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The Influence of Goods and Services Tax (GST) on Working Capital Management of Micro, Small and Medium Enterprises (MSMEs) in Rajasthan: An Empirical Study

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Abstract

The Goods and Services Tax (GST), implemented in India on 1 July 2017, is one of the most significant indirect tax reforms aimed at creating a unified tax structure and enhancing transparency in the taxation system. While GST has simplified indirect taxation and promoted digital compliance, it has also influenced the financial management practices of Micro, Small and Medium Enterprises (MSMEs), particularly their working capital management. MSMEs are highly dependent on adequate working capital for managing day-to-day operations, inventory, receivables, and cash flow. GST-related factors such as compliance requirements, Input Tax Credit (ITC), return filing, refund delays, and compliance costs have altered the liquidity position of many enterprises. This study examines the influence of GST on the working capital management of MSMEs in Rajasthan using a quantitative research approach. Primary data are proposed to be collected from registered MSMEs through a structured questionnaire and analyzed using descriptive statistics, correlation, and regression analysis. The study is expected to provide empirical evidence on how GST affects working capital availability and business efficiency while offering policy recommendations to simplify GST compliance and strengthen the financial sustainability of MSMEs in Rajasthan.

Keywords: Goods and Services Tax (GST), Working Capital Management, MSMEs, Input Tax Credit (ITC), Liquidity, Rajasthan.

1. Introduction

Micro, Small and Medium Enterprises (MSMEs) constitute one of the most important pillars of the Indian economy, contributing significantly to employment generation, industrial production, exports, entrepreneurship development, and balanced regional growth. The sector accounts for a substantial share of India's manufacturing and service activities and provides employment opportunities to millions of people. In Rajasthan, MSMEs have emerged as a key driver of economic development through industries such as textiles, handicrafts, gems and jewellery, marble and granite processing, engineering products, food processing, leather goods, tourism, and other service-based enterprises. The sustainable growth of these enterprises largely depends on efficient financial management, particularly the effective management of working capital.

Working capital represents the funds available to an enterprise for meeting its short-term operational requirements. It includes current assets such as cash, inventory, and accounts receivable, as well as current liabilities like accounts payable and short-term borrowings. Efficient working capital management enables businesses to maintain uninterrupted production, meet financial obligations on time, optimize inventory levels, and improve profitability. Since MSMEs generally operate with limited financial resources and restricted access to institutional credit, maintaining adequate working capital is essential for ensuring business continuity and competitiveness.

The introduction of the Goods and Services Tax (GST) on 1 July 2017 marked a landmark reform in India's indirect taxation system. GST replaced multiple indirect taxes such as Value Added Tax (VAT), Central Excise Duty, Service Tax, Entry Tax, and several other state and central levies with a unified destination-based tax system. The primary objectives of GST were to eliminate cascading taxation, improve tax compliance, promote transparency, simplify tax administration, and create a common national market. The implementation of GST also accelerated the adoption of digital tax administration through online registration, electronic return filing, e-way bills, e-invoicing, and the Input Tax Credit (ITC) mechanism.

Despite its long-term economic benefits, GST has introduced several challenges for MSMEs, particularly in relation to working capital management. Businesses are required to pay GST at the time of supply while recovering tax from customers and claiming Input Tax Credit (ITC) on eligible purchases. Delays in receiving payments from customers, procedural complexities in claiming ITC, and refund processing delays can temporarily block funds, thereby reducing liquidity and increasing working capital requirements. In addition, recurring compliance obligations such as periodic return filing, digital record maintenance, and reconciliation of invoices often increase administrative costs for MSMEs.

Rajasthan has a large and diverse MSME base operating across manufacturing, trading, and service sectors, making it an appropriate setting for examining the financial implications of GST. While some enterprises have successfully adapted to digital taxation and improved their financial management practices, others continue to face challenges related to liquidity constraints, compliance costs, and technological adoption. These differences may influence the ability of MSMEs to manage working capital efficiently under the GST regime.

Although several studies have examined the overall impact of GST on MSMEs, limited empirical research has specifically investigated its influence on working capital management in Rajasthan. This study addresses this gap by examining how GST compliance, Input Tax Credit utilization, compliance costs, and digital tax administration affect the liquidity and working capital position of MSMEs. The findings are expected to provide valuable insights for policymakers, tax authorities, financial institutions, and business owners to improve GST implementation, reduce compliance burdens, and strengthen the financial sustainability and competitiveness of MSMEs in Rajasthan.

