

Review of GST Implementation on the Retail Industry and its Business Impact

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Abstract

The implementation of the Goods and Services Tax (GST) represents a significant reform in India's indirect taxation system, with substantial implications for the retail industry. This paper reviews the implementation of GST and examines its impact on the operational and financial aspects of retail businesses. The study focuses on major areas such as tax compliance, pricing practices, supply-chain management, inventory management, input tax credit, accounting procedures, and overall business efficiency. The review indicates that GST has contributed to greater tax standardization and improved transparency by replacing multiple indirect taxes with a unified tax framework. It has also encouraged retailers to adopt digital accounting and technology-driven compliance systems. However, the transition to GST created challenges, particularly for small and medium-sized retailers, including compliance costs, technological adaptation, changes in working capital requirements, and the need for continuous understanding of tax regulations. The impact has varied across retail segments depending on product categories, business size, supply-chain structure, and customer profile. Overall, GST has influenced the way retail businesses manage taxation, procurement, pricing, and financial operations. The paper highlights both the opportunities and challenges arising from GST implementation and provides insights into its broader business impact on the retail sector. The study concludes that effective compliance management, digitalization, and awareness of GST provisions are important for retailers to adapt successfully to the evolving tax environment.

Keywords: Goods and Services Tax (GST), Retail Industry, Tax Reform, GST Compliance, Input Tax Credit, Supply Chain, Business Impact, Taxation, Retailers, India.

