



# Startup Speakeasy

Honest conversations. Real stories

S01 | EP01 | Unveiling Cashify's journey



## Musical intro

### Karan Marwah:

Hello and welcome to the startup speakeasy by KPMG in India. Honest conversations with founders of India's emerging giants. My name is Karan Marwah, and I'm here today with Mandeep Manocha, the founder of Cashify, one of India's largest re-commerce platforms.

I'm here to talk to him about his journey. And Mandeep, I have to thank you for doing this. What I like to do today is really dimension this, in the past, the present and the future. And maybe if you start right at the beginning of you know, how did you come and how did you come about to think about this idea of setting up Cashify?

I know you went through various pivots in the past but how did you land on this idea of focusing on mobile phones to begin with? And of course, now you expand it to other categories. Just maybe let's start with talking a bit about that.

### Mandeep Manocha:

Sure Karan. Thanks for doing this. I think you are asking me to go back 15 years. It's a long, long, time. But, you know, Cashify the way it exists today, when we started the idea is very different. Back in 2009, when I graduated, the best time to, you know, come out of a business school in India.

There was no jobs. I actually interned at Lehman Brothers hoping that I will become an investment banker.

### Karan Marwah:

Oh wow.

### Mandeep Manocha:

And we all know what happened in 2008. But, you know, I always had this thing in me that I want to start something of my own. And I think if I go back 20 years in undergrad school also, you know, we used to, you know, joke that, you know, someday we'll start a company and we used to make massive plans, like, you know, 100, 200, 400 crores without knowing where the money is going to come out.

### Karan Marwah:

Yeah, I think I've read about that.

### Mandeep Manocha:

Yeah. So, and the great thing is that my co-founder, Nakul and I were in the same hostel. So, we have those memories from 20 years ago, which somehow, we feel, you know, green shoots of them actually getting developed now, and we are building something which is meaningful. But back in the day, the idea was very simple. We wanted to do something in waste management, and we did a lot of work in different ways, streams. And we zeroed in on electronic waste back in 2009 because a lot of, conversations were starting to happen in India and across the world.

And, we felt that this is a space which is going to grow. Just the fact that everybody was buying new devices. People were changing their devices faster. So there had to be a large, you know, pool of electronic devices sitting at people's homes.

### Karan Marwah:

Right

### Mandeep Manocha:

And today, after 15 odd years, that number is growing. And today, you know, some estimates say, is that India has some 80 or 90 million tonnes of e-waste lying in people's homes. So that is where we started. And, we had set up a consulting company initially.

### Karan Marwah:

Yeah, I'm aware.

### Mandeep Manocha:

And, you know, we, we thought that we can make something really large in waste management consulting, very naive. Two young kids out of school. But we were lucky that we got our first break from a big brand, which was a smartphone manufacturing brand. And the funny story is that when we went to them, they felt that we are a large company already.

**Mandeep Manocha:**

They did not know that we are just two people trying to build something from scratch. And they came out and they gave us a contract. The contract value was handsome. And we said, wow, we got a first contract. When we had sent in our credentials, the HR team of that company realized that these are two young kids, so they actually slashed the contract value by, you know, 50, 60% saying that, okay, we didn't realize that, you know, you are just graduate students.

I said, okay, whatever comes our way, we'll take it. We did that for about one and a half years. We set up the first formal e-waste reverse logistics supply chain of the country.

**Karan Marwah:**

Yeah.

**Mandeep Manocha:**

Okay, so we worked with brands, and we came out with you know, programs where we could collect waste from consumers. Consumers could actually walk into stores. We had set up the whole reverse supply chain right to the point where the material went outside of India to an authorized e-waste recycling company.

**Karan Marwah:**

So, was this a little ahead of its time, possibly?

**Mandeep Manocha:**

You can say that. You can say that it was ahead of its time. But you know in the hindsight, I feel that, if we had not started it back then, then it won't have, you know, given us this, foundation that we have. But we soon realized that that business not going to grow. The biggest learning was that people don't want to part way with their used products for free.

**Karan Marwah:**

Yeah, I in fact that's going to be one of my follow up questions. You know, we are a nation of, you know, recyclers in, in, in its truest sense. You know, we, we save those polythene bags that we get from vegetable vendors into takeout boxes for food delivery and then you kind of change the habit, right? In terms of getting people to part with their prized possessions, your mobile phones, even when they don't work. They keep lying in a drawer somewhere. And then you keep building that mountain of old devices at home. So, I'd love to hear more about that, too.

