

IDC MarketScape: India IT/Digital Transformation Services for Public Sector 2025 Vendor Assessment

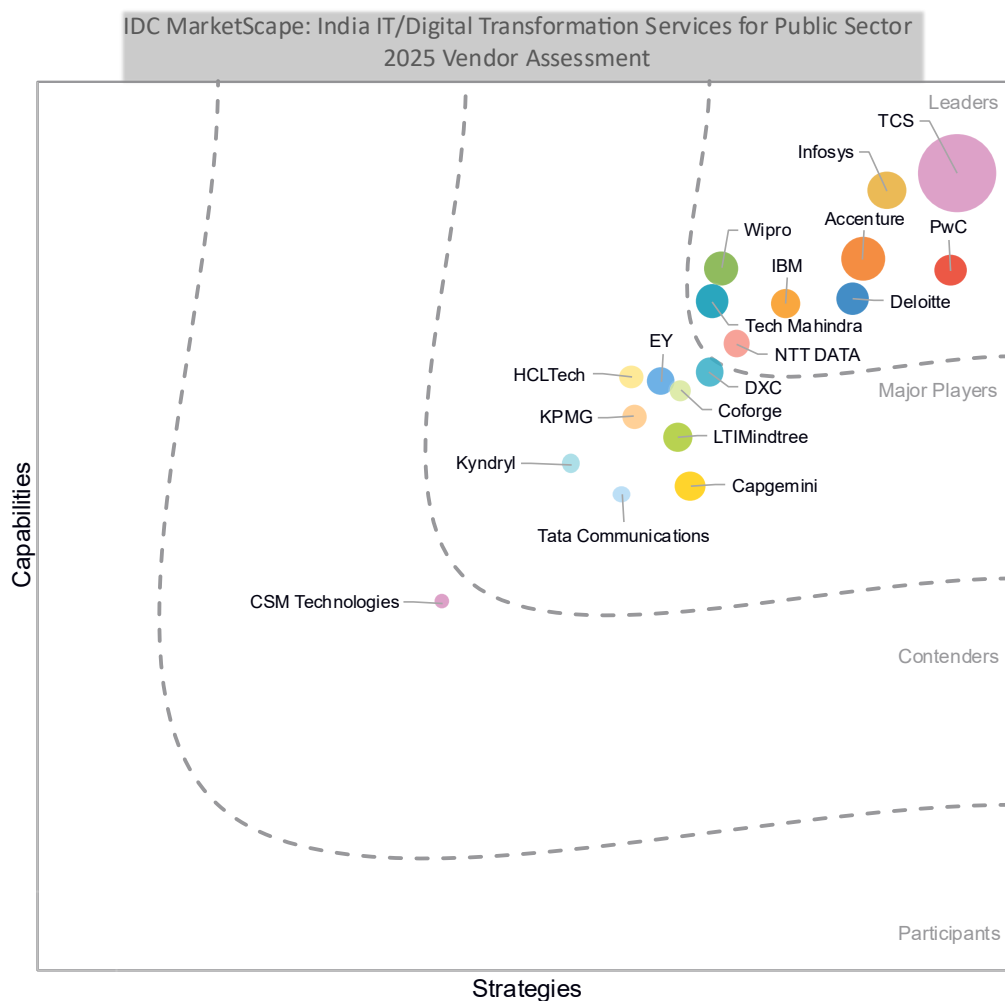
Neha Gupta Ravikant Sharma

THIS EXCERPT FEATURES TATA CONSULTANCY SERVICES (TCS) AS A LEADER

IDC MARKETScape FIGURE

FIGURE 1

IDC MarketScape: India IT/Digital Transformation Services for Public Sector 2025 Vendor Assessment



Source: IDC, 2025

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

ABOUT THIS EXCERPT

The content for this excerpt was taken directly from I India IT/Digital Transformation Services for Public Sector 2025 Vendor Assessment (Doc #AP53015125e).

IDC OPINION

The India public sector is at the forefront of a digital transformation wave that is reshaping governance, public service delivery, and institutional resilience. Government ministries, state agencies, and public sector undertakings (PSUs) are rapidly moving beyond technology adoption as a tactical enabler and toward embedding IT and digital services as foundational pillars of modernization.

IDC's *2025 Asia/Pacific IT Services Survey* indicates that over 70% of public sector organizations already dedicate 30–40% of their IT budgets to services, with the majority expecting further increases in external spending over the next two years. This underscores how digital investments are now central to mission delivery, operational efficiency, and citizen engagement.

