

No. 855

13 August 2004

STRATEGIC INDUSTRIAL PROJECT (SIP)

I, Mandisi Mpahlwa, Minister of Trade and Industry, by virtue of power vested in me, in terms of section 12G(16)d of the Income Tax Act, 1962 (Act 58 of 1962) as amended (hereinafter referred to as the Act) and the Regulations promulgated in the Government Gazette No. 22848 of 21 November 2001, hereby publish the decision to approve an application received for the SIP Programme

1. PARTICULARS OF APPLICANT

1.1 Name of applicant: Hernic Ferrochrome (Pty) Ltd

1.2 Hernic Ferrochrome (Pty) Ltd's Expansion is a project which manufactures Ferrochrome, with an estimated total investment of R 460 000 000. The value of qualifying industrial assets is R 430 000 000. The project is classifiable under SIC code 35100.

1.3 Description and costs of qualifying industrial assets:

Assets	Date of bringing assets into use	Value of qualifying assets (R)
Plant and machinery:	November 2004	R 430 000 000

1.4 Date of approval: 29/06 /2004

1.5 Envisaged date of commercial production: August 2005

1.6 Specified period: August 2005 To July 2008

1.7 Hernic Ferrochrome (Pty) Ltd's Expansion Project was awarded 7 points and afforded a preferred status. The approved amount of additional industrial investment allowance in respect of industrial assets to be used for Hernic Ferrochrome (Pty) Ltd's Expansion Project is R430 000 000 (Four Hundred and Thirty Million Rand), which is 100% of the cost of qualifying assets.

1.8 Potential national revenue to be forgone by virtue of deduction of the approved allowance for Hernic Ferrochrome (Pty) Ltd's will be R129 000 000 (One Hundred and Twenty-nine Million Rands).