



OFFICE OF THE COMMISSIONER OF CUSTOMS NS-V, GROUP-VI
सीमाशुल्कआयुक्त का कार्यालय, (एनएस-V), ग्रुप-VI,
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA,
जवाहर लाल नेहरू कस्टम हाउस, न्हावासेवा,
TALUKA URAN, DIST- RAIGAD, MAHARASHTRA-400 707.
E-mail id- cus.grp6mumbai2@gov.in

F. No. CUS/APR/ASS/113/2026-Group-6 Date: 09-02-2026

SCN No. 1988/2025-26/AC/GR. VI/NS-V/CAC/JNCH
S/10-1805/2025-26/ADJ/AC/GR. VI/NS-V/CAC/JNCH

DIN No. **20260278NX0000444CB2**

**SHOW CAUSE NOTICE ISSUED UNDER SECTION 124 READ WITH
SECTION 18 OF CUSTOMS ACT, 1962**

To,

Tata Starbucks Pvt. Ltd. (IEC No. 0304009547),
Tata Starbucks Private Limited, 4th Floor,
New Excelsior Bldg, Amrit Keshav Keshav
Nayak Marg, Fort, Mumbai-400001 Maharashtra.

**Sub: Finalisation of Provisional Assessment of Bills of Entry under
Section 18 of the Customs Act, 1962 – Regarding.**

Gentlemen,

Whereas, you had imported certain goods declared under various Bills of Entry, particulars of which are annexed as Annexure B. The said Bills of Entry had been provisionally assessed under Section 18 of the Customs Act, 1962, pending investigation by the Special Valuation Branch (SVB) regarding the correctness of declared transaction value in terms of Rule 3 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

2. Whereas, the SVB investigation has since been completed and an Investigation Report has been submitted recommending loading of the declared transaction value on account of the influence of relationship between you and the foreign supplier, along with other findings, a copy of which is enclosed herewith as Annexure A.

3. Whereas, the provisional assessments of the aforesaid Bills of Entry are now required to be **finalized** in terms of Section 18(2) of the Customs Act, 1962. In light of the findings contained in the SVB Report, it is proposed to finalize the provisional assessments by loading the value of the goods as per the methodology and additions set out therein, which would result in differential duty liability.

4. Therefore, you are hereby called upon to show cause as to why the provisionally assessed Bills of Entry listed in Annexure B should not be finalized by loading the assessable value of the imported goods in terms of the SVB Report (Annexure A), and why the consequential differential duty should not be levied and recovered from you under Section 18(2) of the

Customs Act, 1962 along with the interest under the section 18(3) of the Customs Act, 1962.

5. You are further called upon to submit your written reply within 30 days of receipt of this notice, failing which it shall be presumed that you have no submissions to make and the case will be decided on the basis of evidence on record. You may also avail the opportunity of personal hearing before the undersigned prior to finalization, if you so desire, in terms of Section 122A of the Customs Act, 1962.

6. This show cause notice is issued without prejudice to any other action that may be taken against the aforesaid Noticee or any other person/party connected with the case under the Customs Act, 1962 or any other law for the time being in force in India.

7. The department reserves the right to amend, modify or supplement this notice at any time prior to the adjudication of the case.

Digitally signed by

Roopsingh Meena

Date: 09-02-2026

(Roop Singh Meena)

Assistant Commissioner of Customs,
Gr VI, NS-V, JNCH, Nhava Sheva.

Encl: (i) Annexure A – Copy of SVB Investigation Report.

(ii) Annexure B – List of provisionally assessed Bills of Entry.

Copy to:

1. The Dy./ Asstt. Commissioner of Customs, CAC, JNCH
2. The Dy./ Asstt. Commissioner of Customs, SVB Cell, NCH, Mumbai.
3. The Dy./Asstt. Commissioner of Customs, EDI, JNCH
4. Notice Board (CHS Section for Display)

	आयुक्तसीमाशुल्क (आयात-II) कार्यालय OFFICE OF THE COMMISSIONER OF CUSTOMS (IMPORT-II) विशेषमुल्यांकनशाखा SPECIAL VALUATION BRANCH, ८वातल, नवीनसीमाशुल्कभवन, बल्लार्डईस्टेट, मुंबई, ४००००१ 8TH FLOOR, ANNEXE BLDG., NEW CUSTOM HOUSE, MUMBAI – 400 001. Email id: svb.nch@gov.in
	File No.:CUS/SVB/MUM/ 247/2024/ SVB-O/o COMMR- CUS-IMP-II-ZONE

Investigation Report No.- /AC/SVB/AVB/2025-26

Sub: Investigation Report in the case of determination of the assessable value of goods imported by **Tata Starbucks Pvt. Ltd.** from supplier M/s Starbucks Corporation, USA under Section 14 (1) of **the Customs Act, 1962¹** read with **the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007²** - reg.

SUMMARY OF INVESTIGATION	
SVB F. No.	S/9-154-GATT/2007 GVC dt. 30.09.2016
DOV Reg. No.	DOV0007620
Name of the Importer	Tata Starbucks Pvt. Ltd..
IEC No.	0304009547
Name of the Supplier	M/s Starbucks Corporation, USA
Relationship in terms of Rule 2 (2) of CVR, 2007	The importer and foreign supplier are indirectly related in terms of Rule 2(2)(iv) of CVR, 2007.

INTRODUCTION / BACKGROUND

The case of Imports made by **Tata Starbucks Pvt. Ltd..** (IEC No. 0304009547, having its corporate office at Tata Starbucks Private Limited, 4th Floor, New Excelsior Bldg, Amrit Keshav Nayak Marg, Fort, Mumbai-400001 Maharashtra from related supplier M/s Starbucks Corporation, USA was referred to the Special Valuation Branch, Mumbai by Asstt. Commissioner, Gr.II, ACC, Mumbai Zone III v ide letter dated 28.08.2024, for investigation of related party

¹Also referred to as Act

²Also referred to as CVR, 2007

case duly approved by Commissioner of Customs (I), ACC, Mumbai. on the basis of the following Bill of Entry details: -

Importer Name	Tata Starbucks Pvt. Ltd..
Related (Indirectly) Overseas Supplier's Name	M/s Starbucks Corporation, USA
Bill of Entry No.	5690991 dt 22.03.2018
Description of Imported Goods	Ultra Leap 3DI-Stereo Hand Tracking High Performance
Assessable Value	119511.88

Subsequently Case has been registered in CRD under DOV number DOV0013709 on 16.01.2024. In the instant case, the forwarding group from ACC had forwarded the case for the related supplier from USA, i.e. M/s Starbucks Corporation, USA. As per CRD record, earlier, the said party had already been registered in Mumbai SVB for different suppliers. The file numbers of the said DOV number is S/9-286 GATT/2012 GVC. Subsequently, Order-in-Original dated 23.04.2015 against the said DOV number has already been issued. Vide the aforesaid order Invoice value of the imported goods has been accepted under Rule 3(3) of Customs Valuation Rules 2007. Also there was no addition made on the transaction value under Rule 10 (1) of CVR 2007. However, it is a case of change in the rate of royalty payment/ license fee/ or other payment being made to the seller of the importer goods. Accordingly, the importer has submitted Annexure A, B and C along with requisite documents as per Board's Circular No. 05/2016 dated 09.02.2016 and the case was taken up for investigation.

SUBMISSIONS

1. The importer in terms of CBIC Circular 05/2016-CUS dated 09.02.2016 and subsequent Public Notice No. 12/2016 dated 16.02.2016 issued by the Commissioner of Customs, Import -II, Mumbai Zone -I, has submitted the copies of the following documents: -
 - i) Letter of Authorization;
 - ii) Declaration in the prescribed format in Annexure A, B & C as per CBIC Circular No 05/2016-Cus and subsequent clarifications;

- iii)** Copy of IEC;
- iv)** Copy of PAN Card;
- v)** GST Registration Certificate;
- vi)** Certificate of Incorporation;
- vii)** Copy of Memorandum of Association;
- viii)** Copy of Article of Association;
- ix)** Company structure & Company profile;
- x)** Independent Auditor's Report & Balance Sheet for the years 2021-22 , 2022-23 and 2023-24;
- xi)** Form 3CEB for the years 2021-22,2022-23, 2023-24;
- xii)** Sample Bill of Entry, Invoice and other associated documents;

2. Company's Profile

The Company **Tata Starbucks Pvt. Ltd.** is a Private Limited Company. The importer is in the business of setting up and operating coffee shop. The imported goods including capital goods are used for preparation, sale and services of various beverages.

