

**IN THE INCOME TAX APPELLATE
TRIBUNAL, DELHI BENCHES, NEW
DELHI**

BENCH: A

**BEFORE MS MADHUMITA ROY, JUDICIAL MEMBER
AND SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER**

ITA 8894/DEL/2025		
निर्धारण वर्ष/Assmt. Year: 2017-18)		
M/S STRAUMANN DENTAL INDIA LLP 501, ALPHA BUILDING, HIRANANDANI BUSINESS PARK, POWAI, MUMBAI, MAHARASHTRA, POWAI- 400076, MAHARASHTRA	Vs.	ACIT, CIRCLE-4(1), GURGAON ACIT, CIRCLE-4(1), GURGAON GURGAON-122002, HARYANA
(अपीलार्थी Appellant)		(प्रत्यर्थी Respondent)
Permanent Account Number of Assessee:		ADEFS2887E
निर्धारिती द्वारा/Assessee represented by:	Dr Rakesh Gupta ,ADV; Sh SAKSHAM AGARWAL,ADV., & SH YASH JINDAL ,CA	
राजस्व द्वारा/Revenue represented by:	Ms Ranu Mukharji ,CIT DR	

सुनवाई की तारीख / Date of conclusion of hearing:	17th March, 2026
घोषणा की तारीख / Date of pronouncement:	10th June, 2026

आदेश / ORDER

PER MADHUMITA ROY, JM:

The instant appeal, preferred by the assessee, is directed against the order dated 07.11.2025 (DIN & Order No. ITBA/NFAC/S/250/2025-



26/1082371543(1)), passed by the Ld. CIT(A)/National Faceless Appeal Centre (NFAC), Delhi, arising out of the order dated 25.12.2019 (Order No. ITBA/AST/S/143(3)/2019-20/1023050625(1)), passed by the Ld. ACIT, Circle 4(1), Gurgaon, under Section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as “the Act”) for the Assessment Year 2017-18.

2. Brief facts leading to the case are that the appellant a Limited liability Partnership firm (hereinafter referred to as ‘LLP’), was converted from Private Limited Company on **October 26, 2016**. The appellant is engaged in the business of providing tooth replacement solutions including dental implants, prosthetics and regenerative products. The Designated partner of appellant LLP, as per audited financial statement placed before us at pages 1-46 of Paper Book, on record are Mr. Andreas Leo Meler Gadiant and Dr. Shavir Noorezdan. The appellant has furnished Return of Income on 29.10.2017 declaring a total loss of Rs. 14,41,78,354/-. The appellant has claimed to have entered into a Business Transfer Agreement on 23.08.2016 i.e. date before conversion from Private Limited Company into LLP with M/s Equinox Sales India (hereinafter referred to as **ESI**), a sole proprietorship of Dr. Shavir S Nooryezdan. A copy of said agreement is annexed at pages 61-102 of Paper Book filed by appellant.

3. M/s ESI was engaged in the business of marketing, promotion, distribution and sales of dental implants. All the assets and liabilities recorded in the Books of ESI has been transferred and vested in the appellant w.e.f.



23.08.2016. The Learned AR has filed written submission, wherein it has been stated that *“The business was acquired for an aggregate amount of Rs. 134,51,65,738/- out of which consideration of tangible assets was Rs. 5,23,47,134/- and balance Rs. 129,28,18,604/- was on account of several business and commercial rights collectively termed as ‘goodwill’.”* A copy of audited financial statement of ESI for Financial Year 2015-16 relevant to Assessment Year 2016-17 is placed at pages 105-106 of the Paper Book and Copy of Report titled as *“Value Analysis of Specified Assets acquired from Equinox Sales India and Equinox Precision Technologies Private Limited – Indian GAAP purposes”* is annexed at pages 107-165 of the Paper Book filed by the appellant.

4 Learned Assessing Officer has noted that the appellant has claimed a deduction amounting to Rs. 16,16,02,326/- as depreciation on intangible asset i.e. goodwill. He further stated that the Goodwill is the amount of purchase consideration exceeding the book value of net assets of ESI and as the agreement is dated 23.08.2016; the appellant claimed 50% depreciation on goodwill. As the intangible assets in the form of goodwill were owned/held by the ESI prior to acquisition as NIL value only, therefore, the Ld. AO, after acquisition has taken the value of goodwill, as NIL cost, in the hands of appellant also. The Ld. AO in the context of judgment passed by the Hon'ble Apex Court in case of CIT vs. Smifs Securities Ltd., reported in 348 ITR 0302



has stated that the question that has been answered by the Court is whether goodwill is included in the definition of intangible assets being any other business or commercial right of a similar nature. The question of allowability of depreciation on Goodwill arising out of valuation done for the purpose of acquisition was not posed before the Hon'ble Court in Smifs Securities (Supra). Assessing Officer has also referred to 5th Proviso to Section 32(1)(ii) of the Act, which according to him provides that, the aggregate deduction in respect of depreciation on any tangible or intangible assets allowable to predecessor or successor shall not exceed the deduction calculated at the prescribed rates as if the acquisition had not taken place. Thus, finally the Ld. AO concluded that the opening written down value of the intangible asset which has been recorded in the books to give effect to the acquisition is to be treated as NIL and consequently, the claim of the appellant regarding allowability of depreciation on goodwill of Rs. 16,16,02,326/-has been disallowed by invocation of Section 32(1) and Explanation 3 thereof; read with section 43(1) and Explanation (7) thereof; read with Section 43(6) and Explanation -2 thereof.

5. The appellant challenged the aforesaid order of assessment before the Learned First Appellate Authority, however, remained unsuccessful, and therefore, has challenged the orders of lower authorities before us.



6 We have heard the rival submissions made by the respective parties and have also perused the material placed on record, including the orders of the lower authorities, written submission, paper books and additional grounds of appeal filed by appellant.

