

OPEN NETWORK FOR DIGITAL COMMERCE INCENTIVE PROGRAM

Date: 12 December 2022

ONDC has been making significant progress since its inception and its roll-out has been conducted in a phased manner:

a) Phase 1 – Alpha Testing

In Phase 1, which was launched on 29th April 2022, ONDC was made alpha test live for transactions with 5 seller NPs, 1 Buyer NP and 1 logistics NP who had been the early adopters. The 2 categories enabled were grocery and food and transactions through Closed User Group (CUG) buyers were started in 5 cities. The select user base has extended to 85 cities in the last few months. This alpha test gave confidence to ONDC and participants on real orders, real order fulfilment and real delivery managed by different entities in a cascading fashion.

b) Phase 2 - Beta Testing

In Phase 2, which was launched on 29th September 2022, ONDC extended the testing of the beta base to public users in limited pin codes in urban Bangalore to test the experience of public usage. A total of 25 NPs are live (3 logistics, 6 buyer and 16 seller app) with about 480 merchants onboarded in Bangalore. In the last two months we have tested around 40 orders per day consisting of 70% grocery and 30% food. At this early stage of beta testing while open to the public, the outreach has been kept minimal by NPs to experience real transactions and fine-tune systems and processes.

c) Phase 3 - Extended Beta Testing

After two months of testing and nearly 3000 orders, we are now gearing up for the next phase of testing with operation at some meaningful scale to build up momentum for a national launch planned for the first quarter of 2023. Towards this we are implementing a multi-pronged approach in the short term to enhance the network to stimulate transactions, with focus on Bangalore.

- i. Stepped up network scale from 700+ merchants across India to 20000 across domains (10000 in Grocery, 5000+ restaurants, 5000 other domains)
- ii. Readiness from participants, both buyer and seller apps to handle the enhanced volume flow,
- iii. Readiness to manage network operation at such scale for settlement and grievance management initially with semi-automatic processes and automate soon through network systems.
- iv. Special outreach program with buyer apps with existing user base to stimulate demand

- v. Enablement of new categories like Fashion, Home & Kitchen (including Décor), Electronics, Beauty and Personal Products
- vi. Provide more logistics coverage by onboarded additional logistics players for hyperlocal and intercity

To jump start the the network scale up ONDC is happy to to simulate complementary outcomes from the following groups:

- a. Program 1: Incentive for seller NPs for seller onboarding
- b. Program 2: Incentive for sellers to increase seller generated transactions
- c. Program 3: Incentive for Buyer NPs for demand generation

The incentive program will be valid from 16th December 2022 to 15th February 2023. Please refer to the detailed notes below for the terms and condition of each of the programs.

PROGRAM 1: INCENTIVE PROGRAM FOR SELLER NETWORK PARTICIPANTS FOR SELLER ONBOARDING

Objective: Increase seller density and assortment across India leading with Bengaluru and in all categories leading with Grocery and F&B.

Expected Outcome:

Live Seller NPs to onboard following sellers on ONDC over next 2 months

- 5,000 Sellers in F&B
- 10,000 sellers in grocery
- 5,000 sellers in other categories

Program Duration: 2 months from date of launch

Qualification and Award Categories:

1. Award Category 1 - Marketplace Seller NP - F&B Category

- Incentive will be paid for sellers added in multiples of 50 after the first 50 (e.g. in case a seller NP has 275 qualified sellers during program duration then incentive will be paid for 200 sellers; excluding first 50 sellers)
 - INR 500 per seller in Bengaluru
 - INR 250 per seller in other cities
- Each Seller NP can avail above incentive for maximum 1000 sellers
- To be counted each existing/new seller should have
 - min. 20 SKUs with all mandatory attributes
 - min. 5 genuine delivered orders during the program duration
- Bonus incentive of INR 3,00,000 each for first two NPs onboarding 2000 new sellers each, in Bengaluru

2. Award Category 2 - Marketplace Seller NP - Grocery Category

- Incentive will be paid for sellers added in multiples of 50 after the first 50 (e.g. in case a seller NP has 275 qualified sellers during program duration then incentive will be paid for 200 sellers; excluding first 50 sellers)
 - INR 500 per seller with SKUs <2000 and INR 1,000 with SKUs > 2000 in Bengaluru
 - INR 250 per seller with SKUs <2000 and INR 500 with SKUs > 2000 in other cities
- Each Seller NP can avail above incentive for maximum 1000 sellers
- To be counted each existing/ new seller should have
 - min. 100 SKUs with all mandatory attributes
 - min. 5 genuine delivered orders during the program duration
- Bonus incentive of INR 3,00,000 each for first two NPs onboarding 1,000 new merchants each in Bengaluru