Annexure – A & B

3. In reply to the questionnaire in Annexures 'A' & 'B' and subsequent clarifications, the importer has submitted as below: -

Annex-A

Questionnaire to be filled by the importer at the time of filing bill of entry:

Importer	
1	<p>Name & Address of the importer</p> <p>Tata Starbucks Private Limited</p> <p>Registered Office: 4th Floor, New Excelsior Building, Amrit KeshavNayak Marg, Fort, Mumbai-400001</p> <p>Corporate Office: 1002-B, Tower 2, 10th Floor, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West) Mumbai 400013</p>

1. 1	IEC Code	0311080782
1. 2	Central Excise Registration number, if any	Not Applicable
1. 3	Service Tax Registration number, if any	AAECT0606QSD002
1. 4	PAN number	AAECT0606Q
2.	Whether the importer is a proprietorship/partnership/private limited company/public limited company/branch office of company incorporated outside India/wholly owned subsidiary etc.?	Private Limited Company incorporated in India as per the provisions of The Companies Act, 1956
3.	Whether the importer is manufacturer or manufacturer cum trader or only a trader?	The Company is in the business of setting up and operating coffee shops. The imported goods (including capital goods) are used for preparation, sale and service of various beverages.
3. 1	If the importer is a manufacturer, please provide address of unit (s); and jurisdictional central excise / service tax commissionerate, division & range.	Not Applicable
3. 2	If the importer is a manufacturer, please briefly describe the manufacturing activity undertaken (principal inputs and description of goods manufactured)	Not Applicable
3. 3.	If the importer is a manufacturer cum trader, please list the goods which are imported and traded.	Not Applicable
3. 4	If the importer is only a distribution & marketing company or maintenance & services co. etc., please briefly describe the business activity and commodities traded/serviced etc.	Not Applicable
Seller		
4	Name, address, website of the foreign seller from whom the goods are imported	M/S Starbucks Corporation 2401, Utah Ave South, Seattle, WA 98134, USA
4. 1	Whether the seller is the manufacturer of the imported goods or a trader?	Seller is manufacturer as well as a trader
4. 2	Please specify the clause of Rule 2(2), CVR 2007 in terms of which the Buyer (importer) and seller are related, if applicable. Please provide details of the	Buyer (Importer) and Seller are related as per Rule 2(2) (iv) of Customs Valuation Rules, 2007 ('CVR')

	relationship.	50% of the Share Capital of the Buyer (Importer) is held by Emerald City CV, a wholly owned entity of Starbucks Corporation
4. 3	Please provide a gist and title of all agreements between the buyer (importer) and the seller and/or with their associates.	<p>a. Supply Agreement with Starbucks Corporation – Annexure I</p> <p>b. Area Development and Operation Agreement with Starbucks Coffee International – Annexure II</p> <p>c. Trademark and Technology License Agreement with SBI Nevada Inc.– Annexure III</p>
	Goods	
5	Have goods identical to the goods imported under the present BE, been imported earlier? If yes, please provide details.	Yes
5. 1	Whether the importer has imported any capital goods, plant, machinery, equipment, etc., from the seller of the imported goods or it's related or associated concerns?	Yes
5. 2	Does the seller of the imported goods supply the same directly to any other unrelated person in India? If so, please furnish details of other importers in India, if available.	No
5. 3	Has the price of the goods been settled in manner consistent with the way the price is settled by the seller with unrelated buyers?	Yes
5. 4	Please provide the information under Rule 3 (3) (b) of CVR, 2007, if any.	The importer is covered under Rule 3(3)(a) of the CVR
5. 5	Is the price of the imported goods determined on the basis of a price list? If yes, please provide copy of the price list and the basis of arriving at the invoice value.	The price of all goods are determined on the basis of the Price List (copy of the Master Price List attached (Annexure IV), with an exception of Coffee, which is as per the pricing formula as per Schedule A to the Supply Agreement.

		(refer Annexure I)
5. 6	If the price is not based upon a price list, then is the price declared a 'Transfer Price'?	The price of all goods are determined on the basis of the Price List (copy of the Master Price List attached – Annexure IV), with an exception of Coffee, which is as per the pricing formula as per Schedule A to the Supply Agreement. (refer Annexure I)
5. 7	What is the basis on which the price has been settled between the buyer and seller?	As per the Master Price List and as per the agreed cost-plus formula in case of Coffee
Other Payments (Costs & Services under Rule 10 of CVR, 2007)		
6	Whether the goods imported by the importer are sold under a trade mark, design,licencing/royalty agreement or patent owned or controlled by the seller of the goods orany other person?	As per the Trademark and Technology License Agreement, the Company has been granted license to use the Trademarks, Confidential Information and Technology and Know-How solely in connection with the construction, development and operation of Starbucks Cafes. It also gives importer the right to use the imported goods (including capital goods) for preparation, sale and service of various beverages at Starbucks Cafes in India
6. 1	Whether the product manufactured by the importer using the imported goods is sold under a trade mark, design, licensing /royalty agreement or patent owned or controlledby the seller of the goods or any other person?	As per the Trademark and Technology License Agreement, the Company has been granted license to use the Trademarks, Confidential Information and Technology and Know-how solely in connection with the construction, development and operation of Starbucks Cafes. It also gives importer the right to use the imported goods (including capital goods) for preparation, sale and service of various beverages at Starbucks Cafes in India.
6. 2	Whether any amount or any part of the proceeds of any subsequent resale, disposal oruse of the imported goods	As per the Trademark and Technology License Agreement, the Company has been granted

	accrues, directly or indirectly, to the seller?	license to use the Trademarks, Confidential Information and Technology and Know-How solely in connection with the construction, development and operation of Starbucks Cafes. The license fee payable under the agreement is calculated as a % to revenue. The amount of license fee paid has no relation to the value of imports / consideration paid for such imports
6.3	Whether there are any other payments actually made or to be made as a condition of sale of the imported goods, by the buyer to the seller, or by the buyer to a third party to satisfy an obligation of the seller?	No
6.4	Is any amount paid or payable, directly or indirectly, to or on behalf of the seller of the imported goods in connection with the production of the imported goods? (for example, materials, parts, components, tools, dies, moulds, engineering, development, art work, design work, plans or sketches undertaken elsewhere than in India)	No
6.5	Are any services rendered by or on behalf of the importer relating to the goods imported or undertaken on behalf of the seller of foreign goods?	No
6.6	Will the price paid or payable by the importer be settled with the seller at the end of defined period by means of debit note / credit note (post - import price adjustment)?	No
	Other Information	
7	Has the importer or any of its associates entered into an Advance Pricing Agreement with the Income Tax Authorities or obtained Advance Ruling? (Please enclose copy).	Not applicable

	Importer	Annexure -B
1	Name & Address:	Private Limited Registered Office: 4 th Floor, New Excelsior Building, Amrit KeshavNayak Marg, Fort, Mumbai-400001 Corporate Office: 1002-B, Tower 2, 10 th Floor, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West) Mumbai 400013
1.1	Copy of the bill of entry, invoice, bill of landing, packing list and LC in respect of which Annex A was filed	Annexure A
1.2	Copies of all provisionally assessed bills of entry and accompanying, invoice, bill of landing, packing list and LC since filing of Annex A at all ports	Not Applicable
1.3	Annual report if any, for a period of upto three preceding years	As per annexure B
1.4	Balance Sheets, if any, for a period of upto three preceding years	As per Annexure C
1.5	Copy of Transfer Pricing report filed before Income Tax dept, if any or a Transfer Pricing Report prepared for Customs Purpose / Tax Purposes, if any	As per Annexure D
1.6	Copy of Advance Pricing Agreements, if any	Not Applicable
1.7	Whether the importer has imported any capital goods, plant, machinery, equipment, etc., from the seller of the imported goods or its related or associated person? Please furnish copies of Bills of Entry, Invoice, packing list, bill of lading & LC (or remittance details), as applicable	Yes, as per Annexure E
2	Whether the imported goods are component parts of CKD/SKD sets for local assembly into finished goods? If yes, furnish a complete list of the items imported in CKD/SKD conditions	No
3	Are the imported goods or identical or similar goods (meaning assigned in terms of CVR, 2007) internationally quoted in any data bases, commodity	The importer presently does not have any such information

	exchanges, industry publications (e.g. PLATT, Public Ledger etc)? If yes, please provide details of price listings and copies of relevant printed material	
3.1	If the imported goods are for stock & sale, please provide a pricelist for sale in India of the imported goods.	As per Annexure
3.2	If the imported goods are for captive consumption by the importer please provide the pricelist of the goods manufactured and sold in India.	Not Applicable
4	Whether the imported items are exclusively supplied by the seller to the importer in India	Yes
4.1	Whether the product imported is sold under a trade mark, design or patent owned or controlled by the seller of the goods or any other person? If yes, please provide details and copies of the agreements	As per the Trademark and Technology License Agreement, the Company has been granted license to use the Trademarks, Confidential Information and Technology and Know-How solely in connection with the construction, development and operation of Starbucks Cafes. It also gives importer the right to use the imported goods (including capital goods) for preparation, sale and service of various beverages at Starbucks Cafes in India.
4.2	Whether the importer is incurring any expenses on behalf of the seller or their associates? If yes, please provide copies of the agreement and details of the expenses incurred	Not Applicable
4.3	Whether any amounts are paid by the importer in the form of agency commission, overriding commission or any other remuneration, including that for services rendered by or on behalf of the seller, to other importers in India or to the seller of the imported goods, or their related or associated concern or persons. If yes, please provide copies of the agreements and details of such expenses	Not Applicable
4.4	Is the price paid or payable by the importer to be settled with the seller at a future date by means of debit	No

	note/credit note (Post – Import price adjustment)? If yes, please provide details	
5	Specify the role, if any, of the seller or any of its associate business entities, in your corporate policy, design specification, quality control, marketing, sub-licensing of patent, franchise, etc?	Importer and seller are related and 50% of the Share Capital of the Importer is held by Emerald City CV, a wholly owned entity of Starbucks Corporation
5.1	Whether any legal liabilities created by contracts or agreements entered into by the seller devolve on the importer? If so, details thereof	No
5.2	Whether the seller is in a position, directly or indirectly, to exercise restraint over the importer, legally or operationally, in any manner? If so, details thereof	No
5.3	Whether the converse position for serial no. 5.1 or 5.2 applies? If so, details thereof	Not Applicable
5.4	Whether any third party is in a position, directly or indirectly, to exercise restraint over both the importer and the seller of imported goods, legally or operationally, in any manner? If so, details thereof	Not Applicable
5.5	Whether the importer and the seller of the imported goods, together, are in a position, directly or indirectly, to exercise restraint over a third person, legally or operationally, in any manner? If so, details thereof	Not Applicable

