

## DEFINITIONS

**Affiliates** shall include related parties and associated enterprises, wherein:

- (i) Related parties shall have the same meaning as assigned to it in section 2(76) of the Companies Act 2013;
- (ii) Two enterprises shall be deemed to be associated enterprises -
  - a. if the enterprises are related to each other through a common chain of directors or managing partners;
  - b. if the enterprises are related to each other through a common chain of shareholders, where such shareholders hold not less than 5 percent per cent of the shareholding in the related enterprises;
  - c. if the enterprises having 10 per cent or more common ultimate beneficial ownership;
  - d. where one enterprise can exercise a right to veto any decision, appoint one or more director(s) or in any other manner influence other entity's decision making on any matter either through its shareholding or through an agreement including a shareholders' agreement;
  - e. where one enterprise holds, directly or indirectly, shares carrying the voting power in the related entities;
  - f. where any person or enterprise holds, directly or indirectly, shares carrying the voting power in the related entities;
  - g. if there exists between the enterprises, any relationship of mutual interest, as may be prescribed.

**Applicable Law** shall mean any and all laws, including but not limited to the Consumer Protection Act, 2019, Consumer Protection (E-Commerce) Rules, 2020, Information Technology Act, 2000 and rules framed thereunder, Legal Metrology Act, 2009 and rules framed thereunder, Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, Foreign Direct Investment Policy, other statutes, directives, regulations, decisions, legislations, regulatory rules, orders, judgments, decrees, frameworks, code of practice, guidelines or industry standards as issued by Government of India, any State Government in India and/or any other statutory and regulatory authority in India from time to time and are applicable to a Party, the services and /or arrangements covered under the Agreement.

**Applicant** means a person as defined in the chapter of the Network Policy titled "Chapter 1: Onboarding, compliance requirements and certification requirements"

**Automated Issue Resolution (AIR)** is the use of technology such as assisted communication between aggrieved and respondent, chatbots, dropdown list, et al. for resolution of disputes.

**Branding Guidelines** shall mean the terms and conditions set out in Chapter 5.

**Buyer App Fee** shall mean the finder fee a Buyer App charges as a percentage of the Total Order Value or a fixed amount per Successful Order from the Seller App.

**Buyer Price** shall mean the cumulative net price payable by the Buyer of the Declared Price and/or the price for logistics services and/or any mark up or discount offered by the Buyer App.

**Buyer Side Applications / Buyer Apps** means all platforms or applications which enable the Customer to purchase any goods or avail any service on the ONDC Network.

**Certification Process** means the validation report or certificate obtained from a third-party auditor or a certifying agency duly recognised by ONDC or by ONDC itself in relation to the Network Participant's compliance with the ONDC Protocol Specification.

**COD** shall mean cash-on-delivery payments.

**COD Order** shall mean an Order for which the Buyer makes payment through COD

**Competent Authority** means the government of any country and includes the Government of India, or any Central or State Government,; any person, authority or body exercising governmental, political, executive, legislative, quasi-judicial, regulatory, statutory or tax authorities or administrative functions of or pertaining to government, including any government or local authority, regulatory authority, court, tribunal or arbitral tribunal, agency, department, board, commission or instrumentality of India.

**Consumer** has the meaning as under the Consumer Protection Act, 2019 (CPA)

**Customer / Buyer** shall mean the registered users of the Buyer App accessing the ONDC Network to purchase any good or avail any service offered by Sellers on the Seller App.

**Data Breach** has the meaning ascribed to it in Chapter 8, Clause 8.2.2.

**Declared Price** shall mean the final price declared by the Seller listed on the Seller App.

**Ecosystem Participant** shall mean any participant in the ONDC ecosystem, other than Network Participants, and includes the Technology Service Providers (TSPs), Sellers and other ONDC Network participants who may not have any direct contractual relationship with ONDC, but are engaged by the Network Participants in relation to activities carried over the ONDC Network.

**End User** shall include a Customer, Seller or a Service Provider who is registered with the respective Participant.

**Force Majeure Events** shall mean events such as the occurrence of a fire, flood, earthquake, embargo, labour dispute, strike, act of sabotage, terrorism, riot, civil unrest, accident, war or threat of war, act of God or public enemy, pandemic or epidemic or lockdowns or other government actions or any other similar cause beyond a Party's reasonable control, when such event impacts a Party's obligations to perform its obligations under the Agreement.

