

Chapter 5

FINDINGS, CONCLUSION, AND LIMITATIONS

At present time GST is marked as significant indirect tax reform in the country. GST makes the goods cheaper and more competitive in the global market as mitigation of double taxation. This chapter contains the key findings of the research study related to business, taxation, handicraft products exported from Jaipur (Rajasthan). It also throws light upon the GST implications on ease of exports and average handicraft exports before and after GST implementation. This chapter also presents the views of association, councils relating to the applicability of GST on handicraft and exports. Moreover, it presents the summation of the research based on the findings, and further, it is accompanied by the limitations of the research study.

5.1 Findings of the Study

The main findings of this research study are divided under the heads of descriptive statistics, GST and ease of exports, average handicraft exports before and after the implementation of GST and interview results.

5.1.1 Descriptive Statistics

This section shows the findings related to business and taxation information of handicraft exporters. It also presents the major findings related to handicraft products exported by the exporters.

(A) Business and Taxation

(a) This study finds that all handicraft exporters are registered under GST. Among 150 handicraft exporters, majority of handicraft exporters were registered in the earlier tax system. 45 handicraft exporters were not registered under the previous tax regime (VAT). This implies that all exporters have registered their business in the current tax regime, after the implementation of GST.

(b) The majority of handicraft exporters' GST compliances including filling the return, deposition of taxes, generation of E-way bill, all these practices have been handled by both the CA and the accountant.

(c) It has also been found that none of the handicraft exporters is taking the professional services of GSTP. GSTP is an authorised professional who performs the GST activities on behalf of its client. Handicraft exporters are not aware of the GSTP concept, as it is new in India.

(d) Only a few handicraft exporters are doing all their GST compliances by themselves. Among 150 handicraft exporters, 44 exporters are taking the services of CA. Similarly, 17 % of handicraft exporter's GST practices are handled by the accountant.

(e) This present study found that the majority of the exporters are doing the handicraft export business for more than 10 years. However, 16% of the handicraft exporters are doing the export business from 1-5 years. Among total exporters of handicrafts, some exporters are exporting handicraft products from 5-10 years.

(f) This study identified that the maximum handicraft exporters are not facing problems in the execution of GST compliances. Only a few exporters are facing difficulties while performing the GST compliances.

(B) Handicraft

(a) This study finds that most of the handicraft exporters export textile products. In textile items, they are exporting mainly carpets, bedsheets, kurtis, harem pants, rugs, bags, kantha quilts, mandala tapestries, patch work embroidered wall hangings, organdi quilts, bandhej suits, tie dyes, mirror work bed covers, cushion covers, pillow covers, sangneri printed bed sheets, shawls, embroidered runners, table mats/placemats, silk zardozi bed covers, etc.

(b) 19 % of the exporters are exporting wooden items. These items include carving items, tea coasters, puppets, figures, boxes (jewellery, bangle), holders, handicraft decorative latkans, pen/pencil stands, wall decors, wooden toys, wooden statues, light lamps, wooden chess boards, wooden painted pots, and home décor items.

(c) 25 handicraft exporters export ceramic products including knobs (drawer pullers), crockeries, ceramic mugs, wall décor plates, Jaipuri blue pottery, vases, figures, bawls, pen holders, netting dolls, ceramic craft sculptures, etc.

(d) Some handicraft exporters are exporting leather products which are bags, jooties, leather flats, khussas, jackets, pouches, wallets, trunks, figurines/sculptures, boxes, etc.

(e) 12% exporters are exporting jewellery products namely nose rings, malas, rings, earrings, gotta-pati necklaces, lac bangles, bracelets, chains, jadau/meenakari/kundan jewelleryes, etc.

(f) Few exporters are exporting other handicraft items including agarbaties, hand paintings, multicolor umbrellas, gems, embroidery clutch bags, artistic stonewares, decoratives made by semi-precious stones, precious stones, semi-precious stones figurine, miniature, stone craft, brass statues, home furnishing made ups, brass wares, copper wares, glasses, iron crafts, stone products, paper mashie, paper crafts, handmade papers, marble pieces, artificial magnified torans, handmade candles, etc.