INVESTIGATION

4. The aspects to be examined in the instant investigation are: -

- a.** Whether the importer and the supplier(s) are related parties in term of Rule 2(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007,
- b.** Whether any amount is required to be added to the price actually paid or payable for the imported goods under Rule 10(1) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

RELATIONSHIP

- 5.** As per the declaration made by the importer in Annexure-A on Relationship between Importer and Overseas Supplier, the relationship structure of the importer and the supplier is as under: -

“50 % of share capital of the buyer is held by Emerald City CV, a wholly owned entity of Starbucks Corporation”.

The importer and the supplier are related in terms of Rule 2(2)(iv) of the Customs Valuation (Determination of Price of Imported Goods) Rules 2007, i.e., any person directly or indirectly owns, controls or holds five per cent or more of the outstanding voting stock or shares of both of them”.

PRICING / VALUATION

In the instant case importer has submitted Annex C, intimating that there is change in the rate of Royalty payment/ licence fee or other payments being made to the seller of the goods.

This office has already issued Order Vide O in O No.158/AC/SVB/SCV/2015-16 dated 23.04.2015, wherein the declared invoice value for the goods imported by M/s Tata Starbucks Limited from M/s Starbucks corporation USA has been accepted under Rule 3(3) of Customs Valuation Rules 2007.

- 6.** In view of the foregoing, it is found that although importer and supplier are related in terms of Rule 2(2)(iv) of the Customs Valuation Rules, 2007, the value of imported goods is not influenced by such relationship. Since, the invoice value as declared is accepted under Section 14 of the Customs Act, 1962 read with Rule 3(3)(a) of the Customs Valuation (Determination of price of Imported Goods), 2007 as per previous Order dated 23.04.2015. However, as per Rule 3(1) of CVR, 2007 which says “Subject to Rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of Rule 10.” Thus while accepting the declared value of imports as transaction value; it is to be examined as to whether any amount is required to be added to the price actually paid or payable for the imported goods under Rule 10(1) of CVR, 2007.

EXAMINATION UNDER RULE 10(1) OF CVR, 2007

7. After examining the acceptability of the declared value of imports as transaction value, it is to be examined as to whether any amount is required to be added to the price actually paid or payable for the imported goods under Rule 10(1) of the CVR, 2007 while deciding acceptability of transaction value under Rule 3(3) of the CVR, 2007.

On perusal of the Annual Reports, Balance Sheets and Form 3CEBs from FY 2021-22 to FY 2023-24 submitted by the importer, it is seen that the importer has made payment on account of royalty, technical knowhow as per Trademark agreement dated 30.01.2012.

Payment of Royalty/License fee

S.No.	Financial Year	Royalty Amount Paid to SBI Nevada INC. (In Rs.)
1.	2021-22	19,15,06,515
2.	2022-23	32,66,64,642
3	2023-24	42,09,20,548

The relevant part of the Trademark agreement is as below.

TRADEMARK AND TECHNOLOGY LICENSE AGREEMENT

Among

SBI NEVADA, INC.

And

STARBUCKS COFFEE INTERNATIONAL INC.

And

STARBUCKS CORPORATION

And

TATA STARBUCKS LIMITED

And

TATA GLOBAL BEVERAGES LIMITED

JANUARY 30, 2012

TRADEMARK AND TECHNOLOGY LICENSE AGREEMENT

THIS TRADEMARK AND TECHNOLOGY LICENSE AGREEMENT (the "Agreement") is entered into as of January 30, 2012 between SBI Nevada, Inc., a corporation organized and existing under the laws of the State of Nevada, U.S.A. ("Licensor"), Starbucks Coffee International, Inc., a corporation organized and existing under the laws of the State of Washington, United States of America, with its principal office at 2401 Utah Avenue South, Seattle, Washington 98134 ("SCI"), Starbucks Corporation, a corporation organized and existing under the laws of the State of Washington, United States of America, with its principal office at 2401 Utah Avenue South, Seattle, WA98134, USA ("Parent"), Tata Starbucks Limited, a company incorporated under the provisions of the (Indian) Companies Act 1956 ("Licensee") and having its registered office at 4th Floor, New Excelsior Building, Amrit Keshav Nayak Marg, Fort, Mumbai - 400001, India, and Tata Global Beverages Limited, a company incorporated under the Act having its registered office at 1 Bishop Lefroy Road, Kolkata 700 020, India ("TGBL").

RECITALS

- A. TGBL and Emerald City C.V., a Netherlands limited partnership ("Emerald City"), an Affiliate of Licensor, have entered into a Joint Venture Agreement of even date (the "Joint Venture Agreement") under which they have agreed to form the Licensee.
- B. SCI, an Affiliate of the Licensor, and Licensee have entered into an Area Development and Operation Agreement dated as of the date hereof ("Development Agreement") which grants to Licensee exclusive rights to develop and operate Starbucks Cafés (as defined in the Development Agreement) in the Development Area.
- C. The Developer, members of the TGBL Group or Starbucks Group have entered into Starbucks Related Agreements and/or TGBL Related Agreements.
- D. Licensor is the authorized licensee of the Parent, with the right to grant sublicenses, of the Trademarks and Technology and Know-How (as defined below) that are required by Licensee in connection with the effective development and operation of Starbucks Cafés.
- E. Licensee wishes to obtain the rights to use the Trademarks, Technology and Know-How in connection with the development and operation of the Starbucks Cafés in the Territory and Licensor wishes to grant to Licensee such rights under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the above recitals, of the following terms and conditions, and of other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS

In addition to other terms defined in this Agreement, the following terms will have the meanings defined in this Section. All other capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Development Agreement.

Confidential Information means certain trade secrets and other confidential information provided to Licensee by Licensor or its Affiliates which is not publicly available, including trade secrets and other confidential information concerning (a) manufacturing and roasting operations; (b) proprietary, unpublished data and documents describing inventions, secret processes, technical information,

production and distribution methods, research and other know-how (including all drawings, plans and information relating to the manufacturing, installation of and operation of Licensor's and its Affiliates' machinery, equipment or products); (c) customers or prospects, or lists related thereto, provided in writing and marked as confidential; (d) business methods and procedures, including terms and conditions of sales and marketing or sales practices, provided in writing and marked as confidential; (e) technical knowledge relating to customer requirements, provided in writing and marked as confidential; (f) knowledge of markets for Licensor's and its Affiliates' products, market research and marketing methods and plans; (g) Starbucks coffee, formulas, recipes (including coffee blends), beverage preparation methods, service criteria, and other confidential matters necessary or useful to Licensee or to the effective development and operation of Starbucks Cafés and the products and services they offer, including the Starbucks System and all information, which is provided in writing, during the initial training program provided under the Development Agreement, or as a part of the Training Materials, QA Standards and Operations Manuals; (h) all other technical, economic, financial, production, manufacturing or marketing knowledge, provided in writing and marked as confidential; and (i) financial, business and economic data (including projections, forecasts, marketing and financial plans and business plans, for example, in connection with store sites, openings and expansion plans) and certain business and economic data concerning or received by Licensor or its Affiliates from its customers, vendors, other licensees or other third parties under an obligation of confidentiality, provided in writing and marked as confidential. If Licensor or its Affiliates provide any confidential information to Licensee hereunder either orally or without marking the written documents as "confidential", Licensor shall (i) have a reasonable time to subsequently confirm in writing that the information so provided is confidential, or (ii) have the burden of proving that it orally disclosed the confidential nature of the information to Licensee or that Licensee knew or should have known that the information so disclosed was confidential. However, "Confidential Information" does not include information that is or has become a part of the public domain through publication or communication or otherwise through no act or omission of the Licensee.

Domain Name means the URL address for the Local Website comprising the Trademark "Starbucks", which will be selected by Licensee and approved by Licensor after the date of this Agreement.