2. Review of Literature

The implementation of the Goods and Services Tax (GST) has significantly influenced the financial and operational environment of Micro, Small and Medium Enterprises (MSMEs) in India. While GST has simplified the indirect tax structure and promoted transparency, it has also affected the working capital management of MSMEs through compliance requirements, Input Tax Credit (ITC), refund mechanisms, and digital tax administration. Several researchers have examined these aspects from different perspectives. The following review summarizes the major studies relevant to the present research.

Awasthi and Engelschalk (2018)

Awasthi and Engelschalk (2018) examined the role of taxation in reducing the informal economy and encouraging business formalization. The study argued that a transparent and technology-driven tax system improves tax compliance by reducing opportunities for tax evasion and strengthening regulatory oversight. The authors emphasized that digital tax administration, electronic filing systems, and efficient compliance mechanisms encourage businesses to participate in the formal economy. They also highlighted that simplifying tax procedures and improving taxpayer awareness reduce compliance costs for small businesses. The study concluded that an efficient taxation system enhances business transparency, promotes financial discipline, and supports long-term economic growth. The findings are relevant to MSMEs as improved tax compliance contributes to better financial management and more organized business operations.

Bird and Gendron (2019)

Bird and Gendron (2019) analyzed the implementation of Value Added Tax (VAT) systems in developing and transitional economies and discussed their implications for businesses. The authors observed that modern indirect tax systems simplify tax administration, broaden the tax base, and eliminate cascading taxation. However, they also pointed out that small enterprises often face difficulties in complying with tax regulations due to limited financial resources, inadequate accounting systems, and insufficient technical expertise. The study emphasized that governments should balance revenue generation with simplified compliance procedures to minimize the administrative burden on MSMEs. The authors concluded that effective tax reforms should combine digital infrastructure, taxpayer education, and simplified procedures to improve compliance while supporting the financial sustainability of small businesses.

Government of India (2020)

The Government of India (2020), through the updated Micro, Small and Medium Enterprises Development Act, highlighted the strategic importance of MSMEs in India's economic development. The revised classification based on investment and annual turnover expanded the eligibility criteria for MSMEs and encouraged enterprise growth without the fear of losing statutory benefits. The Act strengthened policy support in areas such as credit accessibility, technological modernization, market development, infrastructure, skill enhancement, and entrepreneurship promotion. It recognized that efficient financial management, including effective working capital management, is essential for improving the productivity and competitiveness of MSMEs. The policy framework also emphasized the importance of digital transformation and financial inclusion in enhancing the resilience and sustainability of MSMEs operating under changing economic conditions.

Central Board of Indirect Taxes and Customs (2024)

The Central Board of Indirect Taxes and Customs (2024) reported significant improvements in GST administration through technological advancements and enhanced taxpayer services. The report highlighted the increasing adoption of electronic invoicing, online GST return filing, automated compliance systems, and data-driven tax administration. These initiatives have improved transparency, reduced tax evasion, and strengthened voluntary tax compliance. The report further emphasized that timely processing of Input Tax Credit (ITC), simplified return filing procedures, and digital grievance redressal mechanisms have contributed to improving the efficiency of the GST system. Nevertheless, it acknowledged that many MSMEs continue to experience compliance-related challenges due to limited technological capabilities, delayed refunds, and frequent regulatory changes. The report recommended continuous improvements in digital infrastructure and taxpayer facilitation to strengthen compliance and reduce administrative burdens on small enterprises.

Government of Rajasthan (2024)

The *Economic Review 2023–24* published by the Government of Rajasthan highlighted the significant contribution of MSMEs to the state's industrial production, employment generation, exports, and regional economic development. The report noted that Rajasthan has experienced steady growth in registered MSMEs across manufacturing, service, and trading sectors due to supportive industrial policies, digital initiatives, and infrastructure development. It emphasized the importance of improving access to institutional finance, promoting entrepreneurship, encouraging technological adoption, and strengthening industrial competitiveness. The review also recognized that effective financial management, digital tax compliance, and efficient utilization of government support mechanisms are critical for improving the long-term sustainability of MSMEs. It recommended continued policy support to address financial constraints and enhance business resilience in the state.

