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Gofrugal eyes expansion in Tier II, III locations; to open offices in Thane, Noida

Founded by Kumar Vembu, cloud and ERP startup Gofrugal said it expects to report revenue of Rs 75 crore this fiscal and double it the next year.



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Cloud and Enterprise Resource Planning (ERP) company **GoFrugal** on Sunday said it was eyeing to **step up its presence in Tier II and III locations**, including Thane, Noida, Kolkata, and Cochin as part of strengthening its footprint, besides looking at **doubling revenues** in the coming years.

The city-based company recently inaugurated its first office in **Madurai** with an employee base of 90 and plans to scale it up to 150, the company's founder **Kumar Vembu** said.

With an **existing customer base of over 2,000 small and medium business enterprises**, Gofrugal aspires to **maximise the digitisation of retail businesses** in Madurai. The office, spread across 15,000 square feet, would also offer an exclusive walk-in experience to customers, he said.

"After carefully studying the marketing, challenges and business growth strategies, we at Gofrugal wish to launch full fledged development offices in smaller cities... our plan is to have

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Gofrugal wish to launch full-fledged development offices in **smaller cities...** our **plan is to have an office in every state of the country over the next 18-24 months**", he said.

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"Our mission is to empower all micro, small, and medium enterprise businesses in Tier II and III cities with the right technology and tools so that they stay ahead of the competition and enable them to compete against big players", he said.



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In an interaction with PTI, he said the company planned to expand to locations like Thane and Noida, in view of the availability of skilled youth. "Even in Gofrugal, if we recruit 100 people, 75 of them will be freshers from college having various skillsets...**We believe Tier-II cities are finally ready to be the technology-hot spot** and consider this as our small contribution towards nation-building," he said.

Through expansion in Tier-II cities, Gofrugal aims to **move closer to customers to address their needs and can recruit local talent.** It may be in Thane or Kolkata (or some other city), he said.

On the company's financial performance, he said it witnessed a **70 percent growth this financial year** despite the impact caused by the COVID-19 outbreak.

"During this financial year, we hope to grow by 100 percent and by expanding in Tier-II locations, aspire to more than double growth (in terms of CAGR) from next year onwards", he said.

"Tamil Nadu is our strong market for Gofrugal.. we have opened in Madurai. We **are opening in Thane, then in Kolkata, Noida and later in Cochin.** This expansion will happen before December", he said to a query. "In the next 18-24 months, our plan is to have offices in all the states of the country. This is our goal", he said.

On revenues, he said the **company expects to garner Rs 75 crore this fiscal and double it the next year.** COVID-19 has pushed small businesses, traders, and retailers from Tier II and III cities to go digital and meet the needs of the changing behaviour of consumers, he said.

From selling products online to sending a digital copy of invoices to customers' phones, business

owners can greatly use technology and fulfil their objective via contactless business processes, he added.

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Edited by Kanishk Singh

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