7. The appellant has filed application for admission of additional grounds of appeal, which reads as under:

N.D.O.H - 17/03/2026

Do the needful as per rules
mentioned at para 29, chapter 1
of Office Manual

straumann group

51
17/1/26

Date: 16-01-2026
17-02-26
B.C.A.

Before
Hon'ble "A" Bench
Income Tax Appellate Tribunal
Delhi

Respected Sir,

Sub: Prayer for admission of additional ground in the case of M/s Straumann Dental India LLP for AY 2017-18 against order passed u/s 250 (arising out of order passed u/s 143(3)) of Income Tax Act, 1961, PAN: ADEFS2887E - ITA No. 8894/DEL/2025 u/r 11 of The Appellate Tribunal Ru

In the above said case, assessee has filed an appeal before Hon'ble Tribunal on 26.12.2025 against the order passed by Ld. CIT(A), NFAC, which is yet to be listed for hearing.

In this appeal, four grounds were taken. Ground number 4 is residuary in nature. In pursuance of this ground, Assessee seeks to raise one additional ground. This is as under: -

"5. That on the facts and circumstances of the case and in law, Ld. AO has erred in assuming jurisdiction and completing the impugned assessment u/s 143(3) of the Act, inasmuch as the mandatory jurisdictional conditions were

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CIN - AAH-7013

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email: contact.in@straumann.com

17/3/26 Not presenting.
Jan



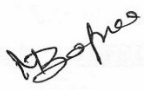

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not satisfied, including issuance of invalid notice u/s 143(2). Consequently, the assessment is void ab initio and a nullity in the eyes of law.”

Since the above ground of appeal is purely legal, this does not require fresh facts to be investigated and goes to the root of the matter. It is prayed that this ground may be admitted in view of the Hon’ble Supreme Court’s decision in the case of **NTPC Limited 229 ITR 383**.

Thanking you,

Yours Faithfully,
For M/s Straumann Dental India LLP


(Auth. Signatory) 

Straumann Dental India LLP
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Hiranandani Business Park, Powai,
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7.1 However at the time of hearing, the Learned Counsel appearing for the appellant has submitted that he will not press the additional ground and, therefore, the same is dismissed as not pressed.



8 Now the original grounds of appeal as raised by appellant are reproduced hereunder:

“1. That having regard to the facts and circumstances of the case, Ld. CIT(A) has erred in law and on facts in confirming the action of Ld. AO in making disallowance of Rs. 16,16,02,326/- on account of depreciation on intangible asset i.e. goodwill and that too by recording incorrect facts and findings and violation of principles of natural justice and without appreciating/considering the submissions and evidences filed by the assessee in company.

2. That in any case and in any view of the matter, action of Ld. CIT(A) in confirming the action of Ld. AO in making disallowance of Rs. 16,16,02,326/-on account of depreciation on intangible asset, is bad in law and against the facts and circumstances of the case.

3. That having regard to the facts and circumstances of the case, Ld. CIT(A) has erred in law and on facts in not reversing the action of Ld. AO in charging interest u/s 234B and 234D of the Income Tax Act, 1961.

4. That the appellant craves the leave to add, modify, amend or delete any of the grounds of appeal at the time of hearing and all the above grounds are without prejudice to each other.”

9. From prefatory facts on perusal of documents placed on record, the appellant is a LLP and the date of formation is 26.10.2016, whose designated partners are Mr. Andreas Leo Meler Gadiant and Dr. Shavir Noorezdan as is evident from pages 6 and 21 of Paper Book filed before us. The relevant pages whereof are reproduced hereinbelow:-




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STRAUMANN DENTAL INDIA LLP Statement of Assets and Liabilities as at March 31, 2017 (All amount in INR unless otherwise stated)		
Particulars	Note No.	As at March 31, 2017
		Amount in Rs.
A CONTRIBUTION AND LIABILITIES		
1 Partners' funds		
(a) Partners Capital	3	1,273,138,674
		1,273,138,674
2 Non-current liabilities		
(a) Other long-term liabilities	4	410,000,000
(b) Long-term provisions	5	2,634,326
		412,634,326
3 Current liabilities		
(a) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises		
(ii) total outstanding dues of creditors other than micro and small enterprises	6	22,127,495
		22,127,495
(b) Other current liabilities	7	629,105
(c) Short-term provisions	8	2,857,811
		25,614,412
		Total Capital & Liabilities
		1,711,387,412
B ASSETS		
1 Non-current assets		
(a) Fixed assets		
(i) Intangible assets	9.A	1,249,724,651
		1,249,724,651
(b) Deferred Tax Assets (net)	10	1,753,100
(c) Long-term loans and advances	11	36,849,334
(d) Other non-current assets	12	250,165,225
		1,538,492,310
2 Current assets		
(a) Inventories	13	3,285,812
(b) Trade receivables	14	55,814,711
(c) Cash and cash equivalents	15	68,740,493
(d) Short-term loans and advances	16	45,054,146
		172,895,102
		Total Assets
		1,711,387,412
Summary of significant Accounting policies See accompanying notes forming part of the financial statements	2	

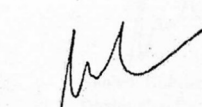
As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324682E/E300003

For and on behalf of the Partners of Straumann Dental India LLP
(LLPIN AAH-7013)


Vinayak Surtire
Partner
Membership Number: 101143
Place: Mumbai
Date: September 30, 2017




Andrea Leo Meler Gadiant
Designated Partner
Place: Basel
Date: September 30, 2017


