



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 8TH DAY OF DECEMBER, 2025

BEFORE

THE HON'BLE MR. JUSTICE S.R.KRISHNA KUMAR

WRIT PETITION NO. 31039 OF 2024 (T-RES)

C/W

WRIT PETITION NO. 32269 OF 2024 (T-RES)

IN WP No. 31039/2024

BETWEEN:

M/S IQVIA RDS (INIDA) PRIVATE LIMITED
OMEGA EMBASSY TECH SQUARE,
MARATHAHALLI SARJAPUR, OUTER RING ROAD,
KADUBEESANAHALLI, BENGALURU URBAN,
BENGALURU - 560 103.

COMPANY REGISTERED UNDER COMPANIES
ACT OF 1956

REPRESENTED BY ITS
AUTHORIZED SIGNATORY
MR. GAURAV SHANKAR LAL,
AGED 44 YEARS,
DIRECTOR,
RESIDING AT F2-2036, SOBHA JASMINE,
GREEN GLEN LAYOUT, BELLANDUR,
BANGALORE - 560 103.

...PETITIONER

(BY SRI. PRASHANTH SABARISH SHIVADASS, ADVOCATE)

AND:

1. UNION OF INDIA
THROUGH THE SECRETARY
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)





NO.137, NORTH BLOCK
NEW DELHI - 110 001.

2. THE STATE OF KARNATAKA
THROUGH THE PRINCIPAL SECRETARY
FINANCE DEPARTMENT
VIDHANA SOUDHA,
BENGALURU - 560 001.
3. THE CENTRAL BOARD OF INDIRECT
TAXES AND CUSTOMS
THROUGH THE DIRECTOR
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)
CENTRAL REVENUE BUILDINGS,
L.P. ESTATE, ITO
NEW DELHI - 110 002.
4. THE DEPUTY COMMISSIONER OF
COMMERCIAL TAXES, (AUDIT)-4.4,
DGSTO-4,
ROOM NO.604, 6TH FLOOR,
BMTC DEPOT, TTMC,
NEAR SONY SIGNAL,
KORAMANGALA,
BANGALORE - 560 095.

...RESPONDENTS

(BY SRI. POOJAPPA J., ADVOCATE FOR R1;
SRI. HEMAKUMAR K., AGA FOR R2 TO R4)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO A) QUASH THE IMPUGNED ORDER ISSUED IN FORM GST DRC-07 FROM FILE NO DCCT(A)-4.4/DGSTO-4/AUDIT-101/2024-25 DATED 27/08/2024, TREATING THE ZERO RATED SUPPLY OF SERVICE TO BE INTRA STATE SUPPLY OF SERVICE AND OVERSTATED ITC AS PER GSTR-3B V GSTR-2A FOR THE PERIOD APRIL 2019 TO MARCH 2020 ISSUED BY R4, ANNEXED AT ANN-A AS ISSUED WITHOUT APPLICATION OF MIND,



ARBITRARY, VAGUE AND IN CONTRADICTION TO THE PROVISIONS OF THE CGST ACT AND ETC.

IN WP NO. 32269/2024

BETWEEN:

M/S IQVIA RDS (INIDA) PRIVATE LIMITED
OMEGA EMBASSY TECH SQUARE,
MARATHAHALLI SARJAPUR,
OUTER RING ROAD,
KADUBEESANAHALLI,
BENGALURU URBAN,
BENGALURU - 560 103.
COMPANY REGISTERED UNDER COMPANIES
ACT OF 1956
REPRESENTED BY ITS
AUTHORIZED SIGNATORY
MR. GAURAV SHANKAR LAL,
AGED 44 YEARS,
DIRECTOR,
RESIDING AT F2-2036,
SOBHA JASMINE,
GREEN GLEN LAYOUT,
BELLANDUR,
BANGALORE - 560 103.

...PETITIONER

(BY SRI. PRASHANTH SABARISH SHIVADASS, ADVOCATE)

AND:

1. JOINT COMMISSIONER OF COMMERCIAL TAXES
(APPEALS)-4,
SHANTHINAGAR
BANGALORE - 560 027.
2. DEPUTY COMMISSIONER OF
COMMERCIAL TAXES (AUDIT)-4.2,



DGSTO-, ROOM NO.503, 5TH FLOOR
A BLOCK, VTK 2, KORAMANGALA
BANGALORE - 560 047.

