poised to play a key role in this transformation, driving financial inclusion and product innovation to empower underserved populations and small businesses.

Technologies such as digital payment systems, open banking and blockchain are poised to create a transparent, efficient and globally integrated financial ecosystem. At the 2024 Global FinTech Fest held in Delhi, the Reserve Bank of India (India's central bank and regulatory body) highlighted five priorities: **Digital financial inclusion, digital public infrastructure, consumer protection** and **cyber security, sustainable finance** and **global integration** and **cooperation.**

Furthermore, India's FinTech success is also driven by the rapid adoption of UPI and RuPay,[7,8] expanding globally in countries such as Singapore, the UAE and France. As the Indian economy grows, cutting-edge technologies such as AI, IoT and quantum computing will further revolutionise fraud detection, credit scoring and financial systems, requiring increased strategic investment and collaboration.

[5] Business Standard
[6] Data Reportal
[7] https://www.npci.org.in/what-we-do/upi/product-overview
[8] https://www.rupay.co.in/

Key segments in FinTech



1. **ESG/Climate finance:** Involves integration of environmental, social and governance factors in Fintech products, and investments to mitigate climate impact.

2. **Payments:** Involves streamlining financial transactions through online platforms and mobile devices, making payments faster and more secure.

3. **Credit:** Involves digitalising credit services, enabling faster loan processing and credit accessibility.

4. **Investment, finance and BankTech:** Involves technology-driven solutions and platforms designed to enhance, streamline and digitise financial services, investment operations and banking infrastructure, catering specifically to businesses and financial institutions.

5. **InsurTech:** Involves integrating technology with traditional insurance products to offer innovative solutions for policy providers, enhancing the efficiency of insurance processes across value chain.

6. **FS horizontal tech:** Involves cross-functional technology solutions that support financial services through advanced data analytics, regulatory compliance tools, AI-driven automation and platforms for seamless business onboarding and servicing.

Guiding framework

The B2B FinTech landscape has been divided broadly into six key segments: ESG/Climate finance, payments, credit, investment/finance/BankTech, InsurTech and FS horizontal tech. Each of the six segments has been further classified into 24 sub-segments.

B2B FinTechs can be broadly classified into 6 areas and 24 sub-segments

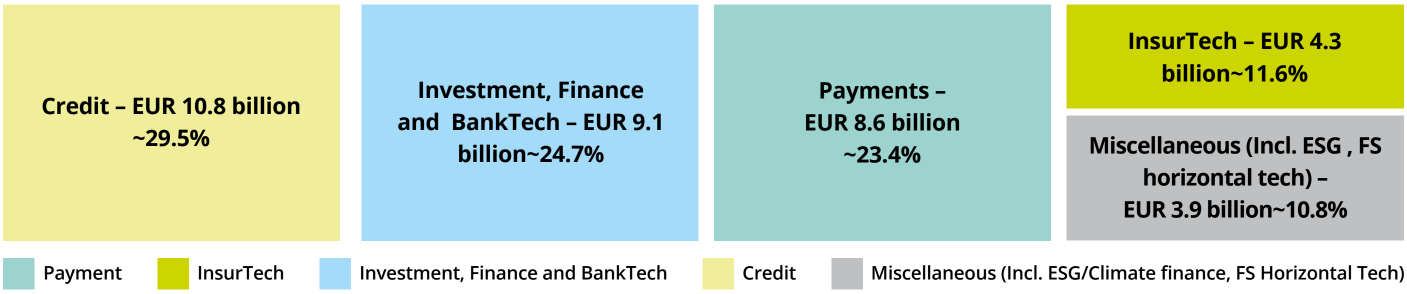
FinTech segments		Sub-segments
ESG/Climate Finance	1	ESG tracking platforms
	2	ESG compliance solutions
	3	ESG supply chain solutions
	4	CO_2 accounting/ tracking platforms
	5	Carbon credit trading
	6	Climate finance solutions
	7	Brand sustainability review platforms
Payments	8	Corporate cards, M-Wallets and PPIs
	9	Merchant payments and POS
	10	B2B payments (including cross border and crypto payments)
	11	Payment security solutions
Credit	12	Corporate and MSME lending
	13	Lending enablers
	14	Lending marketplaces
Investment, Finance and BankTech	15	Financial advisory solutions
	16	Open banking/cloud-based API solutions
	17	Expense management
	18	Tax and accounting services
InsurTech	19	Corporate insurance providers
	20	Claims, distribution
FS Horizontal Tech	21	Big Data
	22	RegTech
	23	Automation and AI
	24	On-boarding and servicing platforms

PPI: Prepaid Instruments, POS: Point-of-sale, AI% Artificial Intelligence

Share of investments in FinTech across sectors (2024, in EUR)

In India, registered FinTech start-ups have increased fivefold, from 2,100 in 2021 to 10,200 in 2024.[3] Total funding across ESG/ climate finance and FS horizontal tech sectors is clubbed under miscellaneous.*

Share of investments in FinTech across areas (in 2024, in EUR billion)



Source: Tracxn data (Nov 2024)

Growth drivers

Steady economic growth (2024 GDP growth rate at 7.2 percent)[9] is expected to boost household consumption and income levels, particularly in tier 2 and 3 cities where financial services are underpenetrated. The development of digital infrastructure is enhancing access to smart devices in both urban and rural areas in India (~78 percent cellular mobile connections).[10]

India stack (open API platforms)

Key platforms such as Aadhaar,(?) Unified Payment Interface (UPI), Bharat Bill Payments and GSTN(?) form the backbone of India's digital infrastructure, enabling seamless integration and fostering innovation in financial services.

Emerging technologies in the FinTech

AI, IoT, ML and Blockchain drive new FinTech business models, enhance customer experience, manage risks and offer personalised solutions across all FinTech segments.

Favourable demographics

By 2030, India will add 140 million middle income and 21 million high income households,[8] creating a growing demand for innovative FinTech solutions.

Financial inclusion initiatives

Government initiatives such as Pradhan Mantri Jan-Dhan Yojana, Direct Benefit Transfers, Atal Pension Yojana and others have brought millions of citizens into the formal banking system, including rural areas.

Increasing internet and smartphone penetration

India is the world's second-largest smartphone and internet market, with nearly 1 billion users expected by 2026,[11] along with projections that Internet-connected households will grow by 46 percent, reaching 233 million.[12]

COVID-19 as a catalyst

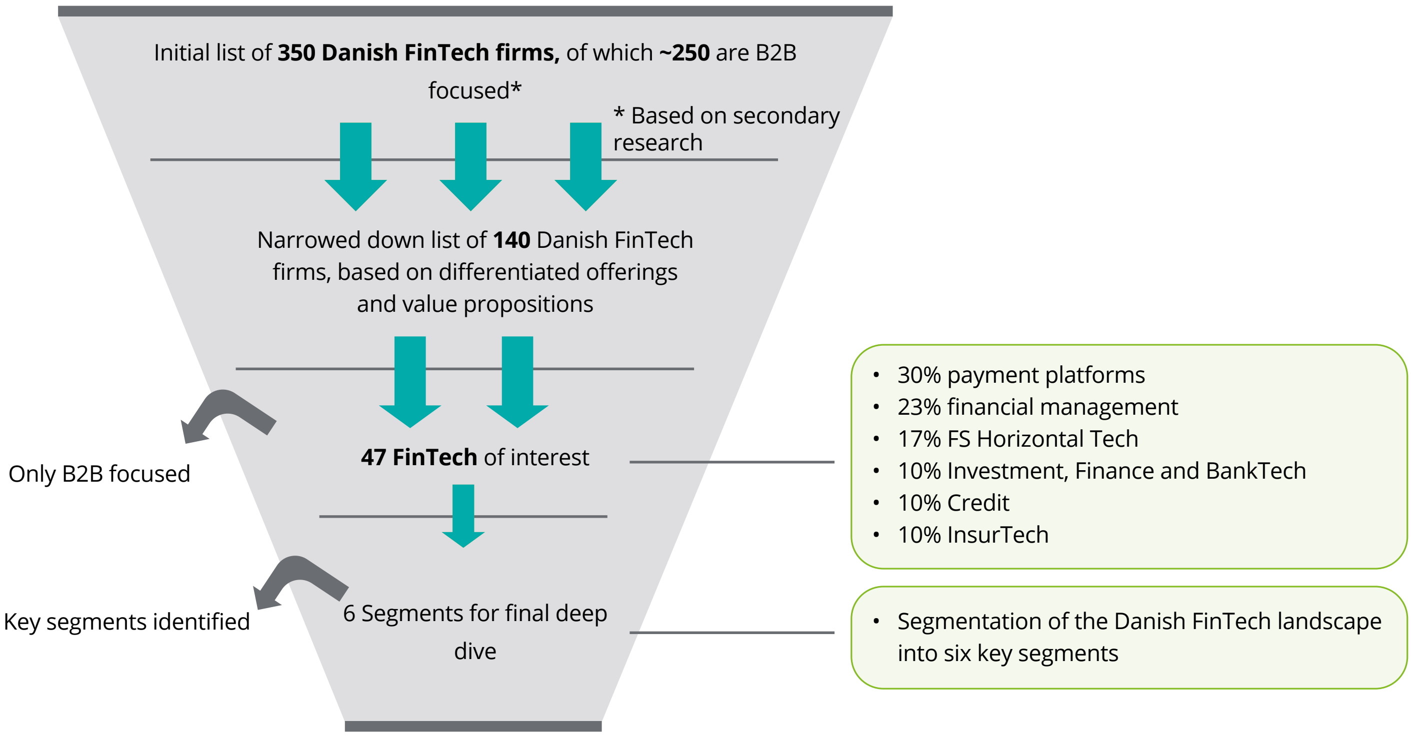
The pandemic accelerated digitalisation in India's FinTech industry. National Payment Corporation of India's e-RUPI was launched in 2021 and enabled cashless payments via QR codes and SMS.

[9] ET Report
[10] Data Reportal
USD to EUR conversion rate used: 1 USD =0.97 EUR across document
[11] Deloitte Internal report
[12] World Economic Forum

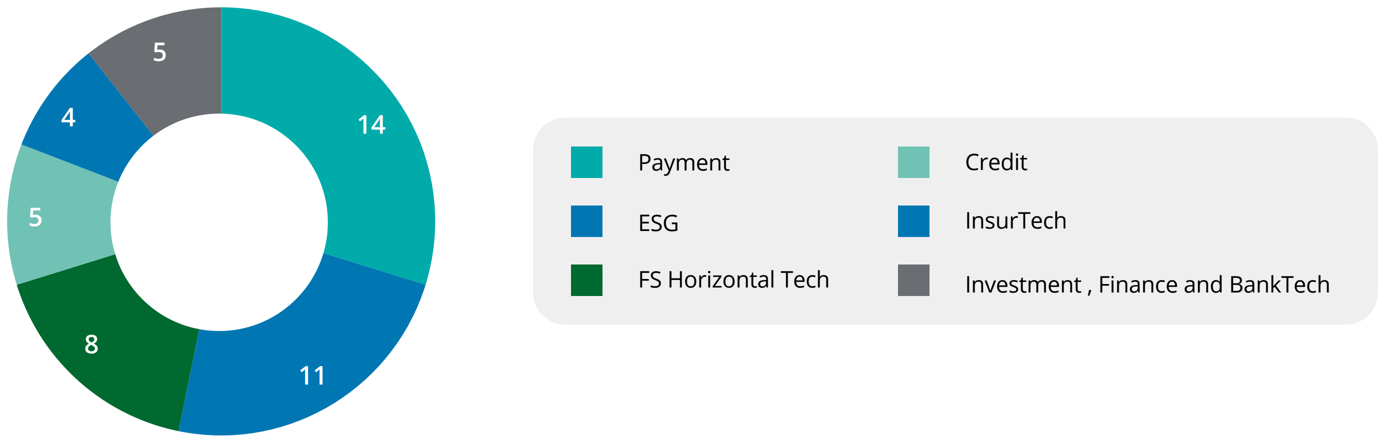
FinTech capability analysis

Scoping and segmentation – Danish FinTech ecosystem

Per our analysis, there are ~350 FinTech companies in Denmark, of which ~250 are B2B-focused. Based on the differentiated product offerings and value propositions, the study narrowed to 140 Danish FinTech players. About 47 B2B players were then analysed as relevant to the Indian landscape. For this report, we have classified them under six key segments per our guiding framework (refer to section 4.4 above) for comprehensive analysis and drawing actionable insights.



Below is the distribution of 47 Danish B2B FinTech companies identified above across six segments per our framework.



Strengths and capabilities assessment: Strength analysis of key B2B FinTech players across segments in India and Denmark

The report has captured insights into company background, product/service/technology capabilities and unique propositions offered by key companies across segments. Companies with similar capabilities have been organised together, allowing ease in identifying the primary strengths honed by Danish and Indian B2B FinTech companies across the six key segments. Below are the major strengths exhibited by Danish and Indian FinTech players.

ESG/Climate finance

Illustrative not exhaustive

Danish players

Key sub-segments	ESG tracking platforms	ESG compliance solutions	ESG supply chain solutions	CO_2 accounting/ tracking platforms	Carbon credit trading	Climate finance solutions	Brand sustainability review platforms
Indicative examples of Danish players	Sustainly Momentum Suppliable.io Valified Qvonto	Momentum, Suppliable.io Valified Qvonto Denominator Matter	Suppliable.io Valified Denominator Normative	Sustainly Verarca Valified Normative Carbon Clear Everimpact	Carbon Clear Everimpact Agreena	Verdane Doland	BeCause

Danish FinTech space has prominent players with an array of offerings in the ESG/climate finance segment. Some key players have implemented end-to-end ESG platforms that provide solutions, ranging from ESG and CO2 tracking to compliance and ESG supply chain using AI-powered tracking software. A few players also offer niche solutions around carbon credit trading and climate finance using advanced data analysis tools and Open APIs.

Indian players

Key sub-segments	ESG tracking platforms	Climate finance solutions	ESG Supply chain solutions
Indicative examples of Indian players	Blue Sky Analytics Sentra.world Accacia Impactree Data Technologies	Sentra.world Aerem Neufin	Sentra.world Aerem Neufin

India's ESG/Climate FinTech space has only a few players and limited offerings. Most companies in this segment focus on ESG tracking and supplier emission tracking platforms. Few players also offer green financing solutions and a marketplace for ESG tools.

Payments

Illustrative not exhaustive

Danish players

Key sub-segments	B2B payments (incl. crypto and cross-border payments)	Corporate cards, M-wallets and PPIs	Merchant payments and POS	Payment security solutions
Indicative example of Danish Players	Clearhaus Inpay Coinpay ZTLment	Cardlay	Flatpay Vibrant	Clearhaus Januar Chainalysis

Payment players in Denmark offer many solutions, including PoS, cross-border payments and payment security solutions. Few leading players have developed e-commerce solutions that enable multi-currency payments with fraud and chargeback management, recurring transactions, quick setup, APIs and secure processing. Emerging digital assets such as crypto payments are another major offering by Danish players, along with innovative products and cutting-edge technology.

