

Exporters to benefit as CBIC now allows back-to-town clearance for diverted cargo

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In a major relief to exporters hit by disruptions in the Strait of Hormuz, the Central Board of Indirect Taxes and Customs (CBIC) has clarified that containers loaded at one Indian port but off-loaded at another on return can be cleared under the back-to-town (BTT) procedure.

The move resolves confusion that emerged over the past week after Customs authorities at the port of discharge were reluctant to clear containers originally shipped from another port, citing jurisdictional issues.

UNIFORM PROCEDURE

Issuing directions on Tuesday, CBIC asked all Custom Houses to adopt a uniform procedure to ensure faster



SMOOTH SAILING. CBIC has asked all Custom Houses to adopt a uniform procedure to ensure faster handling of cargo

handling of export cargo brought back to Indian ports due to the closure of the Strait of Hormuz or similar disruptions.

The clarification comes as relief to exporters such as Venkata Ramarao Pothina, CEO of the Vijayawada-based Venspra Impex, who has been struggling to retrieve 21 containers from Mundra; they were originally loaded at Chennai. Over the past week, Pothina has been

travelling between Chennai and Mundra to secure the release of his shipment bound for Jebel Ali.

To address such cases, CBIC said representations had been received on procedures for transshipment and BTT when vessels return to a different port than the original port of departure.

The directive is expected to streamline cargo handling and reduce delays for exporters impacted by geopolitical

disruptions affecting key shipping routes.

HAILS MOVE

Welcoming CBIC's direction, Dushyant Mulani, immediate past Chairman of the Freight Forwarders Association in India, said the industry body had represented to CBIC seeking a uniform practice across all ports, including inland container depots and container freight stations for export consignments stranded after Customs clearance.

However, he pointed out that non-vessel operating common carriers, shipping lines and custodians were yet to agree on reducing costs such as detention charges and ground rent.

He said that refraining from imposing higher charges will help Indian trade and industry.