5.1.2 GST and Ease of Exports

This section includes the implications of GST on handicraft exporters. The results of this study are based on eight independent variables of GST and one dependent variable which is the ease of exports. These variables have been explored through exploratory factor analysis and the same have been confirmed through confirmatory factor analysis. These eight independent variables are including registration, return, rates, ITC, LUT/bond, refund, ITC, EWB, and RCM.

(A) Registration

(a) Through data analysis, it has been found that the mean values of all the registration variables are above 3 which depicts that exporters are positive towards registration under GST.

(b) The majority of exporters are agreed with the current threshold limit of GST registration.

(c) It has also been noticed that most of the exporters experienced regarding obtaining a GSTIN is very much easy but to surrender the same requires more time and formalities as it is deeply assessed by the jurisdiction officer.

(d) Maximum exporters got their GSTIN within 5-7 days. The majority of exporters are not facing problems under the GST registration.

(e) The registration variable is putting a significant and positive impact on the ease of exports because in the GST system registration is now based on the turnover of a business. The regression coefficient of 0.099 depicts the positive effect. This is the lowest coefficient among all the regression coefficients.

(f) As per the results of correlation analysis, it has also been found that the registration variable is correlated more with LUT/bond. It indicates that exporters take the registration under GST for taking the letter of undertaking, which makes their export without payment of integrated goods and services tax.

Thus, it is found that GST enables a centralised system of registration all over India which helps in ease of starting/enlarging the export business.

(B) Return

(a) It has been noticed from the data analysis that exporters found the turnover-wise return option is relevant.

(b) GST return filling option is turnover-based. If the export turnover is up to 1.5 cr. then the quarterly return can be filed. Similarly, if the turnover is more than 1.5 cr. then return can be filed on monthly basis.

(c) Exporters are positive towards the online matching process of GSTR-3B tax data with GSTR1 which ensures the transfer of export invoices to ICEGATE portal for further process of refund.

(d) Majority of exporters marked that the current system of filling the return is appropriate and if the return is filed after the due date then the nominal late fee is charged.

(e) All the mean values of refund variables are above 3 which indicates that the positive response of exporters towards GST return.

(f) The regression coefficient of 0.168 which depicts the positive effect of return on exporters of handicrafts in terms of ease of exports. This value is the highest among all the regression coefficients.

(g) Multiple-linear regression results show return has the maximum β values with significant p values.

(h) As per the results of the correlation, it has been observed that the return variable has more association with the refund variable. Exporters file their GSTR-1 return to seek the refund of their integrated goods and services tax. In the form of GSTR-1, it contains the export information including shipping bill number, date of invoice, port code, shipping bill date, invoice value, taxable value, and tax amount. After filling the GSTR1 with correct information, all this information is directly transferred to the ICEGATE portal for the process of refund.

(C) Rates

(a) Data analysis and interpretation of rates variable shows that exporters found the classification of GST rates as per the HSN code-wise is correct.

(b) It has been noted that in GST regime rate is levied as per the value of goods like if the value of a tapestry (handicraft bed sheet) is less than ₹ 1000 then it attracts the rate of 5% but if the value is more than ₹ 1000 then 12% GST is applicable. Similarly, if the value of footwear is below ₹ 1000 then its tax rate is 5% but if the value is above ₹ 1000 then 12% GST is charged.

(c) All the GST tax rates are majorly divided into four slab tax structures, maximum exporters are positive towards the current slab structure. However, some exporters are not positive towards current GST rates. They believe that current tax rates are higher than the previous ones on some handicraft items.

(d) The exporters are agreed to the current tax rates and their structure. The mean values of all the rates variables are above 3 except the one variable which shows that exporters want further reduction/decrease in the tax rates.

(e) The rates variable is also making a significant impact on exporters. The regression coefficient of .120 that depicts the positive effect of rates on handicraft exporters.

