Introduction

Since its implementation in 2017, the Goods and Services Tax (GST) has significantly transformed the indirect tax landscape in India. Today, as we move through 2025, GST continues to evolve with amendments, tech-driven compliance systems, and sector-specific changes that directly impact businesses in Kerala—especially MSMEs, traders, and professionals.

Key GST Updates for 2025

1. Introduction of Biometric Aadhaar Authentication for Registration

To curb fake registrations and improve transparency, the GST Council has expanded Aadhaar-based biometric authentication for new registrations in high-risk states. While Kerala has not yet been included, it is prudent to expect wider implementation soon.

Action Point: Businesses registering for GST should ensure that documentation and Aadhaar information are consistent and updated.

2. E-Invoicing Threshold Reduced

The e-invoicing mandate now applies to businesses with a turnover exceeding ₹3 crore (reduced from ₹5 crore). Many SMEs in Kerala, especially wholesalers and exporters, now fall under this bracket.

Action Point: If your turnover exceeds ₹3 crore, implement e-invoicing software compatible with the GST portal. Delays in e-invoicing can result in non-compliance and penalties.

3. Input Tax Credit (ITC) Reconciliation is More Stringent

GSTN now uses advanced data analytics to match GSTR-2B with GSTR-3B. Any mismatch can lead to notices and blocked credit.

Action Point: Regularly reconcile purchase data and ensure that your vendors file accurate GSTR-1 returns. Work closely with your accountant or GST consultant to automate reconciliation where possible.

4. New Amendments to GST Returns Filing

Late fees for delayed returns and interest on excess ITC claimed have been revised. Composition taxpayers and small service providers must take special note of recent clarifications.

Action Point: Stay updated on due dates and changes in filing formats. Use GST compliance calendars or reminders to avoid penalties.

5. Kerala-Specific Considerations

Kerala continues to impose a Flood Cess (1% on intra-state supplies of certain goods and services) to support post-flood reconstruction efforts.

Action Point: Ensure that your billing software accommodates the Kerala Flood Cess, and regularly review your outward supply reports to verify correct application.

Common GST Mistakes Businesses Should Avoid

Not reconciling GSTR-2B with purchase books

Claiming ITC without receipt of goods or services

Ignoring vendor compliance (non-filers impact your ITC)

Delayed response to GST notices or ASMT-10s

How Our Firm Can Help

At [Your Firm Name], we offer end-to-end GST services including:

GST Registration & Amendments

Monthly and Quarterly Return Filing

GST Audit & Annual Return Support

ITC Reconciliation & Vendor Compliance Tracking

Representation before GST Authorities

Conclusion

GST is not just a tax—it’s a compliance ecosystem. As the law evolves, staying informed and proactive can save businesses from unnecessary scrutiny and penalties