

Pre - GST Indirect Tax structure in India :-

Under the previous indirect tax regime, both centre and states levied and collected taxes on goods and services separately. The tax collected at each level of authority was as per the respective subjects enumerated in the union and state lists.

In respect of services, only the centre had the power to levy and collect service tax.

* Disadvantages :-

- (1) Increased costs due to software purchase.
- (2) Being GST-compliant.
- (3) GST will mean an increase in operational costs.
- (4) GST came into effect in the middle of the financial year.
- (5) GST is an online taxation system.
- (6) SMEs will have a higher tax burden.