3. Award Category 3 - Marketplace Seller NP -Other Categories

- Incentive will be paid for sellers added in multiples of 50 after the first 50 (e.g. in case a seller NP has 275 qualified sellers during program duration then incentive will be paid for 200 sellers; excluding first 50 sellers)
 - INR 500 per seller with SKUs <500 and INR 1,000 with SKUs > 500 in Bengaluru
 - INR 250 per seller with SKUs <500 and INR 500 with SKUs > 500 in other cities
- Each Seller NP can avail above incentive for maximum 1000 sellers
- To be counted each existing/ new seller should have
 - min. 50 SKUs with all mandatory attributes
 - min. 5 genuine delivered orders during the program duration
- Bonus incentive of INR 3,00,000 each for first two NPs onboarding 1,000 new merchants each in Bengaluru

All seller NPs qualifying for fastest achievers to get publicly recognised ONDC pioneer badges allowed to be used in their advertisements.

Other conditions:

- Seller NPs have to be ONDC compliant seller applications which are live in the ONDC production environment on/before the date of closing of the program
- For sellers to be counted, they have to be live in the ONDC production environment
- Seller NPs to provide list of first 50 onboarded sellers
- Sellers NPs to provide order status dashboard as per the formats defined by ONDC for validation of data based on the above qualification and incentive criteria and data requested thereof
- Program will be reviewed on a monthly basis
- Payouts will be made by ONDC to NPs on a monthly basis

PROGRAM 2: INCENTIVE PROGRAM FOR SELLERS TO INCREASE SELLER GENERATED TRANSACTIONS

Objective: Increase seller engagement and number of seller initiated transactions on the network leading with Bengaluru

Expected outcome: Sellers to drive generation of up to 10,000 orders per day on the network

Program Duration: 2 months from date of launch

Incentive:

- Incentive for seller/store in all categories in Bengaluru
 - INR 1500 per month for delivering 50 or more genuine orders with min. 25 unique buyers and min. 5 days with at least one transaction each
 - INR 7500 per month for delivering 150 or more genuine orders with min. 100 unique buyers and min. 15 days with at least one transaction each
- Incentive for seller/store in all categories in other cities
 - INR 750 per month for delivering 50 or more genuine orders with min. 25 unique buyers and min. 5 days with at least one transaction each
 - INR 3750 per month for delivering 150 or more genuine orders with min. 100 unique buyers and min. 15 days with at least one transaction each
- Bonus of INR 50,000 for first 10 sellers in Bengaluru to reach 1,000 orders each
- Sellers qualifying for fastest achievers to get publicly recognised ONDC pioneer badges allowed to be used in their advertisements.

Other Qualification Criteria:

- The Average Order Value including shipping charges should be:
 - Min. INR 200 for Grocery and F&B
 - Min. INR 500 for other categories
- Only 1 seller cancellation is allowed in 10 orders
- Seller to make order ready to ship as follows:
 - Hyperlocal F&B @ 20 min
 - Hyperlocal Grocery @ 30 min
 - Other Categories - commitment as per transaction contract
- There should be zero wrong product delivery complaint

Other conditions:

- The sellers must be live on an ONDC compliant Seller application in the ONDC production environment on/before the date of closing of the program
- Sellers NPs to provide order status dashboard as per the formats defined by ONDC for validation of data based on the above qualification and incentive criteria and data requested thereof

- Program will be reviewed on a monthly basis
- Payouts by ONDC will be done monthly and would be made to Seller NP and in turn Seller NP needs to payout the seller within 2 bank working days.

PROGRAM 3: INCENTIVE PROGRAM FOR BUYER NETWORK PARTICIPANTS FOR DEMAND GENERATION

Objective: Promote demand generation by the buyer apps on the ONDC network

Expected Outcome:

- Buyer Applications to generate over 150,000 orders on the ONDC network over next 2 months

Program Duration: 2 months from date of launch

Qualification and Award Categories:

1) Award Category 1: Start-up Buyer Application

- Incentive will be paid out for genuine delivered order in multiple of 100 after first 1000 orders (e.g. in case a buyer NP generates 4052 qualified orders during program duration then incentive will be paid for 3000 orders)
 - INR 50 per order in Bengaluru
 - INR 25 per order in other cities
- To be counted, the Average Order Value of order including shipping charges should be:
 - Min. INR 200 for Grocery and F&B
 - Min. INR 500 for other categories
- Each Buyer NP can avail incentive for maximum 10,000 orders
- Entity must be identified as a Start-up by DPIIT
- Buyer NP to ensure 100% payment compliance during the program duration
- Bonus incentive of INR 3,00,000 each for first two start-up buyer NPs completing 10,000 orders each