Shahvir Noorezdan
Designated Partner
Place: Mumbai
Date: September 30, 2017





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STRAUMANN DENTAL INDIA LLP		
Statement of Income and Expenditure for the period ended 31 March, 2017 (All amount in INR unless otherwise stated)		
Particulars	Note No.	For the period ended
		Amount in Rs.
1 Revenue from operations	17 & 17.a	57,628,493
Revenue from operations		57,628,493
2 Other Income	18	5,165,225
3 Total Income (1+2)		62,793,718
4 Expenditure		
(a) Purchase of Traded Goods	19.a	22,021,584
(b) Changes in inventories of finished goods	19.b	(3,285,812)
(c) Employee benefits expense	20	14,976,300
(d) Finance Cost	21	7,066,666
(e) Depreciation and amortisation expense	9	43,093,953
(f) Other expenses	22	17,845,325
Total Expenditure		101,718,016
5 Loss before tax (3-4)		(38,924,298)
6 Tax expense		
(a) Current tax expense		5,728,286
(b) Deferred tax		(1,753,100)
Net tax expense		3,975,186
7 Loss after tax (5-6)		(42,899,484)
Summary of significant Accounting policies See accompanying notes forming part of the financial statements	2	

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003


Vinayak Pujare
Partner

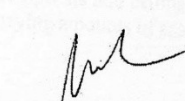
Membership Number: 101143
Place: Mumbai
Date: September 30, 2017



For and on behalf of the Partners of Straumann Dental India LLP
(LLPIN AAH-7013)


Andreas Leo Meier Gadiant
Designated Partner

Place: Basel
Date: September 30, 2017


Shahjir Noorezdan
Designated Partner

Place: Mumbai
Date: September 30, 2017





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STRAUMANN DENTAL INDIA LLP
NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE PERIOD ENDED
MARCH 31, 2017

1. Background of LLP

The LLP is engaged in trading of Dental Implant and Other Dental Products.

LLP (the "Limited Liability Partnership" or the "LLP") was converted from Private Limited Company on October 26, 2016 under the provisions of the Limited Liability Partnership Act, 2008, and thereafter acquired business of Equinox Sales India under slump sale.

These financials statements present transactions from October 26, 2016 being the date of conversion till March 31, 2017. Since this is the first financial year of the LLP, there are no amounts to present as figures for corresponding period.

2. Significant Accounting Policies

a) Basis of Preparation

The Statement of accounts of the LLP comprising of Statement of assets & liability, Statement of income & expenditure & Summary of significant accounting policies and other explanatory information (Notes) have been prepared on accrual basis under the historical cost convention and ongoing concern basis in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountant of India and the provisions of the Limited Liability Partnership Act, 2008.

b) Use of Estimates

The preparation of statement of accounts in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment in the carrying amounts of assets or liabilities in the future periods.

c) Inventories

Inventory of traded goods, components and spares are valued at the lower of cost or net realizable value. Cost includes all expenses incurred to bring the inventory to its present location and condition.

Cost is determined on a weighted average basis at lower of cost and net realizable value. Cost comprises of purchase price and any attributable cost of bringing the inventories to its working condition for its intended use. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

d) Tangible Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.





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STRAUMANN DENTAL INDIA LLP
NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE PERIOD ENDED
MARCH 31, 2017

The details of principal actuarial assumptions for defined benefit plan are as follows:

Particulars	As at March 31, 2017
Discount Rate	7.26%
Retirement age	58 years
Salary escalation rate (p. a)	5.00%
Attrition Rate	For all service group 5.00% p.a.

Compensated absences

As per LLP Policy as on 31st March 2017, there is no policy for encashment or carry forward of Compensated absences.

28. As per Accounting Standard 18 "Related Party Disclosures", the disclosure of transactions with related parties are given below:

List of related parties with whom transactions have taken place and relationship:

a) **Related Party where Control exists:**

Partners: Straumann Holding AG.
Institute Straumann AG.

b) **Other Related Parties with whom the LLP has transactions:**

Enterprise under Common Control: Equinox Implant LLP

c) **Key Management personnel:**

Dr. Shahvir Nooryezdan Designated Partner

Nature of Transaction	Partners	Partners	Enterprise under Common Control	Key Management Personnel
	Straumann Holding AG	Institut Straumann AG	Equinox Implant LLP	Dr. Shahvir - Nooryezdan
Capital Contribution	1302,337,776	13,700,382		
Purchase of Goods			9,186,829	
Remuneration				2,333,333





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STRAUMANN DENTAL INDIA LLP
NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE PERIOD ENDED
MARCH 31, 2017

30. Segment Information

Business segments:

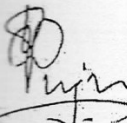
The LLP operates in only one business segment that is Implant and accessories based on the nature of product and services, the risk etc. therefore business segment reporting in terms of Accounting Standard 17 on segmental reporting is not applicable.

Geographical Segment:

The LLP Operates only in India therefore Geographical Segment reporting in terms of Accounting Standard 17 on segmental reporting is not applicable.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number:
324982E/E300003

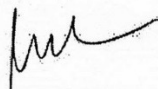
For and on behalf of the Partners of
Straumann Dental India LLP
(LLPIN AAH-7013)


Per Vinayak Pujare
Partner
Membership Number: 101143




Andreas Leo Meier Gadiant
Designated Partner

Place: Basel
Date: September 30, 2017


Shahvir Nooryezdan
Designated Partner

Place: Mumbai
Date: September 30, 2017



10. The appellant on 23.08.2026, i.e. the date before formation of appellant, has entered into an Business Transfer Agreement, a copy of the said agreement is placed at pages 61 to 102 of the paper book filed before us in the status of a Company, with **ESI**, a sole proprietorship of Dr. Shavir S Nooryezdan, who is otherwise designated partner of LLP as before us.



11. The assessee filed written submissions with the following contents:-

BRIEF SYNOPSIS IN THE CASE OF M/s STRAUMANN DENTAL INDIA LLP
(PAN: ADEFS2887E)
BEFORE HON'BLE INCOME TAX APPELLATE TRIBUNAL, DELHI
AGAINST ORDER OF LD. CIT(A), NFAC
(ARISING OUT OF ORDER u/s 143(3))
IN ITA NO. 8894/DEL/2025 FOR AY 2017-18

Solitary issue is regarding depreciation on goodwill.

