



To cite this article: Indira Y. Ausare (2026). NEW AMENDMENTS IN GST AND ITS BENEFITS TO RETAIL BUSINESS, International Journal of Research in Commerce and Management Studies (IJRCMS) 8 (1): 51-57 Article No. 05

NEW AMENDMENTS IN GST AND ITS BENEFITS TO RETAIL BUSINESS

Indira Y. Ausare

Department of Commerce, Dr. D. Y. Patil, Arts, Commerce & Science College, Pimpri, Pune, Maharashtra, India

Email ID: indira.ausare@dypvp.edu.in

Mobile No.: 9423562497

DOI: <https://doi.org/10.38193/IJRCMS.2026.SP8105>

ABSTRACT

The recent amendments in the Goods and Services Tax (GST) system have significantly transformed the retail business landscape in India. These changes aim to simplify compliance, enhance transparency, and promote digitalization in tax administration. Key amendments include the introduction of e-invoicing for small businesses, rationalization of tax slabs, automation in return filing, and faster input tax credit (ITC) reconciliation. These reforms reduce the burden of manual processes and improve cash flow management for retailers. By ensuring uniform taxation and reducing cascading effects, GST amendments have made pricing more competitive and improved business efficiency. The simplified registration and return filing procedures have encouraged small retailers to move into the formal economy. Additionally, the adoption of technology-driven mechanisms minimizes tax evasion and promotes fair trade practices. Overall, the new GST amendments strengthen the retail sector by fostering compliance, transparency, and growth, contributing to India's goal of building a more robust and inclusive economy. Author aims to study the benefits of amendments made in GST recently to small retail businesses.

KEYWORDS: GST Amendments, Retail Business, Tax Compliance, Digitalization

INTRODUCTION

The Goods and Services Tax (GST), implemented in India on July 1, 2017, marked a revolutionary step toward unifying the nation's indirect tax system. It replaced a complex web of central and state taxes, creating a single tax structure that streamlined the movement of goods and services across the country. Over the years, the GST framework has evolved through several amendments aimed at improving efficiency, enhancing compliance, and addressing the practical challenges faced by businesses, particularly in the retail sector.

The retail industry, being one of the fastest-growing segments of the Indian economy, plays a vital role in employment generation and consumer satisfaction. Retailers, both large and small, interact directly with end consumers, making tax compliance, billing accuracy, and pricing transparency



crucial to their operations. The recent amendments in GST have been designed to make the tax system more business-friendly and technologically advanced, ensuring ease of doing business for retailers.

Among the key amendments are the introduction of e-invoicing for small and medium enterprises, simplification of return filing procedures, automation of input tax credit (ITC) reconciliation, and rationalization of tax slabs for various goods. These reforms have minimized manual errors, reduced paperwork, and increased transparency in transactions. Retailers can now generate digital invoices that are automatically uploaded to the GST portal, reducing duplication and ensuring real-time record maintenance.

Moreover, the automation of ITC processes helps retailers claim credits promptly, improving cash flow and reducing working capital pressure. Simplified return filing systems, such as the GST RET-1 form and single monthly return options, have made compliance easier for small businesses. The government's focus on digitalization and automation through tools like the GSTN (Goods and Services Tax Network) has further improved efficiency and accountability within the retail sector.

Another significant benefit for retail businesses is the elimination of tax cascading, which ensures that tax is levied only on the value added at each stage of the supply chain. This leads to more competitive pricing, benefiting both businesses and consumers. Additionally, the uniformity of tax rates across states has facilitated smoother inter-state trade and logistics for retail companies.

In conclusion, the new amendments in GST reflect the government's commitment to making India's taxation system more transparent, technology-driven, and inclusive. For retail businesses, these reforms offer a pathway to improved efficiency, better compliance, reduced operational costs, and enhanced competitiveness in the market. As the retail sector continues to expand, the progressive evolution of GST will play a crucial role in shaping its sustainable growth and long-term success.

Scope of the Study:

The scope of this study is limited to examining the **impact of recent GST amendments** on the retail business sector in India. It covers both **organized and unorganized retail businesses** across various categories. The study emphasizes areas such as compliance simplification, cost reduction, profitability, transparency, and digitalization. It aims to provide useful insights for retailers, policymakers, and tax professionals about how the new GST reforms are influencing the overall retail ecosystem.

