

# Qoncept EXPLAINER

## What is ONDC?

The Open Network for Digital Commerce (ONDC) is an open network set up by the Government of India to democratize digital commerce. It is not a platform or an app in itself, but a network of interconnected buyers, sellers, and technology platforms that allows transactions to happen in a decentralized way.

Instead of being dependent on large e-commerce platforms like Amazon or Flipkart, ONDC enables small retailers, startups, and businesses to directly connect with buyers across India.

Launched in December 2021, ONDC is similar to UPI (Unified Payments Interface) — just like UPI transformed digital payments, ONDC aims to transform e-commerce.

### How does ONDC work?

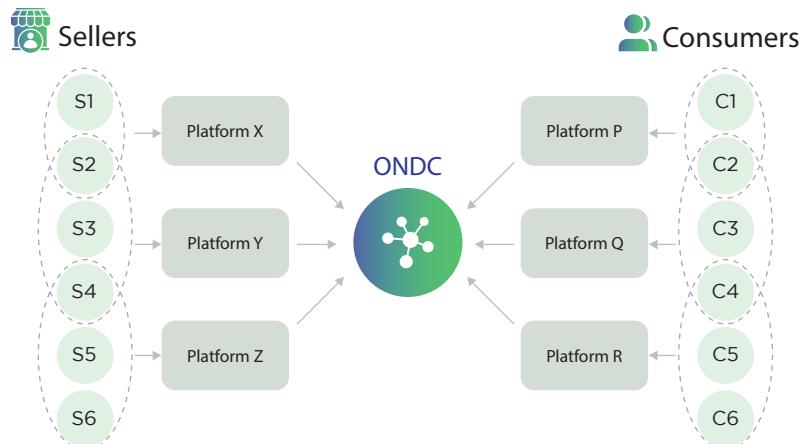
ONDC functions as a protocol layer (similar to UPI) rather than a single marketplace. Here's how it operates:

- Q **Buyer-side apps** - Apps where customers place their orders. Example: Paytm, PhonePe, Meesho, etc.
- Q **Seller-side apps** - Apps that onboard sellers (retailers, service providers, brands). Example: Mystore, GrowthFalcons, etc.
- Q **Logistics providers** - Companies that deliver goods (Delhivery, Dunzo, Loadshare, etc.).
- Q **Technology & network participants** - Entities providing cataloguing, payment, settlement, compliance.

So, if a customer searches for “headphones” on Paytm (buyer app), ONDC will display options not only from Paytm’s network but also from sellers registered through other platforms. The order can be delivered by an independent logistics partner.

This interoperability is the core feature of ONDC

### Transaction Across Platforms



## Who can join ONDC?

ONDC is open to:

- Buyers – Individuals using buyer apps.
- Sellers – Small businesses, retailers, startups, service providers, D2C brands.
- Logistics companies – Delivery partners.
- Tech companies – Providing payment gateways, cataloguing, or analytics.

Basically, anyone who wants to be part of the digital commerce ecosystem can plug into ONDC.

## Why is ONDC important?

- **Democratization of e-commerce** – Small retailers get visibility beyond their geography.
- **Standardized experience** – Buyers get more options; sellers get a level playing field.
- **Government-backed** – Adds trust and ensures rapid adoption.

ONDC is still in its growth stage. It is live in 400+ cities, onboarding thousands of sellers every month. Sectors such as food delivery, groceries, fashion, mobility, and financial services are being integrated step by step.

As UPI scaled from a pilot to over 10 billion transactions per month, ONDC aims for a similar network effect in e-commerce.

## What ONDC Means for Mutual Funds

### How ONDC could change mutual fund distribution

A select group of fintechs, in collaboration with ONDC, are already piloting a new, cost-efficient distribution model for mutual funds. Through their integration:

- Distributors connect directly with mutual funds, eliminating platform overheads.
- Visibility and transparency for distributors have improved—issues like transaction failures or delays etc.

This can help promote features like daily SIPs or goal-based micro-investment options, lowering both costs and complexity for investors.

## What it means for Investors?

- ① **Convenience** – Investors can use familiar buyer apps (e.g., Paytm, Meesho) to discover and invest, reducing friction. The digital-first ONDC model simplifies onboarding and execution.
- ② **Greater choice** – With AMCs and distributors expanding, investors get more options, competitive offerings, and flexibility (e.g., daily SIPs, goal-based products).

### In Summary

ONDC is not just democratizing e-commerce; it's actively redefining how mutual funds are distributed in India. Extended reach, enhanced transparency, and a decentralized model powered by ONDC marks the beginning of a more inclusive financial services ecosystem.

Quantum AMC is pleased to announce its onboarding onto the Open Network for Digital Commerce (ONDC), joining a growing group of Asset Management Companies (AMCs) that are embracing this transformative initiative. ONDC opens a new horizon and a bigger canvas for mutual fund distributors to reach investors across geographies and demographics. As ONDC evolves, we look forward to exploring similar frictionless channels that align with our mission of making investing accessible, affordable, and intuitive for every investor.