...RESPONDENTS

(BY SRI. HEMAKUMAR K., AGA)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO A. QUASHING THE IMPUGNED ORDER NO. ZD290624033897T DATED 31.05.2024, REJECTING THE ZERO RATED TURNOVER CONSTRUING THAT SERVICE RENDERED BY THE PETITIONER IN INDIA FOR THE PERIOD JULY 2017 TO MARCH 2018 ISSUED BY RESPONDENT NO. 1, ANNEXED AT ANNEXURE A AS ISSUED WITHOUT APPLICATION OF MIND, ARBITRARY, VAGUE AND IN CONTRADICTION TO THE PROVISIONS OF THE CGST ACT AND ETC.

THESE PETITIONS, COMING ON FOR ORDERS, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE S.R.KRISHNA KUMAR

ORAL ORDER

In these petitions, the petitioner seeks the following reliefs:

"In W.P.No.31039/2024:

a. To issue order(s) or directions in the nature of Certiorari quashing the impugned Order issued in form GST DRC-07 from file No. DCCT(A)-4.4/DGSTO-4/Audit-101/2024-25 dated 27.08.2024, treating the zero rated supply of service to be intra state supply of service and overstated ITC as per GSTR-3B v GSTR-2A for the period April 2019 to March 2020 issued by Respondent No.4, annexed at Annexure- A



as issued without application of mind, arbitrary, vague and in contradiction to the provisions of the CGST Act;

b. To issue a Writ of Mandamus holding that the services provided by the Petitioner to its Foreign Affiliates is in the nature of export of services and the same is not subjected to GST in terms of Section 16 of the IGST Act;

c. To issue a Writ of Mandamus holding that the Petitioner has rightly availed the ITC and has not overstated the same as per GSTR 3B v. GSTR-2A;

d. To issue order(s), directions, writ(s) in the nature of Certiorari quashing the Notification No.56/2023-CT dated 28.12.2023, enclosed as Annexure-R issued by the Respondent as being issued in violation of the provisions of the CGST Act;

e. To issue a Writ of Mandamus holding that no interest and penalty is imposable on the Petitioner.

f. To issue order(s), directions or any other relief as this Hon'ble Court deems it fit and proper in the facts and circumstances of the case in the interest of justice.

In W.P.No.32269/2024:

a. To issue order(s) or directions in the nature of Certiorari quashing the impugned Order No. ZD290624033897T dated 31.05.2024, rejecting the zero rated turnover construing that service rendered by the Petitioner in India for the period July 2017 to March 2018 issued by Respondent No. 1, annexed at Annexure A as issued without application of mind, arbitrary, vague and in contradiction to the provisions of the CGST Act;



- b. To issue order(s) or directions in the nature of Certiorari quashing the Order in Original No. DCCT (Audit)-4.2/T.No.332/2023-24, dated 13-12-2023 issued by Respondent No.2, pertaining to zero rated turnover construing the same to be intra state supply of service and the place of supply of service to be in India for the period July 2017- March 2018 annexed at Annexure L as issued without application of mind, arbitrary, vague, and in contradiction to the provisions of the CGST Act;*
- c. To issue a Writ of Mandamus holding that the services provided by the Petitioner to its Foreign Affiliates is in the nature of export of services and the same is not subjected to GST in terms of Section 16 of the IGST Act;*
- d. To issue a Writ of Mandamus holding that no interest and penalty is imposable on the Petitioner.*
- e. To issue order(s), directions or any other relief as this Hon'ble Court deems it fit and proper in the facts and circumstances of the case in the interest of justice.*

2. Heard the learned counsel for the petitioner, learned AGA and learned counsel for the respondents and perused the material on record.

3. A perusal of the material on record will indicate that the petitioner having entered into a Master Service Agreement with IQVIA Holdings Inc., under which it was involved in the activity of conducting clinical trials and allied data management services.



According to the petitioner, the activities carried on by it was export of services and by virtue of the Circular dated 04.05.2018, the place of supply of such services was the location of the recipient of service, which was in USA and consequently, the petitioner would not be liable to pay GST on the said supply of services.

4. It is the grievance of the petitioner that, despite the recipient of the service of data management being situated outside the taxable territory i.e., in the USA, the respondents have proceeded to pass the impugned orders in so far as the data management service of the petitioner concerned by levying the GST upon the petitioner, who is before this Court by way of the present petitions.