Indian players

Key sub-segments	B2B payments (incl. crypto and cross-border payments)	Corporate cards, M-wallets and PPIs	Merchant payments and POS	Payment security solutions
Indicative example of Indian Players	Razorpay Pine labs CoinDCX Trustt	Hyperface 42 card solutions	Payswiff Mswipe Ezteap Innoviti	Clari5 Advarisk

The Payments FinTech space in India is highly competitive, with established unicorns and new players offering various services, from payment solutions to bookkeeping and POS solutions. However, risk and fraud detection is still in the growth stage with limited offerings, while crypto payment solutions have not seen much traction in India owing to stringent regulatory policies.

Credit

Illustrative not exhaustive

Danish players

Key sub-segments	Corporate and MSME lending	Lending enablers
Indicative examples of Danish players	Viabill Moneyflow MXNEY Anyday	Leneo Subaio Risika Flexfunding

Danish players have implemented an end-to-end lending management platform and class-leading finance solutions such as Buy Now, Pay Later (BNPL), which delivers value to merchants and their customers throughout Denmark, Spain and the US.

Indian players

Key sub-segments	Corporate and MSME lending	Lending enablers	Lending marketplaces
Indicative examples of Indian players	Zestmoney Credit Fair	Credable	Incred LendingKart

The credit FinTech space in India is dominated by established unicorns offering unique solutions targeting MSMEs through online lending platforms. Additionally, a few players provide loan lifecycle management solutions.

Investment, finance and BankTech

Illustrative not exhaustive

Danish players

Key sub-segments	Financially advisory solutions	Open banking/cloud-based API solutions	Expense management	Tax and accounting services
Indicative examples of Danish players	Festina Finance Scaleup Finance	Clearhaus	Acubiz Pento Pleo Performativ	Beierholm Roesgaard

Denmark's FinTech ecosystem offers various financial management solutions, from accounting and expense management platforms to financial advisory solutions, backed by advanced automation processes.

Indian players

Key sub-segments	Financially advisory solutions	Open banking/cloud-based API solutions	Expense management	Tax and accounting services
Indicative examples of Indian players	Fintso Miles software	Zeta Signzy M2P Juspay	Cashflo KredX	Khatabook

Investment, finance and BankTech players in India primarily offer financial advisory platforms, banking platforms and end-to-end tax and cash management platforms.

InsurTech

Illustrative not exhaustive

Danish players

Key sub-segments	Corporate insurance providers	Claims. distribution
Indicative examples of Danish players	Agreas	Comadso Exur

Insurtech players in Denmark provide data enrichment and analysis solutions that aid in risk assessment and customer profiling. The Danish InsurTech ecosystem includes integration to legacy insurance systems, providing APIs suitable for online sales and the ability to build pluggable widgets and full front ends. This helps to systematise and automate the data collection process of insurance intermediaries. Danish players have also developed end-to-end InsurTech platforms with embedded insurance and data collection automation.

Indian players

Key sub-segments	Corporate insurance providers	Claims, distribution
Indicative examples of Indian players	Plum Riskcovry Turtlfin	Mediassist

The Indian InsurTech space offers a range of solutions, with unicorns present in the insurance policy comparison platform segment. Third-party administrators that help automate claims processing and preprocessing have a strong presence in the Indian InsurTech space.

FS horizontal tech

Illustrative not exhaustive

Danish players

Key sub-segments	Big data	RegTech	Automation and AI	Onboarding and servicing platforms
Indicative example of Danish Players	Data Solvr Festina Finance Mindfuture Cardlay	Unify LETregulering BIQ, Meo Imepro Qvonto Judico	Acubiz Subaio Penneo Tradeshift	Unify Avallone Meo

FS horizontal tech players in Denmark predominantly offer big data collection, analysis and automation integration in businesses, backed by their machine learning and AI-based algorithms. They also provide platforms for regulations and compliance solutions, including an overview of compliance obligations, monitoring new regulations and access to a database of regulatory topics.

Indian players

Key sub-segments	Automation and AI	Onboarding and servicing platforms
Indicative example of Indian Players	Slate	Xoxo day Happay

The FS horizontal tech players in India primarily offer AI-based data analytics software that helps banks and other companies better comprehend data points.

Deep dive: potential synergies, opportunities and white spaces

The Danish strengths identified in section 5.2 have been mapped to the key Indian players identified across sub-segments mentioned in section 6. This is done to identify any potential opportunities, whitespaces and synergies within the Indian landscape for Danish FinTech B2B companies. The Harvey balls have been used to indicate the levels of market entry opportunity ranging from low to high, to showcase the identified whitespaces and synergies.

Segment	Sub-segments
ESG/ Climate Finance	ESG tracking platforms ◕; ESG compliance ◕; ESG supply chain solutions ◕; CO_2 accounting/ tracking platforms ●; Carbon credit trading ●; Climate finance solutions ●; Brand sustainability review platforms ◕
Payments	Corporate cards, M-wallets and PPIs ◔; Merchant payments and POS ◔; B2B payments (including cross-border and crypto payments) ◑; Payment security solutions ●
Credit	Corporate and MSME lending ◔; Lending enablers ◑; Lending marketplaces ◑
Investment, Finance and BankTech	Financial advisory solutions ◔; Open banking/ cloud-based API solutions ◑; Expense management ◔; Tax and accounting services ◔
InsurTech	Corporate and MSME lending ◔; Claims, distribution ◔
FS Horizontal Tech	Big data ◑; RegTech ◕; Automation and AI ●; Onboarding and servicing platforms ◑

◔ Mature and saturated market; very limited area of play/opportunities in India

◑ Saturated market; limited growth potential/opportunities in India

◕ Growth market; potential market entry opportunities in India

● Existing whitespace; significant market entry opportunities in India

Sub-segments favorable for market entry in India (based on secondary research)

The sub-segments are further analysed to highlight differentiated offerings by key players in the Indian and Danish FinTech landscapes. The Danish strengths are also mapped to the current outlook for each sub-segment in India.

ESG/Climate finance

I. ESG tracking platforms

Recent SEBI regulations have mandated ESG reporting by Indian companies, adding weight to the existing opportunity. Danish players offering **ESG tracking platform** services have a potential market entry opportunity in the Indian FinTech landscape.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• Platform for tracking ESG metrics • Platform for precise tracking and verification of emissions	• In July 2023, SEBI mandated new ESG metrics under the 'BRSR Core' for the top 1,000 listed companies in India by market capitalisation, requiring them to disclose this information starting FY 2023 • Above regulations have increased demand for platforms that accurately measure ESG metrics
Denmark	• Platform solutions to streamline data collection and simplify implementing sustainability strategies for businesses	

II. ESG compliance solutions

Danish players offering **ESG compliance** services such as integrated analytics, proxy and benchmark handling, controls and monitoring, and document publication, have a potential market entry opportunity in the Indian FinTech landscape.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• ESG risk assessment solutions that help in integrating ESG factors in the portfolio selection of investors and corporates • Compliance solution platform that helps to measure, manage and report ESG data	• In July 2023, SEBI mandated new ESG metrics under 'BRSR Core' for the top 1,000 listed companies in India by market capitalisation, requiring them to disclose this information starting FY 2023 • Above regulations have increased demand for platforms that automate evolving compliance needs and regulations
Denmark	• End-to-end solution with integrated analytics, ESG monitoring and document publication • ESG reporting and compliance platform for businesses	

III. ESG supply chain solutions

Danish players offering **ESG supply chain solution** services that enhance supplier relationships using platforms which automate processes, centralises communication, and uses data insights to boost efficiency, have a potential market entry opportunity within the Indian FinTech landscape

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• Platform for management and tracking of emissions by suppliers across the value chain in real time	• In July 2023, SEBI mandated new ESG metrics under the 'BRSR Core' for the top 1,000 listed companies in India by market capitalisation which requires intricate solutions to navigate complex supply chain
Denmark	• Automated ESG data collection and management solution for partners across the supply chain	

IV. CO_2 accounting/tracking platforms

Danish players offering **carbon accounting** services which provide digital solutions for end-to-end carbon footprint measurement have a potential market entry opportunity in the Indian FinTech landscape.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• AI-enabled platform for tracking and reducing carbon emissions	• In June 2023, India's Ministry of Power announced the Carbon Credit Trading Scheme (CCTS), aiming to establish a unified Indian Carbon Market (ICM) to reduce GHG emissions through carbon credit trading, which would need accurate carbon accounting services
Denmark	• AI-powered real-time CO2 accounting platform • Digital solutions for end-to-end carbon footprint measurement and management	

V. Carbon credit trading

Danish companies providing **carbon credit** trading and tracking services, which aggregate global data from carbon projects and issue third-party verified traceable credits, have a potential market entry opportunity in the Indian FinTech landscape.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• Offers carbon credits trading and climate change advisory to government and private clients.	• In June 2023, India's Ministry of Power announced the CCTS, aiming to establish a unified ICM to reduce GHG emissions • The above regulations increase the need for solutions offering carbon credit trading in B2B space
Denmark	• Online platform offering solutions to offset the carbon footprint • Satellite-based carbon emission and climate monitoring software	

VI. Climate finance solutions

Danish players offering **climate financing solutions** aligned with tech firms targeting decarbonisation have a potential market entry opportunity within the Indian FinTech landscape.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• Platform to access sustainability-linked loans and bonds • Green financing, marketplace for solar equipment, comprehensive suite of SolarTech tools • Screens investment opportunities with a standardised risk evaluation framework for green financing solutions	• Sustainable investments by Indian firms are projected to grow to EUR 121.25 billion by 2026, at a five-year CAGR of 46 percent
Denmark	• Investment firm partnering with sustainable tech businesses	

VII. Brand sustainability review platforms

Danish companies offering **brand sustainability review platforms,** which assess ESG compliance for various brands, have a potential market entry opportunity within the Indian FinTech landscape.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• None found	• In 2023, the International Sustainability Standards Board (ISSB) released its inaugural standards, IFRS S1 and IFRS S2, which establish a universal language for disclosing the impact of climate-related risks and opportunities on a company's prospects
Denmark	• Online review platform for discovery, comparison, discussion, voting and review of sustainable brands	

Payments

Payment security solutions

Danish players bring advanced solutions for cross-border and recurring transaction **fraud management,** which complement the strengths of Indian players in real-time fraud detection and forensic intelligence. Danish players in the payments segment have a potential market entry opportunity within the Indian FinTech landscape.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• Real-time transaction analysis to detect fraud patterns • Forensic analysis intelligence to improve recovery from default • Cloud-based financial fraud solution provider	• In India, the average cost of data breaches stands at EUR 2.11 million in 2023, a 28 percent increase since 2020 • Digital payment frauds in India surged to EUR 164.9 million in the year ending March 2024
Denmark	• Tools for secure cross-border payment fraud management, chargeback management and recurring transactions in e-commerce businesses	

Credit

I. Commercial and MSME lending

The Indian market for companies providing BNPL solutions in **commercial and MSME lending** sub-segment is saturated, with mature platforms offering advanced POS solutions thereby leading to **limited market entry** opportunities.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• Provides an online platform offering point-of-sale financing	• BNPL is projected to grow by 74 percent annually, making it a EUR 54.32 billion market by 2026 in India
Denmark	• Provides a merchant portal, enabling businesses to provide a BNPL option for end customers	

II. Lending enablers (loan management solutions)

The Indian market for credit assessment and risk management in the **lending enablers** sub-segment is saturated, with mature platforms offering advanced automated solutions. This reflects a **limited market entry opportunity** for Danish players in India.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• End-to-end customisable loan management solution focused on working capital for banks and NBFCs	• There are high non-performing assets particularly in public sector banks and NBFCs, due to inadequate collection strategies, financial distress and lack of life cycle management solutions • Many financial institutions still rely on manual processes, making operations inefficient and time-consuming
Denmark	• Platform that provides tools for configure, price, quote and Contract Lifecycle Management (CLM)	

III. Lending enablers (credit scoring)

The Indian market for credit assessment and risk management in the **lending enablers** sub-segment is saturated, with mature platforms offering advanced automated solutions. This reflects a **limited market entry opportunity** for Danish players in India.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• Platform for automated loan processing, credit assessment and real-time financial insights	• In March 2023, the Reserve Bank of India (RBI) reported that the asset quality of scheduled commercial banks improved, with the gross non-performing assets ratio declining to a 10-year low of 3.9 percent. • This improvement reflects the effectiveness of credit scoring and risk assessment practices in the Indian banking sector
Denmark	• Credit scoring and risk management platform	

Investment, Finance and BankTech

I. Financial advisory solutions

Indian players in the **financial advisory solutions** sub-segment already offer comprehensive suites that meet global standards, including portfolio management, financial planning, investment analysis, risk management and tax optimisation services. This leaves Danish players with **limited market entry opportunities** in this space.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• Wealth management software suite for client management, financial advisory, portfolio management, compliance and client reporting & accounting • Provides tools to manage clients, monitor, access & manage portfolios and reduce risks for long-term investments	• The India wealth management software market generated a revenue of EUR 252.8 million in 2023 and is expected to reach EUR 709.7 million by 2030 • The Indian market is expected to post a CAGR of 15.9 percent from 2024 to 2030
Denmark	• Centralised hub for portfolio management and client relationships, along with real-time transparent data	
	• A fully configurable broad product that can be customised to support most kinds of financial advisory, adapt to any pension fund and support complex employer schemes	

II. Expense management

Indian players in the **expense management solutions** sub-segment already provide extensive services, including cloud-based corporate card solutions, automated expense reporting, real-time tracking, policy compliance, and approval workflows. This leaves Danish players in this segment with limited market entry opportunities.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• AI- and ML-based software compliance solutions to reduce the cost and friction in accounting and business compliance	• Cost savings is the major driver for adoption of expense management platforms
Denmark	• A cloud-based expense management solution that automates procedures for managing all types of expenses.	

InsurTech

I. Corporate insurance providers

The Indian market in the **corporate insurance providers** sub-segment is already saturated with established unicorns offering differentiated insurance products targeted at MSMEs and large corporates, leaving Danish players **limited market entry opportunities** in this segment.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• Provides commercial insurance products, including motor, property, liability, workers' compensation, travel and health, to small and midsized businesses in Denmark	• The commercial insurance provider segment within India's InsurTech industry is evolving significantly. Commercial lending players are already adopting AI, blockchain and cloud technologies to enhance their underwriting accuracy
Denmark	• Provides cloud-based platforms for employee health benefits management	

II. RegTech

Danish **RegTech** segment players offer real-time legal updates and effectively tackle problems that arise due to slow responses to regulatory demands and have a potential market entry opportunity in the Indian FinTech landscape.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• Software-based accounting and compliance solution for SMEs	• Lack of real-time legal updates in compliance management leads to slower responses to regulatory demands
Denmark	• Provides complete KYC, KYB services + advisory and focuses on real-time treasury management solutions • Platform that offers an overview of compliance obligations, database and monitoring of new regulations • Comprehensive and customisable data research, Compliance, risk & fraud prevention tools • Tailormade workflows & form builder – business and customer onboarding, KYC, unified API and credit assessment	

III. Automation and AI

Danish companies in the automation and AI FinTech sub-segment, which provide a host of unique services backed by advanced algorithm-based platforms and AI-based models, have a potential market entry opportunity in the Indian FinTech landscape.

