



Inclusive Cashless
Payment Partnership

Digitising Khatta system - Journey of MeraPaper



Newspaper vendors, the phantom superheroes working into the depth of the night, have life stories far more interesting than those we read with our morning coffee – stories that the same vendors diligently bring to us, come rain or shine. Their days begin a little past midnight and their careers spread across decades as they sort, sift and serve their ware to the comfort our homes.

Having witnessed the stories of their incredible lives first hand, Gaurav Karwa, founder and CEO of Merapaper, set his heart on making a change. Hailing from the Sangaria tehsil in Rajasthan, Karwa grew up in a family of newspaper distributors, one that had been in business for 70 odd years. Started by his grandfather and continued by his journalist father, Karwa's family business has a customer base of over 2,000 newspaper readers. However, Karwa chose to pursue a life very different from the one he had lived so far. He chose to go for higher studies and graduated with a B.Tech in Electronic Engineering from Bits Pilani in 2012.

Four years after his graduation, as Karwa celebrated his birthday on 8th November 2016, news of demonetization sent shockwaves across the country. He watched his family struggle to receive



**Simple and
innovative
payment
solution**

payments as cash became a scarcity in a society that was unequipped to adopt digital payment systems. Identifying an opportunity and capitalizing on his training, Karwa put his one true family inheritance – a keen sense of business – to immediate use. He returned to his roots and set to work on developing his brainchild, Merapaper from a mere idea to an actual product.

The Merapaper mobile application is a simple and innovative payment digitization solution that aims to revolutionize the time intensive, cash dependent and high frequency payment collection process. As the product took shape, Karwa was joined by two of his batch mates from college, Parth Gupta and Jagdish Ghuge. By February 2017, the trio released a beta version of Merapaper and started their search for funding.

Karwa identifies the lack of trust within the newspaper vending community and their own lack entrepreneurial expertise as the two key challenges they had to overcome initially. They tackled these issues by engaging regularly with the vendors, accompanying them on their hawking trips every day at 3 am to engage with them to get a first-hand view of the processes, learn about their fears and listen to their aspirations. These early morning trips not only helped them to build a



Client size of 150-200 vendors

grounded network within the community, but also facilitated their aim of educating and on-boarding new vendors.

Today, Merapaper boasts of a client size of 150-200 vendors – or as the founders claim, about 70 per cent of the total vendors in Jaipur. In fact, the mobile application has also been organically adopted by vendors and distributors from other states of India, such as Maharashtra and Kerala as well.



Excited and optimistic about the future

Karwa is quick to assert that such success was difficult to achieve and has cautioned his team. So today, they consider a vendor-educating and on-boarding process successful only if the vendor has recorded digital payments for at least three continuous months. Furthermore, the operationally heavy task of educating customers on basic accounting processes and

the use of digital payment systems leaves the team struggling for breath. There is also a rather curious fear among vendors who fear that the company, like many other start-ups, will become bankrupt. This deep-rooted pessimism and inertia has prevented many vendors from openly accepting the solution. Karwa claims that he still needs to be on the field at 3 am at least 20 days of a month to maintain his rapport with vendors to not risk abandonment.

In spite of all these challenges, the Merapaper team, now comprising over 10 members, is excited and optimistic about the future. They plan to convert 20% of all newspaper payments in Jaipur to digital systems and hope to branch out into payment digitization of other subscription-based services such as milk and tiffin deliveries within three years. Karwa is also keen on expanding operations to other Tier-II cities, such as Indore and Bhopal soon.



Huge scope for improving operational efficiency

In the past four months, since the application was first tested in collaboration with Catalyst, digital payments to partner vendors by last-mile consumers has risen. The effort has opened up a huge scope for improving operational efficiency, and on-boarding low-income customers onto the digital payment landscape.

"I have been using Merapaper since August'2017. Earlier, I use to spend 10 - 12 hours maintaining balance books. The bill books would cost me Rs. 500. With this app, life has become much easier. I can generate bills online, and share the links through WhatsApp, with my clients. I'm planning to do most of my collection through Merapaper app linked to BHIM/ Paytm. I'm sure many vendors like me, will start using this service."

-Shravan Kumar, Vendor, Vaishali centre, Jaipur