Several factors are driving this accelerated transformation. First, infrastructure modernization is no longer optional. Governments are under pressure to refresh legacy systems with hybrid cloud and edge-ready architectures capable of supporting AI-enabled workflows. Second, AI adoption has become a defining priority. India enterprises are expected to formalize AI platform strategies by 2028, with national-level programs, such as IndiaAI positioning AI as a growth engine across governance and economic development. Third, cloud-first mandates — exemplified by the Government e-Marketplace (GeM) — reflect the shift toward scalable, platform-based governance models that prioritize interoperability, security, and agility. Finally, sustainability and environmental, social, and governance (ESG) imperatives are taking center stage, with ministries and PSUs embedding green IT, digital inclusion, and ESG-aligned performance metrics into their technology road maps.

The India context amplifies these imperatives. A large and diverse population, federal state policy dynamics, and mission-critical goals, such as Digital India, Smart Cities, and Viksit Bharat 2047, demand that IT SPs balance scale with contextual delivery. Reliable IT infrastructure is now directly tied to uninterrupted public service continuity, whereas advanced IT service management (ITSM) and AI-driven governance are becoming key differentiators. Vendors that can align innovation with compliance — covering the Digital Personal Data Protection (DPDP) Act, Indian

Computer Emergency Response Team (CERT-In), and global standards — while co-creating solutions with government stakeholders will gain a competitive edge.

As the 2025–2030 horizon unfolds, India's public sector will emerge as a global benchmark for digitally enabled governance. IDC sees three strategic imperatives shaping this evolution:

- AI-led modernization across core citizen services, regulatory systems, and operational workflows
- Hybrid and cloud-native infrastructure adoption that bridges legacy environments with sovereign, future-proof platforms
- ESG-driven transformation that integrates sustainability, resilience, and inclusive growth into public sector technology strategies

For IT vendors, this environment represents both an opportunity and a challenge. Success will require moving beyond traditional service delivery toward becoming trusted transformation partners, combining policy alignment, deep domain expertise, and responsible innovation. Those able to support ministries and PSUs with scalable, secure, and citizen-first digital solutions will play a pivotal role in shaping India's digital future.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

This evaluation does not represent an exhaustive list of all IT vendors operating in the India public sector market. Instead, the IDC team leveraged its services tracker to narrow down the selection based on specific criteria and subsequently collected and analyzed data on these vendors for inclusion in this IDC MarketScope.

Vendors that provide IT/digital services featured in this IDC MarketScope are required to meet the following inclusion criteria:

- Public sector coverage must include government-owned institutions, PSUs, and ministries or agencies of both the central and state governments in India.
- The vendor must offer a comprehensive portfolio of IT/digital services — including, but not limited to, cloud, cybersecurity, data analytics, AI, Internet of Things (IoT), and robotic process automation (RPA) — to public sector organizations in India.
- The vendor must generate a minimum annual revenue of US\$250,000 from delivering the aforementioned IT/digital services to public sector organizations in India.
- The vendor must have at least two active clients in India's public sector.

As India's public sector accelerates its digital transformation journey, ministries, PSUs, and state agencies must adopt a structured and forward-looking approach to vendor engagement. To ensure successful outcomes, IDC recommends the following considerations for public sector organizations embarking on their digital transformation initiatives. This structured approach will empower India's public sector organizations to make informed decisions, maximize the impact of their technology investments, and drive sustainable, citizen-centric digital transformation.

Align Vendor Selection with Policy and Mission-Critical Goals

Digital transformation initiatives must align with flagship programs Digital India, IndiaAI, Smart Cities, and Viksit Bharat 2047. Buyers should prioritize vendors with proven experience in policy-driven programs, expertise in regulatory compliance (e.g., DPDP Act, CERT-In), and a track record of delivering national-scale projects.

Evaluate Cloud and Hybrid Modernization Capabilities

With India's cloud-first mandate and growing demand for hybrid environments, agencies should assess vendors' ability to deliver secure, scalable, and sovereign cloud solutions, integrate legacy IT systems with cloud-native architectures, and enable interoperability and ensure data localization.

Leverage AI and Emerging Technologies Responsibly

AI adoption in governance is expanding, from predictive analytics in agriculture to GenAI in citizen services. Buyers must evaluate vendors' technical AI offerings alongside frameworks for responsible, explainable, and sovereign AI and contextualized use cases for law enforcement, public finance, healthcare, and education.

Demand Citizen-Centric Service Design

Technology investments should enhance citizen engagement, transparency, and service delivery. Agencies should assess vendors' ability to co-create solutions through stakeholder workshops, blueprinting exercises, and pilot programs and focus on user-centric outcomes rather than back-end efficiency.

Balance Cost, Scale, and Agility

Procurement in the public sector often involves trade-offs between affordability and innovation. Buyers should look for vendors offering flexible pricing models, such as a build-operate-transfer (BOT) model, outcome-based contracts, or pay-per-use arrangements, and solutions that align with government procurement norms while enabling scalability.