5. It is submitted that, in so far as the other demands are concerned, the same are not assailed by the petitioner in the present petitions and the impugned orders, to the limited / restricted extent of levying GST on the data management services, deserve to be quashed.



6. Per contra, the learned AGA and learned counsel for the respondents submits that there is no merit in these petitions and the same are liable to be dismissed.

7. A perusal of the impugned orders passed with Adjudicating Authority and the Appellate Authority will indicate that apart from other demands, the respondents have demanded GST towards data management services provided by the petitioner. In this context, it is relevant to extract Circular No.209/1/2018-ST [F.NO.137/26/2016-ST-PART-V] dated 04.05.2018, which reads as under:

**"CIRCULAR NO.209/1/2017-ST [F-NO.137/26/2016-ST-
PART-VI**

**SECTION 66E(d) OF THE FINANCE ACT, 1994 -
DECLARED SERVICES - APPLICABILITY OF PLACE OF
PROVISION OF SERVICE RULES, 2012 (POPs) TO
DEVELOPMENT OF SOFTWARE AND SERVICES ON
SOFTWARE**

**CIRCULAR NO.209/1/2018-ST (F.NO.137/26/2016-ST-
PART-VI, DATED 4-5-2018**

I am directed to draw your attention to the above subject and to explain the manner in which the place of provision has to be determined in case of development, design, programming, customisation, adaptation, upgradation,



enhancement, Implementation of information technology software

2. Software being intangible, does not have a unique existence and can exist on different servers at the same point in time. The version being customised, adapted, upgraded etc. will only be a copy of the original. Servers themselves are of different types, ranging from file servers (which make files available to workstations on a network), web servers (computer systems that host websites), remote servers (allow users to gain access to files and print services on the Local Area Network from a remote location), proxy servers (an intermediary server between a client application and another server), dedicated servers (single computer in a network reserved for serving the needs of the network) etc. There is also what is called "virtualisation of servers" which refers to the masking of server resources, including the number and identity of individual physical servers, processors and operating systems, from server users. The server administrator uses a software application to divide one physical server into multiple isolated virtual environments. The exact location of the server is neither always known to the service provider nor is its knowledge essential for providing the service. Limited access to the software for a limited period through electronic protocols is given to the service provider by the recipient of service to enable the former to provide the service. Only the recipient of service has control over who accesses the software, when it can be accessed, for how long and for what purpose.



3. Applying the definition of "declared services" in section 66E(d) of the Finance Act, 1994, and the provisions of POPS, to the specific cases of services of development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of information technology software, the conclusions which can be drawn are as follows:

3.1 in the case of services where data, instructions etc. are provided so as to develop software, i.e. development, design and programming of information technology software, the place of provision of service is the location of the recipient of the service.

3.2 in the case of services on software involving testing, debugging, modification etc. i.e. customisation, adaptation, upgradation, enhancement, implementation of information technology software, the place of provision of service is the location of the recipient of the service.

4. Therefore, in both the above cases, the place of provision of service is the location of the recipient of the service."

Para 3.2 of the said Circular will clearly indicate that insofar as services on software involving testing, debugging, modification etc. i.e. customisation, adaptation, upgradation, enhancement,



implementation of information technology software, the place of provision of service is the location of the recipient of the service.

8. In the instant case, a perusal of the Master Service Agreement dated 01.01.2018, entered into between the petitioner and its parent company which is situated in the USA and the nature of services provided by the petitioner will clearly indicate that the same amounts to data management services within the meaning of Para-3.2 of the said Circular and consequently, the impugned orders insofar as it relates to demanding payment of GST from the petitioner towards data management services, deserve to be quashed.

9. In the result, I pass the following:

ORDER

- (i) These petitions are allowed.
- (ii) The impugned order dated 27.08.2024 at Annexure-A issued by respondent No.4 in W.P.No.31039/2024 and the impugned order dated 31.05.2024 passed by respondent No.1 at Annexure - A and the impugned



Order in Original dated 13.12.2023 passed by respondent No.2 at Annexure-L in W.P.No.32269/2024 insofar as they relate to the demand of GST for data management services provided by the petitioner, are hereby quashed.

All other contentions urged by the petitioner on other aspects of the matter are kept open and no opinion is expressed on the same.

Sd/-
(S.R.KRISHNA KUMAR)
JUDGE

SJK
List No.: 2 SI No.: 27