

**GUJARAT AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX
D/5, RAJYA KAR BHAVAN, ASHRAM ROAD,
AHMEDABAD – 380 009.**



ADVANCE RULING NO. GUJ/GAAR/R/2026/09
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2025/AR/32)

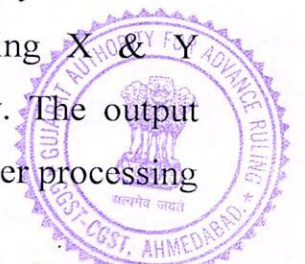
Date: 03 / 03 / 2026

Name and address of the applicant	:	M/s JIVA SCIENCES PRIVATE LIMITED, 201, Kailash Complex, Kosamba Road, Tarsadi Mangrol, Kosamba, Surat, Gujarat-394120
GSTIN of the applicant	:	24AADCJ5419J1ZK
Jurisdiction Office	:	Office of the Assistant Commissioner of State Tax, Unit-67, Range-17, Division-8, Surat.
Date of application	:	05.08.2025
Clause(s) of Section 97(2) of CGST/IGST Act, 2017, under which the question(s) raised.	:	(a)
Date of Personal Hearing	:	06.02.2026
Present for the applicant/respondent	:	(1) Shri Naveen Kumar and Shri Mukul Jain, Authorised representatives for the applicant. (2) Shri N.G. Patel, STO-3, Unit-67, SGST, Surat

Brief facts:

M/s. JIVA SCIENCES PRIVATE LIMITED, 201, Kailash Complex, Kosamba Road, Tarsadi Mangrol, Kosamba, Surat, Gujarat- 394120 [for short – ‘applicant’] is registered under GST and their GSTIN is 24AADCJ5419J1ZK.

2. The business activity of the applicant is separating X & Y chromosomes bearing sperm cells from Bovine Semen with technology intervention. As per the applicant, the raw semen is collected by the Semen Stations from the bulls. The Semen Stations have a semen processing lab for production of un-sorted doses. A separate lab is established within the Semen Station premises for production of sorted semen. Operations within the semen sorting lab are being managed by the applicant. All the personnel working in the sorting lab are employees of the applicant. The applicant processes this raw semen i.e. separating X & Y chromosomes bearing sperm cells, using its proprietary technology. The output generated after processing is given back to the Semen Station for further processing



and making of doses. The Semen Station does the packing of the material and is then dispatched to the various recipients.

3. As per the applicant, the semen doses are exempt from GST, while there is no clarity on "Semen Sorting Services". Further, there is no HSN/SAC for the said services. In view of the above, the applicant has sought a ruling on the following questions: -

(a) *Whether "Semen Sorting Services" would qualify as an exempt service under GST, similar to the exemption granted to semen doses?*

(b) *Can we classify "Semen Sorting Services" under SAC code 9986?*

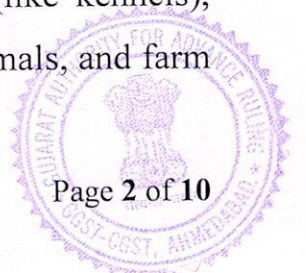
(c) *In the absence of a specific notification or classification, under which HSN/SAC code should "Semen Sorting Services" be categorized?*

4. The applicant has submitted their interpretation of the classification as under:-

(a) There are two contending entries viz. SAC 9986 and SAC 998612 (Animal Husbandry Services)

(b) SAC 9986: - involves carrying of an intermediate production process as job work in relation to the cultivation of plants and the rearing of all life forms of animals (except horses), for food, fibre, fuel, raw materials, or other similar products or agricultural produce, which is exempt from GST. Therefore, this SAC is a broad category code under GST. In general sense 'rearing' would mean to breed and look after animals on a farm or similar setting. In this business activity, service provider gives nutrition to sperm cells to keep them healthy and fit for fertilization. Also, semen sorting services are an intermediate step in the overall process of production of semen doses. Furthermore, these animals are eventually reared for milk – which is a form of food and raw material. Hence, under these conditions, semen sorting services can be interpreted as "rearing of life form" as it involves nurturing of sperm cells to ensure that they remain healthy for fertilization.

(c) SAC 998612:- It includes the following: sheep shearing and care, management of herds of farm animals, artificial insemination of farm animals, grading of eggs, cleaning of agricultural premises (such as hen houses and piggeries), accommodation services for pets (like kennels), grooming and tattooing services for pets, training of pet animals, and farm



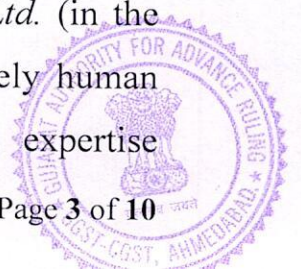
animal husbandry services on inputs owned by others, such as the operation of a farm animal production unit on a fee or contract basis.