**Gateway** shall mean the technology provider that will ensure discoverability of all Sellers in the ONDC Network by multicasting the search request received from Buyer App to all Seller App and vice-versa, based on criteria, including but not limited to, location, availability, and other customer preferences as provided for in the Network Policies of ONDC

**Gateway Fee** shall have the meaning ascribed to it in Chapter 3, Clause 3.2.1 (ii)

**General ONDC Mark Restrictions** shall mean the restrictions set out in Chapter 5, Clause 5.3.

**Grievance** refers to an Issue that does not receive a response from the party who is supposed to respond, or an Issue that is not satisfactorily resolved. The entity who raised the Issue can escalate it to a Grievance.

**Grievance Information Packet (GIP)** refers to an artefact that is generated by a Network Participant in relation to a Grievance that has been raised by an End User or Network Participant, on the ONDC Network using the systems and processes described in this Chapter. A GIP will contain the details of the Grievance filed, along with other pertinent information, including but not limited to the original Issue, history of attempted resolution, and relevant time-stamps.

**Grievance Redressal Officer** is an individual appointed by every e-commerce entity, as mandated by E-Commerce Rules 2020, for redressal of consumer disputes which are to be acknowledged within 48 hours and resolved within 30 days.

**GST Laws** shall mean the Central Goods and Services Tax Act, 2017, the relevant State Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the relevant Union Territory Goods and Services Tax Act, 2017 and the Goods and Services Tax (Compensation to States) Act, 2017 and the rules and regulations framed thereunder.

**Insolvency Event** shall mean in relation to a Person, shall mean where:

1. such Person is unable, or is deemed by any court or tribunal of Competent Authority to be unable, or admits in writing its inability, to pay its debts as they fall due; or
2. any action, legal proceedings or other procedure or any step is taken in relation to:
  - a. the suspension of payments, moratorium of any Indebtedness, winding-up, dissolution, administration, provincial supervision, or reorganisation (by way of a voluntary arrangement, scheme of arrangement or otherwise) relating to such Person; or
  - b. the appointment of a receiver, administrative receiver, interim resolution professional, resolution professional, liquidator, official liquidator, administrator, compulsory manager, provincial supervisor, or similar officer in respect of such Person or substantially all of its assets or undertakings; or
  - c. enforcement of any encumbrances created by such Person on its assets or
  - d. undertakings; or
  - e. the passage of a resolution by the members of the Person to initiate a
  - f. voluntary liquidation process in relation to the Person; or
  - g. filing of a petition or application for insolvency of the Person before any Competent Authority, which is not dismissed by the Governmental Authority within 30 days from the date of such filing, or, with respect to a natural Person, declaration of bankruptcy of that Person; or
  - h. or any analogous procedure or step is taken in any relevant jurisdiction.
3. any expropriation, compulsory acquisition, nationalisation, attachment, sequestration, distress, or execution over any assets of such Person is undertaken.

**INR** shall mean Indian Rupee.

**Intellectual Property** means and includes any and all copyright, script, story, sound recording, audio-visual recordings, images, pictures, music, lyrics, titles, slogans, and all other artistic, literary, dramatic, vocal and musical materials, including any cinematographic films or recordings, background score, song elements; trademarks, tradenames, domain names, service marks, brands, designs, including all set designs, production designs, costume designs; goodwill, know-how, concepts, ideas, and all other intellectual property and other ancillary assets as recognised under Applicable Law, and in industry usage or otherwise.

**Intellectual Property Rights or IPR** shall mean all past, present, and future rights of the following types, which may exist or be created under the laws of any jurisdiction in the world: (a) rights associated with works of authorship, including exclusive exploitation rights, copyrights, moral rights, and mask work rights; (b) trade secret rights; (c) patent and industrial property rights; (d) trademarks, service marks, logos, and trade name and product name rights and similar rights; (e) other proprietary rights in intellectual property of every kind and nature; and (f) rights in or relating to registrations, renewals, extensions, combinations, divisions, and reissues of, and applications for, any of the rights referred to in clauses (a) through (e) of this sentence.

**Interfacing** shall mean the establishing ONDC- API communication of the Participant's systems with ONDC Network by adhering to ONDC Specifications to enable transactions on ONDC Network and the terms, Interface, Interfaced, Interfacing shall be construed accordingly.

**Interfacing App or Interfacing NP** is the Buyer or Seller App (excluding an NP-ISBN) through which a Network Participant and an End User interacts and where the grievance is first reported.

**Issue** refers to a query that an End User has, or a problem that an End User or a Network Participant has in relation to a product or service purchased through the ONDC Network. The query or complaint may require resolution from a Network Participant or End User in the form of a response or action.