	Differentiated offerings by key players	Current Indian sub-segment outlook
India	• Offers solutions to manage financial processes, management reporting, bookkeeping and business compliance using AI and ML	• Automation and AI fintech market in India is growing rapidly, using technologies such as ML, robotics and predictive analytics with demand rising for robo-advisors offering tailored financial advice • GenAI is being actively used across segments such as credit underwriting and fraud detection
Denmark	• Platform which excels in analysing, sorting and translating transaction data into actionable recurring payment insights using AI for subscription management, credit checks and digital sales solutions	

Indicative market entry channels for Danish firms to enter the Indian B2B FinTech landscape

Danish FinTech players should aim to recognise value in collaboration with Indian FinTech. Below are the key levers that can be explored for entering the Indian B2B FinTech space:

	Partnership	Strategic Investment	Acquisition
Definition	• Collaboration to accelerate innovation cycles as Indian FinTech can co-develop and deploy cutting-edge solutions quickly and use technology advancements and differentiated product offerings of Danish companies	• Danish FinTech firms can aid Indian FinTech to stay relevant and enter white spaces by co-participating in overall sector growth, while still preserving their core business and revenue streams	• Danish FinTech firms can adapt to changing B2B client preferences by using innovative solutions and acquiring relatively new and smaller Indian FinTech companies
Pros	• Danish companies can gain access to existing established B2B customer base • Danish companies can gain access to strong local distribution channels favouring scalability	• Danish companies can gain targeted market entry to untapped segments, using local insights and infrastructure • Danish companies can gain access to high-growth potential sub-segments, ensuring long-term scalability	• Danish companies can be provided with greater knowledge about the Indian regulatory environment, ensuring compliance and fewer risks • Danish companies can gain a competitive edge against competitors in the Indian FinTech space
Indicative timeline	<6 months	<24 months	24+ months
Challenges	• Differences in corporate cultures of countries might slow down the integration process	• There might be a potential for lower ROI if market conditions change	• Challenges pertaining to cost of initial investment and post-acquisition integration risks
Key success factors	• Alignment of goals of Danish companies with Indian companies • Shared R&D capabilities enhancing scalability	• Enablement of active engagement with local market dynamics	• Danish companies could benefit from robust due diligence and effective change management in acquiring Indian companies

Regulatory scenario for market entry in India

ESG/Climate finance

The regulatory landscape for ESG and climate finance in India is evolving rapidly and becoming increasingly favourable for market entry. The RBI has recognised the risks posed by climate change to the financial system, as evidenced by its 2022 discussion paper on climate risk and sustainable finance.[13] This indicates a strong government and regulatory focus on integrating climate-related risks into the financial ecosystem. The introduction of frameworks such as the "Framework for Acceptance of Green Deposits in 2023,"[14] encourages financial institutions to promote sustainable investments, highlighting a growing emphasis on green finance. RBI's focus on risk management for REs and the development of governance mechanisms is indicative of a robust and well-structured regulatory environment, which can attract domestic and international players into the green finance space. While the regulatory landscape for ESG and climate finance in India is still maturing, proactive measures taken by the RBI and the Ministry of Finance signal a positive environment for businesses and investors focused on green finance, climate risk management and sustainable investment strategies. This makes it a conducive market for entry if businesses stay informed of the regulatory changes and comply with evolving frameworks.

Buy now, pay later

The regulatory framework for the Buy Now, Pay Later (BNPL) model in India is actively developing in response to the rapid growth of the digital payment ecosystem. The RBI's proposed draft regulation, namely **'Regulation of Payment Aggregators – physical Point of Sale',**[15] aimed at regulating PoS systems reflects RBI's focus on improving security, mandating compliance for non-bank PoS providers and requiring them to meet specific net worth requirements indicative of a clear move toward formalising and stabilising the BNPL market. However, the inclusion of stringent compliance measures, such as following the net worth criterion even after obtaining authorisation from the regulator, indicates that businesses will need to ensure strong operational standards and risk management frameworks to succeed in this space. This regulatory shift makes India a favourable market for well-prepared players in the 'Buy Now, Pay Later' ecosystem if they can navigate the evolving compliance landscape.

Cryptocurrency

The regulatory landscape for cryptocurrency in India is a unique mix of uncertainty and emerging clarity, which can be a challenge and an opportunity for market entry. While the legal status of cryptocurrencies remains ambiguous, with a high degree of volatility due to the lack of a comprehensive legal framework, the government's moves to establish tax structures,[16] AML and CFT guidelines f**or Reporting Entities Providing Services Related to Virtual Digital Assets**[17] and broader regulatory oversight[18] suggest a shift towards regulation rather than an outright ban. Thus, while the market for cryptocurrency in India is not without risks and uncertainties, the current trajectory of regulatory developments appears to be more conducive to market entry for entities that can align their operations with emerging legal frameworks and compliance requirements.

Fraud and security solutions

The regulatory landscape for fraud and security solutions in India is becoming increasingly robust as the RBI enhances its framework to address growing risks in the financial and digital sectors. The revised Master Directions on Fraud Risk Management, effective from July 2024, emphasizes proactive fraud prevention, early detection, real-time monitoring and accountability for third-party service providers. These guidelines apply to commercial banks, cooperative banks and non-banking financial companies (collectively known as Regulated Entities or REs). A key focus is on robust Early Warning Signals (EWS) and Red Flagging of Accounts (RFA) systems, ensuring operational resilience, customer data security and real-time fraud monitoring. Third-party service providers must align their solutions with these stringent requirements. Similarly, the RBI's emphasis on cyber resilience and security for non-bank Payment System Operators (PSOs) reflects its commitment to securing the digital payments ecosystem against evolving threats by mandating PSOs to inter alia conduct assessment of service provider's cyber resilience capabilities by independent auditor. These evolving regulations create opportunities for fraud and security solution providers to shape India's financial security landscape. However, success will depend on strict adherence to compliance standards, especially in data security, fraud detection and third-party accountability, making the market favourable for well-prepared entrants.

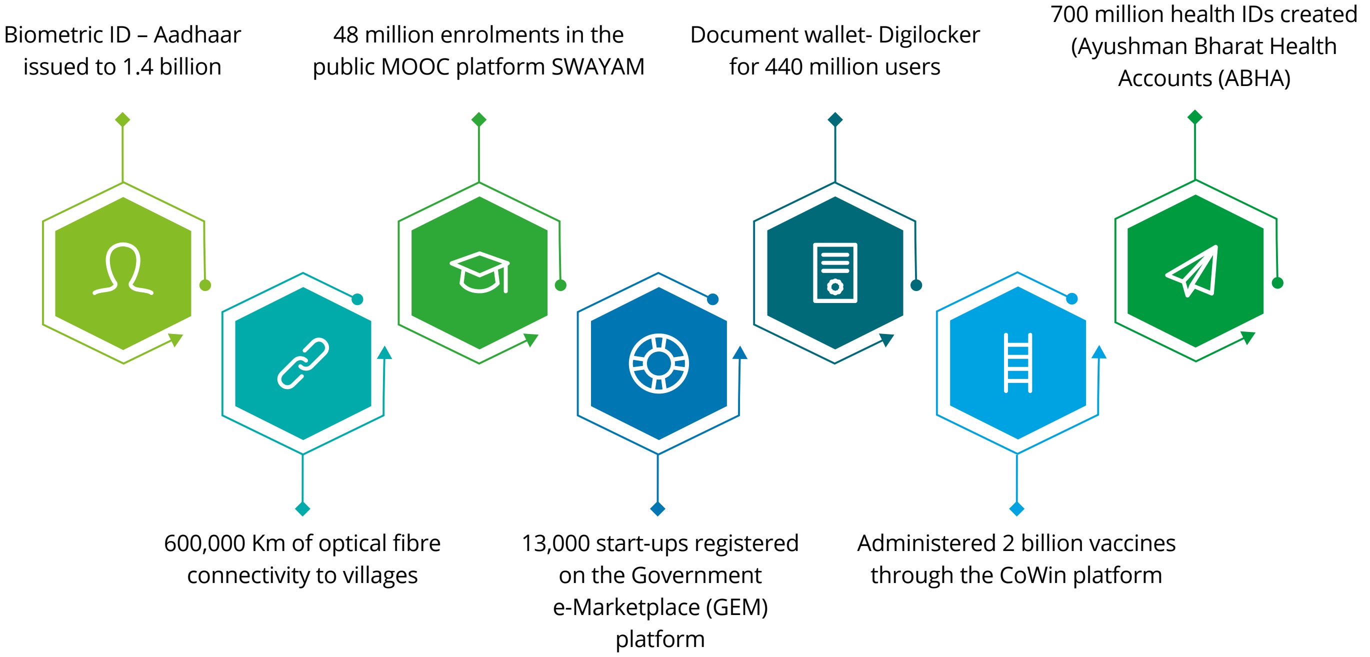
[13] Available at https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=21071
[14] Available at https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12487&Mode=0
[15] Available at https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?Id=4418
[16] Union Budget 2022 categorized cryptocurrency as Virtual Digital Asset u/s 2(47A) of Income Tax Act, 1961
[17] Available at https://fiuindia.gov.in/pdfs/AML_legislation/AMLCFTguidelines10032023.pdf
[18] Proposal of Cryptocurrency and Regulation of Official Digital Currency Bill, 2021 in the parliament

Navigating the GovTech landscape

Indian GovTech landscape

The Indian government has launched a comprehensive initiative to transform the nation digitally. This vision aims to establish a digital government interacting with citizens, businesses and internal departments through digital channels. The core principle of this transformation is to digitally empower government services, leading to the development of the “Digital India” programme. By 2035, it will unlock numerous opportunities for comprehensive economic and social progress. Technology will foster inclusivity, build trust and empower citizens with better opportunities and meaningful participation in society. India's significant leap in the World Bank Group's GovTech Maturity Index 2022, from 33rd to 7th in Asia-Pacific, can be attributed to its substantial progress in developing and using DPI.

Figure 1: Major milestones in India’s GovTech journey



Clearly defined focus areas and a robust ecosystem of implementation agencies have catalysed the successful implementation of GovTech programmes.

Figure 2: Key implementation agencies of Digital India

1. **National Informatics Centre**
   Nodal agency for developing and managing ICT initiatives across the country
2. **National Informatics Centre Services Inc.**
   Development and procurement of IT products and services for the government
3. **National e-Governance Division**
   Project implementation and management support for central and state level ICT programmes
4. **Indian Computer Emergency Response Team**
   Cyber crime detection, mitigation and investigation
5. **Centre for Development of Advanced Computing**
   R&D think tank for high-performance computing, cyber security & forensics, quantum computing, health informatics, etc.
6. **CSC e-Governance Services India Ltd**
   Last-mile physical service delivery access points across the country
7. **Software Technology Parks of India**
   Single-window for software exporters, with services such as incubation facilities
8. **State Agencies**
   Jharkhand Agency for Promotion of Information Technology, Chhattisgarh Infotech Promotion Society, Karnataka State Electronics Development Corporation Limited

Key focus areas in Indian GovTech

With various policy reforms and GovTech initiatives, the following are the focus areas in the Indian GovTech ecosystem, where Danish IT firms are also invested:

a. **Public service delivery:** As the world's third most-digitised country, India has seen widespread technology adoption and adoption of Aadhaar (analogous to the Danish MitID), which has improved governance and empowered citizens in their interactions with the government.[19]

b. **Education:** The National Education Policy (NEP) 2020 targets a major leap in enrolment, from the current rate of 27 percent to 50 percent by 2035.[20] The programme seeks to provide equal opportunities for students nationwide by using technology. It offers them high-quality education, interactive learning experiences and personalised instructions.

c. **Healthcare:** India's digital health initiative, which has already digitised over 440 million records, promises to improve patient care and results across therapeutic areas through the implementation of innovative, next-generation solutions.[21]

Major growth drivers

Given the vast population dispersed across multiple terrains and economic strata, digital penetration initiatives are now even more important as India quickly rose to become the world's fifth-largest economy by GDP. There are multiple enabling factors and growth drivers for the adoption of innovative technologies in a variety of sectors and the delivery of more effective and efficient solutions.

[19] State of India's Digital Economy 2024, February 2024, Indian Council for Research on International Economic Relations, available at https://icrier.org/publications/the-state-of-india-s-digital-economy-report-2024/

[20] National Education Policy 2020 announced, July 2020, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleasePage.aspx?PRID=1642061

[21] Ayushman Bharat Digital Mission, Government of India, available at https://abdm.gov.in/

Figure 3: Key drivers of GovTech sector in India[22]

Internet and broadband penetration

Internet connections jumped from 251.5 million in March 2014 to 969.6 million in June 2024, a growth of 285.53%.

Digital literacy

63.9 million individuals trained across the country under the Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA).

Content and services in regional languages

BHASHINI provides technology translation services in over 22 scheduled Indian languages, enabling access to content in local languages.

India stack

Key platforms such as Aadhaar, Unified Payment Interface (UPI), Bharat Bill Payments and GSTN are the backbone of India's digital infrastructure, enabling seamless integration and fostering innovation in digital services.

Participative government

Today's citizens have become aspirational customers, driving governments to enable equitable digital access by adopting new tools and collaborating with different partners.

Danish GovTech landscape

Denmark has been the frontrunner in the UN E-Government Survey for years.[23] Denmark has developed various digital public goods to build its GovTech ecosystem. Government strategies, such as the Joint Government Digital Strategy and the Digitalisation Strategy 2024–2027 (allocating ~EUR 100 million for digital initiatives in areas such as AI, IoT and Blockchain), have nurtured the growth of Denmark's IT ecosystem. This ecosystem is further enhanced by the active participation of private companies and academic institutions.[24]

- A secondary research and analysis of DigitalLead member firms and other Danish IT firms was conducted.
- Over 100 Danish firms were initially considered for analysis of their product and service portfolio.
- About 20 firms were shortlisted based on their focus on public service delivery, education and healthcare and categorised into 10 sub-segments for a detailed market entry analysis.