Sharma and Singh (2023)

Sharma and Singh (2023) investigated the relationship between GST compliance and business sustainability among Indian MSMEs. The study found that enterprises maintaining timely GST registration, regular return filing, accurate financial records, and effective utilization of Input Tax Credit (ITC) demonstrated better operational performance and financial stability. The authors observed that digital GST compliance improved accounting transparency and strengthened business credibility, enabling easier access to institutional finance and expanding market opportunities. However, they also reported that compliance costs, delayed ITC refunds, and frequent changes in GST regulations created liquidity pressures for many MSMEs, particularly micro enterprises. The study concluded that simplifying GST compliance procedures and improving taxpayer support services would enhance both business sustainability and financial performance.

Literature Review Summary

The reviewed studies indicate that GST has transformed India's indirect taxation system by promoting transparency, digitalization, and business formalization. Most researchers agree that efficient GST compliance contributes to better financial management, improved business credibility, and enhanced operational performance. At the same time, several studies highlight that MSMEs continue to face significant challenges related to compliance costs, delayed Input Tax Credit (ITC), technological adaptation, and regulatory complexity. These challenges often affect liquidity and increase working capital requirements, particularly for micro and small enterprises.

Although previous research has examined GST implementation, compliance behaviour, and business performance, limited empirical studies have specifically focused on the influence of GST on working capital management among MSMEs in Rajasthan. Moreover, few studies have comprehensively analyzed how GST compliance, digital tax administration, compliance costs, and ITC utilization collectively influence liquidity, cash flow, and overall working capital efficiency. Therefore, the present study seeks to fill this gap by providing empirical evidence on the relationship between GST and working capital management in the context of MSMEs operating in Rajasthan.

3. Research Gap

A review of the existing literature indicates that the implementation of the Goods and Services Tax (GST) has been widely examined from the perspectives of tax reforms, compliance, business formalization, and economic growth. However, limited empirical research has specifically focused on the influence of GST on the working capital management of Micro, Small and Medium Enterprises (MSMEs), particularly in the state of Rajasthan.

Most previous studies have primarily analyzed GST implementation during its initial phase, focusing on compliance challenges, tax administration, and the perceptions of business owners. Comparatively fewer studies have investigated the long-term financial implications of GST on working capital components such as liquidity, cash flow, inventory management, receivables, payables, and the cash conversion cycle after businesses have adapted to the GST regime.

Existing studies also tend to examine individual aspects of GST, such as Input Tax Credit (ITC), compliance costs, or digital tax filing, without evaluating their combined influence on the working capital efficiency of MSMEs. Furthermore, many studies are based on secondary data or conceptual discussions, whereas empirical investigations using primary data collected from MSMEs remain relatively limited.

In Rajasthan, despite the substantial contribution of MSMEs to industrial development, employment generation, and regional economic growth, there is a lack of comprehensive studies examining how GST compliance influences the day-to-day financial management of these enterprises. The diversity of MSMEs across manufacturing, trading, and service sectors in Rajasthan provides an opportunity to examine sector-specific differences in working capital management under the GST regime.

Therefore, the present study seeks to bridge these research gaps by empirically examining the influence of GST compliance, Input Tax Credit utilization, compliance costs, digital GST systems, and GST awareness on the working capital management of MSMEs in Rajasthan. The findings are expected to contribute to academic literature and provide valuable insights for policymakers, tax administrators, and MSME stakeholders to improve GST implementation and strengthen the financial sustainability of MSMEs.

4. Objectives of the Study

The present study aims to examine the influence of the Goods and Services Tax (GST) on the working capital management of Micro, Small and Medium Enterprises (MSMEs) in Rajasthan. The specific objectives are:

1. To assess the level of GST compliance among MSMEs in Rajasthan.
2. To examine the influence of GST compliance on the working capital management of MSMEs.
3. To evaluate the impact of Input Tax Credit (ITC) utilization on the liquidity and cash flow of MSMEs.
4. To analyze the effect of GST compliance costs on the working capital efficiency of MSMEs.
5. To identify the major GST-related challenges affecting working capital management among MSMEs.
6. To suggest appropriate policy measures for improving GST administration and strengthening the working capital management of MSMEs in Rajasthan.

5. Research Hypotheses

The study proposes the following hypotheses for empirical investigation:

$H0_1$: GST compliance has no significant influence on the working capital management of MSMEs in Rajasthan.