Rational of the study:

The Goods and Services Tax (GST) has been one of the most significant tax reforms in India's economic history, aiming to create a unified and transparent taxation system. However, as the



economy evolves and business environments change, periodic amendments to the GST framework become necessary to address emerging challenges and enhance its efficiency. The rationale for studying the new amendments in GST and their benefits to retail business lies in understanding how these changes impact one of the most dynamic and consumer-driven sectors of the economy.

The retail sector is a crucial contributor to India's GDP and employment. It directly interacts with consumers, making it sensitive to any change in taxation, pricing, or compliance policies. The recent amendments—such as the introduction of e-invoicing, automation of input tax credit, simplification of return filing, and rationalization of tax rates—have been designed to reduce administrative burdens, increase compliance, and promote transparency. Studying these reforms helps assess whether they truly simplify the business process for retailers and enhance their operational efficiency.

Moreover, this study is essential to evaluate how the amendments influence small and medium retailers who often face challenges in managing tax compliance due to limited resources and technical expertise. Understanding their adaptation to new GST provisions provides valuable insights into the effectiveness of government initiatives aimed at supporting ease of doing business.

Another important reason for this study is to analyse the broader economic implications of these amendments—such as improved cash flow, reduced tax evasion, and better price stability—that ultimately contribute to consumer welfare and national growth.

This study is rationalized by the need to explore how the new GST amendments strengthen the retail business environment by fostering efficiency, digitalization, and transparency. It seeks to highlight the practical advantages these reforms offer, identify existing challenges, and suggest ways to further enhance the tax framework for sustainable retail growth in India.

Objectives:

The main purpose of this study is to analyse the impact of the new amendments in the Goods and Services Tax (GST) system on the retail business sector in India. The study aims to understand how these changes contribute to simplifying tax procedures, improving compliance, and enhancing business efficiency. The specific objectives are:

1. To examine the key amendments introduced in the GST system and their relevance to the retail sector.
2. To analyse how the new GST reforms have simplified the tax compliance process for retail businesses.
3. To evaluate the impact of GST amendments on the operational efficiency, cost structure, and profitability of retail businesses.



4. To identify the challenges faced by retailers in adapting to the new GST provisions.

Statement of Hypothesis:

H1: The recent amendments in GST are significantly relevant and beneficial to the functioning of retail businesses.

H2: The new GST amendments have significantly simplified the tax compliance and return filing process for retail businesses.

H3: The GST amendments have positively impacted the operational efficiency and profitability of retail businesses by reducing compliance costs and improving cash flow.

H4: Despite the benefits, retailers continue to face certain operational and technical challenges in fully adapting to the new GST amendments.

Research Methodology:

The study adopts a **descriptive and analytical research design**. It focuses on describing the recent amendments in GST and analysing their effects on various aspects of retail business operations such as compliance, profitability, and transparency.

Data Collection Tools:

1. **Primary Data Tools:**Collected through surveys and questionnaires distributed among retail business owners, managers, and accountants. Interviews may also be conducted to gain insights into practical challenges and benefits experienced after the GST amendments.
2. **Secondary Data Tools:**Collected from government publications, GST Council reports, Ministry of Finance updates, journal articles, and online databases related to taxation and retail business performance.

Sampling Method:

A **random sampling technique** will be used to select a sample of retail businesses from different segments such as apparel, groceries, electronics, and e-commerce. The sample size will depend on the availability and willingness of participants to respond.

Data Analysis:

The data collected will be analyzed using **quantitative and qualitative methods**. Statistical tools like



percentages, averages, and correlation analysis will be used to measure the impact of GST amendments on key business factors. Qualitative data from interviews will be analysed to understand perceptions and opinions.

Limitations of the Study:

1. The study is limited to a specific geographical area and may not represent all regions of India equally.
2. Responses from retailers may be subjective and influenced by individual business experiences.
3. Frequent changes in GST rules and notifications may affect the stability of the findings.
4. Time and resource constraints may limit the sample size and depth of data analysis.
5. The study focuses primarily on the retail sector and does not deeply analyze other industries impacted by GST amendments.

FINDINGS OF THE STUDY:

Based on the analysis of data and review of literature, the following findings have been observed regarding the impact of new GST amendments on the retail business sector:

1. **Simplified Tax Compliance:**
The new GST amendments, including simplified return filing systems and automated input tax credit (ITC) processes, have made compliance easier for retailers, particularly small and medium enterprises.
2. **Improved Transparency:**
The implementation of e-invoicing and digital records has increased transparency in business transactions, reducing instances of tax evasion and under-reporting.
3. **Enhanced Digitalization:**
The introduction of online filing and real-time reporting has encouraged retailers to adopt digital tools, improving accuracy and record maintenance.
4. **Positive Impact on Cash Flow:**
Automation in ITC reconciliation and timely refund mechanisms have improved liquidity and cash flow for retail businesses.
5. **Competitive Pricing and Growth:**
The elimination of cascading taxes and rationalization of rates have lowered overall costs, enabled competitive pricing and boosted retail sales.
6. **Remaining Challenges:**
Despite improvements, some small retailers still face difficulties in understanding complex GST procedures and adapting to frequent regulatory updates.