[22] DoT makes significant strides in strengthening the Indian telecom ecosystem, December 2024, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleasePage.aspx?PRID=2088195#:~:text=Internet%20connections%20jumped%20from%2025.15,%2C%202024%20growing%20by%201452%25

6.39 crore individuals trained under Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) exceeding the target of 6 crore, December 2024, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleasePage.aspx?PRID=2080854

Year End Review 2024 of Ministry of Electronics & Information Technology Part-1, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleasePage.aspx?PRID=2088268

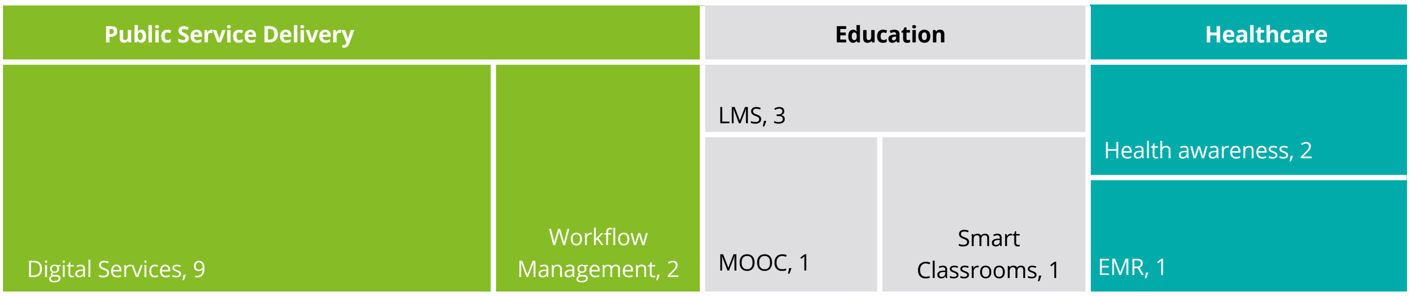
Indian Tech Startup Funding Report H1 2024, available at https://inc42.com/reports/indian-tech-startup-funding-report-h1-2024/

Cabinet approves BharatNet implementation through Public Private Partnership Model in 16 States with optical fibre connectivity to all inhabited villages, June 2021, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleasePage.aspx?PRID=1731456

[23] E-Government Survey 2024, United Nations, available at https://publicadministration.un.org/egovkb/en-us/Reports/UN-E-Government-Survey-2024

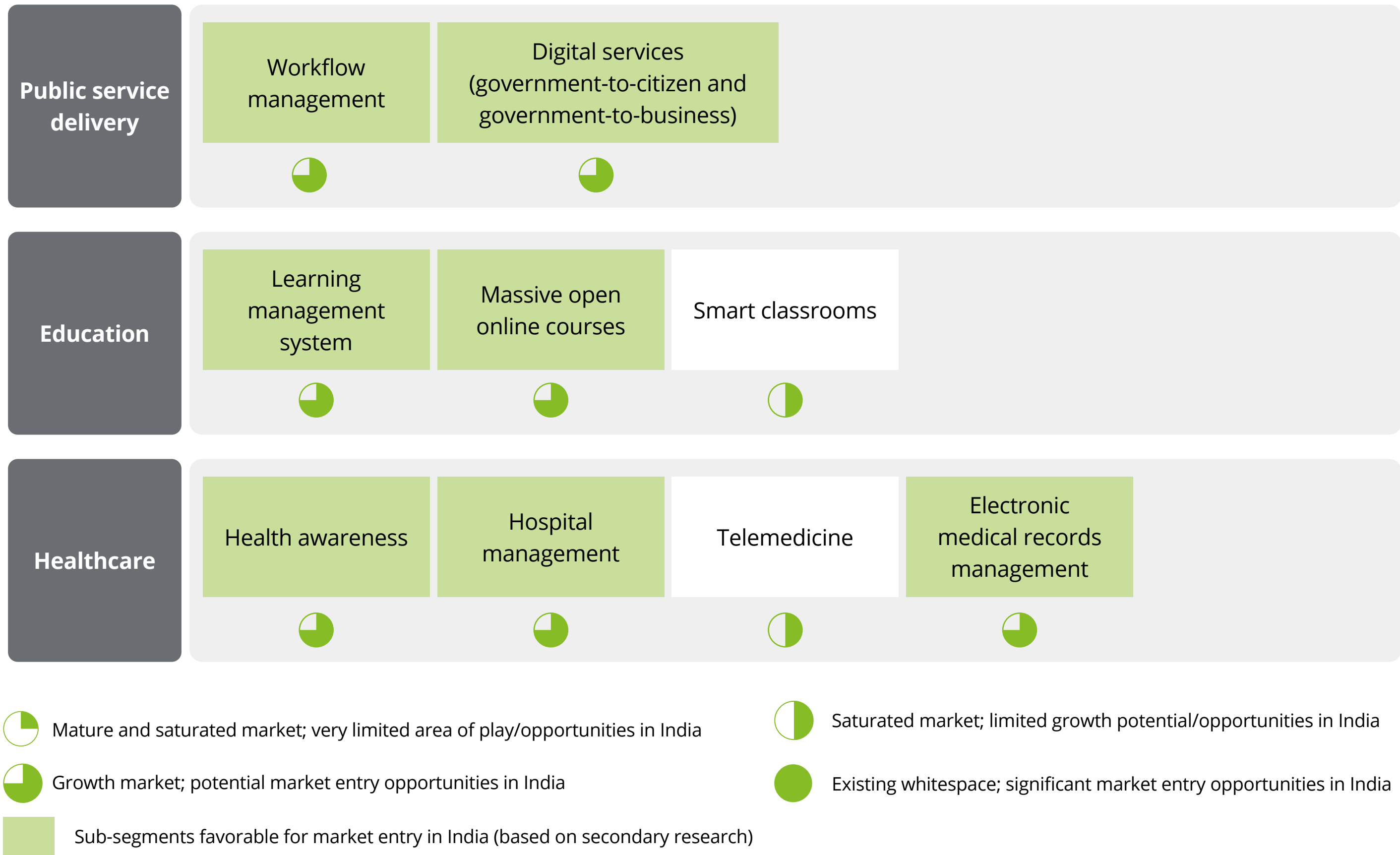
[24] Digital Decade Country Report 2024: Denmark, July, 2024, European Commission, available at https://digital-strategy.ec.europa.eu/en/library/digital-decade-2024-country-reports

Figure 4: Analysis snapshot of GovTech firms operational in the Denmark ICT ecosystem[25]



The Harvey balls have been used to indicate the levels of market entry opportunities in various Indian GovTech sub-sectors and showcase the identified whitespaces and synergies in India.

Figure 5: Indian GovTech market entry opportunities



[25] Categorisation figures are calculated considering that several Danish firms provide solutions in more than one sub-segment

GovTech sub-sector deep dive

Public service delivery

The digital landscape is rapidly changing how public services are delivered, emphasizing accessible and efficient services available anytime, anywhere. This shift has significant implications for economic growth. To achieve this, government departments are integrating their services at the backend, revolutionising the public service delivery system.

Figure 6: Key statistics for the Indian public service delivery sector[26]

584,103	**5.16 billion**	**1.25 billion**
Total number of Common Services Centres (CSCs)	Total number of transactions in Unified Mobile Application for New-Age Governance (UMANG)	Total number of transactions in MeriPehchaan (National SSO service)
819.7 million	**Over 6,000**	**48.9 million**
Total number of e-signs issued under the e-Hastakshar initiative	Total number of APIs published on API Setu	Total number of registered users on MyGov platform

Key public service delivery solutions

The Indian digital public service delivery ecosystem has matured significantly, encompassing a range of tools and platforms developed by various entities at the federal and state levels. Many of these successful initiatives are now being scaled up and implemented in numerous countries worldwide, solidifying India's position as a global hub for innovative public service delivery.

[26] India's Digital Revolution: Transforming Infrastructure, Governance, and Public Services, December 2024, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2082144
Available at https://csc.gov.in/
Available at https://web.umang.gov.in/landing/
Available at https://meripehchaan.gov.in/

Figure 7: Key government digital products in the public service delivery sector[27]

GOVERNMENT-TO-GOVERNMENT

eOffice
- Paperless, workflow-based file management solution for Government entities

JanParichay
- Single sign-on with MFA, geofencing, authentication context class reference, service dynamic login, and consent management

CollabFiles
- Secure, cloud-based solution for the creation and management of shared documents for government users

NIC API Exchange Platform (NAPIX)
- One-stop solution for the creation and management of e-governance APIs

GovDrive
- Cloud file storage and sharing for government users internal and external to the organisation

User experience for government applications (UX4G)
- Standardised, citizen-centric UI/ UX artifacts (mock-ups, prototypes, CSS, images, etc.) for a uniform experience across government interfaces

GOVERNMENT-TO-CITIZEN

India Stack Global
- Aadhaar, UPI, CoWin Vaccination Platform, Government e-Market Place (GeM), DIKSHA, Ayushman Bharat Digital Health Mission, etc.

Common Services Centres
- Last-mile connectivity to the urban and rural population through a PPP mode

MeriPehchaan
- Secure, MFA-enabled, National SSO for accessing authentic online services platforms

myScheme
- Personalised recommendations to citizens for applying to government schemes

DigiLocker
- Centralised digital document wallet for authenticated and paperless file sharing

OpenForge
- Code repository of e-governance applications for OpenSource developers, government entities, private sector, etc.

MyGov
- Connecting nearly 49 million Indians directly with the government through polls, surveys, blogs and quizzes

API Setu
- API repository for government and private entities to effortlessly share data based on government's open API policy

Bhashini
- AI-driven services such as automatic speech recognition and text-to-speech in over 22 Indian scheduled languages

UMANG
- Unified, mobile-based platform for enabling citizen access of digital services

Indicative customisations

Danish IT firms can use the Indian digital public infrastructure and other mandatory requirements to customise their solutions and better integrate them into the Indian GovTech ecosystem.

Figure 8: Indicative customisations for GovTech solutions

eKYC services	Digital signature	Master directories	Payment
Linked with federal IDs (Aadhaar) and state family IDs (Bhamashah, HimParivar, etc.)	By authorised users per the Information Technology Act, 2000 and other prevalent norms	Integration with master directories such as local government directory and postal index number	Integration with payment systems such as UPI and APBS
Data residency	**SSO & MFA**	**Document wallet**	**Multilingual support**
Compliance with data localisation laws to ensure data sovereignty	Integration with government services such as PARICHAY for Single sign-on and multi-factor authentication functionalities	Integration with services such as DigiLocker for access to authenticated digital documents	Integration with services such as BHASHINI for providing multilingual services

[27] Deloitte research

Market entry assessment for Danish GovTech firms

Denmark's success in e-governance, as evidenced by its top global ranking, is attributed to the effective implementation of digital platforms. These platforms have streamlined government operations, leading to increased efficiency and improved resource allocation for better public service delivery to the people of Denmark.

Workflow management

Figure 9: Market entry assessment for digital government operations sub-segment

Under the Digital India initiative, the Government has achieved a **significant degree of digitisation** in office operations and financial management. Danish players have a **potential market opportunity** in this sub-segment to improve the efficiency and transparency of government operations, reduce administrative burdens and enhance service delivery.

	Indicative list of players	Differentiated offerings	Indian sub-segment outlook
India	Pericent, Zoho, Newgen	Document management, process and decision automation, payroll processing	During 2019–2024, the adoption of e-office gained significant momentum in the central secretariat with 3.7 million files, i.e., over 94 percent of the files and receipts being handled electronically as e-Files and e-Receipts.[28]
Denmark	cBrain, KMD	Workflow-based process digitisation, digital financial reporting, HR and payroll management solution	

Digital services (government-to-citizen and government-to-business)

Figure 10: Market entry assessment for digital citizen services sub-segment

The availability of citizen-centric digital services has been **steadily increasing,** especially in rural India. Danish players have **potential market opportunity** in this subsegment, with use cases for exclusive platforms for digital government-to-citizen communications and use cases for appointment and queue management for citizen-facing establishments such as hospitals and government offices.

	Indicative list of players	Differentiated offerings	Indian sub-segment outlook
India	Samaaro, AuctionIndia, Procol, Celect, Leiten Technologies, EINS Technologies, DIGIT, Sunbird RC	One-click event and bid, intelligent counter offers, event management, interactive displays and kiosks, visitor management, RFID-based assets management	As of October 2024, over 584,000 CSCs are operational across the country, including 463,000 at the Gram Panchayat level, the initiative has facilitated the delivery of more than 800 services, ranging from government schemes to education, telemedicine and financial services.[29]
Denmark	NemTilmeld, eBoks, Queue-it, Intern1, cBrain, Wirtek, FrontDesk, Fieldservice, KMD	Online permit application system, online auction platform, online traffic management, digital post-box, online citizen proposal submissions, event registration, appointment management system, asset management software, on-site queue management, digital signage and kiosks	

[28] e-Office to be implemented in attached/ Subordinate Offices and Autonomous bodies as part of 100 days agenda of the Government, July 2024, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2038050

[29] India's Digital Revolution: Transforming Infrastructure, Governance, and Public Services, December 2024, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2082144

Product-market fitment of selected Danish IT products/solution

Danish IT products and solutions can potentially enhance the public service delivery experience for several Indian federal and state government entities across multiple channels.

Figure 11: Potential GovTech clients for select Danish IT products/solutions

cBrain - F2 (filing & reporting software solutions) **KMD** - WorkZone (case & document management)	**e-Boks** - (digital postbox platform)	**FrontDesk Suite** - (appointment and queue management system)	**Queue-It** - (Virtual waiting room and scheduling solution)
Potential GovTech clients			
• Public sector units • Department of personnel & training (Federal) • General administration department (State) • Government autonomous bodies/trust/institutions	• MeitY • Information & Broadcasting • e-Courts • State IT department/agency	• Municipal corporations • Regional transport offices • Common service centres • Revenue offices • Public hospitals • Aadhaar seva kendras • Post offices • Tourist complexes/ monuments	• IRCTC ticketing • National Testing Agency • UPSC/State Civil Services Recruitment Board • School exam boards such as CBSE/state boards • GST • Income tax • Courts and tribunals

Education

Overview of the Indian public education sector

With its vast youth population (580 million), India has seen several policy initiatives from the Ministries of Education and Skill Development. These initiatives aim to modernise education and skill development and prepare students with skills for the workforce, including apprenticeship and sustainable livelihoods.[30]

Figure 12: Key statistics for the Indian public education sector[31]

1,471,891	Total number Of schools
248,045,828	Total number of school students
9,807,600	Total number Of school teachers
58,643	Total number of colleges, universities and standalone Institutions
43,268,181	Total number of students in higher education institutions
1,597,688	Total number of teachers in higher education institutions
15,034	Total number of industrial training institutes

[30] ASSOCHAM India, available at https://www.assocham.org/uploads/files/EduMeet%20Brochure.pdf

[31] As on 28.12.2024, UDISE+ Dashboard, available at https://dashboard.udiseplus.gov.in/
All India Survey on Higher Education (AISHE) Final Report 2021-22, available at https://aishe.gov.in/aishe-final-report/

Key public education delivery solutions

The success of these policy initiatives depends on a strong digital ecosystem that supports a multi-channel, multimodal learning continuum. This ecosystem relies on a federated public digital infrastructure, transparent rules, enabling tools and participatory governance across administrative levels.

Figure 13: Key government digital products in the public education sector

Stakeholders	Education	Skill development
Students and teachers	• Diksha (Digital infrastructure for knowledge sharing in education) QR-code-enabled multi-lingual textbooks, localised content with offline functionalities	• Skill India Hub Online courses in multiple sectors such as agriculture, banking, beekeeping, bio-farming • Bharatskills Digital training to develop vocations such as welder, electrician, fitter • Apprenticeship Training Portal Courses in vocational trades such as Rubber Product Finishing Operator, Yoga Therapy Assistant
	• ePathshala Multi-lingual textbooks, graded supplementary learning material, event calendar for exhibitions, contests, etc.	
	• Swayam Prabha 24x7 direct-to-home (DTH) television and YouTube channels, over 280 channels for K-12, higher and competitive examinations	
	• DigiSaksham Courses on Excel, Python, Azure, Java, Security fundamentals	
	• NROER (National Repository of Open Educational Resources) Interactive text, audio and video resources • National Digital Library of India • e-Saksham (Stimulating Advanced Knowledge for Sustainable Health Management) LMS for healthcare professionals • NISHTHA (National Initiative for School Heads' and Teachers' Holistic Advancement)	
	• SWAYAM (Study Webs of Active-Learning for Young Aspiring Minds) Massive Open Online Courses with assessments, discussion forums for clearing doubts	
Regulators and accrediting bodies	• NAD (National Academic Depository) Online certificates, diplomas, degrees, marksheets, etc. authorised by issuing body	• Apprenticeship training portal Marksheets and certificates of trained apprentices • ASEEM (Aatmanirbhar Skilled Employee Employer Mapping) portal A pool of skilled manpower
	• ABC (Academic Bank of Credits) Credit storage and transfer by students to facilitate mobility	
	• AWMS (Accreditation Workflow Management System) Online application and processing of institute accreditation	

Indicative customisations

Danish IT firms can use the Indian digital public infrastructure and other mandatory requirements to customise their solutions and better integrate them into the Indian public EdTech ecosystem.

