

Q. 8 Explain the Pre-G.S.T indirect tax structure in India with its disadvantages.

Pre-G.S.T indirect tax structure in India

Pre-GST Tax Structure in India . Under the previous indirect tax regime both Centre and states levied and collected taxes on goods and services separately. Hence, Central Excise, Customs and Service Tax were the three main components of indirect taxes for the Central Government.

Disadvantages of GST

Increased costs due to soft ware purchase

Being GST - compliant

GST will mean an increase in operational costs

GST came into effect in the middle of the financial year

GST in an online taxation system

SMEs will have a higher tax burden