Appellant is in the business of providing tooth replacement solutions including dental implants, prosthetics & regenerative products.

Appellant acquired the running business on slump sale basis of M/s Equinox Sales India which was engaged in the business of marketing, promotion, distribution & sales of dental implants in various parts of India

* There was no relationship between the seller and the appellant

The business was acquired for an aggregate amount of Rs. 134,51,65,738/- out of which consideration of tangible assets was Rs. 5,23,47,134/- and balance Rs. 129,28,18,604/- was on account of several business & commercial rights collectively termed as 'goodwill'

PB 61-102 (62,65,66,67,74,75,77,79,80,81) is the Business Transfer Agreement between the appellant and the Equinox Sales India

Which shows the nature of tangible & intangible assets acquired and consideration therefor



PB 103, 104 is the only question asked and the explanation furnished about the purchase of running business of Equinox Sales India & depreciation being admissible on goodwill as per Delhi High Court's decision

PB 3, 6, 14, 26 are the computation sheet, depreciation chart, balance sheet & Tax audit report showing goodwill & depreciation in the books of account and as per Income Tax Act

PB 105-106 is the Financial statements of Equinox Sales India

PB 166-178 is the detailed written submissions before Ld. CIT(A) bringing out the controversy and our explanation supported with law.

Reliance :

consideration paid in excess of value of assets in Slump Sale is considered as Goodwill or intangible asset eligible for depreciation:

Also as per Accounting Standard 10 as per **Triune Energy** (Delhi HC, para 17).

Reliance is placed on:

- CIT vs Smifs Securities Ltd. 348 ITR 302(SC)- CLC 40-43
- Areva T & D India Ltd vs DCIT 345 ITR 421(Del)- CLC 49-62
- Triune Energy Services P Ltd vs DCIT 237 Taxman 230(Del)- CLC 78-84



- ACIT vs Dorma India P Ltd (Chennai ITAT) CLC 176-205
- ACIT vs Cama Electric (Chennai ITAT)- CLC 248-255
- Grind Will Norton vs Addl CIT (Mum ITAT)- CLC 256-269
- AVIS Hospital vs ACIT (Hyd ITAT)- CLC 279-282
- Anshul Speciality vs DCIT (Mum ITAT)- CLC 283-289

Even if balance sheet of Equinox did not show Goodwill, same can not be considered to be NIL:

- CIT vs Smifs Securities Ltd. 348 ITR 302(SC)- CLC 40-43
- Areva T & D India Ltd vs DCIT 345 ITR 421(Del)- CLC 49-62
- Triune Energy Services P Ltd vs DCIT 237 Taxman 230(Del)- CLC 78-84
- ACIT vs Dorma India P Ltd (Chennai ITAT) CLC 176-205

ADVERSE OBSERVATIONS OF AO are met as under:

1. **PB 171-176** are written submissions before CIT(A) which deal with each and every adverse observation of AO
2. Explanation 7 to section 43(1) and Explanation 2 to section 43(6) and 6th proviso (not 5th) to section 32(1)(iii) applied by AO are not applicable

Reliance is placed on:

- AVIS Hospital (Hyd) - **CLC 276**
- Anshul Speciality (Mum) **CLC 287-288**



3. Ld. AO has contended at **Page No. 3** in last para, that there are no intangible assets shown in the books of account of transferor entity, and recognition of assets in books of transferee as per accounting principles will not entitle the assessee to claim of depreciation as per Income tax Act, 1961.

In reply, reliance is placed on **Triune Energy Services (P.) Ltd. v. DCIT** (supra), wherein it has been categorically held (**Para No. 17, 19**) that excess consideration paid constitutes goodwill under the provisions of Accounting Standards, and is depreciable asset under the Act.

4. Ld. AO has further noted at **Page No. 4** in first para, about the applicability of 5th Proviso to Section 32(1), contending that depreciation on any tangible or intangible assets allowable to the successor shall not exceed the deduction allowed to predecessor, further noting, that Equinox Sales India (predecessor) was not having any goodwill asset in its balance sheet, therefore, the assessee is not eligible for depreciation.

In reply, it may be noted that 5th Proviso is not applicable to the facts of the case, Ld. AO might be referring to 6th Proviso to Section 32(1). In this regard, it is submitted that the proviso specifically refers to modes of succession referred to in clause (xiii), (xiiib) and clause (xiv) of Section 47, Section 170 of the Act or the amalgamated/resulting company.

In the present case, transaction under consideration was a slump sale / business acquisition and not an amalgamation or internal succession.

PB 61-102 is the copy of Business Transfer Agreement dated 23.08.2016 wherein Clause 2.2 (PB 74) evidences transfer of business as a going concern on a slump sale basis.



Consequentially, the 6th proviso to Section 32(1) shall be inapplicable in the given case and the contentions of Ld. AO are not tenable.

5. Ld. AO has contended in second para at **Page 5**, that no goodwill appeared in the books of transferor, consequentially, amount appearing in the books for such asset is a result of valuation or revaluation, without any separate or identifiable cost incurred for acquisition of goodwill.

In reply, further reliance is placed on above-referred judicial precedents, wherein it has been clearly held that excess consideration paid over net assets on acquisition constitutes goodwill and the same is eligible for depreciation u/s 32(1)(ii). Therefore, this observation of Ld. AO is unfounded.

6. At **page 5 and 6** of the **assessment order**, Ld. AO has relied on *United Breweries Ltd. ITA Nos.84 & 85 of 2014, (ITAT Bang)* contending that the opening WDV of intangible asset in view of acquisition is to be treated as NIL and denied the depreciation on goodwill.

The judgement in case of *United Breweries* (supra) is distinguishable with the facts of the instant case as in the quoted case. Tribunal dealt with a situation of amalgamation and Proviso to Section 32(1) of the Act, applicable to amalgamation; whereas in the present case, there is no amalgamation. Therefore, the decision in the case of *United Breweries* is not applicable to the case.