Figure 14: Indicative customisations for public EdTech solutions

Curriculum
Compliant with the curriculum of various federal and state education boards, as well as key competitive examinations

Multilingual support
Support content in Indian scheduled languages for ease of accessibility

UDISE+
Interact with existing government systems such as UDISE+ for centralised saturation monitoring

Document wallet
Integrate with DigiLocker for linkage with education credentials

Registries
Integration with Automated Permanent Academic Account Registry identity with digital consent management framework

Notifications
To parents about learning progress and achievement of key milestones through SMS, WhatsApp and Email

Connectivity
Optimised for low bandwidth and offline consumption, especially in rural and remote areas

Market entry assessment for Danish EdTech firms

The Danish EdTech ecosystem excels with innovative products and services, including:

- Personalised and outcome-driven learning platforms
- Engaging community learning platforms using social media
- Immersive learning experiences with tools such as robots and VR headsets

These features cater to diverse learners and foster essential skills such as creativity and problem-solving.

Learning management system

Figure 15: Market entry assessment for NextGen learning management sub-segment

The significant digital transformation underway in India's public education system creates a promising market for Danish players. Their innovative adaptive learning solutions can address the needs of government schools, colleges, ITIs and departments for effective curriculum-based learning and capacity-building programmes.

	Indicative list of players	Differentiated offerings	Indian sub-segment outlook
India	Unacademy, Vedantu, Simplilearn, WizIQ, Zeus Learning, Shezartech	Live classes, One-to-one tutoring, learning pathways, real-world projects & integrated labs, personalised & adaptive mobile learning management system, custom eLearning content, assignment & schedule management	As of 22 July 2024, 5.5 billion learning sessions had been imparted using Digital Infrastructure for Knowledge Sharing (DIKSHA). It has achieved 179.5 million course enrolments and 143.7 million course completions.[32]
Denmark	Area9, Finanssektorens Uddannelsescenter, FrontRead	Adaptive learning, confidence rating, engagement monitoring, early warning technology to highlight at-risk students	

[32] India's Digital Revolution: Transforming Infrastructure, Governance, and Public Services, December 2024, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2082144

Massive open online courses

Figure 16: Market entry assessment for community-based learning sub-segment

The Indian government's focus on creating a student-centred learning environment presents a significant market opportunity for Danish companies. They can offer innovative solutions such as community discussion forums for competitive exams and academic research, seamlessly integrated with existing platforms such as SWAYAM, DIKSHA and ONOS.

	Indicative list of players	Differentiated offerings	Indian sub-segment outlook
India	TCS iON, Shezartech	Digital assessments, digital campus, social learning through messaging and global forum	The Indian government has allocated a record EUR 8.25 billion to the Department of School Education & Literacy for FY 2024–25, a 19.56 percent increase aimed at expanding access to quality education and building a more resilient learning environment.[33]
Denmark	CanopyLAB	AI-driven collaborative learning, Adaptive and custom learning experience with 360-degree diagnostics	

Smart classrooms

Figure 17: Market entry assessment for the intelligent classrooms sub-segment

Recent advancements in public education delivery signal a growing trend in **empirical learning.** However, with the presence of multiple private players in India and limited Danish players, there would be stiff competition in this sub-segment.

	Indicative list of players	Differentiated offerings	Indian sub-segment outlook
India	StreakByte, Mechatron Robotics, Ebix Smartclass	AR-VR solutions, project-based curriculum in robotics, interactive hardware for smart classrooms	The Department of School Education & Literacy has been allocated a record EUR 8.25 billion, demonstrating a substantial commitment to bolstering the education sector.[16]
Denmark	Shape Robotics	DIY educational robots for hands-on learning and experiments, Interactive displays, virtual reality headsets, 3D printers and scanners, drones	

[33] National Education Day 2024, November 2024, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleasePage.aspx?PRID=2072203

Healthcare

Overview of the Indian public healthcare sector

The Ministry of Health and Family Welfare, in collaboration with stakeholders such as State Health Departments, the National Health Authority and the Indian Council of Medical Research, ensures equitable access to affordable and quality healthcare services for Indian citizens.

Figure 18: Key statistics for the Indian public healthcare sector[34]

209,910
Total number of sub-centres, primary health centres, community health centres, sub-divisional hospitals and district hospitals

362
Total number of medical colleges

1,386,136
Total number of allopathic doctors

689,723,403
Total number of Ayushman Bharat Health Accounts (ABHA)

349,473
Total number of health facilities registered on Health Facility Registry (HFR)

523,639
Total number of healthcare professionals registered on Healthcare Professional Registry (HPR)

453,793,698
Total number of health records linked with ABHA

[34] Health Dynamics of India (Infrastructure & Human Resources) 2022-23, Ministry of Health & Family Welfare, Government of India, available at https://mohfw.gov.in/?q=reports-23
Doctor Population Ratio, August 2024, available at https://sansad.in/getFile/loksabhaquestions/annex/182/AU1887_XrGu06.pdf?source=pqals
Update on Ayushman Bharat Digital Mission, December 2024, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2081482#:~:text=As%20on%20Dec%202%2C%202024,the%20key%20principles%20of%20ABDM

Key public healthcare delivery solutions

The government has used recent advancements in ICT to ensure that the benefits of these programmes and schemes reach every citizen of India. Programmes such as the Ayushman Bharat Digital Mission (ABDM), which connects more than 46 percent of citizens to over 300,000 health facilities, have digitised the entire healthcare lifecycle of a patient.

Figure 19: Key government digital products in the public healthcare sector[35]

Ayushman Bharat Digital Mission (ABDM)

- Secure health data exchange across the health ecosystem
- Health ID, unified health interface, personal health records and registries for health professionals and facilities

e-Sanjeevani

- Free, cloud-based, population-scale telemedicine platform
- Audio-video consultations between patients and providers

DigiDrishti

- Self-assessment for eye-care-related cases
- Teleconsultation and physical appointment booking with ophthalmologists

Online Registration System

- Appointment booking, teleconsultation, lab reports and payments
- Integrated with ABDM

Poshan Tracker

- Nutrition register for pregnant women, lactating mothers, children (<= 6 years), adolescent girls
- Handheld mobile application for on-the-go data entry and real-time updates

Nextgen eHospital

- OPD, casualty, appointment and ORS
- Admission, discharge and transfer
- Billing

Indicative customisations

Danish IT firms can use the Indian digital public infrastructure and other mandatory requirements to customise their solutions and better integrate them into the Indian public HealthTech ecosystem.

Figure 20: Indicative customisations for public HealthTech solutions

Ayushman Bharat Health Account

Create, verify and integrate with Ayushman Bharat Health Account

Unified Health Interface

Service discovery and appointment booking through Unified Health Interface

Health records

Receiving of health records with other ABDM enabled solutions

Key modules

Patient registration, outpatient department services, including digital prescription, laboratory and billing as part of its architecture

Medical data standards

Compliance with ABDM consent manager and medical data standards such as Systematised Nomenclature of Medicine – Clinical Terms, Logical Observation Identifiers Names and Codes, and Health Data Management Policy

SaaS model

Availability in SaaS model, including storage and disaster recovery (mandatory for small hospitals up to 25 beds)

[35] Digital India, available at https://www.digitalindia.gov.in/healthcare-and-wellness/

Market entry assessment for Danish HealthTech firms

The Danish HealthTech firms have developed many stable and evolving solutions, facilitating the medical staff and doctors by easing the administrative workload to focus entirely on the patient and, in turn, maximising overall system efficiency.

Health awareness

Figure 21: Market entry assessment for the health Awareness sub-segment

Digital public health delivery has progressed rapidly in India with policy support in the form of the **National Health Mission** and **Ayushman Bharat Digital Mission.** Danish players have a **potential market opportunity** in this sub-segment, with use cases for treatment lifecycle awareness platforms that educate patients about symptoms, procedures, probable complications and precautions.

	Indicative list of players	Differentiated offerings	Indian sub-segment outlook
India	ERemedium	3D patient counselling platform with interactive audio-video-based content	The Maharashtra University of Health Sciences will offer its Digital Health Foundation Course (DHFC) to NHA and co-develop additional Digital Health programmes, as suggested by NHA to support the roll-out of Ayushman Bharat Digital Mission (ABDM).[36]
Denmark	Emento, Visikon	Adaptive, personalised pre- and post-treatment guidance to patients, with awareness and educational content on patient's ailment and related aspects	

Telemedicine

Figure 22: Market entry assessment for the telemedicine sub-segment

Virtual consultation services have **bridged the gap** between rural and urban India in terms of quality healthcare availability. However, this segment is heavily saturated with multiple government solutions and private players. Hence, Danish players have **limited market opportunity** in this sub-segment.

	Indicative list of players	Differentiated offerings	Indian sub-segment outlook
India	MediBuddy, Practo, Lybrate, DocOnline, Visit Health	Online consultations, medicine ordering, laboratory tests, medical insurance, vaccination	eSanjeevani – the National Telemedicine Service has evolved into the world's largest documented telemedicine implementation in primary healthcare.[37]
Denmark	FPT Software	Virtual doctor visits and remote monitoring, with EMR solutions provide a connected experience to the patient and consultant	

[36] National Health Authority (NHA) and Maharashtra University of Health Sciences (MUHS) sign MoU to drive Digital Health Education, August 2024, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleseDetailm.aspx?PRID=2044857&reg=3&lang=1

[37] Revolutionizing Healthcare: Digital Innovations in India's Health Sector, January 2024, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://static.pib.gov.in/WriteReadData/specificdocs/documents/2024/jan/doc2024115298601.pdf

Hospital management

Figure 23: Market entry assessment for hospital management sub-segment

Recent digital initiatives have onboarded a significant section of the **patient treatment lifecycle.** Danish players have a **potential market opportunity** in this subsegment, with use cases for asset and inventory management solutions for PHCs, CHCs, district hospitals and medical colleges, as well as integration with procurement systems and backwards-forward linkages.

	Indicative list of players	Differentiated offerings	Indian sub-segment outlook
India	HaleMind, Ezovion, docpulse, SMARTHMS	Integrated HMS, pharmacy management, laboratory management, ward management, blood bank management	330,000 health facilities and 470,000 healthcare professionals have been successfully registered in the National Healthcare Providers Registry.[38]
Denmark	FPT Software, Lyngsoe Systems	RFID-based medical and other asset tracking, medical supply chain system for end-to-end integration of inventory management, loyalty campaigns, tender management	

Electronic medical records management

Figure 24: Market entry assessment for electronic medical records management sub-segment

While the traditional EMR solution sub-category is saturated to a great extent, Danish players have **potential market opportunity** in this sub-segment, with innovative use cases for the patient health profile management system as a **single-window platform** for booking physical hospital appointments, receiving personalised suggestions for relevant government programmes, availed benefits and insurance claims.

	Indicative list of players	Differentiated offerings	Indian sub-segment outlook
India	Ezovion, Eka Care	AI-powered medical speech-to-text software, unified patient records	Over 42 million medical records have been linked to Ayushman Bharat Health Accounts, enabling seamless access to medical histories and enhancing healthcare delivery.[39]
Denmark	Omilon	Integrated medical records, health risk assessment, TPA claim processing, voice-based automation of commands	

[38] Ayushman Bharat Digital Mission marks a Transformative Three-Year Journey towards enabling Digital Health, September 2024, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2059537

[39] Ayushman Bharat Digital Mission marks a Transformative Three-Year Journey towards enabling Digital Health, September 2024, Press Information Bureau, Ministry of Personnel, Public Grievances & Pensions, Government of India, available at https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2059537

Regulatory scenario for GovTech ecosystem in India

Cybersecurity

Agencies such as MeitY and the Indian Computer Emergency Response Team (CERT-In) have developed comprehensive guidelines, providing a lucid framework for establishing controls for critical aspects such as security incident reporting, application security and network architecture.

Data privacy

The government has taken initiatives, such as the Digital Personal Data Protection Act and National Data Governance Policy, to protect the privacy of citizens, government operations and business operations.

Data localisation

MeitY has empanelled leading cloud service providers to ensure that Indian data rests within the Indian boundaries, without compromising the quality of services and operational efficiency for critical stakeholders.

Public procurement

The federal and state governments have laid down the approach and methodology for public sector procurement of goods and services. These rules elaborate upon the various channels, such as limited tender enquiry and open tender enquiry, of procurement of goods and services for central and state government entities.

A detailed analysis of these regulatory aspects is included in Annexure 1.

Engagement model for public sector collaborations

Public procurement is a key channel for government entities to engage private sector entities. Procurement of IT solutions can be done directly by the concerned government agency or through a designated government organisation. Most of the procurements are done electronically using one of the public procurement platforms, such as the Government e-marketplace (https://gem.gov.in/) at the federal level. The state governments also procure through its corresponding line department, the IT department or its affiliated organisation. The interested sellers are required to submit their technical and financial bids as per the assessment criteria provided in the RFP published by the procuring entity.

Figure 25: Indicative assessment criteria in the RFPs

Vertical and proven solution

Should be proven, agile, scalable, and not require significant overhead in terms of IT infrastructure or management

Deployment approach

Should be delivered within a pricing model that gives complete transparency of costs and ideally requires limited in-house technical support

Techno-functional fit

The extent to which the product can support the functional areas and meet the business requirements

Flexibility

The ability to integrate with third-party applications and the flexibility to develop bespoke application functionality within the core product

Multilingual support

The capability of the solution to be delivered in the local languages in countries where business is conducted in

Localisations

The understanding of local requirements and practices within each country, specifically on data required to be held, processes and approval routings

Regulatory compliance

Full auditability of transactions and actions must be provided, and assessments will be made in relation to the ease of compliance in relation to legal and tax requirements

Important considerations for GovTech solutions

(i) **Legal entity:** Except for RFPs/tenders allowing International Competitive Bidding (ICB), the firm must be a legally registered entity in India with permission to conduct business in India to be eligible for participation.

(ii) **Pricing:** The market is also highly price-sensitive, with a preference for low-cost solutions, although there are minimum quality benchmarks.

(iii) **Licensing and intellectual property rights:** An important policy in the Indian GovTech is to adopt Open-Source Software (OSS) in all e-Governance systems implemented by various government organisations, as a preferred option compared with Closed Source Software (CSS)/Proprietary solutions. For **custom-built solutions,** the source code and its IPRs are also sought to be transferred to the procuring entity. Moreover, there is a portfolio of common products/solutions developed by the government's IT bodies, such as the NIC, CDAC and NeGD, which are preferred and promoted for use by government organisations. This has amplified with the growth of collaboration between civil organisations/ foundations and government in the development of digital public goods. For **COTS licence-based** IT products, in general, perpetual licences for unlimited users/transactions are preferred.