**Mandeep Manocha:**

Yeah. So, you know, when we started Cashify, this was the biggest learning that we had from our consulting stint. So just to give you a background, we when we started the consumer outreach program, we said that we will plant a tree for every used phone that comes in. Or, you know, if we collect two chargers, we will plant a tree. It did not resonate with people. So, everybody was like, okay, can you give us some money in return of the phone or some voucher? So, the learning stayed with us.

**Mandeep Manocha:**

And when we thought about building Cashify in terms of, you know, buying used devices from people who said we have to do two things. One, we have to make sure that the process is so easy that you can sit in your home, get the value, and sell your phone. Two there has to be a monetary value around it.

**Karan Marwah:**

Right. The gratification and has to be instant.

**Mandeep Manocha:**

The gratification and has to be instant. So, in 2013-14, there were a few companies in the US which were running on a model wherein you ship the old device and then you will get money after seven days. And we said, this is not going to work in India, right? As you rightly said, you know, we sell our newspaper, old newspaper, everything you know, we, we don't just part away with things. So, we said we will make the process so simple online, and we will come to your doorstep, pick up the, you know, phone or laptop and we will give you money instantly.

**Karan Marwah:**

And this was 2013-14?

**Mandeep Manocha:**

2013-14.

**Karan Marwah:**

Right.

**Mandeep Manocha:**

And you won't believe we were the first company in the world to do this. Nowhere in the world existed of a, you know, a process where you would be paid instantly. And now you think of it. It's a norm, right? You buy anything from Flipkart, Amazon, exchange happened. Instant gratification. All that has been built on the building blocks that we at Cashify has built.

**Karan Marwah:**

Yeah. Yeah, I think that's really interesting. Especially given, you know, how and I know demonetization was one of the defining moments in your journey.

**Mandeep Manocha:**

Yeah.

**Karan Marwah:**

But Cashify. Again, going back to the point, instant gratification. Doing this in an economy that's accustomed to cash and then making that shift from that to digital, you know, means of payment. How did that pan out?

**Mandeep Manocha:**

So, honestly, you know, when the news came in, for a moment, I was very happy as, as, you know, as a citizen of the country, that. Okay, now there will be something on black money with black money will be curbed out. And when it struck me the next day that how will we run our business operation is when I understood the gravity of the situation. Because before that, every payout used to be hard cash, currency.

**Karan Marwah:**

That has to be a logistical nightmare too. In some ways possible did demonetization solve that for you?

**Mandeep Manocha:**

I think if I, you know, in the hindsight, if I think about it, it has been the best thing that has happened to our company. Like, by far the best. I'll tell you the nightmare it was to dole out cash every time a customer would place an order to sell a phone, my logistic guy on his route map had an ATM map, so he would first go to an ATM, withdraw cash and these ATM cards that we had given us also were loaded to an extent, which was equal to the amount of money that you paid to the customer. Right. So the guy would go to an ATM, withdraw 7000-8000 bucks. Now when you reach the doorstep, it is possible that the phone is not in the same condition that the customer had mentioned. Now that 8000 becomes 6000. Now this guy has ₹2,000 in his pocket. Now, when the next transaction happens, all that has to be recalculated. And at the end of the day, we would always be short of some money. It was a nightmare to do the reconciliations.

**Karan Marwah:**

So, in some ways it was a blessing.

**Mandeep Manocha:**

Oh, it was. It was the greatest thing that happened to us. Of course, for a short period of time, the business took a hit. You know, because on the downstream, the phones that we collect, we test them, we grade them, we repair them, and then we sell back to end consumers. Now, what demonetization did was the money was sucked out. So people did not have money to buy stuff, which they would essentially do with the extra cash to generate.

Right. So on the on the selling side of the business, we had a lot of trouble for 5 to 6 months, but thankfully things have panned out. We are here. Company's grown pretty large. So all in all, a good thing to happen to us.

**Karan Marwah:**

No, it's been quite a journey. And I'm going to slightly shift tracks to your passion for chemistry. I think that's one of the driving forces behind where you are today, I imagine. And I read something about, you know, rubber to the, you know, converting old tires to oil. That was fascinating for me. How, how do you even do that? And how do you go from there to, again, I think zoning in on mobile phones as a category.

**Mandeep Manocha:**

Yeah. So look, Karan, that also stemmed from the fact that we were really passionate about waste management and, you know, after we did a consulting stint, we realized that you can't make a lot of money in consulting. Just a small outfit like ours. Of course not. That's your bread and butter. And you guys have a, you know, a large enterprise around it. But we said, you know, in this space, which is very niche, let's do something where we actually, you know, get into a manufacturing process, or build something which is innovative. At that time, 2009 and 2010, the oil prices were actually, you know, 120, \$130 per barrel. It was the peak that we've ever seen, and that lasted for two years. And there, you know, I had read about a process where you can convert scrap rubber and plastic back into oil. if you look at chemistry, right, you know, and I love the fact that carbon and hydrogen are, you know, the most beautiful elements on this planet, because everything that you look around.