5. Personal hearing was granted on 06.02.2025 wherein Shri Naveen Kumar and Shri Mukul Jain, authorised representatives appeared for the applicant and Shri N.G.Patel, STO-3, Unit-67, SGST, Surat appeared for the Department. The representatives for the applicant reiterated the facts & grounds as stated in the application. The Departmental Representative submitted that the services are appropriately classifiable under SAC 998399 – *Other professional, technical and business services*. He also filed written submissions as under: -

(a) SAC 9986 covers agricultural and animal husbandry support services, such as rearing, breeding, farm labour, and other routine activities directly connected with agriculture or animal husbandry. The activity of semen sorting is not a basic or routine support service, but a technology-driven, laboratory-based scientific process. Accordingly, it does not fall within the scope of SAC 9986.

(b) SAC 9988 covers job work services, as defined under Section 2(68) of the CGST Act, 2017. "Job work" means any treatment or process undertaken by a person on goods belonging to another registered person. Section 143 permits a principal to send inputs or capital goods to a job worker without payment of tax, subject to prescribed conditions. However, this provision is procedural in nature and does not provide exemption to the services supplied by the job worker. Although raw semen belongs to the semen station and is returned after processing, the activity performed by the taxpayer is not a simple or ancillary treatment. The dominant element of the supply is the application of specialised technology, scientific expertise, and process know-how, rather than labour-oriented processing. Further, the processed semen returned by the taxpayer is an intermediate product, while the final commercially usable semen doses are manufactured and packed by the semen station. The core supply is specialised technical service, not labour-oriented processing. Accordingly, the activity does not qualify as job work under Section 143 of the CGST Act, 2017.

(c) SAC 998399, covering "*Other professional, technical and business services, not elsewhere classified*", is intended to include services that are not specifically enumerated under any other service heading, and primarily involve application of specialised technical expertise, advanced processes, and professional skill. As observed by the Hon'ble Supreme Court in *Bharti Cellular Ltd.* (in the context of fees for technical services), the decisive factor is not merely human intervention but whether the service involves specialised technical expertise



resulting in a measurable and realisable benefit to the recipient. In scientific and biological processes, a service qualifies as a technical service when it requires advanced scientific knowledge, specialised equipment, and professional skill, enabling the recipient to derive a distinct benefit beyond routine manual activity. The activity of semen sorting clearly satisfies these parameters, as the principal supply is the application of specialised scientific and technological expertise, and not agricultural support or job work.

(d) In view of the above discussion, "Semen Sorting Services" do not qualify for exemption under GST. The services are also not classifiable under SAC 9986 or SAC 9988. In the absence of a specific entry elsewhere, the services are appropriately classifiable under SAC 998399 – Other professional, technical and business services.

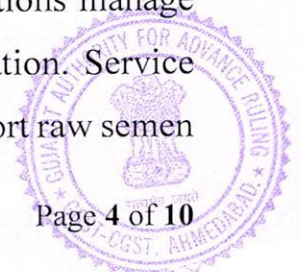
Discussion and findings

6. At the outset, we would like to state that the provisions of both the CGST Act and the GGST Act are the same, except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the GGST Act.

7. We have considered the submissions made by the applicant in their application for advance ruling and the Departmental representative's oral and written submissions during the course of personal hearing. We have also considered the issue involved, the relevant facts & the applicant's submission/interpretation of law in respect of question on which the advance ruling is sought.

8. The short issue involved in the matter is classification of the service of semen sorting undertaken by the applicant. The applicant view is that the activities undertaken by them would fall under either SAC 9986 as support services or SAC 998612 as Animal Husbandry services, more specifically SAC 9986, whereas the Department is of the view that it would fall under SAC 998399.