(iv) **Scalability:** Due to the expected high volume of transactions, the products are expected to be easily scalable to thousands or millions of users.

(v) **Customisation:** Products/Solutions are expected to be easily configurable and customisable per the client's needs.

(vi) **Integration capability:** Products/Solutions are expected to have domain-specific integration capabilities with other IT systems through APIs.

(vii) **Open and interoperable:** Products/Solutions are preferred to be open source, using decentralised network protocol (e.g., Beckn protocol) that facilitates interoperability with different platforms to seamlessly connect and exchange information.

(viii) **Deployment capability:** The solutions are expected to be flexible for deployment in on-premises environments (Captive Data Centres) or on the public cloud.

(ix) **Product support:** There is an expectation of robust product support and short turnaround/response/ resolution time per the defined service level agreements, with an integrated ecosystem of resellers.

Indicative market entry channels for Danish firms to enter the GovTech landscape

The government invites for participation of private-sector organisations to implement such large IT programmes, including on a turnkey (i.e., end-to-end implementation and maintenance) as well as on a pilot basis. Indian IT service organisations such as Tata Consultancy Services (TCS), Infosys, Wipro, HCL Technologies, LTIMindtree and Tech Mahindra are some large, private-sector companies that undertake public-sector digital initiatives under the guidance of the parent government agency. Below are the key levers that can be explored for penetrating the Indian GovTech space:

Figure 26: Key market entry channels for the Indian GovTech market

	Partnership	e-Marketplace	Direct Participation
Definition	Alliance with domestic ITeS firms, empaneled CSPs and prominent think tanks to provide solutions and develop thought leadership in the Indian GovTech landscape	Register the products and services on government procurement platforms such as GeM to enable direct procurement by government entities per applicable regulations	Directly engage government through Proof-of-Concept (PoC) demonstrations, pilot projects and responding to RFPs published by various government agencies
Pros	• Ready access to government clientele and implementation support • Access to key stakeholders by participating as technology partners for various summits and conferences	• Direct market access without any third-party intermediaries • Rapid adoption by government agencies with less turnaround time in the procurement lifecycle	• Develop independent credentials that can be better used in future engagements • Fine-tune the product and processes through PoCs and pilot projects
Challenges	Difference in solution architecture of foreign products could slow down the integration process	Competitive pricing by local players with minimal customisation	Lengthy and regulated procurement process with intense competition
Key success factors	• Identify complimenting strengths of partnering agencies to maximize synergy • Customisation to local requirements and integration with existing services	• Pointed product listing to ensure maximum discovery by procuring entities • Reasonable implementation duration for rapid deployment and dynamic aftersales support	• In-depth understanding of qualification criteria and solution requirements listed in an RFP • Development of impact assessment case studies to demonstrate tangible value addition

International collaborations of Indian state governments

Working with Indian and global technology companies, the state governments, such as Maharashtra, Tamil Nadu, Karnataka and Andhra Pradesh, have introduced and are developing further technological improvements in public services, education and healthcare.

Figure 27: Collaborative GovTech initiatives by Indian state governments

Maharashtra	• Partnered with Microsoft and Google to use technologies such as AI, IoT, etc., for various citizen-centric services. • MahaOnline, an integrated portal for delivering digital public services for land records, tax payments and welfare schemes is implemented as a joint venture of the Government of Maharashtra and TCS.
Tamil Nadu	• A collaboration between Google and the Tamil Nadu government aims to foster AI innovation and talent development. • This collaboration with Microsoft, facilitated by the Technology Education and Learning Support (TEALS) programme, aims to provide students with valuable skills and knowledge in the fields of AI and robotics.
Karnataka	• As part of its Global Innovation Alliance initiative, the Department of Electronics, IT, BT, Government of Karnataka, hosted the Bengaluru Tech Summit 2024 to encourage the participation of international partners and trade mission representatives • Four new skill-building programmes are planned for launch in partnership with the British Council.
Andhra Pradesh	• The Andhra Pradesh government is modernising schools through its "Nadu-Nedu" initiative, equipping them with smart boards, computers and internet access.

Active Danish IT firms in India

Danish IT solutions providers have been venturing into developing economies, including India. By providing solutions in fields such as education, resource management, process digitisation and analytics, the Danish players have catalysed the cross-border exchange of best practices for government and private entities.

Figure 28: Key Danish IT firms in India and other developing economies[40]

cBrain	KMD	Area9	Shape Robotics
cBrain has signed MoUs with the Indian state of Tamil Nadu and the Union Territory of Puducherry to drive digital transformation initiatives.	KMD works closely with Tech Mahindra to drive enterprise resource planning solutions such as ERP Arena.	Area9 provides adaptive learning technology to support the Helping Children Survive (HCS) initiative in Botswana, Tanzania and India.	Shape Robotics hascollaborated with PM Publishers, India, to implement Smart Learning products across 1,000 Indian schools, extendable up to 3,000 additional institutions.

[40] Shape Robotics wins pilot project in 1000 schools in India and enters Romanian tenders worth 2,45 Mio euro, April 2024, available at https://news.cision.com/shape-robotics/r/shape-robotics-wins-pilot-project-in-1000-schools-in-india-and-enters-romanian-tenders-worth-2-45-mi,c3964836
cBrain Kodumburar India signs memorandum of understanding with state Tamil Nadu and Union Territory of Puducherry, February 2024, available at https://www.globenewswire.com/news-release/2024/02/28/2836659/0/en/cBrain-Kodumburar-India-signs-memorandum-of-understanding-with-state-Tamil-Nadu-and-Union-Territory-of-Puducherry.html
Available at https://www.kmd.net/about-kmd/our-organization?utm_source=chatgpt.com
Area9 Supports Helping Children Survive (HCS) Collaborative, January 2020, available at https://blog.area9lyceum.com/area9-supports-helping-children-survive-hcs-collaborative?utm_source=chatgpt.com

Appendix: Making sense of India's regulatory landscape for market entry

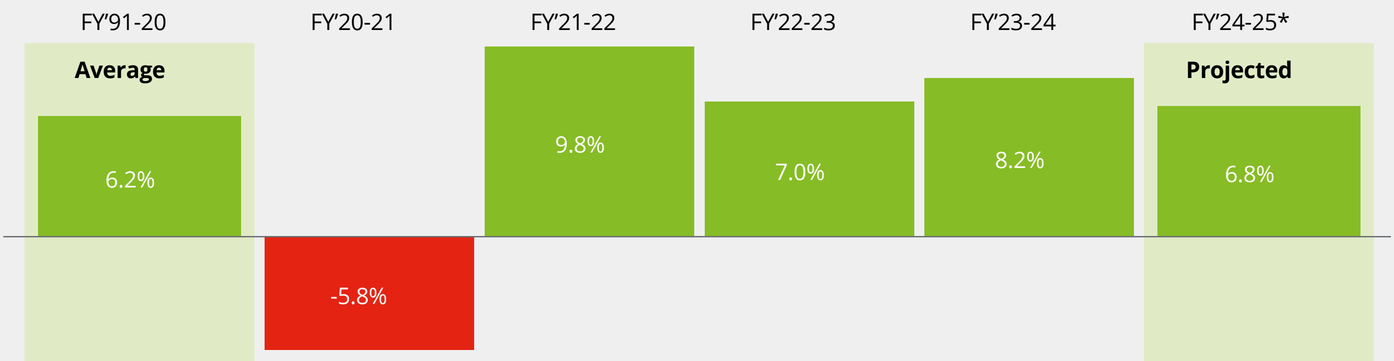
I. Overview

The overview section offers a strategic perspective on India's evolving regulatory landscape, outlining key factors to help guide and facilitate market entry for Danish firms. It examines key regulatory reforms, including the foreign investment framework, India's emergence as a global investment hub, market entry pathways, tax and economic considerations, and macroeconomic advantages that enhance its global competitiveness. By offering a comprehensive understanding of the regulatory ecosystem, this section aims to equip businesses with critical policy insights, strengthen Go-To-Market (GTM) strategies and mitigate investment risks.

- **Favourable economic trends boosting foreign investments in India**

  India continues to project strong economic momentum, with an estimated growth rate of 6.8 percent for the fiscal 2024–25 and 6.6 percent for 2025-26.[41] According to S&P Global Market Intelligence, by fiscal 2030–31, India is poised to become the world's third-largest contributor to global growth.[42] The country continues to be one of the most popular FDI destinations in the world and was the eighth-largest recipient of FDI in 2023.[43] Such growth prospects will further boost India's attraction to foreign investors and encourage them to reallocate priority investments from sluggish markets. Aligned with the *Viksit Bharat@2047,* the vision to make India a developed nation by 2047, the Indian government is taking several steps to stimulate an enabling regulatory environment, through appropriate policy interventions, and has put forth a comprehensive set of regulations, market-entry norms and compliance requirements, which govern and enable the entry of foreign firms into the Indian market. Periodically reviewed and published, these regulations protect the interests of global investors and provide sufficient guardrails to domestic companies. A comprehensive understanding of the foreign investment's regulatory ecosystem would aid the GTM strategy and inform businesses about key policy and regulatory priorities while mitigating risks.

India has track record of high growth: Momentum to continue
Real GDP growth (YOY, %)



As of July 18, 2024
*Years are fiscal, FY'24-25 = April 2024-March 2025.
Sources: S&P Global Market Intelligence: CRISIL.
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[41] https://economictimes.indiatimes.com/news/economy/indicators/india-to-grow-at-6-8-in-fy25-and-6-6-in-fy26-sp-global-market-intelligence/articleshow/114456661.cms?from=mdr
[42] https://www.spglobal.com/content/dam/spglobal/global-assets/en/special-reports/india-forward/0924_IndiaForwardVolume1.pdf
[43] https://www.whitecase.com/insight-our-thinking/foreign-direct-investment-reviews-2024-india

India in perspective: India is projected to remain the fastest-growing major economy in the medium term and reach a EURO 6.5+ Trillion GDP by 2030 as the third-largest economy

Economic indicators for India continue to signal positive economic conditions driven by strong and sustained domestic demand, surge in exports and low inflation

GDP growth

Growth is estimated at 7 percent for FY 2025

- Strong increase in capital expenditure enabled by sustained domestic demand and exports are key growth drivers

What to expect in FY25

- Fitch: 7%
- ADB:7%
- World Bank and IMF: 7%6

Inflation

Retail price inflation [Consumer Price Index) stood at **3.54 percent** in July 2024, a **14-month low**

- Core inflation (non-food, non-energy component) was **3.3 percent in March 2024. a 12-year low; Currently at 3.4 percent**
- The sustained moderation in core inflation indicates that despite strong growth conditions, there are no signs of overheating/rise in prices - "type of growth", which has been led by investments rather than consumption

What to expect in FY25

- Core inflation is expected to average 3 percent in FY 2025

Credit growth

- Domestic credit growth increased **13.7 percent** YOY in 2023 and **11.2 percent YOY** in June 2024
- India's domestic credit reached **EUR 2.9 trillion in June 2024 (~70% of the GDP) – China 182 percent, Vietnam 48 percent**
- Bad loans are expected to reduce to 2.8 percent (EUR 55 billion) of gross advances from 3.9 percent the previous year.
- Credit growth to the industry improved but recovered in the services sector

What to expect in FY 2025

- Banks are well capitalised
- Interest rates to be stable (possibly a 50 basis points change)
- Reduced NPAs may improve their willingness to lend further

FDI

- India's gross FDI inflows revived in FY 2025, increasing from EUR 45 billion in the first eight months of FY 2024 to EUR 52 billion in the same period of FY 2025, a YoY growth of 17.9 percent

What to expect in FY25

- FDI to remain strong due to sustained economic recovery, domestic market attractiveness and policy reforms and improving ease of doing business

Forex

- Forex Reserve: EUR 665 billion (30 August 2024)
- Fifth-highest in the world
- Equivalent of 11 months of imports

● Weak Outlook ● Neutral Outlook ● Strong Outlook

- **"Make in India" initiative –** Slated to transform India into a global manufacturing hub, this initiative aims to enhance domestic production, attract foreign investment and create job opportunities across sectors.

"Make in India" initiative	Launched in 2014, it has simplified and improved EoDB in India to promote domestic manufacturing, thereby attracting foreign investments through incentives and concessions to foreign investors
Revolutionising corporate insolvency framework	The Insolvency and Bankruptcy Code established a structured and efficient process for resolving distressed assets, instilling confidence among investors and boosting FDI
Single-window clearance	This initiative gave businesses a clear understanding of the processes required for setting up operations in India, unifying the procedures under a single umbrella, attracting global giants to the Indian market
Start-up india: Nurturing innovation	Created an environment conducive to start-up growth, attracting substantial FDI by offering tax incentives, simplifying compliance and funding support and making India an attractive proposition for foreign investments
Land acquisition laws: A level playing field	Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement (RFCTLARR) Act, 2013, established a level playing field across industries, attracting businesse
GST reforms: Streamlining taxation	This monumental reform streamlined the intricate web of taxes, eliminating cascading effects and simplifying compliance for businesse
Enhanced access to credit: Fueling entrepreneurship	The establishment of a credit information bureau and the introduction of the Movable Property Security Interest Act simplified the process of securing credit, promoting entrepreneurship and business expansion
Production Linked initiative (PLI) scheme	It gives companies incentives for products manufactured in India, it aims to reduce imports and boost the manufacturing sector, making the Indian business market attractive to foreign investors
RBI's role: Stability and attraction	RBI's consistent accumulation of forex reserves, active market intervention to stabilise exchange rates, and liberalisation of External Commercial Borrowing (ECB) guidelines bolstered India's foreign investment landscape
Digital Data Protection Act	After years of deliberation, India has a structured approach towards personal data protection and use, giving businesses the much-needed regulatory clarity over the same

- **The India advantage –** India offers several macro-level advantages that position it as a significant player in the global economy. These advantages stem from its demographic profile, economic reforms and strategic initiatives aimed at enhancing growth and development.

India has risen six spots in the EIU Business Environment Ranking, driven by its enduring demographic dividend.