Ld. CIT(A) has merely reiterated the observations of Ld. AO, which stand duly rebutted hereinabove.

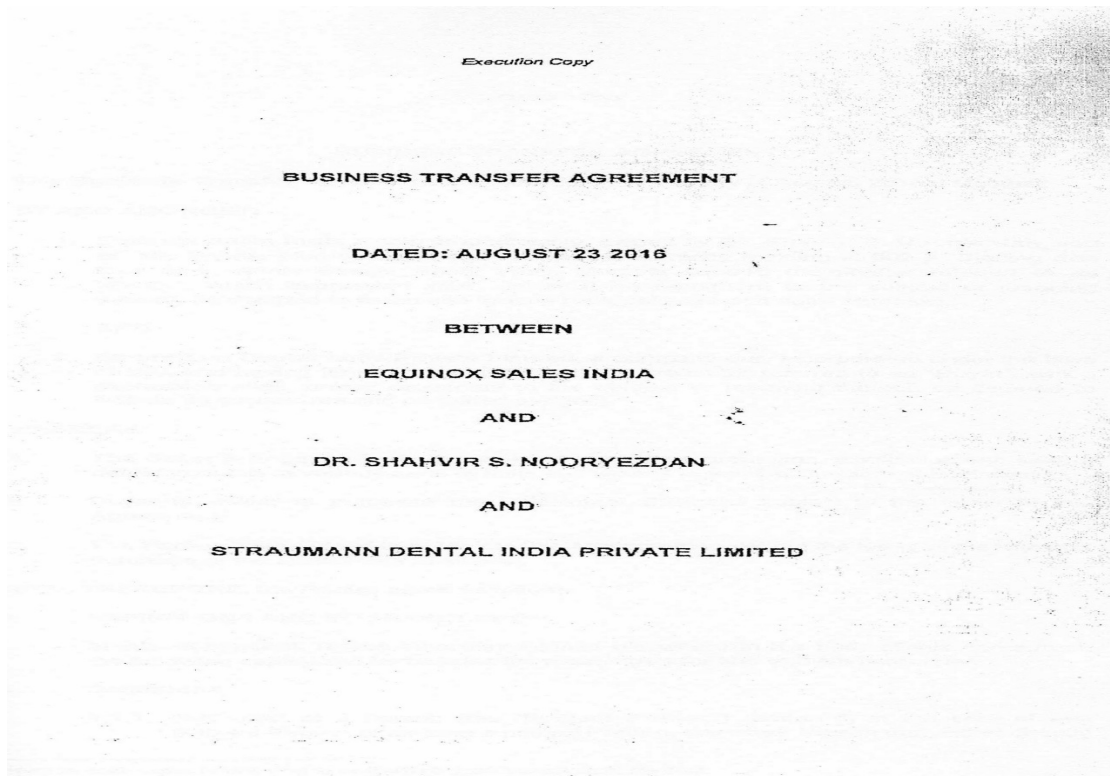
Harshita
(Appellant/Counsel)



11.1 It is noted from the written submission filed by the Learned AR wherein it has been stated that *“There was no relationship between the seller and the appellant”*, and therefore, the stand taken by the assessee before us is not only contrary to the records but also an approach to mislead the court which is not appreciable.

11.2 Further perusal of said Business Transfer Agreement dated 23.08.2016, it is found to be unregistered one. Also particularly from page 102 it is evident that such agreement is otherwise unsigned to the extent of *“signed and delivered for and on behalf of [Buyer]”*.

11.3 The relevant pages of the Business Transfer Agreement, i.e., pgs. 60, 61, 62, 100, 101 and 102 of the paper book are reproduced hereinbelow:-





Execution Copy

BUSINESS TRANSFER AGREEMENT¹

This Business Transfer Agreement is entered into this 23rd day of August, 2016 at Mumbai:

BY AND AMONGST:

1. Equinox Sales India a sole proprietorship, owned by Dr. Shahvir S. Nooryezdan, son of Mr. Sheriar Nooreydzan, aged 49 years, currently residing at 602 A, Sterling Sea face park, Annie Besant Road, Worli, Mumbai 400018 (hereinafter referred to as "Seller", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include his legal heirs and administrators);

AND

2. Straumann Dental India Private Limited, a company duly incorporated under the laws of India and having its registered office at [•] (hereinafter referred to as "Buyer", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns).

WHEREAS:

- A. The Seller is engaged in the business of marketing, promotion, distribution and sale of dental implants in various parts of India and wishes to sell the Divestment Business;
- B. Buyer is willing to purchase the Divestment Business subject to the terms of this Agreement;
- C. The Parties have agreed to enter into this Agreement to set out the terms of the sale and purchase of the Divestment Business.

NOW, THEREFORE, the Parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

In this Agreement, unless otherwise defined elsewhere in the body of this Agreement, the following capitalized terms have the meanings ascribed to them hereunder:

1.1 Definitions

- 1.1.1. "Affiliate" of a Person (the "Subject Person") means (i) in the case of any Subject Person other than a natural Person, any other Person that, either directly

¹Note to draft: Cross referencing to be finalized upon finalization of the draft.

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[Handwritten signatures]



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or indirectly through one or more intermediate Persons, Controls, Is Controlled by or is under common Control with the Subject Person, and (ii) in the case of any Subject Person that is a natural Person, any other Person that, either directly, or indirectly through one or more Intermediate Persons, is Controlled by the Subject Person or who is a Relative of such Subject Person or any Person Controlled by such Relative.