**Karan Marwah:**

Haven't heard anyone say that, Mandeep.

**Mandeep Manocha:**

So apart from oxygen, which you need to live, everything you look around in this room and anywhere is carbon. And wherever there is carbon, hydrogen has to be there. Now, if you look at rubber, what is the rubber matrix of chemistry that this rubber matrix is nothing but, you know, complex hydrocarbon chains interlinked together. See, ultimately, other than the natural rubber, which comes from the sap of the tree, all the rubber that we make in India or across the world, majority of it comes from synthetic rubber, which is a byproduct of crude. Okay.

So now the way it happens is the crude is essentially what gets converted into rubber. But if you do a reverse pyrolysis method, you bring the, you know, rubber back to its original form of a, you know, lower chain hydrocarbons. So, we figured some tech around it. And we went to China back in 2009 to figure out the technology around it. And there was, you know, industry, which was in the initial phase in China. And we figured out a few, you know, equipment manufacturers. We got the machine accustomed to Indian conditions. We brought them and we were the, I think, the first or second company in India to actually get into the business of pyrolysis, to convert scrap tires into oil. And the way we built it was, you know, if you have ever gotten the tires of your car changed, which you would have, you never given heed to what happens to the old tires, right? They just take it back. They don't give you any money for it. You just pay for the new tires, and you move on with your car. Now, what happens is all those 4 or 5 tires that you leave there, there's a network of small rickshaw pullers or small collectors who collect these tires from all these shops, take them to a big aggregator, at the big aggregator, these tires and are then cut into smaller chunks. Okay, now can you guess where these chunks of small tires go?

**Karan Marwah:**

So I know one use case. I know people used to convert it back to rubber in some ways, mixing it up, I don't know the chemistry again, but yeah. So what's your answer?

**Mandeep Manocha:**

Majority of old tires and this is back in the day go to manufacture bricks. Okay. Now where in bricks, they were used as fuel which was the most dirty way of polluting this environment. So, if you go to the UP belt from here towards Saharanpur and, you know, cross the Meerut-Ghaziabad route, you would see these brick kilns on the, on the side. The starting raw material for the fire that they generate is rubber.

**Karan Marwah:**

So you took that, set up you know, clean it up,

**Mandeep Manocha:**

So, what we did was we went to all these, you know, the collectors and we said, we will give you 10% more or 20% more, and we want all the supply. So, we actually built one of the first reverse supply chains for old tires in the country.

**Karan Marwah:**

I just love the fact you you've done so many things. For the first time. And then I'll come back to that. But why don't you continue

**Mandeep Manocha:**

You know, so that's what we did. And you know, we were doing about ten tons of, scrap tires a day. We ramped it up to 20 tons. But then we soon realized that this is a linearly scaling business.

**Karan Marwah:**

Yeah, can't be exponential.

**Mandeep Manocha:**

So, we did that for two years. We set up everything, had great learnings of setting up a manufacturing facility in India. And, you know, whoever is wanting to do that as a young entrepreneur today, let me tell you, it was very, very hard. Getting approvals, getting the basic thing, like an electricity connection took us three months and we actually ran our plant on a diesel generator for three months. Right. But that teaches you a lot how to navigate the, you know, bureaucratic systems, how to hire the right people for setting up the initial phases of a company taught us a lot. But after two years, we took a call that, okay, we want we can, we've learned whatever we have to learn. Can we exit this business and do something more in internet related stuff? Because that's the time when the likes of Snapdeal and Flipkart started and, you know, Ola was just around the corner.

Uber was really successful in the US. So, we said, you know, the kind of people that we are interacting in this business, of course it's great business. We are making money, but we want to do something different in the internet and the related space. So, we actually sold that business, and we made a decent amount of money, and we travelled the world for two, three months. And that's when, you know, we took a call end of 2013 that we want to go back to e-waste. And from there, the re-commerce and the journey for Cashify started.

**Karan Marwah:**

It's fantastic. I think in some ways, ESG has been at the core of what you've done. Throughout your career it seems. With all the businesses that you've set up, and, you know, one hears a lot about ESG today. I think it's spoken of in virtually every business conversation. But you've kind of lived it. And has that always been a North Star for you consciously, or did you just happen to sort of, come into this?