Its consumer market is set to become the world's third-largest by 2027, driven by growing middle-and high-income households

The country's "tech-ade" is marked by rapid digitalization, unlocking new investment opportunities and positioning the nation as a hub for innovation and technology

India's young population is driving heightened consumer spending

Multilateral engagements and FTAs with the UK, EU and others, building on recent deals with Australia, the UAE and Gulf region MoUs – marking a new era for trade and investment

Promotion of domestic manufacturing through ease of doing business reforms such as single-window clearance, lower corporate taxes, GST and decriminalising business laws to ease regulatory burdens

India's economic resilience, reforms and state-level incentives position it as an alternative manufacturing hub to global economic powers

Right infrastructure across sectors under the National Infrastructure Pipeline to promote investments

- **From opportunity to action: Navigating investments and market entry**
  - The liberalisation of India's economy in 1991 marked a pivotal shift in India's stance on FDI. The government initiated broad economic reforms, encouraging foreign investments and opening various sectors to attract foreign players.
  - FDI in India is primarily governed by the Foreign Exchange Management Act, 1999 (FEMA) and Rules & Regulations framed by the RBI, along with the Consolidated Policy on FDI, 2020 and press notes and circulars issued by the Department for Promotion of Industry and Internal Trade under the Ministry of Commerce & Industry (DPIIT).[44]
  - When exploring investment opportunities across sectors in India, Danish firms/investors have a set of foreign investments entry routes to be adhered to:

Automatic route: Sectors in which FDI is freely permitted and no prior government approval is required

Approval route: Sectors which require government approvals – mining, multibrand and food products retail trading, print media, broadcasting

Partial/Combined route: Sectors that require approval of the government above a certain percentage of automatic approval – defence, healthcare (Brownfield)

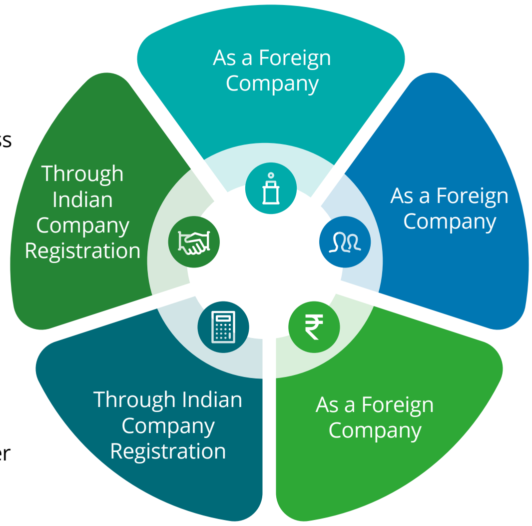
[44] https://dpiit.gov.in/sites/default/files/FDI-PolicyCircular-2020-29October2020.pdf

Plus, options for multiple entities can be explored by Danish firms towards establishing their presence in India:

Project Office (PO)
Established by a foreign company for a specific project in India

Joint Venture
JV with an Indian partner to establish a new entity in India, both parties share ownership, control and risks associated with the business

Liaison Office (LO)
Established by a foreign company to act as a communication channel between the foreign company and the Indian company



Wholly-owned Subsidiary/ Subsidiary Company
By incorporating a separate legal entity under Indian law, it operates independently but is controlled by a foreign company.

Branch Office (LO)
Physical existence of the foreign company and is allowed to carry out similar activities as the parent company

A broad set of tax and economic law considerations for Danish firms looking to enter/establish their presence in India are as shown in the illustration below:

Corporate laws

- Governance and disclosure are governed under the Companies Act, 2013
- Cross-border investments are governed under foreign investment laws under the FDI policy having sectoral caps, valuation and pricing methodologies
- Access to the capital market is governed by SEBI

Corporate tax

- Corporate tax rate 15/22%*
- Transfer pricing and thin capitalisation provisions
- Withholding taxes on payments
- Returns and faceless assessments
- Minimum alternate tax considerations for book profits
- Advance rulings and advance pricing arrangements for tax certainty
- Broadening the tax base by phasing profit-linked tax deductions

Dispute resolution

- Three-tier court system – District, state and the centre
- Intellectual property and sector-based regulators prescribe assessment, dispute resolution process
- Insolvency bankruptcy for financial and operational creditors

Incentives

- Fiscal incentives – Capital subsidy, duty exemption/refunds
- Non-fiscal – infrastructure support, single window
- Industrial and sector policies

Trade policy and transaction tax

- Customs on imports
- Unified GST law for domestic trade transactions
- Incentives and duty exemption for exports
- Inputs tax credits and set off subject to conditions
- Central and state fiscal & non-fiscal incentives
- AEO status critical for cross-border trade
- Quality control and anti-abuse provision

Compliances and licences

- Central, state and local licences as applicable for setting up business operations
- Local content requirement preferable for government supplies and availing of incentives for PLI
- Data privacy and labour environment laws becoming stringent
- Stamp duty payable on specified instruments/documents such as share certificates

* As per the new tax rates provided for specified manufacturing and other companies.

Note: Danish companies must keep abreast of the periodic changes in the FDI, tax and legislative frameworks when exploring investment opportunities in India.

II. Navigating the regulatory landscape: How FinTech and GovTech sectors are governed

With a rapidly evolving digitisation landscape, growing internet users and emerging technologies, the regulatory framework for India's GovTech and FinTech sectors encompasses multiple regulators, sector-specific norms and compliance standards. It aims to balance innovation with public safety, data protection and governance. This section has summarised some of these regulations.

Key tech regulations

Key areas where the government has made considerable progress include the following:

Data privacy	Cyber security	Intermediary obligations	Public procurement	Standards and framework
• Enacted in 2023, the Digital Personal Data Protection Act, 2023 introduces a legal framework to protect individual's personal data by requiring consent for data processing and outlining the rights of individuals and obligations of organisations involved in data handling	• MeitY has tasked CERT-In with addressing the rising cybersecurity incidents affecting businesses and government institutions in India	• The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 shields "Intermediaries" against liabilities arising from hosting third-party content	• The Department for Promotion of Industry and Internal Trade (DPIIT) introduced the Public Procurement (Preference to Make in India) Order, 20177 (General PPO) to boost domestic manufacturing	• The Bureau of Indian Standards (BIS) has ensured consumer safety and fair-trade practices by formulating and implementing quality standards for a range of products and services

A more detailed explanation of these tech regulations is provided in the sections below:

- **Data privacy matters: Meeting your obligations**
  - The Digital Personal Data Protection Act, 2023 (DPDP Act), enacted in August 2023, establishes a federal framework for protecting Indian residents' personal data. Extraterritorial in scope, the Act applies to entities inside and outside India offering goods or services to Indian citizens.[45]
  - Draft rules released on 3 January 2025, outline implementation details and are open for public consultation. Once finalised, entities must comply with its requirements for processing the personal data of Indian residents.[46]
- **Draft National Data Governance Policy, MeitY (2022)**
  - MeitY has introduced the Draft National Data Governance Policy (DNDGP) to modernise data collection and management across government departments through standardised guidelines and security measures.
  - The policy aims to make non-personal and anonymised data accessible for research and innovation, integrating them into the Indian datasets programme while maintaining their autonomy. The draft is currently under finalisation.[47]
- **Staying ahead of cyber risks**
  - Due to the growing number of cyber-attacks on Indian businesses and government institutions, the Indian government has undertaken several initiatives to improve the country's cybersecurity posture. The Indian Computer Emergency Response Team (CERT-In), an agency under the Ministry of Electronics and Information Technology (MeitY), has been designated for reporting any cyber security incident.[48]
  - CERT-In directions and rules constitute a comprehensive set of cyber security regulations for reporting of cyber security incidents. The scope of the directions is wide-ranging and applies to domestic and foreign entities in India. Danish entities operating as intermediaries, service providers, cloud service providers, data centres, virtual asset service providers, VPN service providers, among others, would be governed under these directions.[49,50]
  - MeitY has also released the Guidelines on Information Security Practices for Government Entities to implement a baseline for cyber security measures and controls

[45] https://www.meity.gov.in/writereaddata/files/Digital%20Personal%20Data%20Protection%20Act%202023.pdf
[46] https://www.meity.gov.in/writereaddata/files/259889.pdf
[47] https://www.meity.gov.in/writereaddata/files/National-Data-Governance-Framework-Policy.pdf
[48] https://cert-in.org.in/
[49] https://www.cert-in.org.in/Directions70B.jsp
[50] https://www.cert-in.org.in/PDF/G.S.R_20(E).pdf

within government organisations. These guidelines focus on *inter alia* standard security protocols, incident response, data protection and best cybersecurity practices and aim to protect sensitive information, ensure regulatory compliance and foster a security-aware culture within the government organisation.[51]

- **Intermediary rules: The essentials**
  - Foreign firms providing their services to Indian government agencies or departments would be considered "intermediary" and required to comply with the due diligence obligations under the Information Technology Act, 2000 ("IT Act") and Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 to protect themselves from liabilities arising from hosting third-party content.[52,53]
  - The IT Act defines an "intermediary" with respect to any electronic records, as any person who on behalf of another person receives, stores or transmits that record or provides any service with respect to that record and includes telecom service providers, network service providers, internet service providers, web-hosting service providers, search engines, online payment sites, online-auction sites, online-market places and cyber cafes.[54]

MeitY's empanelment guidelines for Cloud Service Providers (CSPs)

- The Indian government embarked upon an ambitious initiative—GI Cloud or Meghraj—to harness the benefits of cloud computing.[55] This initiative aims to accelerate the delivery of e-services in the country while optimising government ICT spending.
- One may get empanelled with MeitY under *Public Cloud, Virtual Private Cloud (VPC) and Government Community Cloud (GCC); and three service models: Infrastructure as a Service (IaaS), Platform as a Service (PaaS)* and Software as a Service (SaaS) for three years. MeitY-empanelled CSPs get preference during public procurement.

Public procurement in India: FAQs

All you need to know about the law on supplying to the Indian government

What are the pre-requirements?	Bidders must register on the Government e-Marketplace portal to bid for Government tenders – be a legal entity in India with an Indian representative with the required documents as per the law.
Do I need to meet any special conditions?	Yes, under the Public Procurement (Make in India) Order 2020 (amended 2024), for any tenders up to EUR 22.50 million, one needs to demonstrate the amount of 'local content' (LC) in their product or service offering. Only those meeting a minimum 20 percent (Class-II suppliers) shall be eligible to bid. Those with LC above 50 percent (Class-I suppliers) will be given purchase preference.
How do I calculate local content?	Local content simply means the percentage of the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value.
What is not local content?	Any imported content, including royalty fees or technical fees which flow out of India. Also, a non-local supplier cannot claim transport, installation, training, AMC/CMC costs as 'local content'. Imported items sourced locally from resellers or distributors and repacked or refurbished or rebranded imported products are also not local content. For software, if your IP is resident outside India, all costs related to it will be considered imported.
Are there any exceptions to the rule?	Yes, exemptions are available when the regulator is convinced that there is no sufficient local capacity for the product or service. Exemptions may be provided for a year and will be tender-specific only. Alternatively, if there is a tech transfer agreement or a joint venture with Indian companies, there may be time-bound exemptions.
Anything else I should know?	• For any contract above EUR 1.12 million, the self-declared Class I or Class II supplier must provide a certificate from their cost auditor verifying the same. • For items being sold by your reseller in India, an OEM certificate will need to be submitted on the country of origin and LC percentage

[51] https://www.meity.gov.in/writereaddata/files/Guidelines%20on%20Information%20Security%20Practices%20for%20Government%20Entities.pdf
[52] https://www.indiacode.nic.in/bitstream/123456789/1999/1/A2000-21%20%281%29.pdf
[53] https://www.meity.gov.in/writereaddata/files/Information%20Technology%20%28Intermediar
[54] Section 2(1)(w), Information Technology Act, 2000 ("IT Act")
[55] https://www.meity.gov.in/content/gi-cloud-meghraj

Understanding standards & framework

- The Bureau of Indian Standards (BIS) is India's national standards organisation. It formulates and implements quality standards for a wide range of products and services to ensure consumer safety and promote fair trade practices.[56] Companies offering products in India must comply with BIS standards to ensure that their offerings meet safety, quality and efficiency benchmarks. These standards cover various aspects such as product performance, safety regulations and environmental impact, ensuring that technological solutions are reliable and compatible with existing systems.
- A few relevant Indian standards based on the identified GovTech and FinTech sub-sectors are *ISO 270001, IS/IEC 82304: Part 1: 2016 (Health software: Part 1 general requirements for product safety) and IS 16448: 2021 (ISO/IEC 25030: 2019) Systems and software engineering — Systems and software quality requirements and evaluation (SQuaRE) — Quality requirements.*

Healthcare data privacy and Electronic Health Record (EHR) framework

India does not have a dedicated provision/regulation for safeguarding sensitive health data. But there are legislations *(some discussed in the previous section and some captured below)* which enable data protection safeguards for such sensitive data:

- **The Information Technology Act, 2000 (SPDI Rules)**
  - It provides for key measures to be adopted before data can be collected, stored, or transferred across platforms and outside India for processing.[57] From a health data perspective, the rules cover "sensitive personal data," namely physical, physiological and mental health conditions; sexual orientation; medical records and history; and biometrics.
  - An organisation/individual that collects, receives, possesses, stores, deals or handles personal information, including sensitive personal data or information belonging to a provider, shall be responsible for providing a privacy policy. Such organisation/individual shall ensure that its privacy policy is available for view by providers of information under lawful contract. Such policy should be published on the website of the organisation/individual.
- **Electronic Health Record (EHR) Standards for India, 2016**
  - The objective of the EHR standards is to ensure a standard-based system for creating and maintaining EHRs by healthcare providers. The EHR standards provide a set of recommendations relevant to the adoption of electronic health informatics standards in EHR/EMR and other similar clinical information systems. For a full list of Standards, please refer to the consolidated EHR Guidelines.
- **Medical devices regulations in India**
  - Under Section 3(b)(iv) of the **Drugs and Cosmetics Act, 1940** (1940 Act), medical devices are defined under 'drug' as:[58]

    "(iv) such devices intended for internal or external use in the diagnosis, treatment, mitigation or prevention of disease or disorder in human beings or animals, as may be specified from time to time by the Central Government by Notification in the Official Gazette, after consultation with the Board…"
  - Medical devices are also governed by the Medical Devices Rules, 2017 (2017 Rules) under the 1940 Act. Provisions of the 2017 Rules provide for enhancing regulatory oversight of medical devices in India, improving safety standards, streamlining processes for manufacturers and fostering an environment conducive to innovation in healthcare technology.
  - **Software as Medical Devices (SaMD):** The term Software as a Medical Device (SaMD) is defined by the Central Drugs Standard Control Organisation (CDSCO) as software that is classified as a medical device if it is intended to be used for:
    - Diagnosis, prevention, monitoring, treatment or alleviation of any disease or disorder
    - Assistance for any injury or disability
    - Investigation, replacement, modification, or support of the anatomy or a physiological process
    - Supporting or sustaining life
    - Disinfection of medical devices
    - Control of conception

For SaMD to be marketed in India, it would need to comply with the 2017 Rules along with global harmonised standards. CDSCO's official guidelines classify SaMDs into low-risk (Class A), low-moderate risk (Class B), moderate-risk (Class C) and high-risk (Class D) devices.[59]

Digital Learning (National Education Policy 2020)

National Education Policy, 2020 is founded on the five guiding pillars of *access, equity, quality, affordability*

[56] https://www.bis.gov.in/
[57] https://www.meity.gov.in/sites/upload_files/dit/files/GSR313E_10511(1).pdf
[58] https://www.indiacode.nic.in/bitstream/123456789/15278/1/drug_cosmeticsa1940-23.pdf
[59] https://cdsco.gov.in/opencms/opencms/system/modules/CDSCO.WEB/elements/download_file_division.jsp?num_id=NzY1OQ==

and accountability. The policy acknowledges the role of technology's intervention in the dissemination of education to stay relevant in the fast-changing technological landscape. It pays due attention to disruptive technologies – *Artificial Intelligence (AI) 3D/7D Virtual Reality* – in transforming the learning landscape and encourages optimisation of existing digital platforms and ICT-based educational initiatives to develop a holistic Online and Digital Education ecosystem. Following are some of the key initiatives *(non-exhaustive)* the policy elucidates upon:[60]

NEP's key initiatives (non-exhaustive)

Pilot studies for online education

Appropriate agencies, such as the NETF, CIET, NIOS, IGNOU, IITs and NITs, were identified to conduct a series of parallel pilot studies to evaluate the benefits of integrating education with online education while mitigating downsides.