- 1.1.2. "Agreed Form" means a form of any document/agreement that is mutually agreed between the Parties in writing, initialled for the purpose of identification, or confirmed by e-mail, by or on behalf of each of them.
- 1.1.3. "Agreement" means this Business Transfer Agreement together with all its Schedules and Exhibits, as may be amended from time to time;
- 1.1.4. "Anti-Corruption Laws" mean all Applicable Laws relating to anti-bribery or anti-corruption, including the Prevention of Corruption Act, 1988 and the Indian Penal Code, 1860 (India);
- 1.1.5. "Applicable Law" means, with respect to any Person, any binding federal, state, national or local statute, law, ordinance, notification, rule, regulation, order, writ, injunction, directive, judgment or decree, or other requirement of any Governmental Authority applicable to such Person in India at the relevant time;
- 1.1.6. "Approval" means any permission, approval, consent, license, order, decree, authorization, authentication of, or registration, qualification, designation, declaration or filing with or notification, exemption or ruling to or from any Governmental Authority required under any statute or regulation or any Person;
- 1.1.7. "Business Day" means any day, other than a Saturday and Sunday, on which banks in Mumbai, India, and Basel, Switzerland, remain open for business;
- 1.1.8. "Buyer" has the meaning assigned to such term in the introduction of Parties on page 1;
- 1.1.9. "Buyer Group" means the Buyer and its Affiliates;
- 1.1.10. "Cash Items" means the items specified in Part B of Schedule 14;
- 1.1.11. "Charter Documents" means the charter documents of any company or limited liability partnership, including the memorandum of association and the articles of association of the company and the partnership agreement of the limited liability partnership;
- 1.1.12. "Claim" includes any notice, demand, whether final or not, claim, action or assessment taken by any Person against any other Person whereby such other



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Clause 4 of this Agreement and the transactions thereby contemplated, including any Tax which may be claimed in future by a Government Authority on account of re-characterization of the transaction contemplated in this Agreement or otherwise and also liabilities in relation to Tax withholding that may arise in relation to the purchase consideration as mentioned in Clause 4 of the agreement and the Buyer shall not have any liability for such Taxes or any surcharges thereon. The liability in respect of any claims in respect of value added tax shall be borne by the Buyer. The Buyer shall use best efforts to obtain credits in respect of such value added tax payments, failing which (not on account of procedural lapses) the Seller and the Buyer shall be liable to make payment of such claims in equal proportion.

- 15.8.2 Any Taxes on the gain realized as a result of the transfer of Divestment Business, shall be paid by the Seller.
- 15.9 Each Party shall bear its own legal, accounting, professional and advisory fees, commissions and other costs and expenses incurred by it in connection with this Agreement and the transactions thereby contemplated. The Buyer shall be responsible for all transfer charges, costs, stamp duty and any registration charges in respect of transfer of Divestment Business including any Divestment Business Assets, including the stamp duty payable on this Agreement.
- 15.10 Entire Agreement. This Agreement constitutes the entire agreement of the Parties relating to the subject matter hereof and supersedes any and all prior agreements, including letters of intent and term sheets, either oral or in writing, between the Parties hereto with respect to the subject matter herein.
- 15.11 Partial Invalidity. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent for any reason including by reason of Applicable Law, the remainder of this Agreement and the application of such provision to persons or circumstances other than those as to which it is held as being invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by Applicable Law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the Parties while incorporating the invalid and unenforceable provision.
- 15.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original but all of which together shall constitute one and the same instrument and any Party may execute this Agreement by signing any one or more of such originals or counterparts. The counterparts may be executed by means of facsimile transmission.
- 15.13 Announcements. The Parties shall not make, and shall cause their respective directors, employees, officers, shareholders, professional advisors and Affiliates to not make, any public announcement about the subject matter of this Agreement, whether in the form of a press release or otherwise, without first consulting with each other and obtaining the

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other Parties' written consents, save as required to satisfy (a) any requirement (whether or not having the force of law) of a stock exchange on which the shares of the disclosing Party or an Affiliate or holding company of the disclosing Party are traded or (b) any requirement under Law or generally accepted accounting principles, applicable to the disclosing Party or an Affiliate or holding company of the disclosing Party. In the event that such disclosure is required, the other Parties shall be given a reasonable opportunity to review and comment on any such required disclosure.

- 15.14 Exclusivity. From the Effective Date till the Completion Date, Seller agrees that it shall not, directly or indirectly, discuss, entertain any discussions, solicit, encourage others to solicit, encourage or accept any offers for the purpose of the acquisition of the Divestment Business or part thereof, or sell the Divestment Business (or part thereof), and shall not negotiate with or enter into any agreement or understanding with any Person with respect to any such transaction.
- 15.15 Survival. The termination of this Agreement shall in no event terminate or prejudice (a) any right or obligation arising out of or accruing under this Agreement attributable to events or circumstances occurring prior to such termination; and (b) any provision which by its nature is intended to survive termination, including the provisions of Clause 13 (*Confidentiality*), Clause 14 (*Governing Law and Arbitration*) and Clause 15 (*Miscellaneous*).

[Signature page follows]



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IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE DULY EXECUTED AND DELIVERED BY THEIR DULY AUTHORISED REPRESENTATIVES AS OF THE DAY AND YEAR HEREINABOVE WRITTEN

Signed and delivered for and on behalf of
[Name of Seller]

Signed and delivered for and on behalf of
[Buyer]

By: _____
Title:

By: _____
Title:

Authorised by resolution of the board of directors dated [●]

Signed and delivered for and on behalf of
Name of Dr. Shahvir

By: _____
Title:

11.4 The other documents filed by the assessee before us are only the three paper books contents whereof are as follows:-



BEFORE HON'BLE INCOME TAX APPELLATE TRIBUNAL, DELHI

“A” BENCH, FIXED FOR

IN THE MATTER OF M/S STRAUMANN DENTAL INDIA LLP
AGAINST THE ORDER OF LD. CIT(A), NFAC, PASSED U/S 250 ARISING
OUT OF ORDER U/S 143(3) OF THE INCOME TAX ACT' 1961