**Issue Information Packet (IIP)** refers to an artefact that is generated by a Network Participant in relation to an Issue that has been raised by an End User or Network Participant, on the ONDC Network using the systems and processes described in this Chapter. An IIP will contain the details of the Issue filed, along with other pertinent information.

*For clarity*, when a Network Participant refers an Issue to another Network Participant for resolution, it will pass on the IIP.

**Logistic Service Providers** are Seller Apps providing any one or more types of carriage services, which includes rail/road/sea/air transportation, or any other such services, engaged by the Network Participant for the purpose of delivery and fulfilment of orders placed through the ONDC Network.

**Network Participants / Participants** shall mean the participants on the ONDC Network including Gateways, Buyer Side Application, Seller Side Applications, NP-ISBN, NP-MSN, and NP-BN.

**Network Participant- Inventory Seller Node (NP-ISBN)** is an entity who is registered on the ONDC network and acts as the "seller on record" with respect to the goods and services offered by them to any buyer accessing the Network from any NP-BN (defined below) from their own inventory which is either from their own production or obtained procured from other merchants / service providers.

**Network Participant- Market Place Seller Node (NP-MSN)** is an entity who is registered on the ONDC network and represents itself and acts as the marketplace with respect to the goods and

services offered by third party merchants / service providers to any buyer accessing the Network from any NP-BN. In this case the NP-MSN will not be “seller on record”, but the third-party merchants/ service providers will be the “seller on record”

**Network Participant – Buyer Node (NP-BN)** is an entity registered in the ONDC network and enables any person to search for and buy products or services on the ONDC network from any NP-MSN / NP-MSN.

**Network Policy** shall mean the policy framework developed by ONDC in consultation with various Network Participants to lay out the rules and code of conducts that all Network Participants must ensure compliance with. ONDC may update the said Network Policy from time-to-time.

**ODR Participants** refer to the entities either including buyers, sellers, Network Participants or Secondary Network Participants who have opted in for ODR on ONDC, after a complainant escalates a grievance to a dispute.

**Online Dispute Resolution Service Provider (ODR Service Provider)** is an entity that administers and facilitates the online resolution proceeding and provides an ODR platform to resolve disputes through electronic methods. ONDC will empanel ODR Service Providers as per the guidelines as formulated by ONDC.

**ONDC-Application** shall mean the Buyer Side Applications and Seller Side Applications developed and deployed by the Participant for providing services as part of ONDC network to their clients, or both, as may be applicable.

**ONDC - Application Programming Interface (ONDC-API)** shall mean application programming interface compliant with ONDC Specifications, including protocols, specifications and related documentation provided by ONDC.

**ONDC Brand** shall mean the words ONDC or its full form when used online or offline

**ONDC Fee** shall mean the per transaction fee charged by ONDC.

**ONDC Mark** shall mean the relevant trademarks and /or service marks, trade names, whether registered or unregistered, owned, or licensed, and any other marks as provided in writing by ONDC and includes ONDC Brand.

**ONDC Mark Specification** shall mean the specifications set out in Annexure I to Chapter 5.

**ONDC Network** shall mean the open, interoperable network established, facilitated, managed, made available and owned by ONDC for enabling digital commerce.

**ONDC Registration Fee** shall have the meaning ascribed to it in Chapter, Clause 3.2.1 (i)

**ONDC Registry** shall mean a digital list continuously updated and maintained by ONDC for the benefit of the various users with digital access enabled through open APIs for easy integration. There would be multiple registries including but not limited to the registry of Participants, Policies, Sellers etc.

**ONDC Protocol Specifications** shall mean the functional and technical specifications and API for the Participants and Gateways *procedures* and protocols prescribed by ONDC that are necessary to enable transactions on the ONDC Network, which shall be provided by ONDC to the Participant.

**Order** shall mean all purchases made by the Buyer on the ONDC Network through the Buyer App, Seller App and Seller, Gateway and Logistics Service Provider, as applicable.

**Participant's Marks** shall mean the relevant trademarks and /or service marks in relation to the Agreement or Network Policy as provided to ONDC by the Participant in writing from time to time.

**Party** shall mean either ONDC or the Participants that enters into the Agreement and shall collectively be referred to as the **Parties**.

**Person** shall mean any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organisation, body corporate, corporation, company, limited liability partnership, limited liability company, joint venture, Competent Authority, trust or any other entity or organisation and a natural person in his capacity as trustee, executor, administrator, or other legal representative.

**Personal Data** means both personal data and sensitive personal data as defined under the Applicable Laws, provided that ONDC may designate other information/data as Personal Data for the purposes of the ONDC Network Policy.