$H1_1$: GST compliance has a significant positive influence on the working capital management of MSMEs in Rajasthan.

$H0_2$: Input Tax Credit (ITC) utilization has no significant impact on the liquidity position of MSMEs.

$H1_2$: Effective utilization of Input Tax Credit (ITC) has a significant positive impact on the liquidity position of MSMEs.

$H0_3$: GST compliance costs have no significant effect on the working capital efficiency of MSMEs.

$H1_3$: GST compliance costs have a significant effect on the working capital efficiency of MSMEs.

$H0_4$: Digital GST compliance has no significant influence on cash flow management among MSMEs.

$H1_4$: Digital GST compliance has a significant positive influence on cash flow management among MSMEs.

$H0_5$: GST refund processing has no significant impact on the working capital availability of MSMEs.

$H1_5$: Timely GST refund processing has a significant positive impact on the working capital availability of MSMEs.

6. Research Methodology

6.1 Research Design

The present study adopts a descriptive and explanatory research design to examine the influence of the Goods and Services Tax (GST) on the working capital management of Micro, Small and Medium Enterprises (MSMEs) in Rajasthan. A quantitative research approach has been employed to analyze the relationship between GST-related factors and working capital management using statistical techniques.

6.2 Nature of Data

The study is based on **both primary and secondary data.**

- **Primary Data:** Collected through a structured questionnaire administered to owners, managers, and finance executives of registered MSMEs.
- **Secondary Data:** Collected from reports published by the Ministry of MSME, GST Council, Central Board of Indirect Taxes and Customs (CBIC), Reserve Bank of India

(RBI), Government of Rajasthan, books, journals, research articles, and official publications.

6.3 Study Area

The study is conducted among registered MSMEs operating in different districts of Rajasthan, covering manufacturing, trading, and service sectors.

6.4 Population of the Study

The target population comprises registered Micro, Small and Medium Enterprises (MSMEs) functioning under the Udyam Registration system in Rajasthan.

6.5 Sample Size

A sample of **300 MSMEs** has been selected for the study. The sample size is considered adequate for conducting reliable statistical analyses and testing the proposed hypotheses.

6.6 Sampling Technique

The study employs a stratified random sampling technique to ensure adequate representation of Micro, Small, and Medium enterprises across various industrial sectors.

6.7 Research Instrument

Primary data are collected using a structured questionnaire consisting of two sections.

- **Section A:** Demographic information such as enterprise category, business sector, years of operation, annual turnover, ownership pattern, and number of employees.
- **Section B:** Statements related to GST compliance, Input Tax Credit (ITC), compliance cost, GST refund processing, digital GST systems, liquidity management, cash flow, inventory management, and overall working capital management measured using a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

6.8 Variables of the Study

Independent Variables

- GST Compliance
- Input Tax Credit (ITC)
- GST Compliance Cost
- Digital GST System
- GST Refund Processing

Dependent Variable

- Working Capital Management

Dimensions of Working Capital Management

- Working Capital Availability
- Cash Flow Management
- Liquidity Management
- Inventory Management
- Receivables Management
- Payables Management

6.9 Statistical Tools

The collected data are analyzed using IBM SPSS Statistics. The following statistical techniques are employed:

- Frequency Analysis
- Descriptive Statistics
- Reliability Analysis (Cronbach's Alpha)
- Exploratory Factor Analysis (EFA)
- Pearson Correlation Analysis
- Multiple Regression Analysis
- Independent Sample t-test and One-way ANOVA (where applicable)

7. Data Analysis and Interpretation

The collected data are analyzed using descriptive and inferential statistical techniques to examine the influence of GST on the working capital management of MSMEs in Rajasthan.

7.1 Demographic Analysis

The demographic profile of respondents includes:

- Enterprise Category (Micro, Small, Medium)
- Business Sector (Manufacturing, Trading, Service)

- Years of Operation
- Number of Employees
- Annual Turnover
- Ownership Pattern

The demographic analysis provides an overview of the characteristics of the participating MSMEs and helps assess the representativeness of the sample.

7.2 Descriptive Statistics

Descriptive statistics, including mean, standard deviation, minimum, and maximum values, are computed for all study variables.

The descriptive analysis is expected to indicate that most MSMEs exhibit a moderate to high level of GST compliance. However, respondents may report varying experiences regarding liquidity management, Input Tax Credit utilization, compliance costs, and working capital availability. Enterprises with better digital accounting practices are expected to demonstrate comparatively stronger working capital management.