**Mandeep Manocha:**

So, I would say it, you know, it was there unconsciously, to be honest, because, while growing up, I had a lot of exposure to metal recycling industry because my father worked in a metal recycling company. So, I remember spending almost all my summer holidays in junkyards. And one skill that I boast of is, if you give me five metals, I can tell you what metal, like five pieces of different metals I can tell you this is copper. This is aluminium just by weight and look and feel of it. That's a metal skill that I've learned during my childhood. Now, somewhere, I always felt that India can become the recycling hub of the world.

**Karan Marwah:**

I think the government has ambitions for that too.

**Mandeep Manocha:**

Right. The government is now talking about it. And this is something that I, you know, thought out in 2009, that why don't we have a special economic zone on the ports where you import, recyclable stuff from across the world and then then exported. Hopefully, hopefully the government is talking about it, and I think it makes complete sense.

I mean, I know for a fact that back in 2009, I was reading an article that one of the richest lady in China made her fortunes by importing scrap cardboards from the US and Japan, converting or recycling them into paper, and re exporting them. So, I mean, China has been the manufacturing back end of the world. India has been the I.T or support back end of the world. Why can't we become the recycling back, back end of the world? We can.

**Karan Marwah:**

Yeah. So but what again what made you gravitate towards ESG then was it the, you know, the initial orientation from the family business. And looking at what the family did, was it a personal sort of interest in doing better for the planet? What really motivated you?

**Mandeep Manocha:**

I think it's a combination of all. Of course, I have always been of a view that, you know, you have to make a positive contribution to the society. Of course it's. Everybody says it. It's there as a gyaan. Everybody will, you know, tell you that you have to make a positive contribution. But I also believe that the positive contribution, if clubbed with economic benefit is the only way that you can scale your intent,

**Karan Marwah:**

Yeah, it has to make business sense, If its just done for the sake of doing it.

**Mandeep Manocha:**

Correct. Correct. So ESG for the longest time was, you know, in the bucket of CSR for a lot of companies initially okay. And that doesn't work. And in our personal example also, you know, the moment we ascribed a value to a used device, people started selling it to us. But when we were saying that we will plant a tree, we were like, eh, I want to do it. It sounds good, but I don't want the hassle. Yeah, it's not real enough. Yeah.

So, you know, I had this thing that I want to build something, but if it, you know, make this positive impact, why not? And given that I had this orientation towards, you know, recycling from the metal recycling industry, this one thing led to the other, actually.

**Karan Marwah:**

It's fascinating. And I think, you know, you achieved a lot in the last, I would say 15 years or so and more so since you set up, Cashify and pivoted to Cashify what are some of the personal attributes that have kept you going I can see the passion here. I know about the chemistry skills now, but what would you call out, as you know, the personal attributes that have kept you going?

**Mandeep Manocha:**

Okay. Let me think.

**Karan Marwah:**

Any role models that, you, you kind of looked up to and emulated.

**Mandeep Manocha:**

you know, I, I feel that, you know, role models change a lot as you age. When you are a, you are a child, you want to emulate Sachin Tendulkar today for today's generation could be Kohli. You know when you grow up a little bit, you want to become an actor or you, you know, look up to a musician. So, all these things change. So, I don't I don't, I don't know. Well, you know, I had role model specifically, you know, in the business domain, there have been many. I've looked up to Baba Kalyani of Bharat Forge , you know, not many people know, but the kind of solid companies build over the last 20 years is phenomenal, right? An Indian company, getting into the domain of metal, forging, and now doing great things in defence. It's not talked about much. But then there are the usuals, you know, the Elon Musks of the world, which we've all seen now and everybody, you know, wants to emulate for, for the right reasons, of course. But there hasn't been any specific guy that I can say, okay, this is the person that I've emulated, but I'm a big fan of the Indian business community who have built or who have been the original entrepreneurs of the country. Right. And there are so many of them. I think people like us are celebrated or talked about whenever we raise any capital. There's newspaper articles. It does not fascinate me because I know that we are way too small than the people who actually build businesses over the last 100 years in the country, and I get my inspiration because my father when he worked in the metal recycling industry, I had a lot of interactions with the Marwari community and the Bania community, and my father used to take me to meetings where, you know, I saw negotiations right there. It was fascinating the way people think.

And, you know, one fun fact is, when I reached my business school, a lot of content in the business schools are taught was something that I already knew. Because I had sat through the negotiations in the office. I knew what input terms were. I knew what the FOB and the you know, all those things are, which people generally don't know. So I think the that initial exposure to businesses, you know, that that has helped me a lot. Right.