**Prepaid Order** shall mean an Order for which the Buyer makes payment before the shipment of the Order.

**Product** shall mean any goods or services made available for sale and purchase by the Participants through ONDC network.

**Purchase Order** means the terms and conditions, digitally executed through the ONDC Protocol, after obtaining explicit confirmation for the Order from the Buyer and Seller.

**Relative** with reference to any person, means anyone who is related to another, if— (i) they are members of a Hindu Undivided Family; (ii) they are husband and wife; or (iii) if he or she is related to another in the following manner, namely:-

- a. Father: Provided that the term "Father" includes step-father;
- b. Mother: Provided that the term "Mother" includes the step-mother;
- c. Son: Provided that the term "Son" includes the step-son;
- d. Son's wife;
- e. Daughter;
- f. Daughter's husband;
- g. Brother: Provided that the term "Brother" includes the step-brother; or
- h. Sister: Provided that the term "Sister" includes the step-sister.

**Reconciliation Service Provider (RSP)** is an entity which prepares a settlement advice/statement for a Settlement Agency to facilitate money flow between a collector entity and receiver entity.

**Resolution Officer** is a dedicated officer representing the Network Participant responsible for addressing Grievances raised by their End Users, other Network Participants or ONDC, as the case

may be. The Grievance Redressal Officer appointed by the e-commerce entity, as mandated by E-Commerce Rules 2020, may act as the Resolution Officer, if the e-commerce entity so wishes.

**Return Window** will be the number of calendar days from delivery or shipment or collection (as applicable), after which Withholding Amount will have to be settled, in case of no returns.

**Seller** shall mean any seller registered with a Seller Side Network Participant to offer products or services through ONDC network, including service provider as defined under the Consumer Protection Act, which can be searched for, discovered, and procured by Buyers registered with Buyer Side Applications.

**Seller Side Applications / Seller App** means all platforms or applications of Network Participant NP - ISN/ MSN that, which allows the sellers to publish their product/ service inventory, pricing, and other terms of transaction and enables the sellers or any other service providers, including but not limited to logistics service providers, to transact on the ONDC Network.

**Seller App Fee** shall mean the fee charged by the Seller App as a percentage of the Total Order Value or a fixed amount per Successful Order from the Sellers for listing their catalogue items.

**Settlement Agency** is any regulated entity (RE) which has Real Time Gross Settlement (RTGS) membership as approved by the Reserve Bank of India

**Settlement Window** shall mean the specified number of working days from the date of collection, shipment or delivery or end of the Return Window, within which the Network Participants will settle the amounts owed to each other and other participants such as the Buyer, Seller or ONDC, as applicable.

**Successful Order** shall mean all Orders that are completed or delivered to the Buyer.

**Tax or Taxation** means all forms of taxation, impositions, duties, imposts, contributions and levies in the nature of taxation including without limitation income tax, transfer taxes, withholding tax, value added tax, sales tax, central sales tax, service tax, goods and services tax, customs and excise duties, other legal transaction taxes, real estate taxes, other municipal taxes and duties, and any other type of taxes and duties, or any future tax which is in lieu of, or supplants or replaces any such tax together with any interest, penalties, surcharges, cess or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed by any Competent Authority and Taxes means all of them.

**Technology Service Providers (TSP)** shall include entities who provide a software application (either stand alone or through cloud) and who do not act or represent as a marketplace to the potential or actual buyers, but only as an outsourced software provider to the NP-ISN, NP-MSN or NP-BN. Any other services to the NP-ISN, NP-BN or NP-MSN related to their business offered by TSP and procured by NP shall be a private arrangement between these parties and will not form a part of ONDC network agreement and policies.

**Total Order Value:** The Total Order Value will be the Buyer Price not including the mark-ups/discounts offered by the Buyer App.

*For clarity*, the Total Order Value shall include logistics and other service charges that the Seller or Seller App levies, whether such charges are included in the Declared Price or indicated separately.

**Transactional Documents** shall mean the Agreement, the Network Policy, the other terms and conditions, any document incorporated by reference into any of the foregoing including any other agreement.

**Transaction Fees** shall have the meaning ascribed in Chapter 3, Clause 3.1.2.

**Withholding Amount** shall be a fixed percentage of the Total Order Value or a fixed percentage of the cumulative sum of the Declared Price of all products shipped or delivered on a particular day or a definite period *vis-à-vis* a particular Seller App withheld by the entity collecting the Buyer Price until the closure of the Return Window.