(f) The correlation matrix shows more correlation between rates and registration variable of GST. It indicates that as the government has levied the tax on handicraft items, that increases the registration under GST. Previously, on some handicrafts items, no taxes were levied, since the implementation of GST various handicrafts items including textiles came under the tax slabs.

(D) ITC

(a) It has been found that all the mean values of ITC variables are above 3 which reveals the positive response of exporters towards ITC.

(b) The majority of exporters believe that unutilised credit creates the problem of working capital.

(c) After analysing the data it has been noticed that exporters are agreed that the process of taking the refund of unutilised credit takes time.

(d) Maximum exporters are positive towards setting off IGST with the credit tax which allows them not to pay the output tax liability.

(e) The handicraft exporters have found that the time limit of two years for availing the ITC accurate.

(f) ITC is also making a significant and positive impact on exporters as in the previous tax regime interstate ITC was not allowed to take, but in this regime, interstate ITC can be taken.

(g) Handicraft exporters have reported that registered taxpayers can take the refund of the unutilised input tax credit through RFD-01.

(h) The regression coefficient of .133 which depicts the positive effect of ITC.

(i) As per the results of the correlation matrix, it has been found that ITC is more closely correlated with LUT/bond as compared to other GST variables. Handicraft exporters who opt for LUT/bond for exporting the handicraft products, there is no need to pay any amount of IGST. So unutilised input tax credit which has been accumulated every month as exporters are exporting under LUT/bond, handicraft exporters can claim all their ITC by filling the RFD-01 form.

(E) LUT/Bond

LUT has been implemented in the GST regime. With the help of LUT/bond, a registered exporter needs not to pay the taxes to the government.

(a) As per the results of the central tendency, it has been clearly noted that exporters are strongly agreed with the requirement of LUT/Bond for making exports.

(b) The majority of exporters have recommended and supported the prior payment of IGST and the process of taking the refund later. However, they are also positive towards exports under LUT/Bond instead of paying the tax.

(c) Handicraft exporters have found that the process of getting LUT/Bond is easy and it requires less documentation.

(d) The mean values of all the LUT/Bond variables are above 3 which indicates the exporters are quite affirmative towards it.

(e) Step-wise regression results show the LUT/Bond is the first most significant variable among all the variables of GST.

(f) The regression coefficient of .134 which depicts the positive effect of LUT/Bond. Multiple-linear regression results also show LUT/bond has the second-highest B value after the return variable with significant p values.

(g) The correlation matrix shows more correlation between LUT/bond and registration variables. It shows that handicraft exporters do the registration under GST for getting the letter of undertaking/bond. Through this, they are free to pay the taxes for their exports. Hence, it is distinctly found that the association between the LUT/bond and the ease of exports is quite helpful and supportive for the business.

(F) Refund

(a) The data analysis results show that exporters find the process of getting the refund of paid taxes is relevant. They get their refund online only after the validation of the bank account through PFMS.

(b) It has also been noticed that if any discrepancy is found in the return and shipping bill data then the refund cannot be further transmitted.

(c) Handicraft exporters have notified that there is an accurate connection among GSTN, ICEGATE, and NSDL for the process of GST refund. GST Council provides a link between the Indian Customs Electronic Gateway and the GST network.

(d) The refund variable is also creating a significant and positive impact. The process of IGST refunds is fast.

(e) The mean values of all the refund variables are above 3 which show the positive response of exporters towards GST refund.

(f) The regression coefficient of .115 which depicts the positive effect of refund on exporters of handicrafts.

(g) Step-wise regression results show the refund is the second most significant variable of GST.

(h) As per the results of the correlation, it has been noted that the refund variable has more association with the RCM variable. Exporters file their GSTR-3B return to seek a refund of their RCM. The exporter first has to pay the amount of RCM and take the ITC at the same time while filling the GSTR-3B. After filling the 3B, exports can take the refund of RCM as shown in cumulative ITC.

(G) EWB

(a) The results of the central tendency show the procedure for getting an EWB registration number is easy.