9. The process of bovine semen production and distribution involves two primary entities: **Semen Stations** and **Service Providers**. Semen Stations manage bull farms and produce the semen straws used in artificial insemination. Service providers, such as the applicant, utilize proprietary technology to sex-sort raw semen



into X and Y chromosome-bearing cells. Operating within the Semen Stations' facilities, these providers return the processed semen to the Stations, which then handle the final packaging and distribution to recipients, **who then use the same for artificial insemination of bovine cattle.**

10. Sexed semen is characterized by the presence of either X- or Y-chromosome-bearing sperm, allowing the production of offspring of the desired sex. Manipulating the sex of the animals has become of great interest to the industry, due to several sex-related traits, like milking, herd replacement and growth rates. There is an increasing demand for dairy and beef products worldwide, which requires a great focus on improving production efficiency. The use of sexed semen in dairy and beef cattle production provides several benefits at both farm and industry levels. In particular, the use of this technology can increase the efficiency of both dairy and beef production, increase farm profitability and improve the environmental sustainability of cattle agriculture. In dairy farming, semen sorting may overcome the surplus production of unwanted male calves which, as an unwanted byproduct of breeding with conventional semen, have low economic value. In the beef-cattle industry there is an urgent need to improve the production yield, which can be done by raising more heifers from high-quality cows, resulting in superior replacement of females and donors. Ultimately, the availability of sexed semen would allow the selection of the best bulls and cows.

(<https://pmc.ncbi.nlm.nih.gov/articles/PMC8464243/>)

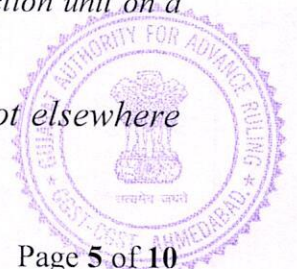
11. Before proceeding, it would be pertinent to reproduce all the three contending entries: -

Heading 9986: - *Support services to agriculture, hunting, forestry, fishing mining and utilities*

SAC 998612: - *Animal Husbandry Services*

*This service code includes sheep shearing and care, management of herds of farm animals, **artificial insemination of farm animals**, grading of eggs, cleaning of agricultural premises (such as hen houses and piggeries), accommodation services for pets (like kennels), grooming and tattooing services for pets, training of pet animals, and farm animal husbandry services on inputs owned by others, such as the operation of a farm animal production unit on a fee or contract basis*

SAC 998399: - *Other professional, technical and business services, not elsewhere classified*



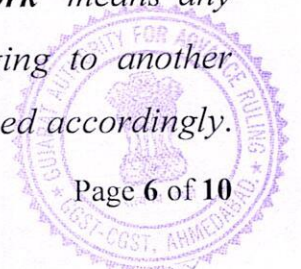
This service code includes drafting services (Detailed layouts, drawings, plans and illustrations of buildings, structures, systems or components from engineering specifications, done by architectural specifications, done by architectural draftsmen or engineering technicians); compilations services of facts and information (i.e. databases), n.e.c

[Emphasis supplied]

12. **Animal Husbandry** refers to the scientific management and breeding of domesticated animals for obtaining useful products such as milk, meat, eggs, wool, hides, and draught power. It involves the principles of animal nutrition, genetics, physiology, hygiene, and welfare for optimizing productivity and animal health. **Artificial insemination** is the technique in which semen with living sperms is collected from the male, processed and introduced into female reproductive tract at proper time with the help of instruments. It is a tool used for livestock improvement. The applicant's service is a specialized component of this process for bovine cattle. Artificial insemination of farm animals falls under Animal Husbandry Services under SAC 998612 which in turn falls under Heading 9986. The services of Semen Sorting provided by the applicant are, therefore, support services to Animal Husbandry Services.

13. **Rearing of animals** refers to the process of breeding and raising livestock for various purposes, including food and labour. This plays an important role in agriculture, as it provides essential resources like milk, wool, meat and other animal products. The applicant contends that their semen sorting service qualifies as an intermediate job work process **related to animal rearing**. Since they process sperm—a foundational life form—to eventually produce bovine animals for milk production, their argument is that the service is a vital step in creating semen doses. We agree with this submission of the applicant. By sorting semen for Semen Stations to be used in artificial insemination, the applicant facilitates the breeding of livestock for essential resources like milk and meat. Consequently, the specialized process of the applicant directly supports the **rearing of animals**.

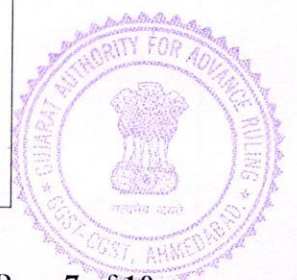
14. As per the Section 2(68) of the CGST Act, 2017 '**job work**' means any treatment or process undertaken by a person on goods belonging to another registered person and the expression 'job worker' shall be construed accordingly.