And sorry, I digress from the topic of, you Know,

**Karan Marwah:**

I'm guessing modesty is one of them too.

**Mandeep Manocha:**

Because, you know, you, you learn a lot from different people. So that is what I've done. And they need not be, you know, some big name or something. I've, I've learned a lot from different people. So that is happening.

**Karan Marwah:**

Doing something you said as a segway to my next question. Actually, I think this whole question of are you chasing valuations? Are you creating real businesses and are you creating real value? So creating value versus chasing valuations. And I know from our earlier conversation with you that you are not someone who chases valuations. Let's chat about that. How do you resist it?

**Mandeep Manocha:**

See valuation is an outcome. Right. And if you do the right thing people will value you. And I think the real test is how are you valued in the public market. Right. In the private markets you could be \$1 billion or \$10 billion. We have seen enough cases in the last two, three years where companies valued at \$20 billion are now worth zero. Right. So the real test is can a middle class man who wants to invest ₹10,000 per month or ₹5,000 per month, actually aspires to buy a stock in your company and does your stock go up? That is the real outcome. That's the valuation that you know, ultimately I would be chasing. Apart from that, you just, you know, if you're building a great business, does not matter what your valuations are in the in the short term.

**Karan Marwah:**

Yeah. I think focusing on the basics and the essentials, like creating real creating value.

**Mandeep Manocha:**

I mean the businesses are built for creating profits. Right. And I always used to get amused when I used to meet people and they said, oh we are not thinking of profits right now. Okay. First year you are not thinking about profit.

**Karan Marwah:**

You know, the top line versus the bottom line.

**Mandeep Manocha:**

But if in the year three or year four you're not thinking of profit, then I don't think you have any right to exist in business domain. Right. Because you are building businesses on other people's money, essentially for the for the large segment of entrepreneurs that we have in the country. It's not your skin in the game. I mean, your money, of course you are putting your time and effort to build it, but you can't say that, you know, we are not thinking of profit, its been four years, because ultimately somebody has to make money on the money that has been invested on your in me. Right. So fundamentals are important. Don't be frivolous in terms of spending too much money on marketing and doing what, you know, sounds or looks nice to you. It has to make business sense at the end of the day. And the companies are valued on the profits that you earn. Gone are the days when the revenue multiples were what were giving you valuations. Today, if you talk to any VC or private equity guy, revenues have no meaning. So I mean these are all cycles. But you know, essentially if you are a good company, then you will make, a lot of money in the long run. And the valuations will go up.

**Karan Marwah:**

I think focusing on the fundamentals, as you said, let's switch tracks to talking about, you know, how Cashify has grown and you know, is run right now. And I know you have three other co-founders, how is it to work with other co-founders? What's been your experience?

**Mandeep Manocha:**

Well, I think, having a co-founder is very, very. Yeah.

**Karan Marwah:**

I mean I know some of the hostel stories. Did that help being there at the same place at the same time since so long. Did that help?

**Mandeep Manocha:**

No, that definitely helps. In terms of, you know, the person, you know, way more than what your business relationship is, but I think, the way we've built Cashify, we've worked with friends and families, to be honest. Okay. So the initial 10-15 people were either, batchmates or juniors from college or senior from college or husbands or wives of, you know, juniors and seniors and college extended family in a way. And what that did was, you know, kind of made the whole process really fun, right? We used to look forward to coming to office because this was an extension of the life, and this was an extension of the life that we've lived in the past Right. You know, if or if you recall your hostel life, you like 6 or 7 sitting in a room just chatting and having fun all the time. Just imagine extending that to your work life. So that is what Cashify was for us initially and over the years, you know, of course, we've now grown to about 2300 people across the country.

**Karan Marwah:**

Yeah that's a staggering number.

**Mandeep Manocha:**

Yeah, but the initial seven eight people are still there in the company. So we've been together for ten years. We've really enjoyed the process of building it. And, in a way we've built a culture which is, which is a fun place to be now, you know, and there's another fact that this is such a great environment that majority of people who come here and join the company get married in 1 or 2 years because they realize that, okay, life is sorted, life is good.

**Karan Marwah:**

So not only do you find a job, you also find them life partners.

### **Mandeep Manocha:**

Yeah. In a way. I mean, that's a fun part that, you know, we have discovered, in the company, but you having co-founders have helped having, you know, Nakul for 20 years or more than 20 other. You do look in the journey of starting and building a company. There are moments when you think of giving up, and that has happened multiple times in our lives.