Improvements means any inventions, derivatives, innovations and discoveries (whether patentable or not), technology, know-how, trade secrets, copyrighted materials, processes, procedures, designs, product and marketing ideas and materials, equipment, technical information, software, systems, specifications, recipes, formulae, preparation methods, techniques, standards, training material and other information and data to the Starbucks System, Starbucks Cafés, the products and services they offer (excluding products which are supplied by TGBL, its Affiliates or any of its designees), the Technology and Know-How, the Confidential Information, and the Material, or any other aspect of Licensee's activities under this Agreement that Licensee (or its Affiliates, employees or contractors) may develop, adopt, or create from time to time, together with all patents, copyrights, trade secret rights, trademark rights and other proprietary or similar rights in or based on any of the foregoing (including the right to secure registrations, renewals and extensions thereof).

Licensee Parties means Licensee, and its Representatives, successors and assignees.

Local Website means the website that Licensee may maintain for the promotion of Licensee's Starbucks Cafés on the internet in accordance with the terms and conditions of this Agreement and the Tata Trademark License Agreement.

Losses and Expenses means all liability, losses, damages, claims, demands, actions, judgments, fines, costs, reasonable attorneys fees, disbursements and expenses but excluding Special Damages.

Material means any advertising, marketing and promotional material, including the Templates and the Operations Manuals, that Licensor or its Affiliates provide to Licensee in all forms of media now or hereafter known, including any trademark, service mark, trade name, copyright, patent, trade secret or

other intellectual property right, whether or not specifically recognized or perfected under Applicable Law, relating to any such Material.

Net Sales means the total of all gross revenues from all sales of goods or services derived by Licensee from all Starbucks Cafés operating in the Territory and from all other sales of goods and services (if any) by Licensee, and the proceeds of any business interruption insurance, whether such revenues or proceeds are evidenced by cash, services, property or other means of exchange, excluding only: (a) service tips; (b) revenues derived from any sale of merchandise for which cash or credit is refunded or re-credited during the accounting period in which such sale occurred; and (c) the amount of any sales tax, goods and services tax, value added tax or consumption tax imposed by any federal, national or local governmental authority directly on sales and collected from customers, provided that the amount of such tax is added to or absorbed in the selling price and actually paid by Licensee to the imposing governmental authority. Any sale that shall have been included in Net Sales for any accounting period and for which a refund or recredit is made in a subsequent accounting period shall be deducted from Net Sales for the accounting period in which such refund or recredit is made. No deduction shall be made for commissions or for any other costs incurred in Licensee's business. Revenue from Gift Certificates will be included within Net Sales when they are actually redeemed or used and the amount of such revenue shall be deemed to be the actual sale price of the item or service purchased.

Quality Assurance Standards or QA Standards means the criteria (communicated to the Licensee in writing) which Licensor uses to assess whether and the degree to which Licensee is providing products and services of a uniform quality commensurate with Licensor's established standards, as Licensor may revise them from time to time and as generally applicable to other licensees of the Licensor. QA Standards include standards for freshness, taste, proportions, approved ingredients, brewing and holding times, product storage and rotation, and cleanliness.

Special Damages means indirect and consequential damages, and punitive, exemplary and special damages.

Starbucks Related Agreements means the Development Agreement, Roasting Agreement, Off-Shore Distribution Agreement, Agreement to Assume Purchase Contracts, Business Rights Agreement and the Supply Agreement and any amendments and successors to such agreements.

TGBL Related Agreements means, the On-Shore Distribution Agreement and Tata Trademark License Agreement and any amendments and successors to such agreements.

Starbucks Related Agreements and TGBL Related Agreements shall be together referred to mean Related Agreements.

Section and Schedule shall (unless otherwise so stated) refer to the sections of, and schedules to, this Agreement.

Starbucks Parties means Licensor and its Representatives, successors and assignees.

Technology and Know-How means all of the following: (a) certain technical information and knowledge of Licensor and its Affiliates, including existing and future inventions, improvements and discoveries (whether patentable or not), technology, know-how, trade secrets, copyrighted materials, processes, procedures, designs, product and marketing ideas, equipment, technical information, software, systems, specifications, recipes, formulae, preparation methods, techniques, standards, training material and other information and data relating to Starbucks Cafés, the products including the products supplied under the Supply Agreement and services they offer, the Starbucks System, the processing or manufacturing of Licensor's or its Affiliates' products, or the delivery of services with respect thereto; and (b) all methods, techniques, systems, formulae, processes, procedures, standards, training material and other information or data, whether in oral, audio, visual, written, electronic or other form, of Licensor or its Affiliates and relating to Starbucks Cafés, the products and services they

offer, the Starbucks System, Licensor's or its Affiliates' information systems, Operations Manuals, Training Materials, Quality Assurance Standards, or any other aspect of the construction, development or operation of Starbucks Cafés.

Templates means the various website templates that Licensee may use, display and copy solely to develop, operate and maintain the Local Website in accordance with this Agreement and the Operations Manual.

Territory means the Republic of India.

Trademarks means the trademark and service mark "STARBUCKS" and certain other registered and unregistered trademarks and service marks set forth in Schedule A and other trade names, trademarks, service names, service marks, logos, designs, emblems, trade dress and other indicia of origin that Licensor periodically designates in accordance with Section 3.9 of this Agreement.

Training Materials means training materials and other information provided in written form (including Internet, intranet, extranet and other electronic communications) which Licensor or its Affiliates use to convey information to Licensee regarding subjects such as fundamental coffee knowledge, methods of brewing coffee and methods, standards and recipes for preparing beverages.

Translations means any translation, or transliteration, derivative work, addition, modification, adaptation, improvement, refinement, to the Material that is developed, adapted, translated or created by Licensee or its Affiliates, employees or contractors (whether or not commissioned by Licensor).

U.S. Dollars or \$ means the lawful currency of the United States of America.

Website Style Guide means the guide developed by Licensor and/or its Affiliates relating to the development and use of international websites (including the Local Website). The Website Style Guide is part of the Operations Manuals.

2. TERM

Unless terminated earlier in accordance with Section 13.3 hereof or under Section 14.2.3 or Section 14.4.1 of the Joint Venture Agreement, the term of this Agreement shall commence on the date first set forth above, and shall extend for so long as the Development Agreement remains in effect.

3. THE LICENSE

- 3.1 Grant of License and Reservation of Rights. Licensor hereby grants to Licensee a non-transferable license (the "License"), during the term of this Agreement and strictly in accordance with its terms and conditions, to: (a) use the Trademarks, Confidential Information and Technology and Know-How solely in connection with the construction, development and operation of Starbucks Cafés pursuant to the terms and conditions of the Development Agreement within and only within the Territory; (b) use the Trademarks to develop, operate and maintain the Local Website and as part of the Domain Name; and (c) use the "Starbucks" Trademark as part of Licensee's corporate name 'Tata Starbucks Limited'. The License shall be exclusive to the extent provided for in Section 3.2 of the Development Agreement. Except as specifically set forth in this Agreement, Licensee has no right, title or interest in or other rights to use the Trademarks, Confidential Information or Technology and Know-How. Subject to Section 3.4 of the Development Agreement, the Licensor on behalf of itself and its Affiliates reserves all such rights.
- 3.2 Warranty. Licensor, on behalf of itself and its Affiliates (including the Parent), represents and warrants that:

- (a) all Trademarks are either owned by the Parent or are licensed to the Parent and/or Licensor by third parties;
- (b) Parent is the exclusive owner of all material Trademarks, including those listed on Schedule A, and the Licensor has all necessary rights, title and authority to grant the exclusive License, as provided in Section 3.1, to Licensee;
- (c) if and to the extent any Trademarks are not owned by Parent, the same are licensed to Parent and/or Licensor by third parties, and the Licensor has all necessary rights, title and authority to grant the exclusive License, as provided in Section 3.1, to Licensee;
- (d) Parent is the exclusive owner of all material Confidential Information and Technology and Know How, all other Confidential Information and Technology and Know How is licensed to Parent and/or Licensor by third parties, and the Licensor has all necessary rights, title and authority to grant the exclusive License, as provided in Section 3.1, to Licensee;
- (e) Licensee's use of any Trademarks, Confidential Information and Technology and Know-How in accordance with this Agreement does not and shall not in the future infringe the intellectual property rights or any other rights, of any other person; and
- (f) the Licensor and/or its Affiliates have not done any act or thing or omitted to do any act or thing, and shall not do any act or thing or omit to do any act or thing, which may in any manner restrict or otherwise adversely affect the rights (including rights to exclusive use) granted to Licensee under this Agreement, Joint Venture Agreement and/or any Related Agreements except as, and to the extent, specifically permitted by such agreements.

Licensor makes no other representation or warranty about the Trademarks, the Confidential Information or the Technology and Know-How (provided that the foregoing disclaimer of representations and warranties shall not be construed to in any way to limit Licensor's and its Affiliates specific obligations set forth in this Agreement, the Related Agreements and the Joint Venture Agreement).