2) Award Category 2: Other Buyer Application

- Incentive for first two Buyer NP with at least 50,000 genuine delivered orders during the program duration
 - INR 3,00,000 as a token of appreciation
 - Award and citation from ONDC
- To be counted, the Average Order Value of order including shipping charges should be:
 - Min. INR 200 for Grocery and F&B
 - Min. INR 500 for other categories
- Buyer NP to ensure 100% payment compliance during the program duration

The fastest achievers to get publicly recognised ONDC pioneer badges allowed to be used in their advertisements

Other conditions:

- The qualified Buyer NP must be ONDC compliant and live in the ONDC production environment on/before the date of closing of the program
- Start-up Buyer NP must submit the DPIIT Start-up certificate to ONDC for validation.
- Buyer NPs to provide order status dashboard as per the formats defined by ONDC for validation of data based on the above qualification and incentive criteria and data requested thereof
- Program will be reviewed on a monthly basis
- Payouts will be made by ONDC to NPs on a monthly basis

Annexure 1: Pincodes in Bengaluru

S.No.	DELIVERY POST OFFICE	PINCODE
1	Vishwaneedam	560091
2	Adugodi	560030
3	Agaram	560007
4	Arabic College	560045
5	Avani Sringeri Mutt	560086
6	Banashankari	560050
7	Banashankari II Stage	560070
8	Banashankari III Stage	560085
9	Bangalore	560001
10	Bangalore City	560002
11	Bangalore Vishwa Vidhyalaya	560056
12	Bannerghatta	560083
13	Bannerghatta Road	560076
14	Basavangudi	560004
15	Basaveshwaranagar	560079
16	Belandur	560103
17	Benson Town	560046
18	Bommanahalli	560068
19	Bommasandra IE	560099
20	C.V. Raman Nagar	560093
21	Carmelram	560035
22	Chamarajapet	560018

S.No.	DELIVERY POST OFFICE	PINCODE
23	Chandapura	560081
24	Checkpet	560053
25	Chikkabanavara	560090
26	D R College	560029
27	D.K. Sandra	560062
28	Domlur	560071
29	Doorvani nagar	560016
30	Electronic City	560100
31	Fraser Town	560005
32	G.K.V.K.	560065
33	Gavipuram Ext.	560019
34	Govt. Electric Factory	560026
35	H A Farm	560024
36	H.K.P. Road	560051
37	HAL 2nd Stage	560008
38	Hampinagar	560104
39	Hessarghatta	560088
40	Hessarghatta Lake	560089
41	HSR Layout	560102
42	Indiranagar	560038
43	J C Nagar	560006
44	J P Nagar	560078
45	Jalahalli	560013
46	Jalahalli East	560014

S.No.	DELIVERY POST OFFICE	PINCODE
47	Jalahalli West	560015
48	Jayanagar	560041
49	Jayanagar 3rd Block	560011
50	Jayanagar East	560069
51	Jigani	560105
52	K G Road	560009
53	Kacharakanahalli	560084
54	Kadugodi	560067
55	Kalyannagar	560043
56	Kengeri	560060
57	Koramangala	560034
58	Koramangala VI Block	560095
59	Kothanur	560077
60	Krishnaraja Puram	560036
61	Kumbalgodu	560074
62	M.S.R.I.T	560054
63	Magadi Road	560023
64	Mahadeva pura	560048
65	Malleswaram	560003
66	Malleswaram West	560055
67	Marthahalli Colony	560037
68	Maruthi Seva Nager	560033
69	Museum Road	560025
70	Nagarbhavi	560072

S.No.	DELIVERY POST OFFICE	PINCODE
71	Nagasandra	560073
72	Nandini Layout	560096
73	Nayandahalli	560039
74	New Thippasandra	560075
75	Peenya Industrial Estate	560058
76	R.T. Nagar	560032
77	R.V. Niketan	560059
78	Rajajinagar	560010
79	Rajarajeshwari Nagar	560098
80	RMV 2nd Stage	560094
81	S.C. Garden	560042
82	Sadashivanagar	560080
83	Sahakaranagar	560092
84	Science Institute	560012
85	Sehadripuram	560020
86	Sriramapuram	560021
87	Subramanyapura	560061
88	T. Dasarahalli	560057
89	Tyagaraja Nagar	560028
90	Udaypura	560082
91	Vartur	560087
92	Vasanthanagar	560052
93	Vidyaranyapura	560097
94	Vijayanagar	560040

S.No.	DELIVERY POST OFFICE	PINCODE
95	Vimanapura	560017
96	Virgo Nagar	560049
97	Viveknagar	560047
98	Whitefield	560066
99	Wilson Garden	560027
100	Yelahanka	560064
101	Yelahanka IAF	560063
102	Yelahanka Satillite Town	560106
103	Yeshwanthpura	560022