Prioritize Compliance, Security, and ESG Alignment

As sustainability and regulatory compliance become central to public sector agendas, agencies should evaluate vendors on their ability to deliver solutions supporting ESG objectives (e.g., energy-efficient infrastructure, green datacenters, digital inclusion) and adhere to strict standards, such as General Data Protection Regulation (GDPR), DPDP Act, and so forth.

Assess Local Presence and Regional Delivery Strength

Given India's geographic and administrative diversity, agencies should prefer vendors with regional delivery capabilities and sector-focused strategic business units (SBUs) and local partnerships to ensure contextual alignment, timely support, and continuity in state- and district-level initiatives.

Future-Proof Through Co-Innovation

Public sector organizations should seek partners that act as co-innovators rather than mere executors. Look for vendors investing in centers of excellence and domain-specific platforms (e.g., taxation, audit, social welfare) and collaborative research and development (R&D) initiatives with government, academia, and start-ups to future-proof investments against rapid technology shifts.

Use IDC MarketScape as a Strategic Tool

Finally, buyers should leverage the IDC MarketScape not only to short-list vendors but also use as a guide during negotiations. Evaluating proposals and oral presentations will help agencies. Identify true areas of differentiation, such as domain expertise, technical strength, or industry specialization. Ensure long-term value and alignment with their digital transformation goals.

FEATURED VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in TCS's position in the IDC MarketScape. The description here provides a summary of the vendor's strengths and opportunities.

Tata Consultancy Services

According to IDC's analysis and buyer perception, Tata Consultancy Services (TCS) is positioned as a leader in the IDC MarketScape: India IT and Digital Transformation Services for Public Sector 2025 Vendor Assessment.

TCS operates as a global provider of IT services, consulting, and business solutions, with a strong footprint in numerous countries. The company offers a wide array of digital transformation services, secure cloud infrastructures, and citizen-focused technology solutions that are specifically designed to meet the needs of government

agencies worldwide. In India and other regions, TCS plays a pivotal role in supporting digital governance, automation, and sector-specific public initiatives.

With a legacy spanning more than 50 years, TCS is one of India's trusted IT partners for public sector transformation. Its long-standing collaborations with central ministries, state governments, and public sector enterprises have enabled the company to impact the everyday lives of over 70% of the India population. Flagship government programs, such as Passport Seva, Ayushman Bharat, India Post modernization, Bharat Sanchar Nigam Limited (BSNL), and GeM, showcase TCS' ability to deliver at scale. Its dedicated public services business unit includes more than 21,000 professionals, of whom 93% are equipped with GenAI skills, underscoring the firm's readiness for the future of digital governance.

TCS offers a robust suite of sovereign-compliant solutions, including its proprietary SovereignSecure Cloud, DigiBOLT low-code platform, Cyber Defense Suite, TCS iON suit of offerings (iON Digital Assessment, iON Digital Marking, iON Learning Platform, iON Survey Services) and TCS Architecture for New-Age Core Solutions (BaNCS). These tools are designed to support India's digital sovereignty, enable secure public infrastructure, and deliver scalable services for citizens.

The company's portfolio spans multiple capabilities — ranging from cloud transformation, AI and automation, cybersecurity, and application modernization to data governance and regulatory compliance. TCS' deep collaborations with global hyperscalers, niche domain experts, academic institutions, and its Co-Innovation Network (COIN) innovation network further enrich its solution ecosystem, allowing the company to deliver highly contextualized offerings tailored to India's evolving public sector landscape.

TCS is strongly aligned with key national missions. It continues to invest in frontier technologies, such as sovereign AI, quantum computing, and multilingual platforms, to help India achieve its vision of a digitally empowered society. The company's ability to manage large-scale projects with strong governance, compliance mechanisms, and reliable delivery frameworks makes it a top choice for government entities pursuing long-term transformation goals. By blending global expertise with localized insight, TCS supports governments in modernizing outdated systems, enhancing citizen experiences, and building resilient, future-ready institutions.

Strengths

TCS' strengths are:

- Decades of experience delivering flagship national programs, such as the Passport Seva, UIDAI, GeM, System for Pension Administration (SPARSH), BSNL, and Ayushman Bharat
- Deep capabilities in integrating complex systems, managing applications, and delivering comprehensive monitoring and governance

- Proprietary platforms, such as TCS Banking, Architecture for New-Age Core Solutions (BaNCS) and SovereignSecure Cloud, DigiBOLT, and TCS iON suit of offerings (iON Digital Assessment, iON Digital Marketing, iON Learning Platform, iON Survey Services), developed specifically for India's secure and scalable digital transformation
- Strategic partnerships with cloud hyperscalers and sector-focused technology providers.
- Proven ability to execute large-scale initiatives while maintaining high standards of compliance and operational integrity

Challenges

TCS' challenges are:

- TCS is perceived as less agile in delivering highly customized, fast-track consulting projects compared with its competitors.
- It is facing rising competition as the market increasingly invests in AI-first, cloud-native solutions for the public sector.