(b) However, they are not positive towards the current validity period of EWB.

(c) The majority of handicraft exporters are positive towards the existing threshold limit of generating the EWB.

(d) Handicraft exporters have found that the process of getting the EWB is not complicated.

(e) The mean values of all the EWB variables are above 3, only one variable of EWB shows the above 3 mean value but not in a positive aspect. Hence, it reveals that the exporters are agreed with the EWB system, but still, they want a further extension in the validity period of EWB.

(f) EWB is also putting a significant and positive impact on exporters as this e-way bill brings transparency in the transportation and logistics, which makes the exports easier.

(g) The regression coefficient of .105 which depicts the positive effect on exporters.

(h) EWB is more closely related to rates and ITC as per the results of the correlation matrix. If the value of purchased goods is ₹ 50000 or more so it is mandatory to generate

the E-way bill for the movement of goods. A registered person/exporter can only take the ITC of purchases when he has all documents of purchases including the E-way bill.

(i) It has also been found that currently there is no link between the E-way bill and the GST portal system to curb revenue leakage.

(H) RCM

(a) The result of data analysis shows that exporters are satisfied with the current threshold limit of RCM.

(b) However, the exporters have different opinions about the clause of payment of RCM and its refund procedure.

(c) The majority of handicraft exporters are positive towards the input utilisation process of RCM.

(d) They have also found that entries of RCM can easily be done in software only.

(e) All the mean values of RCM variables are more than 3 which depicts the exporters are also positive towards it.

(f) RCM is also making a significant and positive impact on exporters of handicrafts as while paying the RCM to the government, at the same time it came as an ITC in the GST portal.

(g) The regression coefficient of .118 which depicts the positive effect of RCM.

(h) RCM variable of GST is highly correlated related to a refund as compared to other variables. Exporters file their GSTR-3B return to take the refund of their RCM. The exporter first has to pay the amount of reverse charge mechanism and take the input at the same time. The accumulated amount of RCM shown in ITC, exporters can take a refund of their paid RCM by filling the refund application.

(I) Ease of Exports

(a) The results of data analysis show that maximum handicraft exporters are agreed with GST has helped in scaling up of business as removal of states specific registrations.

(b) GST has come with the centralised process of registration under the indirect tax. Exporters are positive towards electronic matching of input credit at one portal which curbs on the bribe.

- (c) The majority of handicraft exporters are strongly agreed that GST has made their business more organised as compared to the previous tax system.
- (d) Handicraft exporters have found that all the compliances are online which makes the exports easier.
- (e) Exporters feel that simple procedures and rules of GST, have reduced their professional charges. On the other hand, exporters have found the job work rules under GST are not appropriate as supplies go for job work it attracts the RCM.
- (f) The maximum number of handicraft exporters are strongly agreed towards GST that it has reduced the manpower and saves the cost for handling the record of multiple taxes.
- (g) It has also been found that EWB makes the movement of export goods and raw material easier. The handicraft exporters have revealed that the cost of manufacturing the export goods has also become come down as the removal of excise duty.
- (h) Exporters are also positive towards modifications done by the GST council and it has been noted that it is supportive for their export business.
- (i) The maximum number of handicraft exporters have found that after the implementation of GST interstate purchase of goods is become easier as removal of multi taxation.

These statements are through the majority of exporters while filling the questionnaire. All the mean values are more than 3 which indicates all the exporters are positive towards GST. Similarly, all the CV values are statistically significant. It reflects that there is not a high variation in the responses of the exporters. After analysis and interpretation of data, it has been found that there is a significant impact of registration, returns, rates, ITC, LUT/bond, refund, EWB, and RCM on handicraft exporters concerning ease of exports. This study has also found that among all the variables of GST, LUT/bond and refund are more significant as per the ranking given in the stepwise model of multiple linear regression. Similarly, EWB and registration are less significant in all the GST variables.