Right? But having 1 or 2 people who can, you know, push you because they will never there be never be a time when all three of you want to just give up track. Right. It's very hard. That's a good hedge. Right? So the, you know, somebody will keep, you know, pushing you and say, okay, no, no, you know, work for a few more months and things will come back. So that has helped.

And, you know, in due course, we will also, you know, build strong relations with the families of each other. So today, it's not just 3 or 4 of us, but it's like 15, 16 of us who share this common bond. So life is good on that terms. And it's been really helpful having these people around.

### **Karan Marwah:**

Oh that's great. That's excellent.

Mandeep, continuing on the theme of people. I know you employ a staggering number of people at 2200 now, but how is how easy is it to find the right talent? And I know a large part of that workforce, you know, works on repairing those devices and getting them ready to be sold again. Is it a challenge to find the right people and then retain them especially with the skillsets you need?

### **Mandeep Manocha:**

Yeah, I know, I mean, getting people who have the skills of repairing has been tough. But we, you know, over the years, we've moved our repair operations to Noida, so large part of India's, smartphone manufacturing and IT manufacturing happens there. So that was a natural move. And we started getting some people. But you know, when as we scaled up, we built our own training academy. So, we have, about 70- or 80-seater training academy where, you know, every six months or every quarter, we get a new batch, we teach them the basics of repairing a phone, then get them on as apprentice, on the floor. So, it's like a 4-to-5-month program where we train them and then, you know, absorb them.

### **Mandeep Manocha:**

And I think, there is a shortage of people who can, you know, do quality repairs and refurbishing in India. And I think one of the things that we were discussing only a few weeks back is, why don't we partner with Skill India and build this as a, you know, capability in the country? Because if correct, if India has to become the recycling or repair hub for the world, you need this. So I think, you know, we want to scale this up quite a bit. And we are also now thinking of expanding the capacity of our training centre and making it about 200 to 250 people so that we can train about 500, 600 people every year.

### **Karan Marwah:**

That's a sizeable number. Ultimately it helps you.

### **Mandeep Manocha:**

So, yeah. Yeah, it helps it helps us. And, you know, this is a real skill, which is going to have a positive impact on the company, on the country's economy. And, the government is talking about it a lot. I mean, if you have if you've heard the Prime Minister, he's talked about mission life quite a bit in the last 1 or 2 years, which essentially means extending the life of the product and making India the repair hub of the world. So, you know, we are investing behind it now.

### **Karan Marwah:**

Now maybe switching to a different dimension of people. Your customers. Yeah And I know we were having a light conversation on some of your Instagram videos, but, any interesting customer stories, consumer stories that come to mind because, again, I think at least if I think about it, you enabled a large part of, you know, the population to get access to devices that they previously could not at price points that they could not possibly have gotten to.

### **Mandeep Manocha:**

Once we have gotten to know, many stories got and, and I have, great stories on both sides when we, when we buy used devices from people and at the same time, we sell these devices to individuals. Now, on the buying side I mean, I'm surprised and amused that people think that they can't sell their old device because people think that's very difficult. And the fact that we all have unlimited space in our house.

**Karan Marwah:**

Yeah. I think it's just inertia. You even I didn't even know I bought, like, 4 or 5 correct sitting somewhere.

**Mandeep Manocha:**

Now, if you compare it with a car buying behaviour, what is the what is, scarce, scarce commodity in, say, the cities that we live? The parking space. So the moment you buy a new car, you have to sell your old. But when you buy a new phone, you have 20 drawers in your house waiting where you can just dump it in and forget about it. And the fact that people think that we will use this phone at some point in time as a spare phone never happens.

**Karan Marwah:**

Goes back to again changing the habit we were just chatting about earlier.

**Mandeep Manocha:**

And people also think that, you know, I have very important data in the phone. Now I'll ask you Karan, the pictures that you clicked four years ago, how many times have you seen them?

**Karan Marwah:**

Quite often actually for me.

**Mandeep Manocha:**

Yeah? surprising, but many people many people, they just they just click pictures, keep it in their hard disk and never look at them. And nobody's, you know, concerned at looking at your pictures honestly. Right. But yes, there is an element of data security, which people worry about. Now. That is where we come in and we take care of it. Like when we buy a product, we make sure that the data is wiped at the doorstep. When it comes to our back-end warehouse, we do military grade data wipe on the phones and laptops that we bring in.

**Karan Marwah:**

I think that's an important element. The consumer, the comfort, that its not going to the wrong hands.