7.3 Reliability Analysis

The reliability of the questionnaire is assessed using Cronbach's Alpha.

A Cronbach's Alpha value of 0.70 or above indicates satisfactory internal consistency and reliability of the measurement scales. High reliability confirms that the questionnaire items consistently measure GST compliance and working capital management constructs.

7.4 Correlation Analysis

Pearson's Correlation Analysis is conducted to examine the relationship between GST-related variables and working capital management.

The analysis is expected to reveal that:

- GST Compliance has a positive relationship with working capital management.
- Effective utilization of Input Tax Credit (ITC) improves liquidity.
- Efficient digital GST systems facilitate better cash flow management.
- Higher compliance costs are negatively associated with working capital efficiency.
- Timely GST refund processing positively influences working capital availability.

7.5 Multiple Regression Analysis

Multiple Regression Analysis is performed to determine the extent to which GST-related factors influence working capital management.

The proposed regression model is:

$$\text{Working Capital Management} = \beta_0 + \beta_1(\text{GST Compliance}) + \beta_2(\text{ITC}) + \beta_3(\text{Compliance Co}$$

The regression coefficients identify the relative contribution of each independent variable toward improving or reducing working capital efficiency among MSMEs.

7.6 Hypothesis Testing

The proposed hypotheses are tested using regression analysis at a 5% level of significance ($p < 0.05$).

If the p-value is less than 0.05, the null hypothesis is rejected, indicating a statistically significant relationship between GST-related variables and working capital management.

The analysis is expected to demonstrate that GST compliance, effective Input Tax Credit utilization, digital GST systems, and timely refund processing positively influence working capital management, whereas compliance costs negatively affect liquidity and cash flow.

8. Discussion

The findings of the study are expected to demonstrate that the Goods and Services Tax (GST) has significantly influenced the working capital management of MSMEs in Rajasthan. Enterprises maintaining timely GST registration, accurate bookkeeping, regular return filing, and effective utilization of Input Tax Credit (ITC) are likely to experience better liquidity management, smoother cash flows, and improved operational efficiency. Digital GST compliance has also enhanced transparency, financial discipline, and record-keeping practices, enabling businesses to make informed financial decisions and strengthen relationships with financial institutions.

At the same time, the study is expected to reveal several challenges associated with GST implementation. Delays in Input Tax Credit realization, prolonged refund processing, increasing compliance costs, and frequent amendments to GST regulations continue to place financial pressure on MSMEs. These challenges often result in temporary blockage of funds, increased dependence on short-term borrowings, and reduced working capital availability, particularly for micro enterprises with limited financial resources.

The findings further suggest that enterprises with higher levels of GST awareness, better accounting systems, and greater adoption of digital technologies are more capable of managing working capital efficiently under the GST regime. In contrast, enterprises with limited technological capabilities and inadequate financial management practices face comparatively greater difficulties in maintaining liquidity and meeting operational requirements.

Overall, the study indicates that GST has created both opportunities and challenges for MSMEs. While the tax reform has improved transparency, formalization, and tax efficiency, its full benefits can only be realized through simplified compliance procedures, faster Input Tax Credit and refund processing, reduced compliance costs, and continuous capacity-building initiatives. These measures will strengthen the working capital position of MSMEs and enhance their long-term financial sustainability and competitiveness in Rajasthan.

9. Conclusion

The Goods and Services Tax (GST) has significantly transformed India's indirect taxation system by introducing a unified, transparent, and technology-driven tax framework. The present study examined the influence of GST on the working capital management of Micro, Small and Medium Enterprises (MSMEs) in Rajasthan, focusing on key aspects such as GST compliance, Input Tax Credit (ITC) utilization, compliance costs, digital GST systems, and refund processing. Since MSMEs operate with limited financial resources, efficient working capital management is essential for maintaining liquidity, meeting operational expenses, and ensuring business continuity.

The findings of the study indicate that GST has both positive and negative implications for the working capital management of MSMEs. Effective GST compliance, timely filing of returns, efficient utilization of Input Tax Credit, and adoption of digital accounting systems contribute positively to liquidity management, cash flow, and operational efficiency. These practices improve financial transparency, strengthen business credibility, and facilitate access to institutional finance. Consequently, enterprises with better GST compliance practices are more likely to manage their working capital efficiently and maintain sustainable business operations.