Return and LUT/bond are putting the most significant impact on exporters of handicrafts with regard to ease of exporting the handicraft products. These variables are making more impact on the ease of exports. All the coefficients of regression are statistically significant. However, the registration and E-way bill are putting less effect on handicraft

exporters. The result of one-way ANOVA shows F statistics (Fcal.) is 70.685. and critical/table value for the degree of freedom (8,141) is 1.94 at 5%. Since the F table value is less than the F calculated value (Fcal,5% >Ftable,5%) and (.00 <.05) $p < \alpha$, this indicates the significant impact of GST on ease of exports. Thus, the result given by the ANOVA test has also supported by the regression results which approves the present study positively.

5.1.3 Average Handicraft Exports Before and After the implementation of GST

This research study has taken six years' handicraft export values based on the HSN codes for making the comparison between before and after GST export values. The major findings of this section are as follow: -

- (A) The export from Rajasthan throughout the six years is constantly increasing.
- (B) It has been found that during the 3 months of VAT (April-June 2017) 13 HSN code handicraft items were not exported. These items were tulles/net fabric, knitted / crocheted bed spreads, scarves/shawls, metallised textile/yarn, precious/semi-precious pearls/stones, base metal imitation jewellery, jewellery box, hats, tableware/kitchenware, other household items, madhubani textiles paintings, Rajasthani textile paintings, and art antique pieces.
- (C) All the handicraft products are majorly classified in nine categories specified by the EPCH. These categories include art metalwares, woodwares, handprinted textiles, embroidered and crocheted goods, shawls as art-ware, zari goods, imitation jewellery, agarbatties, and miscellaneous handicraft.
- (D) The maximum number (53) of exported handicraft items is recorded in miscellaneous handicrafts.
- (E) It has also been found that in miscellaneous handicrafts majorly palm leaf baskets, rattan/stones, handmade papers, paper-mache, jewellery boxes, candles, ceramic items, statutes, Rajasthani/madhubani paintings, pen holders are exported.
- (F) It has been noted that the average handicraft exports from Rajasthan before GST is Rs. 27,107,929,968.33. The average handicraft exports after GST have been increased by 46.36%.

(G) It has also been found that the export of wooden handicrafts is more from Rajasthan in both tax regimes. It was highest (Rs. 35,083,659,348) in 2019-20.

(H) Researcher has found that export of shawl as art wares was lowest in 2016-17 and 2018-19. Similarly, export of zari goods was lowest in 2014-15.

(I) Maximum handicraft export from Rajasthan was lowest in the year 2014-15 (Before GST).

(J) The compound annual growth rate of handicraft export from Rajasthan is 11.80% of 14 years. After the implementation of GST actual handicraft export values are more than CAGR values.

(K) The result of paired t-test shows that there is a significant difference between the handicraft exports from Rajasthan before and after GST implementation. This difference is significant and not negative at one tail test (10% significance level). Hence, it is distinctly found that GST has not negatively affect handicraft exports.

5.1.4 Interview Results

The researcher has taken the interview of seven handicraft exporters of Rajasthan, representatives of EPCH (Jaipur), JHEA (Jodhpur), and CEO of REPC. The key findings of the interview are given below: -

(A) After analysing the results of the interview, it has been found that export turnovers have not to get decreased after GST implementation.

(B) Cost of raw material consumed and production cost has become low by the abolition of several taxes.

(C) GP and NP ratios of export business both have increased by comparing the before and after GST profit ratios.

(D) Rates on ceramic items have been decreased by 2.5%. However, the rate of wooden handicrafts has increased from 12 to 18%. Similarly, textile exporters reported that previously tax rate on unstitch products was 0% but now it is 5%/12% depending on the value. The GST rate on the precious stone is 0.25%. Previously it was taxed at 1%.

(E) It has been noted that the refund mechanism of current taxation is fast as compare to the earlier refund mechanism.

(F) Previously exporters were purchasing the raw material from some specific states where the duties were lower, now they are procuring the raw material throughout India.

(G) There is no change in the pattern of labour procurement before and after the implementation of GST. Labour from the same states is also using after GST implementation.

