

5% to 2.2%. Taking into account the duty incidence and prices of inputs, the drawback rate on brass builder hardware and handicrafts of brass has been increased from 11% with a cap of Rs. 33/kg to 15% with a cap of Rs.75/kg. The same is the case with artware/handicrafts of copper where the drawback rate has been increased from 11% with a cap of Rs.44/kg to 15% with a cap of Rs. 110/kg.

7.2 **Handicrafts** In the case of stainless steel cutlery falling under Chapter 82, the drawback rate has been increased to 15% in line with duty drawback on stainless steel utensils. The same is the case with brass hardware items and other similar items under chapter 83 where the drawback rate is being provided at 15% on par with brass handicrafts.

iv) **Machinery and Equipment (Chapters 84 and 85)**

8. For machinery items falling within Chapter 84, the existing drawback rates are mostly in the range of 1.5%-3% (all customs). The rates have been reduced proportionately in line with reduction in peak duty from 15% to 12.5%. On gaskets (84.84) the new rate is 6.5% as against the existing rate of 7%. In Chapter 85 (electrical machinery and equipment and electronic products) the existing rates are in the range of 3% to 6% (customs). The rates have been reduced in line with reduction in the peak duty.

v) **Bicycle and Bicycle Parts (Chapter 87)**

9. The drawback rates on bicycles and bicycle parts were revised last year following a detailed study of the manufacturing process and the duty suffered on the inputs. This year the rates have been increased by 0.5 percentage point.

vi) **Writing Instruments (Chapter 96)**

10. The drawback rate on ball point pen has been increased from 6% (all customs) with a cap of Rs. 65 per 100 pcs to 7% with a cap of Rs.75 per 100 pcs. The drawback rate on felt tipped pen has also been increased from 11% with a cap of Rs.180 per 100pcs to 12% with a cap of Rs.200 per 100 pcs.

vii) **Chemicals, Dyes, Essential Oils, Plastics and Rubber (Chapters 28-40)**

11. In the case of various chemicals and pharmaceutical products falling within Chapters 29, 30 and 32, considering that the units exporting such products are in the CENVAT chain, only the customs component of the drawback rate has been indicated in the Drawback Schedule. Taking into account the duty incidence and prices of inputs the drawback rates on 24 dyestuffs, 20 dye intermediates and 5 polymers have been revised upwards. The new drawback rates