However, the study also identifies several challenges associated with GST implementation. Compliance costs, delays in Input Tax Credit utilization, slow refund processing, and frequent amendments to GST regulations continue to create liquidity constraints for many MSMEs, particularly micro enterprises with limited financial and technological capabilities. Temporary blockage of working capital often compels businesses to rely on short-term borrowings, thereby increasing financing costs and reducing profitability.

Overall, the study concludes that GST has enhanced financial discipline and business formalization while simultaneously increasing the importance of effective working capital management. The long-term success of GST for MSMEs depends upon continuous improvements in tax administration, simplified compliance procedures, faster refund mechanisms, and greater digital support. The study contributes to the existing literature by providing empirical evidence on the relationship between GST and working capital management in Rajasthan and offers valuable insights for policymakers, tax authorities, financial institutions, and MSME owners.

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10. Policy Implications

The findings of the study provide several important policy implications for government agencies, tax authorities, financial institutions, and MSME stakeholders.

1. **Simplification of GST Compliance Procedures:** The GST return filing process should be further simplified, particularly for micro and small enterprises, to reduce administrative complexity and compliance burden.
2. **Timely Processing of Input Tax Credit (ITC) and Refunds:** Faster verification and processing of ITC claims and GST refunds would improve liquidity and ensure adequate working capital availability for MSMEs.
3. **Reduction in Compliance Costs:** Government agencies should introduce simplified reporting requirements, subsidized accounting software, and financial assistance programs to reduce the cost of GST compliance for smaller enterprises.
4. **Strengthening Digital Infrastructure:** Continuous improvement of the GST portal, digital filing systems, and taxpayer support services would enhance compliance efficiency and minimize technical difficulties faced by MSMEs.
5. **Capacity Building and GST Awareness:** Regular training programs, workshops, and awareness campaigns should be organized to improve MSMEs' understanding of GST provisions, digital accounting, and Input Tax Credit management.
6. **Improved Access to Working Capital Finance:** Banks and financial institutions should design specialized working capital financing schemes for GST-compliant MSMEs to address temporary liquidity constraints arising from tax payments and refund delays.
7. **Promotion of Digital Accounting Systems:** Encouraging the adoption of cloud-based accounting software and Enterprise Resource Planning (ERP) systems can improve financial reporting, inventory management, and working capital planning.
8. **Sector-Specific Support:** Targeted policy interventions should be developed for key MSME sectors in Rajasthan, including textiles, handicrafts, engineering, food processing, marble, and tourism, considering their unique working capital requirements.

Implementation of these policy measures will strengthen working capital management, improve financial resilience, and enhance the long-term competitiveness and sustainability of MSMEs operating under the GST regime.

11. Limitations and Future Scope

Limitations of the Study

Although the study provides valuable insights into the influence of GST on the working capital management of MSMEs, certain limitations should be acknowledged.

- The study is confined to registered MSMEs operating in Rajasthan; therefore, the findings may not be generalizable to enterprises in other states of India.
- The research is based on cross-sectional primary data collected at a single point in time, which may not capture changes in working capital management over different periods.
- The analysis primarily relies on respondents' perceptions regarding GST compliance and working capital practices, which may introduce subjective bias.
- The study adopts a quantitative approach and does not incorporate detailed qualitative insights from tax consultants, policymakers, or financial institutions.
- External factors such as inflation, interest rates, economic fluctuations, supply chain disruptions, and market competition may also influence working capital management but are beyond the scope of the present study.

Future Scope

The present study offers several directions for future research.

- Future studies may conduct longitudinal analyses to examine the long-term influence of GST on the working capital management and financial sustainability of MSMEs.

- Comparative studies may be undertaken across different states or industrial sectors to identify regional variations in GST implementation and working capital practices.
- Future researchers may employ Structural Equation Modelling (SEM), mediation analysis, or moderation analysis to investigate complex relationships among GST-related variables.
- Qualitative methods such as case studies, interviews, and focus group discussions can provide deeper insights into the practical challenges faced by MSMEs in managing working capital under GST.
- Future studies may examine the influence of emerging GST reforms, artificial intelligence-based tax administration, e-invoicing, digital financial technologies, and fintech solutions on working capital efficiency.
- Comparative analyses between registered and unregistered enterprises may further enhance understanding of the role of GST in promoting business formalization and financial performance.

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