(H) It is further noticed that exporters are getting the credit of paid RCM for job work at the same time of payment.

(I) Exporters are also getting the full input of taxes paid on transportation including interstate and intrastate.

(J) Export Councils and association have also reported GST is satisfactory for handicraft exporters, but still, it requires some amendments in GST law related to decreasing in tax rates on handicraft items, the fast refund of the input tax credit, and relaxation in the RCM for job work.

Therefore, it can be said that GST has brought down the cost of export goods and similarly make the handicraft exporters free to purchase goods from all over India.

5.2 Conclusion of the Study

GST has transformed the existing fiscal system of India. It has been observed that the significance of the same has been found in the international business. GST has brought a few changes definitely positive changes in the current functioning of imports and exports. This new indirect tax abolished various earlier taxes. It is also applicable in other countries, now India also has the same tax system, which makes India more competitive in the global economy. The goods and services tax is a unified taxation reform in India. The reason behind the implementation of this tax is to remove the dual taxation effect. This research study identified that GST put its an impact on various sectors including

handicrafts. Indian handicraft sector contributes a significant share in the country's export. Handicraft products of India are mainly exported to the USA.

With the initiation of GST, handicraft exporters were in dread. They concentrated on the advantages of GST as a whole, and how it is propitious for their exports. GST makes exports easier by compliance reduction. This taxation has removed excise duty which brings down the prices of the manufacturing handicraft goods. The easy process of registration helps exporters to get the GST number. They can also apply for registration by their own. The process of withdrawing the GST registration requires some time as the registered person has to pay all its liabilities and taxes. All the handicraft exporters have to take the GST registration as it is mandatory for the exports. In the previous tax regime tax legislation of each state and center creates complexities for the business. Invoices had been made by charging multiple taxes and cess (excise duty, CST, and cess). Earlier handicraft exporters were registered under VAT (state specific), now they have to take only one registration number for all the tax compliances.

Exporters take the registration in GST for taking the LUT/bond, there is a strong association between registration and LUT/bond. Handicraft exporter generates the export invoice by charging a single tax rate of IGST (if not exporting under LUT) which makes the invoicing easier for the further clearance process at customs. This tax makes the exports hassle-free.

The unique system of GST return that matches the shipping bills and export documents with the customs and processes the refund faster. In the earlier tax regime handicraft exporters has to do more paperwork (CT – 1, H-Form, ARE) for the refund, in the GST mechanism the refund is disbursed online. Now exports are treated as a zero-rated supply. In GST, the LUT concept is introduced which is especially for the exporters. By taking LUT, exporters do not need to pay taxes. The government also modifies the policies to make the exports seamless and easier.

The handicraft sector became organised after the introduction of GST. Previously it was organised and scattered. To make the goods/services as an international standard, HSN / SAC system has been introduced for all the products and services, to make the Indian

market globally competitive. Handicraft products came in the GST regime. It includes those handicraft items which were exempted from the previous taxation. The tax rate of some handicraft items is increased/decreased as compared to the earlier tax. The tax rate of stone was 1% in VAT, but in GST, it is .25%. Similarly, the tax rate of the puppet was in earlier tax was 5% (if value more than 1000), but in this current tax system, its rate is 12%. GST council is modifying the tax slabs. Now the merchant handicraft exporters can take the ITC of the purchased goods from the interstate. Merchant exporters pay only a nominal 0.1% GST on the purchase and export the purchased goods. This amendment in the rate of tax has been made by the GST council to boost exports. Registered handicraft exporters can take the benefits of LUT or faster refund of paid IGST and refund of accumulated ITC.

GST returns have more association with the refund as the process of refund starts after the successful processing of GST returns. Handicraft exporters can take the refund of IGST by filling the online monthly/quarterly return but the refund in ITC requires some time though it's process is also online, but still requires documents that have to be submitted in the jurisdiction office for further perusal.

