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GST solution brings bonanza for tech firm GoFrugal



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TERAJASIMHAN

Chennai, August 7

The introduction of Goods and Services Tax (GST), which came in to effect in July 2017, has not only transformed the way businesses work but also helped small technology companies like GoFrugal grow rapidly by enabling clients, small and large, become GST-ready.

While it took nearly a decade for GoFrugal to add 20,000 customers, it took just two years to add the next 10,000, post-GST, said Kumar Vembu, Founder and CEO of GoFrugal, which provides ERP software to the retail sector. Vembu quit Qualcomm, US, to return to India and start Vembu Systems/Zoho in 1995 along with his brother Sridhar.

In 2004, Kumar Vembu started GoFrugal. He spent the first five years understanding the retail sector by visiting thousands of customers with a team of software developers. The next five years he developed an affordable ERP solution for the sector.

Today, with around 30,000 customers, including the Patanjali Group, Ramraj Cotton, CK Bakery, Muthu Pharmacy and Grace Supermarket, the company clocks annual revenues of around \$10 million. Its solution is available on licence basis and on monthly subscription fee basis.

"GST has dramatically transformed our business," he added. We were growing 30-35 per cent annually, till the GST year. However, post-GST, we have had 60 per cent growth rate. With the market warming up, we will be able to achieve 100 per cent growth," he told *BusinessLine*. "Before GST, we had to hardsell our solution because companies were happy with Tally accounting system in the back-end and some solution in the front-end.

Whereas post-GST,

companies needed an integrated system with accurate data implemented GST filing feature to over 25,000 merchants. We also introduced Digital Assure with chat and bot support. This helped us to acquire clients faster," he said.

"Our solutions help businesses digitally transform and manage their complex growing needs ensuring fast changeover. We have helped to digitally transform over 30,000 businesses on around 70 business formats across 60 countries. In-

dia contributes nearly 80 per cent of the company's revenue," he said.

Vembu expects revenue to double from here on as he sees a lot of demand for the company's GST solution from all segments.

"We are adding nearly 300 customers every month," he said.



Kumar Vembu, Founder and CEO, GoFrugal



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ANIL URS

Bengaluru, August 7

Karnataka Small Scale Industries Association (KSSIA) made a brief presentatio the issues concerning S and Medium Enterp (SMEs) and also submit memorandum to the U Finance Minister Nir

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