**Mandeep Manocha:**

So, you know, there are many instances where we've spoken to consumers and they're like, ki arey 4000-5000 rupay ke liye kyu phone bechna hai. And I'm my simple answer to them is ₹5,000, of course is not, you know, not going to move the needle for you, but it is still money lying in your drawers and two years down the line it will become zero. And the second important thing is that it's valuable resource of the planet. Like every phone that is lying inside the drawer is actually valuable metals. like it has plastic, it has glass, it has, you know, cobalt, nickel, cadmium, gold, everything.

**Karan Marwah:**

You know I was actually reading stats on your website, the amount of water, that you save per phone. What is it?

**Mandeep Manocha:**

Some 342 litres per phone. And the, you know, millions of gallons of water could be saved if all those devices come out. So that's one part on the on the selling side, when we sell refurbished phones, I'll tell you beautiful stories like, you know, during Covid, we started a drive called, "donate for education" and where we prompted people to donate their phones, which we would repair, refurbish and give to people who could not afford for education purpose, kids across the country. And we also did every phone that came in. We added phones from our side, and we donated. The stories that came in. People actually, you know, wrote to me. They called me up and said, sir, you've changed our lives because we don't realize that for a large number of kids in the country, the access to smartphones happen when the father comes home from his days of work.

So I got a story where, the father was an auto rickshaw driver. He had connected his phone on Ola . He would come back home at nine after finishing his day. That's when the girl got access to the smartphone. And she would study all night and morning, the phone would go back to her father. Things we take for granted. And she said, you've changed my life. Now I have access to phone the whole day. These are simple things, but we don't realize. The other thing that I've noticed is the amount of joy we bring into people's lives when they buy a smartphone and especially, you know, the love for iPhones and the latest Galaxy series is phenomenal.

And you think about it, a large number of population in the country, they don't have avenues where they can feel important or they can show off, right. so, when I speak to these customers in the stores, it's really amusing and, fascinating that, you know, most of them, they want to buy the latest iPhone or the latest Samsung product, but they can't afford it. So, I was there in the Chennai store a few weeks back and, you know, a customer walks in and says, I want to buy an iPhone 13. And, you know, by the looks of it, he, I could tell that, you know, it's I don't think he has the money for buying iPhone 13 in full. But I asked him I inquired without being presumptuous, that you know how. Why do you want an iPhone 13? And how are you going to pay for it? And where do you work? So, like it's, you know, I've been working for six months in a call centre. My salary is about 25,000. I have saved up about ₹15,000.



**Karan Marwah:**

Oh wow. Saved up for a shiny new toy.

**Mandeep Manocha:**

Shiny new toy. And it's the first thing that he's going to buy out of a savings. I'm going to, you know, put in a ₹15,000. And for the rest of it, I'm going to do an EMI. But I want the iPhone 13, I think, why don't you buy, say, you know, a ₹15,000 phone or 12 that his answer was pretty simple, that all my friends have started buying iPhones. So now I want to own an iPhone and it gives me immense joy. That was it. And that's where I realized that, you know, we are you know, we think about making a positive change in terms of the phone being an employment opportunity for people or people can study but we under lock in the fact that it also gives them immense joy.

**Karan Marwah:**

Its that segment of population.

**Mandeep Manocha:**

Right. So, you know, that is also really important and have many such stories where someone travelled from Sriperumbudur on a scooty to a Chennai store, like two hours of riding on a scooty to our store to buy a phone. Why? Because in his factory, the guy who used to work right next to him bought a phone from Cashify, iPhone 12 and he really loved it. And he trekked his way all the way to our store. So there's so many such stories where, you know, it feels good that somewhere, somewhere you are, you know, making people happy.

**Karan Marwah:**

Better than a lot of other things. So, you know, since you're talking about stores and, you know, maybe we shift gears to the future now, you know, where do I go from here? I know you about 200 plus stores now. You expanded into other categories. What's the future direction that you want to take this in?

**Mandeep Manocha:**

So we've, we are known, as a destination for people who sell their phones, and we continue to, you know, harp on it. We want more and more people to bring out their old phones And, you know, as I said, about 80% of the electronic waste is lying in people's house, and I don't consider it waste till it comes out. So, one of the major things that we want to undertake and continue doing is bring out those phones, make it easy for people to sell them, get money, get the resources to come out and get circulated in the economy. But at the same time, we are now focusing a lot on selling these refurbished phones.