- 3.3 Strict Compliance and Use of Trademarks. Licensee shall use the Trademarks in strict accordance with Licensor's standards and guidelines that are communicated to it in writing and shall not represent in any manner that it has any ownership interest in and to the Trademarks or registrations and applications of the Trademarks. Licensee shall, when using the Trademarks, describe the Trademarks to indicate clearly that each of them is the trademark or service mark of the Affiliate of Licensor which owns the Trademarks and is being used with the permission of Licensor. Licensee shall utilize any waivers or disclaimers as Licensor may require and shall display the Trademarks only in such form and style and with such notice of registration (e.g., ® or ™) as are approved in writing by Licensor from time to time. Licensee shall use the Trademarks only in the forms that Licensor designates and shall not alter the Trademarks, add any other word or design element, delete any word or design element, or incorporate the Trademarks within or as part of any other symbol or mark. Without Licensor's prior written approval, Licensee may not use any other trademarks, trade names, service marks or logos in connection with the Trademarks or its Starbucks Cafés. For the avoidance of doubt, the Licensor hereby approves and agrees to the use by the Licensee of the trade mark "TATA", including in connection with the Trademarks or Starbucks Cafés, in accordance with the Tata Trademark License Agreement.

- 4.4 **Rights to Local Content.** Licensee will procure all necessary rights and licenses to use all artwork, photographs, text and other intellectual property used on or in conjunction with the Local Website, except with respect to material which Licensor provides in case of which material it shall be the obligation of the Licensor to ensure procurement of all necessary rights and licenses. Licensee acknowledges and agrees that improvements or modifications made by it (or its employees or contractors), if any, to the Templates or the Local Website will constitute Improvements under this Agreement.
- 4.5 **Removal of Content.** Licensee shall be solely responsible for ensuring that the content on the Local Website is not defamatory, derogatory or offensive and the Licensee shall have the right to remove such content. Licensor may at any time notify Licensee in writing to remove any content from the Local Website that Licensor deems inappropriate, unacceptable, inconsistent with the Starbucks brand image, inaccurate or otherwise objectionable, as Licensor determines in its sole discretion. Licensee shall remove any such content from the Local Website as soon as reasonably practicable following its receipt of any such notice from Licensor. Nothing herein shall entitle the Licensor to seek any modifications to use of the trade mark "TATA", which shall be solely governed by the Tata Trademark License Agreement.
- 4.6 **Costs and Expenses.** Licensee shall bear all of its costs and expenses of hosting, operating and maintaining the Local Website, including costs and fees arising from translating the Templates and adapting them to Applicable Law of India and developing and/or acquiring content that is not otherwise provided by Licensor. Provided that if any changes or modifications are required to be made to the Local Website in view of Licensor's directions given pursuant to Section 3.5 hereof, all costs in respect of such changes or modifications shall also be borne solely by the Licensor.
- 4.7 **Privacy Policy, Terms of Use, Meta Tags and Keywords.** Licensee shall adopt, observe and publish on the Local Website a privacy policy concerning its collection and use of data provided by visitors to the Local Website. The privacy policy shall be at least as restrictive on Licensee's use of such data as the privacy policy set forth in the Website Style Guide, with such additional restrictions and limitations as may be required by Applicable Law of India. In addition, Licensee shall adopt and publish "Terms of Use" for the Local Website on terms and conditions set forth in the Website Style Guide, adapted as necessary to comply with Applicable Law of India. Licensee shall not use the Trademarks or any variations thereof as meta tags or keywords, except as specifically approved by Licensor in writing.
- 4.8 **Use and Ownership of Data.** Licensee will only collect and use personal information or other data from visitors to the Local Website if such collection and use is permitted under Applicable Law of India. Licensee shall be solely responsible for ensuring that its collection and use of such information and data complies with Applicable Law of India. It is clarified that such information and data shall be owned exclusively by the Licensee, and Licensee hereby permits Licensor and TGBL to use such information and data without payment of any consideration.
- 5. FEES**
- 5.1 **Licensing Fee.** In consideration of the License and rights granted to Licensee hereunder, starting on the third anniversary of the date of opening of the first Starbucks Café and continuing until the tenth anniversary of such opening, Licensee shall pay a continuing fee (the "Licensing Fee") equal to three percent (3%) of Net Sales; from the tenth anniversary of the opening of the first Starbucks Café, Licensee shall pay a continuing Licensing Fee equal to four (4%) of Net Sales for the remaining term of this Agreement. It is clarified that no fee shall be payable in respect of any Net Sales till the third anniversary. Licensee will calculate the Licensing Fee due to Licensor and submit payment for the amount due, together with a

statement of Licensee's Net Sales for each month, within fifteen (15) days after the end of that month. Such statement shall be certified as accurate by a duly authorized representative of Licensee. The License granted hereunder, and the Licensing Fee payable therefor, relates solely to the post-importation use of the Trademarks and the Technology and Know-How in connection with the development and operation of Starbucks Cafés in the Territory. The Licensing Fee is not paid for production-related intellectual property related to any imported goods purchased under the Supply Agreement, as those costs are already reflected in the invoiced price for such imported goods.

- 5.2 **Currency.** Licensee shall make all payments to Licensor in U.S. Dollars, by international wire transfers, to a bank account that Licensor designates (the "Bank Account"). Licensee will bear all the costs and expenses of obtaining U.S. Dollars and transferring to and depositing payments in the Bank Account, but not bank charges imposed by the Licensor's receiving bank.
- 5.3 **Manner of Payment.** Licensee will use its best efforts to obtain any consents or authorizations necessary to permit timely payments in U.S. Dollars. If any financial institution or government authority having jurisdiction in the Territory prohibits the conversion of currency into U.S. Dollars or the transfer of funds or currency to the United States, then the Licensee will notify Licensor immediately. While such restrictions remain in effect, require payment in any currency Licensor designates which is available to Licensee or require Licensee to deposit all amounts due but unpaid as a result of such restriction in any type of account in any bank or institution that Licensor designates in the Territory or in other jurisdictions. Licensor will be entitled to all interest earned on such accounts. Licensor may issue a Discussion Notice pursuant to Section 13.3 of this Agreement if the conversion or transfer restrictions remain in effect for more than twelve (12) consecutive months and alternative measures reasonably acceptable to Licensor to provide full payment to Licensor or its Affiliates have not been made during this time period.
- 5.4 **Charge on Late Payments.** All payments not made by Licensee within thirty (30) days after the due date will accrue a charge at a simple rate per annum equal to the prime rate of interest printed most recently as of the due date by the Wall Street Journal, East Coast edition, plus five percent (5%), with such accrual commencing on the due date and continuing until Licensor receives payment in full.
- 5.5 **Withholding and Other Taxes.**
- (a) All payments hereunder are inclusive of applicable withholding income-tax, if applicable, as per the Double Taxation Avoidance Agreement ("DTAA") between India and the United States of America or the Indian Income Tax Act 1961 and the rules framed thereunder, whichever is more beneficial to Licensor, at the rates in force, at the time prescribed under Indian Income Tax Act for making withholding tax deduction, and exclusive of all other taxes, duties and levies, as may be applicable in India which will be deposited to the appropriate taxing authorities by Licensee.
 - (b) Licensor and Licensee shall have the right to obtain Income Tax Withholding Certificates from the appropriate tax authorities indicating the rate of deduction of withholding income-tax based on which Licensee shall make the aforesaid deduction. However, if Licensor requests, Licensee shall obtain an Income Tax Withholding Certification from the appropriate tax authorities indicating the rate of withholding tax based on which Licensee shall make the aforesaid deduction. Licensor undertakes to comply with the Applicable Law and submit an application with the Indian Tax Authorities to obtain a "Permanent Account Number" ("PAN") and provide a certified true copy of the same immediately to enable Licensee to report the same in the withholding tax returns and certificates. Licensor also undertakes to provide

On perusal of above agreement it is seen that at Para 5 of the agreement it is stated that *“in consideration of the licence and rights granted to the licensee hereunder, starting on the third anniversary of opening of the first Starbucks café and continuing until 10th anniversary of such opening, Licensee shall pay a continuing fee (licensing fee equal to 3% of Net sales; from 10th anniversary onwards licensee shall pay a continuing licensee fee equal to 4% of Net sales of the remaining term of this agreement.”*

In para 1 of the said agreement in the definitions “Net Sales” is defined as *‘total of all gross revenues from all sales of goods or services derived by licensee from all Starbucks Cafes operating in the territory and from all other sales of goods and services (if any)’*. Also the value of Net Sales is arrived at by excluding the Taxes.

From the above it can be inferred that the licence fee is being calculated on net sales of the importer. Further it is clear that revenue earned by the importer from the net sales includes the revenue earned by selling the imported products i.e. coffee beans, green tea, black tea and other imported products being consumed in the Starbucks Cafés directly or indirectly.

As per Rule 10 of CVR 2007,

Cost and services. –

(1) In determining the transaction value, there shall be added to the price actually paid or payable for the imported goods, -

(c) royalties and licence fees related to the imported goods that the buyer is required to pay, directly or indirectly, as a condition of the sale of the goods being valued, to the extent that such royalties and fees are not included in the price actually paid or payable;

(d) The value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues, directly or indirectly, to the seller;

(e) all other payments actually made or to be made as a condition of sale of the imported goods, by the buyer to the seller, or by the buyer to a third party to satisfy an obligation of the seller to the extent that such payments are not included in the price actually paid or payable.

Explanation. - Where the royalty, licence fee or any other payment for a process, whether patented or otherwise, is includible referred to in clauses (c) and (e), such charges shall be added to the price actually paid or payable for the imported goods, notwithstanding the fact that such goods may be subjected to the said process after importation of such goods.