ITA NO. 8894/DEL/2025 FOR AY 2017-18

PAPER BOOK INDEX PAGES: (1-183)

S. No.	Particulars	Page No.
1.	Copy of Acknowledgement of ITR filed by assessee dated 29.11.2017 along with computation of income for AY 2017-18.	1-3
2.	Copy of audited financial statements along with Form 3CB, 3CD and 3CEB of assessee for AY 2017-18.	4-46
3.	Copy of notice issued u/s 143(2) dated 10.08.2018 by Ld. AO.	47-50
4.	Copy of show cause notice issued dated 21.11.2019 by Ld. AO.	51
5.	Copy of reply dated 04.12.2019 filed by assessee before Ld. AO in response to notice issued u/s 142(1) dated 22.08.2019.	52-57
6.	Copy of show cause notice issued dated 11.12.2019 by Ld. AO.	58-59
7.	Copy of reply dated 18.12.2019 filed by assessee before Ld. AO in response to show cause notice dated 11.12.2019 along with following annexure: - <ul style="list-style-type: none">Copy of Business Transfer Agreement dated 23.08.2016 between Equinox Sales India and Dr. Shahvir S. Nooryezdan and assessee.	60 61-102
8.	Copy of show cause notice issued dated 21.12.2019 by Ld. AO.	103

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straumanngroup

I. Copy of reply dated 23.12.2019 filed by assessee before Ld. AO in response to show cause notice dated 21.12.2019 along with following annexures: - <ul style="list-style-type: none">• Copy of audited balance sheet and financial statements of M/s Equinox Sales India for AY 2016-17.• Copy of report regarding value analysis of specifies assets acquired from Equinox Sales India and Equinox Precision Technologies Pvt. Ltd.	104 105-106 107-165
III. Copy of written submissions dated 20.03.2021 filed by assessee before Ld. CIT(A).	166-178
II. Copy of C.B.D.T. Instruction F. No. 22/157/2017/ITA-II dated 23.06.2017.	179-183

Certified that **item nos. 1 to 9** were before Ld. AO, **item no. 10** was before Ld. CIT(A) and **item no. 11** is a matter of record.



(Appellant/Counsel)

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BEFORE HON'BLE INCOME TAX APPELLATE TRIBUNAL, DELHI

“A” BENCH, FIXED FOR

IN THE MATTER OF M/S STRAUMANN DENTAL INDIA LLP
AGAINST THE ORDER OF LD. CIT(A), NFAC, PASSED U/S 250 ARISING
OUT OF ORDER U/S 143(3) OF THE INCOME TAX ACT' 1961

ITA NO. 8894/DEL/2025 FOR AY 2017-18

CASE LAW COMPILATION: (PAGES: 1-247)

S. No.	Particulars	Page No.
1.	Anita Garg vs. ITO, ITA No. 4053/Del/2024, dated 30.07.2025 (Del-ITAT).	1-9
2.	Ankur Dealcom Private Limited vs. PCIT, ITA No. 197/Kol/2025, dated 18.07.2025 (Kol-ITAT).	10-18
3.	Sajal Biswas vs. ITO, ITA No.1244/Kol/2023, dated 26.03.2025 (Kol-ITAT).	19-26
4.	Tapas Kumar Das vs. ITO, ITA No. 1660/Kol/2024, dated 11.03.2025 (Kol-ITAT).	27-32
5.	Shib Nath Ghosh vs. ITO, ITA. No. 1812/Kol/2024, dated 29.11.2024 (Kol-ITAT).	33-39
6.	CIT vs. Smifs Securities Ltd., (2012) 348 ITR 302 (SC).	40-43

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7.	Altimetrik India Pvt. Ltd. vs. DCIT, IT(TP)A No. 2511/Bang/2019, dated 03.02.2022 (Bang-ITAT).	44-48
8.	Areva T&D India Ltd. vs. DCIT, (2012) 345 ITR 421 (Del).	49-62
9.	DCIT vs. M/s Toyo Engineering India Ltd., ITA No. 3279/M/2008, dated 13.10.2014 (Mum-ITAT).	63-67
10.	MTANDT Rentals Ltd. vs. ITO, ITA No. 2410/CHNY/2017, dated 30.05.2018 (Chennai-ITAT).	68-77
11.	Triune Energy Services (P.) Ltd. vs. DCIT, (2016) 65 taxmann.com 288 (Del).	78-84
12.	Aricent Technologies (Holdings) Ltd. vs. DCIT, ITA Nos. 90/Del/2013 & 2671/Del/2014, dated 26.07.2019 (Del-ITAT).	85-151
13.	Mylan Laboratories Ltd. vs. DCIT, (2020) 180 ITD 558 (Hyd-ITAT).	152-175
14.	ACIT vs. Dorma India Pvt. Ltd., ITA Nos. 1664-1666/Chny/2019, dated 20.11.2019 (Chennai-ITAT).	176-204
15.	S S Group (P) Ltd. vs. ACIT, ITA Nos. 7691 & 8950/Del/2018, dated 12.03.2025 (Del-ITAT).	205-208
16.	Keva Fragrances Pvt. Ltd. vs. DCIT, ITA No. 334/M/2020, dated 02.08.2021 (Mum-ITAT).	209-239
17.	DCIT vs. United Breweries Ltd., ITA Nos. 84 & 85/Bang/2014, dated 24.11.2014 (Bang-ITAT).	240-247

All above items are matter of record.