Digital infrastructure

Creation of open, interoperable, evolvable, public digital infrastructure in the education sector that can be used by multiple platforms and point solutions to address India's scale, diversity, complexity and device penetration.

Online teaching platforms and tools

Appropriate existing e-learning platforms, such as SWAYAM and DIKSHA, to be extended to provide teachers with a structured, user-friendly, rich set of assistive tools for monitoring learners' progress

Content creation, digital repository and dissemination

A digital repository of content, including the creation of coursework, learning games and simulations, augmented reality and virtual reality to be developed

Training and incentives for teachers

Teachers undergo rigorous training in learner-centric pedagogy and on how to become high-quality online content creators themselves using online teaching platforms and tools.

Blended models of learning

While promoting digital learning and education, the importance of in-person learning is recognised. Accordingly, different effective models of blended learning are to be identified for appropriate replication for different subjects

[60] https://www.education.gov.in/nep/about-nep

Key FinTech regulators

The FinTech universe in India is regulated by four different regulators:

Key FinTech regulators

Reserve Bank of India (RBI)

- The RBI is an autonomous body established under the Reserve Bank of India Act, 1934 and is empowered under the Payments and Settlement Systems Act, 2007 (PSS Act) as the primary regulator for payment systems, banking and non-banking financial companies.
- RBI overseas monetary policies and the financial stability of the economy while promoting innovation through cutting-edge initiatives.

Securities and Exchange Board of India (SEBI)

- SEBI regulates the securities market, including stockbrokers and investment advisers, ensuring market integrity and investor protection.
- Its primary functions include regulating stock exchanges, overseeing mutual funds, preventing fraud and ensuring transparency in the securities market.

Insurance regulatory and Development Authority of India (IRDAI)

- IRDAI governs the insurance sector, ensuring fair treatment of policyholders and promoting sustainable growth in insurance services.
- Its primary functions include protecting policyholder interests, regulating insurance companies, ensuring financial stability and fostering fair competition in the market.

Pension Fund Regulatory and Development Authority (PFRDA)

- PFRDA is the principal regulatory body in India responsible for overseeing the pension sector.
- It plays a crucial role in promoting, developing and regulating pension funds, thereby safeguarding the interests of subscribers.

I. Reserve Bank of India (RBI)

To enable responsible growth of the financial sector, the Payments and Settlement Systems Act, 2007 (PSS Act), governed by the RBI,[61] mandates that any individual or entity operating a payment system requires authorisation from the RBI. Furthermore, key applicable regulations for identified sectors and sub-sectors are as follows:

- **ESG and climate finance offerings: Key compliances[62,63,64,65,66,67,68,69,70]**

NBFC restrictions

- No former approval required for investments – 100 percent approved except when acting as a Non-Banking Financial Company (NBFC)
- If an NBFC provides loans, digital lending guidelines mandate transactions only between the regulated entity and borrower without third-party involvement, including apps

Data storage

- Only basic data allowed to be stored not biometric data
- The payment data can only be stored within the legal boundaries of India – mirroring allowed but data must be brought back to India within 24 hours of processing the payment

Know your customer

- Entities must maintain records of financial transactions under the Prevention of Money-Laundering Act, 2002 (PMLA)
- RBI's Master Direction - Know Your Customer (KYC) Direction, 2016 provides a framework to verify customers
- Identity data to be up-to-date and shared with authorities when required

Green finance

- Framework for acceptance of green deposits for allotting funds to green projects a major step
- Draft Guidelines on Disclosure Framework on Climate-related Financial Risks, 2024 mandates disclosure on governance, strategy, risk management and metric & targets (in draft stage currently)
- Cross-border green financing also subject to regulations on external commercial borrowings

[61] https://www.indiacode.nic.in/bitstream/123456789/2082/4/a2007-51.pdf
[62] https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/RBIA1934170510.PDF
[63] commercial banks, cooperative banks, and NBFCs are collectively known as Regulated Entities or Res
[64] https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12382&Mode=0
[65] https://rbidocs.rbi.org.in/rdocs/notification/PDFs/153PAYMENTEC233862ECC4424893C558DB75B3E2BC.PDF
[66] https://m.rbi.org.in/scripts/FAQView.aspx?Id=130#:~:text=005%2F2017%2D18%20dated%20April,a%20system%20only%20in%20India
[67] https://enforcementdirectorate.gov.in/sites/default/files/Act%26rules/THE%20PREVENTION%20OF%20MONEY%20LAUNDERING%20ACT%2C%202002.pdf
[68] https://www.rbi.org.in/commonman/English/scripts/notification.aspx?id=2607
[69] https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?Id=4393
[70] https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11510

- **Payments and BankTech offerings: Key compliances**[71,72,73,74]

IT outsourcing

- Under RBI's Master Direction on Outsourcing of Information Technology Services, REs to conduct thorough due diligence of the tech provider (TSP)
- TSP is responsible for maintaining cybersecurity, complying with data protection laws and providing access to data when required by the RE
- TSP allowed to be based outside India with country-level risks managed
- TSP to periodically review operational conditions to comply with the requirements

Virtual currencies

- No existing law for cryptocurrencies in India
- Subject to compliance with the Central Government's Press Note 6 (2016) – Government approval required in absence of any specific law

Fraud risk management

- REs are required to develop a framework for Early Warning Signals (EWS) and Red Flagging of Accounts (RFA) under their Fraud Risk Management Policy under RBI's Master Directions on Fraud Risk Management
- As a solution provider, the requirement of integrating EWS and RFA systems with the Core Banking Solution (CBS) or other operational systems in a secure manner
- Contractual obligations to govern responsibilities of solution provider vis-a-vis the Regulated Entity

Cyber and information security

- Establish a robust IT governance system per the Master Directions on Information Technology Governance, Risk, Controls and Assurance Practices
- Third-party vendors to obtain required certifications per the Master Directions on Cyber Resilience and Digital Payment Security Controls for non-bank Payment System Operators (PSOs)
- To comply with the required standards under Direction on Digital Payment Security Controls, 2021

It is imperative to note that payment security solutions service providers would also have to comply with the mandates laid down under the RBI's KYC directions, circular on storage of payment data, CERT-In directions, along with the provisions of the DPDPA (along with other general regulations), as explained above.

If a Danish fintech company wants to operate as a **payment aggregator** (entities that facilitate websites and merchants to accept various payment methods from customers without creating their own payment system) or a **payment gateway** (entities that provide technology infrastructure to route and facilitate the processing of an online payment transaction without any involvement in the handling of funds), key compliances would include:

- Non-banking entities willing to operate as a PG must take RBI approval. Not required for PAs.
- Comply with settlement timelines, maintain a regulated escrow account for fund pooling and conduct merchant due diligence
- Comply with data protection standards and KYC norms as applicable
- Under PA-Cross Border Guidelines, register with the Financial Intelligence Unit (applicable to Danish cos planning to offer cross-border payment services in India)
- Comply with the Foreign Exchange Management Act, 1999 – filing of annual returns, annual performance reports, remittance forms, etc.

[71] https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12486&Mode=0
[72] https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12702
[73] https://www.rbi.org.in/scripts/BS_ViewMasDirections.aspx?id=12562
[74] https://www.caalley.com/rbi_mc_md_24/MD123C0C6F7FF70E34F3DA5623B9E72AB3181.pdf

Fintech companies dealing in **virtual currencies such as cryptocurrency** will have to ensure compliance with evolving and complex regulatory frameworks. Apart from the provisions mentioned above, the following are key considerations:

- Gains from cryptocurrency trading are taxed at 30 percent, along with a 1 percent TDS on transactions involving cryptocurrency. Issues around the same are under consideration by the Indian tax authorities and are evolving.
- Cryptocurrency service providers or intermediaries to comply with **AML & CFT Guidelines for Reporting Entities Providing Services Related to Virtual Digital Assets.**

B2B payment sector players will also have to ensure compliance with the requirements laid down under the other general regulations, as explained above.

- **Corporate Cards, M Wallets, PPIs,[75] Merchant Payments and Point-of-Sale (PoS): Key compliances**

Corporate cards, mobile wallets, PPI

- Comply with master direction on PPIs—only full-KYC PPIs can be used for purchasing goods and services, funds transfer, or cash withdrawal. Small PPIs can only be used for purchasing goods/services
- Prior approval required for setting up of PPI payment systems – minimum net worth to be maintained for non-banks
- Maintain a data log of at least 10 years and furnish it to regulators when required
- Follow technical specifications by National Payments Corporation of India (NPCI) for UPI-related integration
- Adhere to the requirements of card networks/UPI, including membership type and criteria, merchant on-boarding, adherence to various standards, rules and regulations applicable to the specific payment system such as technical requirements, certifications and audit requirements and governance
- Comply with other general regulations explained in the sections above

Merchant payment and PoS

- Merchant payment providers qualify as PGs under PA-PG guidelines, requiring no approval. However, PoS companies, UPI providers, etc., qualify as PAs and require RBI approval
- Draft regulation to regulate PoS systems used by bank and non-bank entities providing PA services circulated to govern payment systems, requiring NBFCs to take RBI authorisation for operating PoS
- Bank and Non-Bank PoS providers are mandated to adhere to a series of detailed guidelines relating to merchant onboarding, customer grievance redressal and other key operational standards
- Minimum net worth of EUR 1.69 million to be maintained
- Comply with other general regulations explained in the sections above

- **Credit services offerings: Key compliances**
  - Oversees financial entities offering credit and payment solutions, including BNPL services, would be required to secure an NBFC authorisation from RBI. Such BNPL service providers would also have to ensure compliance with the mandates listed under the digital lending guidelines as described above.
  - There is a restriction on PPIs being loaded from credit lines by non-bank institutions. This prohibition on the use of PPIs (such as wallets and prepaid cards) for loading funds using credit lines will impact/restrict BNPL players who rely on such instruments to provide credit.
  - Players providing di**gital lending, including BNPL services, will have to ensure compliance with the other general regulations as explained above.**

[75] A pre-paid instrument is defined as a payment instrument used to purchase goods and services. Some examples include, smart cards, online accounts, online money wallets, paper vouchers, etc: https://www.rbi.org.in/commonman/english/scripts/FAQs.aspx?Id=2812#:~:text=What%20are%20the%20various%20types,details%20of%20the%20PPI%20holder.

II. The Securities and Exchange Board of India (SEBI)

Key compliances for companies in the Indian capital markets have been illustrated below:

Danish companies providing services in investment and finance must comply with SEBI's **Guidelines on Outsourcing of Activities by Intermediaries,** requiring intermediaries to maintain high standards of service.

Companies offering services to stock exchanges and clearing houses must comply with the SEBI circular governing the **outsourcing of activities by stock exchanges and clearing corporations.**

The top 1,000 listed companies in India include the **Business Responsibility and Sustainability Report (BRSR)** in their annual reports, with adherence to ESG standards through quantifiable metrics.

Entities must comply with the **Securities and Exchange Board of India [KYC (Know Your Customer) Registration Agency] Regulations, 2011.** KYC Registration Agency (KRA) should implement a system that is connected with any central KYC registry authorised by the central government for collation and sharing of KYC information in the financial sector.

Companies providing cloud services to intermediaries must comply with SEBI's **Framework for Adoption of Cloud Services by SEBI Regulated Entities (REs), 2023.** This framework aims to establish a structured approach for security and compliance with regulatory requirements for the adoption of cloud services.

Danish companies operating within the WealthTech and financial management sectors in India must comply with **SEBI regulations for investment advisers, research analysts and stockbrokers,** ensuring proper registration, risk profiling, transparency in fees and adherence to ethical standards to protect investor interests.

III. Pension Fund Regulatory and Development Authority (PFRDA)

- The Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2018, governs the criteria for "point of presence" eligibility for onboarding National Pension Scheme (NPS) subscribers.
- Additionally, an entity can act on behalf of a "point of presence" as a "pension agent" for facilitating the distribution of pension schemes. Point of presence and Pension agents are also required to abide by the code of conduct provided in the regulation. In addition, "point of presence" and "pension agent" are required to comply with the KYC and AML norms prescribed under the Prevention of Money Laundering Act, 2002.

IV. Insurance Regulatory and Development Authority of India (IRDAI)

Key compliances for companies in the Indian InsurTech space have been illustrated below:

Key compliances in the Indian InsurTech Space

IRDAI (Outsourcing of Activities by Indian Insurers) Regulations, 2017 stipulates that insurers must ensure proper governance and oversight when outsourcing critical functions.

The **Master Guidelines on anti-money laundering/counter financing of terrorism (AML/CFT)** provide specific circumstances for third-party service providers to undertake KYC verification on behalf of an insurer.

Insurance Regulatory and Development Authority of India (Registration of Corporate Agents Regulations, 2015 provides a framework for ownership and control, record keeping, registration, conduct and operations of corporate agents operating in insurance business of life insurance, health insurance and general insurance.

The **Insurance Web Aggregator Regulations, 2017,** was introduced to oversee and monitor web aggregators acting as insurance intermediaries.

An entity can become an Insurance Broker in accordance with the **Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018.**

Danish companies operating in India's **InsurTech sector** must comply with the **IRDAI regulations** for corporate agents, web aggregators and insurance brokers, ensuring adherence to transparency, record-keeping and consumer protection standards.

It is also important to note that vide **Press Note 1 (2020)** by the Department for Promotion of Industry and Internal Trade, 100 percent FDI is permitted in intermediaries or insurance intermediaries under the automatic route, subject to certain conditions.

In addition to regulatory requirements mandated by the RBI, SEBI, IRDAI and PFRDA, companies providing their services in investment, payments, credit, finance, BankTech and horizontal tech have certifications and registrations, showcasing their ability to implement organisational security practices and compliance with the latest industry standards. A few such **accreditations** have been outlined below:

SOC 2 Type II	ISO 27001	ISO 22301	ISO 27701	PCI DSS v4.0
SOC 2 Type II is an auditing framework that evaluates an organisation's controls related to data security, availability, processing integrity, confidentiality and privacy over a specified period (typically between six months to a year).	ISO 27001 outlines requirements for improving Information Security Management System (ISMS). It provides an approach to data security, risk assessment and treatment processes tailored to organisation's needs.	ISO 22301 is the standard for Business Continuous Management System (BCMS), which provides organisations with frameworks to deal with disruptive incidents and resilience in maintaining operations during a crisis.	ISO 22701 provides guidelines on privacy information management systems. This standard helps organisations manage personal data in compliance with privacy regulations such as GDPR.	PCI DSS v4.0 (Payment Card Industry Data Security Standard version 4.0) is a set of security standards designed to ensure that all companies that accept, process, store or transmit credit card information maintain a secure environment.

Horizontal and evolving tech – Regulations on AI

Currently, there are no specific regulations governing AI-driven service providers in India. However, overarching regulations and sector-specific regulations may indirectly govern the usage and operations of AI in India.

Comply with the **DPDPA 2023,** which regulates data collection aspects

Consider **sector-specific regulations** such as RBI IT outsourcing guidelines

Keep a look out for **time-to-time advisories** by the MeitY on GenAI/Deep fakes/ LLM

Track **evolving regulations** such as the Digital India Act, including AI Governance Framework

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