Here it is evident that use of the imported goods, i.e. Coffee beans, green tea, black tea and coffee machines etc., are being used for preparation of coffee/ tea and its subsequent sale proceeds accrues to the seller directly or indirectly. Hence the licence fee paid to the licensor is addable under Rule 10(1) c of CVR, 2007.

Further importer submitted that royalty payment was deferred by 1 year as per letter dated 07.01.2016 from Starbucks Coffee International.



Starbucks Coffee International, Inc.
PO Box 34067
Seattle, Washington 98124-1067
U.S.A.
+1.206.447.1575

7 January 2016

Tata Starbucks Private Limited
1002-B, 10th Floor, Tower 2
Indiabulls Finance Center
Senapati Bapat Marg, Elphinstone Road - West
Mumbai - 400013 Maharashtra, India

Tata Global Beverages Limited
Kirkoskar Business Park
Block-C, IInd Floor
Hebbal, Bangalore 560 024, India

Subject: Tata Starbucks Private Limited ("Tata Starbucks") – Deferral of Royalty Payment to Starbucks

Dear Tata Starbucks and Tata Global Beverages Limited:

Thank you for your participation in the recent discussions related to the request from Tata Starbucks to defer the implementation of the royalty payment date under the 30 January 2012 Trademark and Technology License Agreement ("TTLA").

Pursuant to Article 5.1 of the TTLA, Tata Starbucks is obligated to begin paying a three percent (3%) royalty to SBI Nevada, Inc. ("SBI") starting from the third anniversary of the date of the opening of the first Starbucks Store in India and continuing until the tenth (10th) anniversary. Thereafter the royalty is to be increased to four percent (4%). The first store opened in Mumbai on 18 October 2012, so the royalty payment would normally have started and be calculated as of 18 October 2015 and continuing forward. The request from Tata Starbucks has been discussed internally within Starbucks. Everyone agrees that request for deferral is reasonable and in the best interest of the joint venture to ease the continuing challenges and development of the business in India. Therefore, Starbucks is willing to grant the deferral for the implementation date for payment of the royalty under the TTLA. Of course, the deferral will require the review and approval of the Tata Starbucks Board of Directors. Upon approval by the Tata Starbucks Board of Directors, this letter will be effective retroactively as of 18 October 2015, and this letter will serve to effectively amend Article 5.1 of the TTLA and change the effective date of the initial royalty payment to the fourth (4th) anniversary date of the opening of the first Starbucks Store in India, or 18 October 2016. Similarly, the implementation of the four percent (4%) royalty increase will be deferred one (1) year to become effective as of the eleventh anniversary (11th) instead of the tenth (10th) anniversary per the TTLA, and this letter will serve to effectively amend Article 5.1 of the TTLA and change the effective date of the implementation of the four percent (4%) royalty to the eleventh (11th) anniversary.

Please note this deferral and waiver of the royalty payment effective date does not constitute a waiver of any other rights of Starbucks and its Affiliates in the TTLA or its other agreements with Tata Starbucks, which Starbucks expressly reserves. Except as note immediately above, this letter is not intended to otherwise modify, amend, or

change any terms of the definitive agreements (e.g., ADOA, TTLA, etc.), which shall remain in full force and effect.

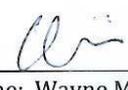
We would appreciate confirmation of Tata Starbucks, as well as Tata Global Beverages Limited, our joint venture partner in Tata Starbucks, as to this understanding by having authorized officers of each countersigning duplicate originals of this letter and returning one original to the attention of Wayne Michigami, in the Hong Kong Starbucks Coffee China & Asia Pacific office. When countersigned by Tata Starbucks and Tata Global Beverages Limited, this letter shall be effective as of the date the Tata Starbucks Board of Directors approves this letter addressing the deferral of the initial royalty payment under the TTLA.

Very truly yours,

Starbucks Corporation
Starbucks Coffee International, Inc.

SBI Nevada, Inc.

By: 
Name: Mark Ring
Title: Senior Vice President

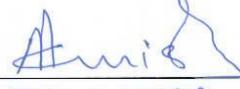
By: 
Name: Wayne Michigami
Title: Assistant Secretary

Acknowledged and Accepted:

TATA STARBUCKS PRIVATE LIMITED

By: 
Name: AJOY K. MISRA
Title: DIRECTOR
Dated: _____

TATA GLOBAL BEVERAGES LIMITED

By: 
Name: AJOY K. MISRA
Title: DIRECTOR
Dated: _____

Cc: John Culver
Martin Ehrich
Chuck Little
Emmy Kan
Wayne Michigami

In view of the above, imported goods from Starbucks Corporation USA are liable for loading as follows

- a) Loading of 3% on transaction value of the goods imported during the period 18.10.2016 to 17.10.2023.
- b) Loading of 4% on transaction value of the goods imported 18.10.2023 onwards subject to condition of Trademark and Technology licence agreement dated 30.01.2012.

On further scrutiny of 3CEB of 03 years, it is found that there is payment to Services for designing for which the importer has submitted Area Development and Operation Agreement dated 30.01.2012 among Starbucks Coffee International (SCI), TATA Starbucks (Developer) and others.

Vide the aforesaid agreement Developer shall pay a Design fee in amount equal to SCI's actual cost and expenses of producing the plans and designs for each of Developer's new or substantially redeveloped, redesigned or remodelled Starbucks Cafes.

On perusal of agreement it is evident that the design fee paid by the importer has no relation with the imported goods but it is the actual expense of Starbucks coffee International in producing the plans and designs for each of developer's new Starbucks cafes, hence the same is not addable under Rule 10(1) of CVR, 2007.

In view of the above, the licence fee paid to the licensor is addable under Rule 10(1) c of CVR, 2007, and is required to be made to arrive at the transaction value of the imported goods.

CONCLUSION

- 8.** The importer Tata Starbucks Pvt. Ltd. and supplier Starbucks Corporation, USA are related in terms of Rule 2(2)(iv) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.
- 9.** The licence fee paid to the licensor is addable under Rule 10(1) c of CVR, 2007, and is required to be made to arrive at the transaction value of the imported goods. The imported goods from Starbucks Corporation USA are liable for loading of 3% on transaction value of the goods imported during the period 18.10.2016 to 17.10.2023, and loading of 4% on transaction value of the goods imported 18.10.2023 onwards subject to condition of Trademark and Technology licence agreement dated 30.01.2012.

10. The assessing groups to resort to usual check, scrutiny and verification of the declared value. However, if contemporaneous imports at higher prices are noticed or there exist reasons to doubt the value, assessing group may evaluate the value of the imported goods under appropriate provision of the Customs Act, 1962.
11. This report is prepared on the basis of Importer's declaration. In case of any discrepancy noticed in the documents submitted by the importer suitable action as deemed fit may be taken as per Customs Act 1962 by jurisdictional Commissionerate. Further, any mis-declaration, suppression or mis-statement contained in the submission would render this report invalid and void ab initio.
12. Any change, error or omission thereof should be brought to the notice of this branch immediately. Changes, if any, in the method of invoicing, terms of the relationship, error or omission or any other material facts, which may affect the valuation of the goods under Valuation Rules, should be brought to the notice of this branch immediately for review.
13. This Investigation Report shall remain in force, till present method of Invoicing or the conditions of sale etc. remains unchanged. Any changes affecting the conditions of sale or other circumstances enumerated in CBIC (earlier CBEC) Circular No. 05/2016 – Cus dated 09.02.2016 must be informed to the Assessing Group suo-moto by the Importer without delay. This Report may be reviewed as and when information, additional or contrary to whatever furnished is brought to the notice of this branch.
14. This IR is issued in terms of para 3.3 of the Board's Circular No.05/2016-Customs dated 09.02.2016 with the approval of the Commissioner of Customs, Import-II, Mumbai in terms of para 8.3 of the Board's Circular\ No.05/2016-Customs dated 09.02.2016.
15. All pending Provisional Assessments if any, may be finalized accordingly.

To,

Digitally signed by
Amit Virendra Bhatia
Date: 05-08-2025
16:37:46

Amit V Bhatia
सहायक-आयुक्त, विशेष मूल्यांकन शाखा,
आयात-II, मुंबई कस्टम्स जोन-I.

The Deputy/Assistant Commissioner of Customs,
Gr II, ACC, Mumbai Zone-III.

Copy to:

1. Directorate of Valuation, New Custom House, Ballard Estate, Mumbai-400 001.
2. The Addl. Director General, Risk Management Division, CBEC, 13, Sir V.T. Marg, Opp. Patkar Hall, New Marine Lines, Mumbai-400 020.
3. The Deputy Commissioner of Customs, (SVB), The O/o Commissioner of Customs, New Custom House, IGI Airport, New Delhi 110037.
4. The Deputy Commissioner of Customs, (SVB), The O/o Commissioner of Customs, Custom House, 15/1, strand Road, Kolkata-700001.
5. The Deputy Commissioner of Customs, (SVB), The O/o Commissioner of Customs, Commissionarate-III, 60, Krishna Block Salai, Opp. Dist. Collectorate, Chennai, Tamil Nadu-600001.
6. The Deputy Commissioner of Customs, (SVB), The O/o Commissioner of Customs, MENZIES Aviation BOBBA Bangalore Pvt.Ltd., CARGO Terminal, Bangalore International Airport, Devanahalli, Bangalore-560300.
7. The Deputy Commissioner of Customs (Imports), O/o Commissioner of Customs, Air Cargo Complex, Shamshbad, Hyderabad-628004.
8. Office copy.
9. Copy to EDI for uploading on website.