It is not in dispute that the applicant is undertaking sorting of semen belonging to the Semen Stations and is returning the Sorted Semen back to them. On going through the invoices submitted by the applicant, we find that the services are provided to a registered entity i.e. NDDDB Dairy Services-Gujarat having GST No. 24AADCN1059J. Therefore, the services provided by the applicant would fall under the definition of 'job work'. The Department has contended that the services provided by the applicant are not job work services as the activity performed by the taxpayer is not a simple or ancillary treatment. As per the Department, the dominant element of the supply by the applicant, is the application of specialised technology, scientific expertise, and process know-how, rather than labour-oriented processing. We do not agree with this reasoning of the Department. The definition of "job work" does not restrict the scope of work to purely labour-intensive tasks. There is no language suggesting that specialized or technical processes are excluded from this definition. Therefore, an activity qualifies as job work regardless of whether it involves manual labour or highly specialized technical procedures.

15. Under Notification No. 11/2017-Central Tax (Rate), dated June 28, 2017 (as amended), Entry No. 24, Sl. No. (i) deals with Heading 9986, which covers support services for agriculture, forestry, fishing, **and animal husbandry**. Specifically, sub-item (iii) provides a **Nil rate of duty for intermediate production processes, such as job work**, related to the cultivation of plants and **the rearing of all life forms of animals**. For ease of reference, the said entry is reproduced below.

<i>Sl. No.</i>	<i>Chapter, Section or Heading</i>	<i>Description of Service</i>	<i>Rate (per cent.)</i>	<i>Condition</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
24	Heading 9986	<p><i>(i) Support services to agriculture, forestry, fishing, animal husbandry.</i></p> <p><i>Explanation. - "Support services to agriculture, forestry, fishing, animal husbandry" mean -</i></p> <p><i>(i) Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for</i></p>	Nil	-



food, fibre, fuel, raw material or other similar products or agricultural produce by way of—

(a) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing;

(b) supply of farm labour;

(c) processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, - sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;

(d) renting or leasing of agro machinery or vacant land with or without a structure incidental to its use;

(e) loading, unloading, packing, storage or warehousing of agricultural produce;

(f) agricultural extension services;

(g) services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce.

(ii) Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and



		<p>vegetables which do not change or alter the essential characteristics of the said fruits or vegetables.</p> <p><u>(iii) Carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce.</u></p>	
		<p>(ii) Support services to mining, electricity, gas and water distribution.</p>	9

[Emphasis supplied]

We have already held that the services of Semen Sorting provided by the applicant are support services for Animal husbandry and is an intermediate process in relation to rearing of animals. Therefore, as per sub-item (iii) of Sl. No. (i) of Entry No. 24 of Notification No. 11/2017-Central Tax (Rate), dated June 28, 2017, services provided by the applicant would fall under Heading 9986 and are exempted from payment of GST. We also find that as per Entry No. 55A of Notification No. 12/2017-CT(R) dtd. 28.06.2017, as amended, 'Services by way of artificial insemination of live stock (other than horses)' are exempt from GST. Further, Bovine Semen falling under Heading 0511 is also exempt from GST vide Notification No. 2/2017-CT(R) dtd. 28.06.2017 and 10/2025-CT(R) dtd. 17.09.2025. Therefore, the intention of legislature is very clear that any activity related to the artificial insemination of live stock is exempted from GST.

16. We now come to the Department's contention that the service provided by the applicant would fall under SAC 998399, viz. "Other professional, technical and business services, not elsewhere classified.". This Entry is a residual entry in Heading 983, which covers "Other professional, technical and business services (Except research, development, legal and accounting services)". Sl. No. 3 of Preface to the 'Explanatory Notes to Scheme of Classification of Services under GST' states that "where a service is capable of differential treatment for any purpose based on

its description, the most specific description shall be preferred over a more general description.” Since Heading 9986 provides a specific classification for the services in question, it takes precedence over any residual entry. Consequently, the services cannot be relegated to a "not elsewhere classified" category when a precise heading exists.

17. In view of the foregoing, we rule as under: -

RULING

Q.1 Whether “Semen Sorting Services” would qualify as an exempt service under GST, similar to the exemption granted to semen doses?

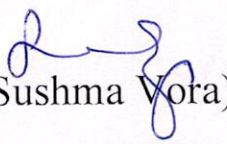
A.1 Yes. “Semen Sorting Services” are exempt from payment from GST, for the reasons mentioned hereinabove.

Q.2 Can we classify “Semen Sorting Services” under SAC code 9986?


A.2 Semen Sorting services are classified under SAC 9986, for the reasons mentioned hereinabove.

Q.3 In the absence of a specific notification or classification, under which HSN/SAC code should “Semen Sorting Services” be categorized?

A.3 Not relevant in view of answers to Question No. 1 & 2.


(Sushma Vora)
Member (SGST)




(Vishal Malani)
Member (CGST)

Place: Ahmedabad
Date: 03/03/2026