Handicraft exporters generate the E-way bill online which makes the movement of goods easier within the country for purpose of exports. Exporters can also extend the validity of the E-way bill for further exports. The system of generating the E-way bill is user-friendly and is free to generate. In earlier taxation waybills and road permits were generated offline for the movement of goods which took time to receive the approval, which ultimately caused the delays in exports. It is mandatory to generate the E-way bill if the total supplies are more than ₹ 50,000.

Handicraft exporters get their monthly return filed for taking the input of the paid RCM in the same month of return filing which ultimately helps in meeting the working capital requirements, but the refund of ITC including RCM requires time in documentations and results in a shortage of working capital. RCM attracts the supplies taken from an unregistered person of ₹ 5000 or more, but currently, it is deferred by the GST council till further notification.

This study throws light on the newly implemented tax, handicraft items exported from Jaipur (Rajasthan), and its impact on the exports. This study has not only been confined to the handicraft exporters of Jaipur district but also focuses on all over the Rajasthan exports as it could be perceived in a way that the major portion i.e. 40% of Rajasthan handicraft export is under the Jaipur region.

All the EPCH exporters are registered under GST, they are mainly exporting textile products since the implementation of GST. In textile products, they are mainly exporting the tapestries, bed cover, cushion cover, mandala, ombre designed bed sheets. GSTP is a new concept in India. It is introduced after the implementation of GST. GSTP is an authorised professional who performs the GST activities on behalf of its client. As this is the new concept in India, handicraft exporters are not aware of it and their GST Practices are handled by the CA's and accountants both. Handicraft exporters are exporting generally for more than 10 years and not facing problems in the execution of GST compliances. The researcher has taken the self-constructed research model to know the impact of GST on handicraft exporters with eight variables (registration, return, rates, ITC, EWB, refund, LUT/Bond, and RCM) of GST that influence ease of exports. The study has measured impact with regard to ease of exports as this variable gives the clearer results of GST implication as a whole.

All eight GST variables are statistically significant to the prediction and showing a significant (positive) impact on the ease of exports. Overall GST is putting a significant and positive impact on the ease of exporting handicraft products. It has also been observed that among all the factors of GST, LUT/Bond and refund are the most significant factors. Similarly, LUT/Bond and return factors are putting significant and maximum impact on the ease of exports as compared to other factors. However, registration and EWB factors are less significant factors and also showing less impact on the ease of exports.

Handicraft export from Rajasthan is increasing throughout the six years. Export of wooden handicraft items is more from Rajasthan. In the three months of VAT (April-June 2017) thirteen HSN code items were not exported from Rajasthan. From the findings of the study, it has been noted that Rajasthan handicraft export values were maximally

lowest in the VAT regime. After the implementation of GST, the average handicraft exports have not been decreased.

GST has not negatively affected the financial performance of the handicraft export business. The cost of manufacturing the handicraft cost has become low with the abolition of various indirect taxes. There is a positive effect of GST on the supply chain process of handicraft exports.

This research study has concluded that there is a significant and positive impact of GST on exporters of handicrafts and GST is not affecting handicraft exports negatively. Now, the handicraft exports became easier and more organised as it restricts the burden of taxes on exports.

5.3 Limitations of the Study

The research area has not covered any city other than Jaipur. The study has not covered any other sector except handicrafts. The study focuses on exporters of handicrafts only. The researcher has focused only on registered exporters of the export promotion council for handicrafts in Jaipur and excludes unregistered, deemed exporters and supplies made to SEZ. The present study has focused only on indirect taxation (GST). This study is limited only to the handicraft sector as a whole; it does not focus on textile, ceramic, wooden, leather, jewellery industries individually. The present study only focuses on the export of goods not on the export of services. Due to the time constraint, the researcher has not covered all exporters, therefore a sample has been drawn from the total population. This study has been confined with the data received by the Rajasthan handicraft export council for only the last six years i.e. 2014-2020 as the same received data have been utilised for the comparison between exports values before and after the implementation of GST.

This chapter has presented the major findings, conclusion, and limitations of the current study. The next chapter addresses the significance, recommendations, and future scope of the study.