Sr. No.	Bill of Entry Number	Bill of Entry Date	Importer Name
1	9750358	27-07-2022	TATA STARBUCKS PRIVATE LIMITED
2	6126639	04-11-2021	TATA STARBUCKS PRIVATE LIMITED
3	6214565	11-11-2021	TATA STARBUCKS PRIVATE LIMITED
4	6214925	11-11-2021	TATA STARBUCKS PRIVATE LIMITED
5	6434453	27-11-2021	TATA STARBUCKS PRIVATE LIMITED
6	6490493	02-12-2021	TATA STARBUCKS PRIVATE LIMITED
7	6490409	02-12-2021	TATA STARBUCKS PRIVATE LIMITED
8	6543639	05-12-2021	TATA STARBUCKS PRIVATE LIMITED
9	6575005	07-12-2021	TATA STARBUCKS PRIVATE LIMITED
10	6591872	08-12-2021	TATA STARBUCKS PRIVATE LIMITED
11	6641605	11-12-2021	TATA STARBUCKS PRIVATE LIMITED
12	6730271	17-12-2021	TATA STARBUCKS PRIVATE LIMITED
13	6811869	23-12-2021	TATA STARBUCKS PRIVATE LIMITED
14	6951589	04-01-2022	TATA STARBUCKS PRIVATE LIMITED
15	7041532	11-01-2022	TATA STARBUCKS PRIVATE LIMITED
16	7301183	30-01-2022	TATA STARBUCKS PRIVATE LIMITED
17	7301313	31-01-2022	TATA STARBUCKS PRIVATE LIMITED
18	7576723	21-02-2022	TATA STARBUCKS PRIVATE LIMITED
19	7836682	12-03-2022	TATA STARBUCKS PRIVATE LIMITED
20	8064378	29-03-2022	TATA STARBUCKS PRIVATE LIMITED
21	8110526	01-04-2022	TATA STARBUCKS PRIVATE LIMITED
22	8233939	11-04-2022	TATA STARBUCKS PRIVATE LIMITED
23	8850488	26-05-2022	TATA STARBUCKS PRIVATE LIMITED
24	9128963	15-06-2022	TATA STARBUCKS PRIVATE LIMITED
25	9234907	22-06-2022	TATA STARBUCKS PRIVATE LIMITED
26	9393141	03-07-2022	TATA STARBUCKS PRIVATE LIMITED
27	9393314	04-07-2022	TATA STARBUCKS PRIVATE LIMITED
28	9425282	06-07-2022	TATA STARBUCKS PRIVATE LIMITED
29	9489988	09-07-2022	TATA STARBUCKS PRIVATE LIMITED
30	9712901	25-07-2022	TATA STARBUCKS PRIVATE LIMITED
31	2100089	22-08-2022	TATA STARBUCKS PRIVATE LIMITED
32	2146700	24-08-2022	TATA STARBUCKS PRIVATE LIMITED
33	2147098	24-08-2022	TATA STARBUCKS PRIVATE LIMITED
34	2180779	26-08-2022	TATA STARBUCKS PRIVATE LIMITED
35	2427951	14-09-2022	TATA STARBUCKS PRIVATE LIMITED
36	2564127	22-09-2022	TATA STARBUCKS PRIVATE LIMITED
37	2578911	23-09-2022	TATA STARBUCKS PRIVATE LIMITED
38	2633047	27-09-2022	TATA STARBUCKS PRIVATE LIMITED
39	2740657	04-10-2022	TATA STARBUCKS PRIVATE LIMITED
40	2813505	10-10-2022	TATA STARBUCKS PRIVATE LIMITED
41	2806272	10-10-2022	TATA STARBUCKS PRIVATE LIMITED
42	9547430	12-11-2020	TATA STARBUCKS PRIVATE LIMITED
43	9558776	13-11-2020	TATA STARBUCKS PRIVATE LIMITED
44	9578690	16-11-2020	TATA STARBUCKS PRIVATE LIMITED
45	9855729	07-12-2020	TATA STARBUCKS PRIVATE LIMITED
46	9952019	14-12-2020	TATA STARBUCKS PRIVATE LIMITED
47	9954267	14-12-2020	TATA STARBUCKS PRIVATE LIMITED
48	9990338	17-12-2020	TATA STARBUCKS PRIVATE LIMITED
49	2180269	31-12-2020	TATA STARBUCKS PRIVATE LIMITED
50	2185016	31-12-2020	TATA STARBUCKS PRIVATE LIMITED
51	2222915	04-01-2021	TATA STARBUCKS PRIVATE LIMITED
52	2321006	12-01-2021	TATA STARBUCKS PRIVATE LIMITED
53	2696071	09-02-2021	TATA STARBUCKS PRIVATE LIMITED
54	2721208	11-02-2021	TATA STARBUCKS PRIVATE LIMITED
55	2829193	19-02-2021	TATA STARBUCKS PRIVATE LIMITED
56	2827223	19-02-2021	TATA STARBUCKS PRIVATE LIMITED
57	2859771	22-02-2021	TATA STARBUCKS PRIVATE LIMITED
58	2978615	02-03-2021	TATA STARBUCKS PRIVATE LIMITED
59	3028826	05-03-2021	TATA STARBUCKS PRIVATE LIMITED
60	3551958	13-04-2021	TATA STARBUCKS PRIVATE LIMITED
61	3552875	13-04-2021	TATA STARBUCKS PRIVATE LIMITED
62	3616582	18-04-2021	TATA STARBUCKS PRIVATE LIMITED
63	3637949	20-04-2021	TATA STARBUCKS PRIVATE LIMITED
64	3922561	12-05-2021	TATA STARBUCKS PRIVATE LIMITED
65	4001361	19-05-2021	TATA STARBUCKS PRIVATE LIMITED
66	4050354	23-05-2021	TATA STARBUCKS PRIVATE LIMITED
67	4154405	01-06-2021	TATA STARBUCKS PRIVATE LIMITED
68	4197770	04-06-2021	TATA STARBUCKS PRIVATE LIMITED