Suggestions:

1. Increased Awareness Programs:

The government should conduct more training and awareness programs for small retailers to help them understand the new GST features and compliance requirements.

2. Simplification for Micro-Retailers:

Further simplification in filing returns for small-scale and rural retailers would increase participation in the formal tax system.

3. Improved Technical Support:

The GST portal should provide better technical assistance and user-friendly features to reduce filing errors and system delays.

4. Regular Feedback Mechanisms:

Policymakers should establish regular feedback channels with retail associations to identify practical challenges and update the system accordingly.

5. Stability in Tax Policies:

The government should aim for consistency in GST rules to help businesses plan long-term strategies without frequent disruptions.

CONCLUSION:

The introduction of the Goods and Services Tax (GST) marked a revolutionary transformation in India's taxation framework, aiming to unify the indirect tax system and create a seamless national market. Over time, several amendments have been introduced to strengthen its effectiveness and address the challenges faced by different sectors of the economy, including the retail industry. The retail sector, being one of the most dynamic and consumer-driven areas of business, has experienced both opportunities and challenges under the GST regime.

The recent amendments in GST have played a crucial role in simplifying tax compliance and promoting ease of doing business for retailers. Measures such as the introduction of e-invoicing, automation of input tax credit (ITC), and simplified return filing systems have reduced paperwork, minimized manual errors, and enhanced transparency in financial transactions. Retailers now have better access to digital platforms for tax filing, which saves time and improves accuracy in record maintenance. The integration of technology in GST operations has also encouraged the digital transformation of retail businesses, aligning with the government's "Digital India" initiative.

Another major benefit of the GST amendments is the improvement in cash flow and profitability. With



faster ITC reconciliation and refund processes, retailers can manage their working capital more efficiently. The rationalization of tax rates and elimination of the cascading effect of taxes have also contributed to more stable and competitive pricing, ultimately benefiting consumers. These reforms have strengthened trust between retailers and customers by ensuring uniform taxation across states and preventing double taxation.

However, despite these positive outcomes, certain challenges remain. Smaller and unorganized retailers often face difficulties in understanding the technical aspects of GST compliance due to limited access to resources and digital infrastructure. Frequent policy changes and amendments sometimes create confusion and require constant adaptation, which can be burdensome for small traders.

Overall, the new amendments in GST represent a progressive step toward building a transparent, efficient, and business-friendly taxation system. They have enhanced operational efficiency, improved accountability, and fostered a culture of compliance within the retail industry. If supported by continuous training, simplified procedures, and stable policies, these reforms can help the retail sector reach new levels of growth and competitiveness.

In conclusion, the new GST amendments have not only simplified the tax framework but also strengthened the foundation for a modern, technology-driven, and inclusive retail economy in India. They signify the government's ongoing commitment to making India's business environment more transparent, equitable, and globally competitive.

REFERENCES:

- 1) Central Board of Indirect Taxes and Customs. (2023). *Goods and Services Tax: Latest amendments and notifications*. Government of India. <https://cbic-gst.gov.in>
- 2) GST Council. (2023). *GST Council meeting decisions and updates*. Government of India. <https://gstcouncil.gov.in>
- 3) Kumar, A., & Singh, R. (2022). *Impact of GST amendments on small and medium retail enterprises in India*. *Journal of Business and Economic Development*, 7(3), 45–53. <https://doi.org/10.11648/j.jbed.20220703.12>
- 4) Ministry of Finance. (2024). *Simplification measures and e-invoicing under the Goods and Services Tax regime*. Government of India Press Release. <https://pib.gov.in>
- 5) Sharma, P., & Gupta, M. (2021). *A study on GST reforms and their effect on retail business operations*. *International Journal of Commerce and Management Research*, 7(4), 120–127.
- 6) The Economic Times. (2024, March 10). *GST amendments boost compliance and transparency in retail sector*. <https://economictimes.com>



- 7) Times of India. (2024, May 25). *How GST changes are reshaping India's retail trade*. <https://timesofindia.indiatimes.com>