

Microgreens & GST: Sowing Seeds of Tax Clarity!



History of microgreens

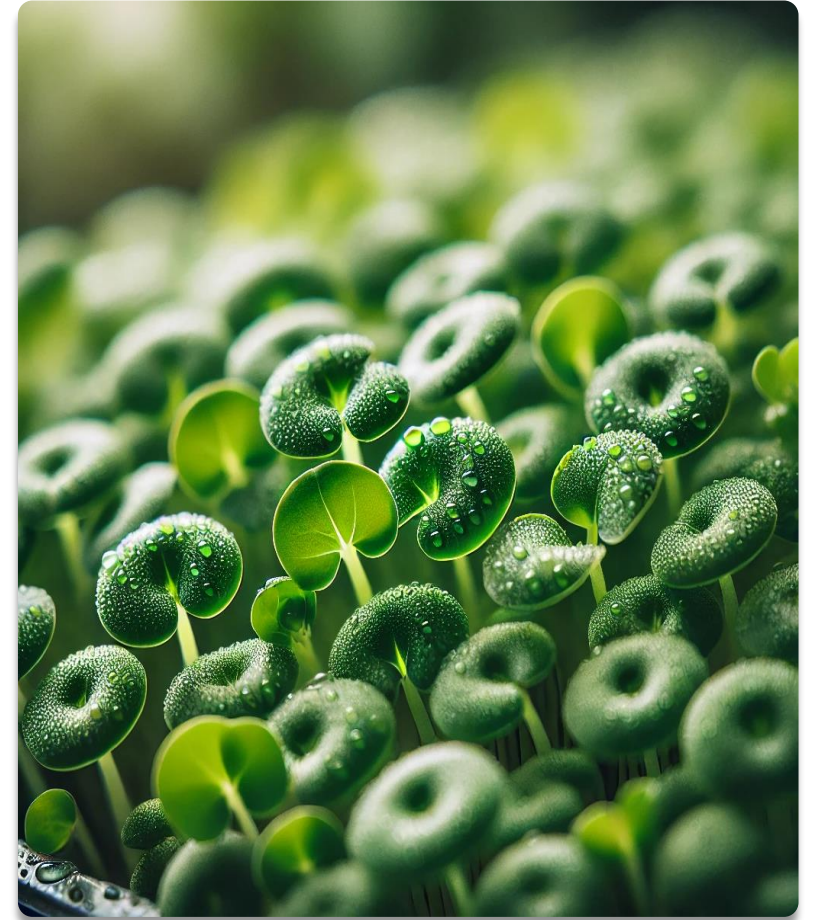
Microgreens originated in the 1980s in California as a niche product for upscale restaurants. Over time, they gained popularity due to their high nutritional value and intense flavors. By the early 2000s, microgreens became mainstream, with widespread cultivation in urban farms, greenhouses, and hydroponic setups



What are microgreens?

Microgreens are young vegetables that are grown from seeds and harvested at their cotyledon leaves stage before their true leaves develop or until one set of true leaves develop.

- ▶ Cotyledon leaves- It's a seed leaf or the embryonic leaf in seed-bearing plants, one or more of which are the first to appear from a germinating seed.
- ▶ True Leaves- Are the leaves that we normally recognize the plant for. They are usually much tougher than the cotyledon leaves.



Commonly found microgreens are of the following vegetables

- ▶ Raddish
- ▶ Cabbage
- ▶ Cauliflower
- ▶ Broccoli
- ▶ Spinach
- ▶ Lettuce
- ▶ Beetroot



Microgreens are used for:-

They provide garnishing for salads, soups and sandwiches. Some recipes use them as a garnish while others use them as a main ingredient.



GST on microgreens

- ▶ As earlier discussed, microgreens are young vegetables that are grown from seeds. We can name them as **seedling vegetables**.
- ▶ Seedling vegetables fall under Chapter No:06 of Second Schedule of Customs Tariff Act.
- ▶ The HSN Code for microgreens would be **06021000** (Other Live Plants (Including Their Roots), Cuttings And Slips ; Mushroom Spawn- Unrooted cuttings and slips)



GST on microgreens continued..

- ▶ All goods of Chapter 6 fall under Entry in Sl.No: 34 of CGST Rate Notification No:02/2017 dated 28.06.2016. This notification is an exemption notification for goods.
- ▶ **This means that there is no GST on microgreens.**





Thank You
CA. Lakshmi Viswanath