Consider TCS When

Government departments, PSUs, and central or state agencies in India should consider engaging with TCS when seeking a reliable partner for high-impact digital transformation, initiatives of national importance and initiatives requiring deployment at scale. With deep expertise in the public sector, strong technology alliances, and India-aligned, scalable platforms, TCS is well-equipped to modernize legacy systems, integrate emerging technologies such as GenAI, and deliver citizen-focused services that align with India's broader digital development agenda.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis or strategies axis indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about

offerings, customer segments, and business and GTM plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores and vendor positions on the IDC MarketScape on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behaviors, and capabilities.

Market Definition

IT/digital transformation services encompass specialized advisory, implementation, and support services aimed at enabling organizations to leverage digital technologies for transforming business operations, enhancing customer experiences, and driving sustainable growth. These services are critical for organizations navigating the complexities of digital transformation, aligning their corporate strategies with technological advancements, and achieving long-term business objectives.

In this study, the public sector scope encompasses government-owned entities, PSUs, and various ministries or agencies at both the central and state government levels in India.

LEARN MORE

Related Research

- *Industry Market Forecast: Asia/Pacific Government, 2025* (IDC Government Insights #US52215825, June 2025)
- *India IT Services Market Forecast, 2025–2029* (IDC #AP52209025, April 2025)
- *IDC Playbook Tech Sales Leaders: An India Technology Market Expansion Sales Playbook for India-Based Vendors* (IDC #AP52209125, March 2025)
- *IDC FutureScape: Worldwide Digital Business and AI Transformation 2025 Predictions — India Implications* (IDC #AP51736424, November 2024)

- *Fortifying the Digital Frontier: Cybersecurity Priorities, Challenges and Investment Areas for Asia/Pacific Public Sector Organizations* (IDC Government Insights #AP51593524, September 2024)

Synopsis

This IDC study uses the IDC MarketScape model to assess IT vendors operating in the India public sector. It focuses on their IT and digital services offerings and capabilities in this segment. The study examines both quantitative and qualitative characteristics that drive success within the ecosystem.

The evaluation is based on a comprehensive and rigorous framework that compares vendors against one another and highlights the factors most likely to influence success in the market over both the short and long term.

"India public sector organizations are no longer content with transactional IT deployments; they expect vendors to act as strategic co-innovation partners. The mandate now is to modernize legacy systems with sovereign cloud, embed AI responsibly, and design citizen-first services. Technology partners that integrate advanced capabilities in AI, cloud, automation, analytics, and cybersecurity are not only driving efficiency but also strengthening resilience and trust. Vendors that combine domain depth with policy alignment will emerge as indispensable architects of India's digital governance," says Neha Gupta, senior research manager, software and IT services market, IDC Asia/Pacific.

"India's public sector has reached an inflection point in which digital has become the backbone of governance. Ministries, public sector undertaking (PSUs), and state agencies are embedding AI, cloud, and environmental, social, and governance (ESG) imperatives to deliver services that are inclusive, transparent, and resilient. In this journey, IT vendors are expected to act as accelerators of scale, bringing sovereign-ready platforms, contextual expertise, and innovative delivery models that translate national missions into tangible citizen outcomes. Those that enable measurable impacts will define the next chapter of India's governance transformation," says Ravikant Sharma, research director, IDC Asia/Pacific Government Insights.

ABOUT IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

IDC India (Delhi)

IDC Centre for Consultancy and Research Pvt.Ltd,
Unit no.221-223, Vipul Plaza, 2nd Floor,
Sector 54, Golf Course Road,
Gurgaon Haryana 122002.
+91 124 476 2300
Twitter: @IDC
blogs.idc.com
www.idc.com

Copyright and Trademark Notice

This IDC research document was published as part of an IDC continuous intelligence service, providing written research, analyst interactions, and web conference and conference event proceedings. Visit www.idc.com to learn more about IDC subscription and consulting services. To view a list of IDC offices worldwide, visit www.idc.com/about/worldwideoffices. Please contact IDC at customerservice@idc.com for information on additional copies, web rights, or applying the price of this document toward the purchase of an IDC service.

Copyright 2025 IDC. Reproduction is forbidden unless authorized. All rights reserved.