



PMC Cell – MM

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Sub: SAC and HSN codes

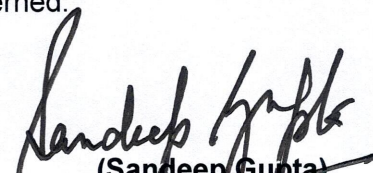
During examination by Vigilance of a procurement case involving both Goods and Services, bidders quoted HSN or SAC codes in Price Format, although Bidder's Response Sheet (in unpriced bid) mentions only SAC Code.

In this context it is mentioned that under the GST regime, HSN (Harmonised System of Nomenclature) Code is used for classifying the goods while Service Code also known as Services Accounting Code (SAC) is used for classifying the services. Presently, HSN for goods are contained in Chapters 01 to 98 and Service Code for services are contained as Chapter 99 notified as the 'Scheme of Classification of Services' (Annexure to Notification No. 11/2017-Central Tax (Rate) Dt. 28.06.2017). The chapter number forms first two digits of HSN/ SAC of Goods and Services.

In the Industry parlance, while for Goods, HSN is the only term used, when it comes to classification of Services, HSN and SAC are used interchangeably.

In view of the above, if required, Work Centres may keep provision of seeking applicable HSN Code in case of pure supply of goods and HSN/SAC Code in case involving procurement of services, from the Bidder.

Above guidelines should be meticulously followed by all concerned.


(Sandeep Gupta)
ED-Chief MM Services

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