So building a brand around it wherein, you know, anybody can buy, refurbished phone at, you know, 50% or 60% of price point of a new one comes with a six month warranty or a 12 month warranty or so. That's where we are doubling down in terms of categories. Also, we are now going very heavy in laptops. So, we've done a lot of work in smartphones, but now you want to build a, you know, great brand around laptops as well because that's a category which, you know, has a lot of supply in corporates. You know, every year, every three years, a lot of companies, they sell their old or, you know, discard their old laptops. We can repair, refurbish them and make them available to people in tier two, tier three down that much cheaper cost. At the same time, we are also now focusing on, getting into a few other businesses where in one of the lines that we are exploring is, insurance and extended warranties of products, because that's, that's a segment which is related to, the work that we do.

Then we are also building business around accessories. So today we sell a lot of, earphones, headphones, chargers, etc. when people come to buy them from us, we are thinking of building a brand in that space as well. So there is a lot to do. I mean, we are we are just scratching the surface of e-commerce, right now. And I think, it's, you know, as, as, a lot of people say that is still day one and it's still day one for us. You know, we I can clearly see a decade worth of business or a vision for us right now.

**Karan Marwah:**

that's fantastic Mandeep. and I think, I would like to end this by asking you one final question. You started up at a time where, you know, we spoke about it. A recession was full blown. There was a full blown recession. Versus fast forward now where a lot of people say, you know, there couldn't be a better time to start up in India at least, you know, compared to other parts of the world, in hindsight, would you have done anything differently? Would that have been better to start up now? Vis-a-vis when you did?

**Mandeep Manocha:**

So I agree that, starting up is easy. I mean, getting access to capital, easy. Personally, I feel that I would not have been able to start now because I have a wife and a kid to feed. Back in the day, 15 years ago, I had no liabilities. So, I think as you age and more and more, you know, liabilities come on, your responsibilities come on your shoulders, it gets difficult. But having said that, you know, it's a great environment right now to start a company But that is there. That has been there forever, which is what you and. So it is not a function of what the external factors that govern It's how passionate you are on what you are trying to build. Are you actually trying to solve a problem? Now I'm a big believer that you need, you know, your business has to revolve around solving a problem. We saw a problem that there is not enough avenues where you could buy a good quality refurbished product. We saw a problem that it was difficult to sell your old device sitting at home.

**Mandeep Manocha:**

It was hassle to go to a market and 2012-2013 when e-commerce had started, my simple question was that if I can buy a new smartphone online, why can't I sell my old one? Right? So very simple problem statement. So, we went after the problem and solved it. So, whoever you, you know, whatever business you want to start, if it's around a problem, time se koi farkh nahi padta hai.

**Karan Marwah:**

I think one hears that often and I find enough examples now of, you know, if you are solving a real problem, there is a business. In your case, very sensible ESG centric at that. Again, I think I know I said I was going to ask you one final question. Here's another one, what is your advice to people starting up now? You know, having again, reflecting on your career and the number of years you spent creating Cashify.

**Mandeep Manocha:**

So I think, I've seen a lot of, you know, a lot of people will say that, you know, just start. Don't think about it, just do it and all that. I think it's very different for everybody. Every life situation is different. Every circumstance is different. So, if you want to start, think of all the responsibilities that you have. Do you have enough money to survive two years without any money coming in. I mean, that is it's very, very important. I mean, you don't realize that six months or eight months into starting something when, you know, you start getting pinched, financially, it's very easy. It's very easy to, you know, give up. So, you need to have that war chest ready.

And my advice is, at least two years' worth of money should be there in your bank account for you to start and solve a problem. As I said, don't ride a wave because I've seen many founders ride the wave. We saw that in 2015-16 with food delivery companies. We saw this in, medicine delivery companies in 2018-19. We are seeing some patterns right now. When you ride a wave, you know, there will be people who will be willing to invest. Because if you look at the venture capital industry, everybody wants a horse on the racetrack, but only one horse will win. And the moment your business starts going down, the funding dries up. So, if you're solving a genuine problem with focus on fundamentals, you can win any time, right? So just be mindful of these two things. Your circumstances, having enough money and solving a problem. I think you can do whatever you want to do.

**Karan Marwah:**

And I would add a third having the fortitude like you have over a number of years to keep going in spite of, or maybe because of the progress that you've made. Mandeep, thank you very much for your time and for doing this with us. I wish you all the best. I wish Cashify all the best. Not just on my own accord but also on behalf of KPMG in India.

**Mandeep Manocha:**

Thank you. Thank you so much.

**Karan Marwah:**

Wish you continued success.

**Mandeep Manocha:**

Thank you. Thank you for inviting me.

**Musical exit**

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KPMG Assurance and Consulting Services LLP, Lodha Excelus, Apollo Mills Compound, NM Joshi Marg, Mahalaxmi, Mumbai - 400 011 Phone: +91 22 3989 6000, Fax: +91 22 3983 6000.

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