(Appellant/Counsel)

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**BEFORE HON'BLE INCOME TAX APPELLATE TRIBUNAL, NEW DELHI
"A" BENCH, FIXED FOR**

**IN THE MATTER OF M/S STRAUMANN DENTAL INDIA LLP
AGAINST THE ORDER OF LD. CIT(A), NFAC, PASSED U/S 143(3)
IN ITA NO. 8894/2025 FOR AY 2017-18**

CASE LAWS COMPILATION (PAGES: 248-289, VOL.-II)

S. No.	Particulars	Page No.
18.	Asstt. CIT vs. M/s Cema Electric Lighting Products India Pvt. Ltd., ITA Nos. 731/2012 and 733/2012, dated 07.11.2012 (Chennai).	248-255
19.	Grindwell Norton Ltd. vs. Addl. CIT, (2017) 183 TTJ 681 (Mum).	256-269
20.	M/s AVIS Hospitals India Limited vs. ACIT, ITA No. 1390/2019, dated 27.06.2022 (Hyd).	270-282
21.	Anshul Speciality Molecules (P) Ltd. vs. DCIT, ITA No. 7503/2025, dated 22.01.2026 (Mum).	283-289

All the above items are matter of record.

Deekish
(Appellant/Counsel)

12. None of the paper books contained any other agreement dated 23.08.2006 entered into by the assessee with ESI filed before us to justify that the agreement is a registered one or duly signed by the parties.

13. Having regard to aforesaid, we are of the considered view that in view of the fact that the aforesaid Business Transfer Agreement dated 23.08.2016, which



is admittedly unregistered and unsigned, is just a piece of paper in the eyes of law having no legal sanctity. Our view is fortified with the judgment passed by the Hon'ble Jurisdictional High Court of Punjab and Haryana in case of The Principal Commissioner of Income Tax, Gurgaon vs. Prahalad Singh in ITA No. 91 of 2019, wherein Hon'ble Court has been pleased to hold as under:

“[2] Brief facts of the case are that the assessee had offered some income for tax. The assessment was complete under Section 143(1) of the Act but subsequently notice under section 148 was given. What weighed with the Tribunal was that reasons recorded under Section 147 of the Act to reach the belief that income and escaped assessment was unsigned and undated and consequently, the Tribunal set aside the proceedings on this ground.

[3] Following questions have been framed:

“A. Whether on the facts and in the circumstances of the case, the Hon'ble ITAT was justified in quashing the assessment order passed in re-assessment by treating the notice issued u/s 148 of the Act as invalid on the ground that reasons recorded are unsigned which is not justified because assessee neither obtained copy of reasons recorded nor submitted any objection against validity of notice u/s 148 of the Act as per guidelines contained in decision of Hon'ble Supreme Court in the case of M/S GKN Driveshafts (India) Ltd. Vs. Income Tax Officer 259 ITR 19 (SC) before Assessing Officer before completion of re-assessment proceedings?

B. Whether on the facts and in the circumstances of the case, the Hon'ble ITAT was justified in quashing the reassessment proceedings without appreciating the fact that the assessee himself admitted long term capital gain in the return of income filed in compliance to notice issued u/s 148?

C. Whether on the facts and in the circumstances of the case, the Hon'ble ITAT was justified in admitting the fresh evidence as well as accepting the copy of reasons obtained by the assessee under RTI Act, 2005 on 02/06/2016 after completion of re-assessment on 31/03/2016 which is a personal information under RTI Act, 2005 and not a documentary evidence?

D. Whether on the facts and in the circumstances of the case, the Hon'ble ITAT was justified in accepting assessee's argument that land sold during relevant previous year was not a capital asset without appreciating the fact that the assessee himself had admitted long



terms capital gain on sale of such land in the return filed u/s 148 and it was a capital asset?”

[4] The primary question which has to be decided is Question A.

*[5] We find that the order of the Tribunal is correct. The mere fact that reasons exist on the file cannot sanctify them and the only way to ascertain whether the requirements under Section 147 of the Act have been met out would be at the very least that the assessing officer sign the same. **Without signatures, the document becomes anonymous piece of paper to which no credence can be given.** The action under Section 147 of the Act is quasi-judicial action and if it is permitted that such action can be done as anonymously, it would have very serious consequences in other cases also. **If the Court accepts such pieces of paper who can tomorrow stop an assessee from substituting a signed paper with another unsigned paper?***

[6] Moreover the reasons are undated, hence do not establish that they were recorded prior to issuance of notice.

[7] In the circumstances, the appeal is dismissed.

[8] Since the appeal is dismissed, the pending application, if any, stands disposed of.”

13.1 Further, this agreement is unregistered one and therefore, the adjudication of Hon'ble Supreme Court in the case of CIT vs. Balbir Singh Maini, reported in 398 ITR 531 (SC) would apply, wherein court was of the view that after the commencement of Amendment Act, 2001, an unregistered agreement would have no effect in law, in other words, there would be no agreement in the eyes of law which could be enforced.

13.2 Apart thereof in the case before us, the Business Transfer Agreement entered into a date prior to formation of LLP, i.e. the appellant, entered into related parties, contrary to submission made before us, that there is no relationship between the seller and the buyer (supra), also support our conclusion that said unregistered, unsigned Business Transfer Agreement is just



an anonymous piece of paper to which no credence can be given. Thus, consequential Goodwill, emerges from unregistered, unsigned Business Transfer Agreement has no value and therefore, depreciation claimed thereon deserves to be disallowed, as such, we direct accordingly.

14 In the result appeal of the assessee is dismissed.

Order pronounced in the open court on 10.06.2026.

Sd/-

(AMITABH SHUKLA)
ACCOUNTANT MEMBER

Sd/-

(MADHUMITA ROY)
JUDICIAL MEMBER

Dated: 10th June, 2026.

dk/JM

Copy to:

1	M/S STRAUMANN DENTAL INDIA LLP, 501, ALPHA BUILDING, HIRANANDANI BUSINESS PARK, POWAI, MUMBAI, MAHARASHTRA, POWAI-400076, MAHARASHTRA
2	ACIT, CIRCLE-4(1), GURGAON, ACIT, CIRCLE-4(1), GURGAON, GURGAON-122002, HARYANA
3	THE PCIT / CIT,
4	THE D.R., ITAT, DELHI BENCH
5	GUARD FILE

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