OFFICE OF THE COMMISSIONER OF CUSTOMS (NS-V)
सीमाशुल्कआयुक्त (एनएस - V) काकार्यालय
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA,
जवाहरलालनेहरुसीमाशुल्कभवन, न्हावाशेवा,
TALUKA – URAN, DISTRICT - RAIGAD, MAHARASHTRA -400707
तालुका - उरण, जिला - रायगढ़ , महाराष्ट्र 400707

DIN –20251078NX0000888E0D **Date of Orde:24.10.2025**

F. No. S/10-128/2024-25/COMMR/GR-VI/NS-V/CAC/JNCH Date of Issue:24.10.2025

SCN No.: 1151/2024-25/COMMR/GR.VI/NS-V/CAC/JNCH

SCN Date: 27.09.2024

Passed by: Sh. Anil Ramteke
Commissioner of Customs, NS-V, JNCH

Order No:241/2025-26/COMMR/NS-V/CAC/JNCH

Name of Noticees: M/s. IKEA INDIA PVT. LTD(IEC-0514055472)

ORDER-IN-ORIGINAL
मूल - आदेश

1. The copy of this order in original is granted free of charge for the use of the person to whom it is issued.

1. इस आदेश की मूल प्रति की प्रतिलिपि जिस व्यक्ति को जारी की जाती है, उसके उपयोग के लिए निःशुल्क दी जाती है।

2. Any Person aggrieved by this order can file an Appeal against this order to CESTAT, West Regional Bench, 34, P D'Mello Road, Masjid (East), Mumbai - 400009 addressed to the Assistant Registrar of the said Tribunal under Section 129 A of the Customs Act, 1962.

2. इस आदेश से व्यथित कोई भी व्यक्ति सीमाशुल्क अधिनियम 1962 की धारा 129 (ए) के तहत इस आदेश के विरुद्ध सी.ई.एस.टी.ए.टी., पश्चिमी प्रादेशिक न्यायपीठ (वेस्ट रीज़नल बेंच), 34, पी. डी'मेलो रोड, मस्जिद (पूर्व), मुंबई - 400009 को अपील कर सकता है, जो उक्त अधिकरण के सहायक रजिस्ट्रार को संबोधित होगी।

3. Main points in relation to filing an appeal:-

3. अपील दाखिल करने संबंधी मुख्य मुद्देः-

Form - Form No. CA3 in quadruplicate and four copies of the order appealed against (at least one of which should be certified copy).

फार्म - सीए3, चार प्रतियों में तथा उस आदेश की चार प्रतियाँ, जिसके खिलाफ अपील की गयी है (इन चार प्रतियों में से कम से कम एक प्रति प्रमाणित होनी चाहिए).

Time Limit - Within 3 months from the date of communication of this order.

समय सीमा - इस आदेश की सूचना की तारीख से 3 महीने के भीतर

Fee -फीस-

(a) Rs. One Thousand - Where amount of duty & interest demanded & penalty imposed is Rs. 5 Lakh or less.

(क) एक हजार रुपय जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम 5 लाख रुपये या उस से कम है।

(b) Rs. Five Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 5 Lakh but not exceeding Rs. 50 Lakh.

(ख) पाँच हजार रुपये – जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम 5 लाख रुपये से अधिक परंतु 50 लाख रुपये से कम है।

(c) Rs. Ten Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 50 Lakh.

(ग) दस हजार रुपये – जहाँ माँगे गये शुल्क एवं ब्याज की तथा लगायी गयी शास्ति की रकम 50 लाख रुपये से अधिक है।

Mode of Payment - A crossed Bank draft, in favor of the Asstt. Registrar, CESTAT, Mumbai payable at Mumbai from a nationalized Bank.

भुगतान की रीति – क्रॉस बैंक ड्राफ्ट, जो राष्ट्रीय कृत बैंक द्वारा सहायक रजिस्ट्रार, सी.ई.एस.टी.ए.टी., मुंबई के पक्ष में जारी किया गया हो तथा मुंबई में देय हो।

General - For the provision of law & from as referred to above & other related matters, Customs Act, 1962, Customs (Appeal) Rules, 1982, Customs, Excise and Service Tax Appellate Tribunal (Procedure) Rules, 1982 may be referred.

