

**GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE**

**LOK SABHA**

**UNSTARRED QUESTION NO. 2326.  
TO BE ANSWERED ON WEDNESDAY, THE 21<sup>ST</sup> DECEMBER, 2022.**

**ONDC**

**2326. SHRI GAJANAN KIRTIKAR:  
SHRI SELVAM G.:  
SHRI DHANUSH M. KUMAR:  
SHRI C.N. ANNADURAI:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

**वाणिज्य एवं उद्योग मंत्री**

- (a) the salient features of new Open Network for Digital Commerce (ONDC) project;
- (b) the manner in which ONDC will help small sellers, traders and farmers to participate in e-commerce with an equal footing as large players;
- (c) the increase in number of recognized startups in the country during the last three years along with the manner in which the said ONDC would empower and nurture the new startups and also the brick-and-mortar stores in the country;
- (d) whether the ONDC has taken steps to bring on-board the entire farm value chain to e-commerce, particularly the Farmer Producer Organisations (FPOs), mandis, processors, exporters, MSMEs and the small retailers;
- (e) if so, the details thereof; and
- (f) whether ONDC has organized "Grand Hackathon" on agriculture domain to promote open e-Commerce network, if so, the details and its outcome thereof?

**ANSWER**

**वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)  
THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRI SOM PARKASH)**

- (a):** Open Network for Digital Commerce (ONDC) aims at promoting open networks for all aspects of exchange of goods and services over digital or electronic networks. ONDC is based on open-sourced methodology, using

open specifications and open network protocols independent of any specific platform.

The foundations of ONDC are open protocols for all aspects in the entire chain of activities in exchange of goods and services, similar to hypertext transfer protocol for information exchange over internet, simple mail transfer protocol for exchange of emails and unified payments interface for payments.

These open protocols are building blocks of public digital infrastructure in the form of open registries and open network gateways to enable exchange of information between providers and consumers. Providers and consumers can use any compatible application of their choice for exchange of information and carrying out transactions over ONDC.

Thus, ONDC goes beyond the current platform-centric digital commerce model where the buyer and seller have to use the same platform or application to be digitally visible and do a business transaction.

**(b):** ONDC protocols standardize operations like cataloguing, inventory management, order management and order fulfilment. Thus, small sellers, traders and farmers can use any ONDC compatible applications instead of being governed by specific platform centric policies. This provides multiple options to them to be discoverable over network and conduct business. It would also encourage easy adoption of digital means by those currently not on digital commerce networks.

**(c):** In the last three years (years 2019, 2020 and 2021) 45,951 entities were recognized as startups by the Department for Promotion of Industry and Internal Trade (DPIIT). The year-wise number of entities recognised as startups by the DPIIT in the last three years is as under:

Year	Number of entities recognised as startups
2019	11,328
2020	14,534
2021	20,089
Grand Total	45,951

ONDC modularizes operations involved in exchange of goods and services. In the traditional model, an e-commerce platform has to create services for buyers, sellers, payments and logistics. In ONDC model, a company may provide any one or more of these services and join the network. Hence, ONDC has potential to open huge opportunities for startups by developing

innovative and specialized solutions for any part of e-Commerce value chain and integrate with the wider ecosystem of e-commerce and scale rapidly.

**(d) & (e):** ONDC helps Farmer Producer Organisations (FPOs), mandis, processors, exporters, MSMEs and the small retailers to integrate with ONDC Network. ONDC has supported Seller-Side Network Participants to integrate with ONDC Network, testing them for both technical as well as operational reliability, and making their details available online for being discovered by any buyer.

**(f):** A National Bank for Agriculture and Rural Development (NABARD) - ONDC Grand Challenge was launched in June 2022 with the support of Startup India, Atal Innovation Mission, NABARD and Bombay Stock Exchange (BSE) to activate the farm and off-farm sector value chain with e-Commerce, and onboard farmers, FPOs, mandis, agriculture traders, processors, exporters and retailers on the ONDC network.

The Hackathon was conducted over three days (July 1 - July 3) with more than 700 participants, and the 9 winners were announced on 12th July 2022.

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