69	4254788	09-06-2021	TATA STARBUCKS PRIVATE LIMITED
70	4291566	12-06-2021	TATA STARBUCKS PRIVATE LIMITED
71	4450752	25-06-2021	TATA STARBUCKS PRIVATE LIMITED
72	4606768	08-07-2021	TATA STARBUCKS PRIVATE LIMITED
73	4700022	16-07-2021	TATA STARBUCKS PRIVATE LIMITED
74	4734557	19-07-2021	TATA STARBUCKS PRIVATE LIMITED
75	4849295	29-07-2021	TATA STARBUCKS PRIVATE LIMITED
76	4965006	07-08-2021	TATA STARBUCKS PRIVATE LIMITED
77	5095493	18-08-2021	TATA STARBUCKS PRIVATE LIMITED
78	5227579	28-08-2021	TATA STARBUCKS PRIVATE LIMITED
79	5299821	03-09-2021	TATA STARBUCKS PRIVATE LIMITED
80	5324370	06-09-2021	TATA STARBUCKS PRIVATE LIMITED
81	5348420	07-09-2021	TATA STARBUCKS PRIVATE LIMITED
82	5436794	14-09-2021	TATA STARBUCKS PRIVATE LIMITED
83	5532443	21-09-2021	TATA STARBUCKS PRIVATE LIMITED
84	5548113	22-09-2021	TATA STARBUCKS PRIVATE LIMITED
85	5825274	13-10-2021	TATA STARBUCKS PRIVATE LIMITED
86	5858666	16-10-2021	TATA STARBUCKS PRIVATE LIMITED
87	5556786	05-11-2019	TATA STARBUCKS PRIVATE LIMITED
88	5706704	16-11-2019	TATA STARBUCKS PRIVATE LIMITED
89	5817578	25-11-2019	TATA STARBUCKS PRIVATE LIMITED
90	6028662	11-12-2019	TATA STARBUCKS PRIVATE LIMITED
91	6210831	24-12-2019	TATA STARBUCKS PRIVATE LIMITED
92	6293372	30-12-2019	TATA STARBUCKS PRIVATE LIMITED
93	6382439	07-01-2020	TATA STARBUCKS PRIVATE LIMITED
94	6648225	27-01-2020	TATA STARBUCKS PRIVATE LIMITED
95	6733519	03-02-2020	TATA STARBUCKS PRIVATE LIMITED
96	7120076	05-03-2020	TATA STARBUCKS PRIVATE LIMITED
97	7361123	27-03-2020	TATA STARBUCKS PRIVATE LIMITED
98	7444385	14-04-2020	TATA STARBUCKS PRIVATE LIMITED
99	7595672	05-05-2020	TATA STARBUCKS PRIVATE LIMITED
100	7750793	26-05-2020	TATA STARBUCKS PRIVATE LIMITED
101	7915348	16-06-2020	TATA STARBUCKS PRIVATE LIMITED
102	7989686	24-06-2020	TATA STARBUCKS PRIVATE LIMITED
103	8003792	26-06-2020	TATA STARBUCKS PRIVATE LIMITED
104	8497471	17-08-2020	TATA STARBUCKS PRIVATE LIMITED
105	8675742	02-09-2020	TATA STARBUCKS PRIVATE LIMITED
106	9155817	13-10-2020	TATA STARBUCKS PRIVATE LIMITED
107	8746489	05-11-2018	TATA STARBUCKS PRIVATE LIMITED
108	8757550	06-11-2018	TATA STARBUCKS PRIVATE LIMITED
109	8917940	19-11-2018	TATA STARBUCKS PRIVATE LIMITED
110	9031561	28-11-2018	TATA STARBUCKS PRIVATE LIMITED
111	9081001	01-12-2018	TATA STARBUCKS PRIVATE LIMITED
112	9189724	10-12-2018	TATA STARBUCKS PRIVATE LIMITED
113	9460695	29-12-2018	TATA STARBUCKS PRIVATE LIMITED
114	9558751	08-01-2019	TATA STARBUCKS PRIVATE LIMITED
115	9653875	15-01-2019	TATA STARBUCKS PRIVATE LIMITED
116	9676177	17-01-2019	TATA STARBUCKS PRIVATE LIMITED
117	9796084	25-01-2019	TATA STARBUCKS PRIVATE LIMITED
118	2009457	11-02-2019	TATA STARBUCKS PRIVATE LIMITED
119	2085930	18-02-2019	TATA STARBUCKS PRIVATE LIMITED
120	2294197	05-03-2019	TATA STARBUCKS PRIVATE LIMITED
121	2481018	19-03-2019	TATA STARBUCKS PRIVATE LIMITED
122	2732751	05-04-2019	TATA STARBUCKS PRIVATE LIMITED
123	2815268	12-04-2019	TATA STARBUCKS PRIVATE LIMITED
124	2850634	15-04-2019	TATA STARBUCKS PRIVATE LIMITED
125	3226352	14-05-2019	TATA STARBUCKS PRIVATE LIMITED
126	3543558	06-06-2019	TATA STARBUCKS PRIVATE LIMITED
127	3720165	19-06-2019	TATA STARBUCKS PRIVATE LIMITED
128	3977906	08-07-2019	TATA STARBUCKS PRIVATE LIMITED
129	4176769	22-07-2019	TATA STARBUCKS PRIVATE LIMITED
130	4274900	29-07-2019	TATA STARBUCKS PRIVATE LIMITED
131	4321783	01-08-2019	TATA STARBUCKS PRIVATE LIMITED
132	4564746	20-08-2019	TATA STARBUCKS PRIVATE LIMITED
133	4632227	26-08-2019	TATA STARBUCKS PRIVATE LIMITED
134	4694320	29-08-2019	TATA STARBUCKS PRIVATE LIMITED
135	4703339	30-08-2019	TATA STARBUCKS PRIVATE LIMITED
136	4885755	13-09-2019	TATA STARBUCKS PRIVATE LIMITED
137	4929602	17-09-2019	TATA STARBUCKS PRIVATE LIMITED
138	5015183	23-09-2019	TATA STARBUCKS PRIVATE LIMITED

139	5035374	24-09-2019	TATA STARBUCKS PRIVATE LIMITED
140	5199809	07-10-2019	TATA STARBUCKS PRIVATE LIMITED
141	5372720	19-10-2019	TATA STARBUCKS PRIVATE LIMITED
142	7961070	07-09-2018	TATA STARBUCKS PRIVATE LIMITED
143	6276897	07-05-2018	TATA STARBUCKS PRIVATE LIMITED
144	6581730	29-05-2018	TATA STARBUCKS PRIVATE LIMITED
145	6783389	13-06-2018	TATA STARBUCKS PRIVATE LIMITED
146	7045896	02-07-2018	TATA STARBUCKS PRIVATE LIMITED
147	7265370	18-07-2018	TATA STARBUCKS PRIVATE LIMITED
148	7358536	25-07-2018	TATA STARBUCKS PRIVATE LIMITED
149	7459175	01-08-2018	TATA STARBUCKS PRIVATE LIMITED
150	7640608	14-08-2018	TATA STARBUCKS PRIVATE LIMITED
151	7637633	14-08-2018	TATA STARBUCKS PRIVATE LIMITED
152	7782371	25-08-2018	TATA STARBUCKS PRIVATE LIMITED
153	7828074	29-08-2018	TATA STARBUCKS PRIVATE LIMITED
154	7919226	05-09-2018	TATA STARBUCKS PRIVATE LIMITED
155	8004258	11-09-2018	TATA STARBUCKS PRIVATE LIMITED
156	8404369	10-10-2018	TATA STARBUCKS PRIVATE LIMITED
157	8653416	29-10-2018	TATA STARBUCKS PRIVATE LIMITED
158	4812255	05-03-2014	TATA STARBUCKS LIMITED
159	9325813	20-12-2023	TATA STARBUCKS PRIVATE LIMITED
160	9037332	02-12-2023	TATA STARBUCKS PRIVATE LIMITED
161	9431673	27-12-2023	TATA STARBUCKS PRIVATE LIMITED
162	9436002	28-12-2023	TATA STARBUCKS PRIVATE LIMITED
163	9530688	04-01-2024	TATA STARBUCKS PRIVATE LIMITED
164	9791586	23-01-2024	TATA STARBUCKS PRIVATE LIMITED
165	2145492	15-02-2024	TATA STARBUCKS PRIVATE LIMITED
166	2147070	15-02-2024	TATA STARBUCKS PRIVATE LIMITED
167	3247155	29-04-2024	TATA STARBUCKS PRIVATE LIMITED
168	3680898	27-05-2024	TATA STARBUCKS PRIVATE LIMITED
169	4547443	17-07-2024	TATA STARBUCKS PRIVATE LIMITED
170	6203733	18-10-2024	TATA STARBUCKS PRIVATE LIMITED
171	3123986	01-11-2022	TATA STARBUCKS PRIVATE LIMITED
172	3301025	14-11-2022	TATA STARBUCKS PRIVATE LIMITED
173	3637166	07-12-2022	TATA STARBUCKS PRIVATE LIMITED
174	3843006	21-12-2022	TATA STARBUCKS PRIVATE LIMITED
175	3860280	22-12-2022	TATA STARBUCKS PRIVATE LIMITED
176	3942839	28-12-2022	TATA STARBUCKS PRIVATE LIMITED
177	4147866	12-01-2023	TATA STARBUCKS PRIVATE LIMITED
178	4314659	23-01-2023	TATA STARBUCKS PRIVATE LIMITED
179	4662712	16-02-2023	TATA STARBUCKS PRIVATE LIMITED
180	4851400	01-03-2023	TATA STARBUCKS PRIVATE LIMITED
181	5351222	03-04-2023	TATA STARBUCKS PRIVATE LIMITED
182	5580047	19-04-2023	TATA STARBUCKS PRIVATE LIMITED
183	5721928	28-04-2023	TATA STARBUCKS PRIVATE LIMITED
184	6002909	18-05-2023	TATA STARBUCKS PRIVATE LIMITED
185	6201819	31-05-2023	TATA STARBUCKS PRIVATE LIMITED
186	6405662	14-06-2023	TATA STARBUCKS PRIVATE LIMITED
187	6433277	16-06-2023	TATA STARBUCKS PRIVATE LIMITED
188	6540884	23-06-2023	TATA STARBUCKS PRIVATE LIMITED
189	6727076	05-07-2023	TATA STARBUCKS PRIVATE LIMITED
190	6762034	07-07-2023	TATA STARBUCKS PRIVATE LIMITED
191	6938262	19-07-2023	TATA STARBUCKS PRIVATE LIMITED
192	7021080	24-07-2023	TATA STARBUCKS PRIVATE LIMITED
193	7104737	29-07-2023	TATA STARBUCKS PRIVATE LIMITED
194	7341561	14-08-2023	TATA STARBUCKS PRIVATE LIMITED
195	7469252	22-08-2023	TATA STARBUCKS PRIVATE LIMITED
196	7536324	26-08-2023	TATA STARBUCKS PRIVATE LIMITED
197	7574702	29-08-2023	TATA STARBUCKS PRIVATE LIMITED
198	7824242	14-09-2023	TATA STARBUCKS PRIVATE LIMITED
199	8028511	27-09-2023	TATA STARBUCKS PRIVATE LIMITED
200	8026852	27-09-2023	TATA STARBUCKS PRIVATE LIMITED
201	8133140	04-10-2023	TATA STARBUCKS PRIVATE LIMITED
202	8185293	07-10-2023	TATA STARBUCKS PRIVATE LIMITED
203	8183310	07-10-2023	TATA STARBUCKS PRIVATE LIMITED
204	8469059	26-10-2023	TATA STARBUCKS PRIVATE LIMITED
205	8513861	28-10-2023	TATA STARBUCKS PRIVATE LIMITED