सामान्य - विधि के उपबंधों के लिए तथा ऊपर यथा संदर्भित एवं अन्य संबंधित मामलों के लिए, सीमाशुल्क अधिनियम, 1962, सीमाशुल्क (अपील) नियम, 1982, सीमाशुल्क, उत्पाद शुल्क एवं सेवा कर अपील अधिकरण (प्रक्रिया) नियम, 1982 का संदर्भ लिया जाए।

4. Any person desirous of appealing against this order shall, pending the appeal, deposit 7.5% of duty demanded or penalty levied therein and produce proof of such payment along with the appeal, failing which the appeal is liable to be rejected for non-compliance with the provisions of Section 129E of the Customs Act 1962.

4. इस आदेश के विरुद्ध अपील करने के लिए इच्छुक व्यक्ति अपील अनिर्णीत रहने तक उसमें माँगे गये शुल्क अथवा उदगृहीत शास्ति का 7.5 % जमा करेगा और ऐसे भुगतान का प्रमाण प्रस्तुत करेगा, ऐसा न किये जाने पर अपील सीमाशुल्क अधिनियम, 1962 की धारा 129 E के उपबंधों की अनुपालना न किये जाने के लिए नामंजूर किये जाने की दायी होगी।

Subject: Adjudication of Show Cause Notice No. 1151/2024-25/Commr/ Gr. VI/ NS-V/CAC/JNCH dtd. 27.09.2024 issued to M/s IKEA India Private Limited (IEC-0514055472) – reg.

1. BRIEF FACTS OF THE CASE

1.1 It is stated in the Show Cause Notice (SCN) No. 1151/2024-25/Commr/ Gr. VI/ NS-V/CAC/JNCH dtd. 27.09.2024 that M/s IKEA India Private Limited (hereinafter referred to as "IKEA India" or "IKEA" or the importer or the company) a multi-national company having IEC 0514055472, with registered address at Unit No. 421, DLF Tower-A, Jasola District Centre, New Delhi-110044, is a major home furnishing retailer. IKEA specialises in providing affordable home furnishings solutions. Corporate office of IKEA India Private Limited is located at Survey No.12-13, Yeshwantpur Hobli, Bengaluru North Taluk, Bengaluru-560073. IKEA has its own single brand outlets in Hyderabad, Bangalore & Mumbai, from where it does direct selling to walk-in customers. They also sell their products online all over India through their own websites or other e-commerce platforms. IKEA is majorly into low-priced home furnishing products, sold whenever possible in compact "flat-pack" form, for in-home assembly by the customer. IKEA also provides affordable home furnishings solutions by giving various options of customizations; wherein end-customers have choice to design their furnitures according to their own requirements and needs.

1.2. Intelligence developed by the officers of Directorate of Revenue Intelligence (DRI), indicated that various goods imported by IKEA are being mis-classified by IKEA India and, therefore, an investigation was initiated against them for mis-classification of certain imported goods. During the course of investigation and from scrutiny of documents of IKEA India Private Limited, it was found that IKEA India is paying Franchisee Fee to one of the group companies of their overseas seller and they are not including the Franchisee fee as a part of assessable value in their imports. It appeared that the imported goods were assessed at lower value which resulted in the payment of less customs duty in terms of provisions of Rule 10(1) (c) and Rule 10(1) (e) of the Custom Valuation (Determination of Value of Imported Goods) Rules, 2007.

1.2.1 It was found, while developing the intelligence, that IKEA Supply AG, having it's principal office at Grussenweg 15, CH 4133 Pratteln, Switzerland, is supplier of exclusive IKEA products to IKEA India Private Limited, having its principal office in New Delhi and services office in Banglore, Karnataka. IKEA India Private Limited is importing the IKEA products from IKEA Supply AG under an "Agreement for Supply of Products and Services" executed between IKEA Supply AG and IKEA India Private Limited. IKEA India Private Limited has a separate Franchisee Agreement with Inter IKEA Systems B.V. Inter IKEA Systems B.V. is a corporation organized under the laws of the Netherlands, and principal office of Inter IKEA Systems B.V. is located at Ol of Palmestraat 1, 2616 LN Delft, the Netherlands. As per the Franchise Agreement, Inter IKEA System BV is "franchisor" and IKEA India Private Limited is "franchisee". **The franchisee i.e. IKEA India Private Limited is paying 3% of its monthly net sales, net of any taxes, as**