

FILE NAME: Shree Digvijay (SDV)

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DOCUMENT DESCRIPTION: J-M Letter to Mr. Bangur RE Recent Events Possibly Influencing Future of the Asbestos Cement Industry in India

Johns-Manville Corporation

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Executive Offices

August 11, 1980

Mr. N. D. Bangur
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Dear Mr. Bangur:

We would like to draw your attention to a number of recent events which could have a profound influence upon the future of the asbestos cement industry in India. As you have undoubtedly read from various sources, asbestos, as a mineral, has been under attack from government regulatory bodies, environmentalists, headline-seeking media representatives, and less responsible self-serving individuals.

Enclosed is a copy of TODAY, a Johns-Manville publication. This issue deals specifically with the J-M Corporate policy with respect to asbestos and the controversy surrounding the product. As you can see from this publication, Johns-Manville has devoted vast resources - both in determining the causal factors leading to the incidence of asbestos related disease and in developing the technology to assure that asbestos can be mined, milled, shipped, and manufactured into a finished product in a safe manner.

Recently, we received from our Washington D.C. representative the attached copy of a report circulated to members of Congress. Although "Photographic Investigation of Shree Digvijay Cement Company" is a distortion laced with inaccuracies, both from our as well as your company's standpoint, the expose brings into question the integrity and responsibility of both companies in dealing squarely with the issue.

As early as September 1977, Messrs. Juris Laipenieks and Sudhir Desai of Johns-Manville Process Development Division, reported the following after a visit to Shree Digvijay Asbestos Cement plant: "The plant currently has a severe dust problem with asbestos fibre, as well as cement. Most of the fibre handling and usage is done by hand and with shovels without dust control of any kind. Further, the Indian Government Environmental Division has been recently tightening dust emissions (standards) and Shree Digvijay has been told to either shape up or close down with their management liable for jail sentences. Their present,

"operation is just indescribably poor. The wet end of the pipe machines is like London fog with fibre floating all over from the fibre bins which are open air chambers where workers are sent in to shovel willowed fibre into bags. Further, their willowing system, instead of operating under negative pressure, was actually a positive system, exhausting into the fibre bins without dust collection. We advised Shree to repair their negative system dust collector, which was 50% loaded with fibre, with half of the dust bags broken. We further advised Shree to provide a dust collector for cement handling since, at present, there is no dust collection at cement handling areas, which results in cement floating all over the equipment. The same was recommended for their pipe finishing operation, which has no dust collector and the existing air cyclones throw all of the fine dust into the atmosphere."

Recognizing the gravity of the situation, Johns-Manville offered the services of Mr. Promod Chandra from our General Engineering Environmental Control Section to evaluate all of the problems and to offer further guidance in cleaning up the operations at the expense of Shree Digvijay. Although Mr. Chandra was available immediately (January 1978), the offer was declined by Mr. V. N. Somani, as you will note from the copy of his letter to Mr. Laipenieks. It is Johns-Manville's position that situations of this nature cannot be allowed to continue and depend upon "if and when" a Johns-Manville Representative visits India, as stated in Mr. Somani's letter of January 21, 1978.

Further, you will also note that Mr. Somani states that following Mr. Laipenieks's visit and recommendations were made, Shree Digvijay had already contacted certain Indian firms who are experts in controlling dust problems: "In fact, after careful study and survey made by them, we have already entrusted certain jobs to them."

Again, on March 10, 1978, Mr. L. Siebert, International Sales Manager, Asbestos Fibre Division, and Mr. D. Berlin, Sales Representative, visited Mr. V. N. Somani in Bombay. They insisted Shree Digvijay start to clean up the operation. Mr. Somani again stated steps have been taken with local manufacturers of dust collectors and exhausting systems, and orders for some equipment had been placed.

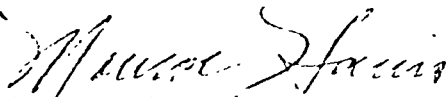
The purpose of the above elaboration is to emphasize the importance we place upon the necessity to clean up the physical plant, as well as restrict entry into the waste dump areas. It is our understanding that a British publication "NEW SCIENTIST" intends to use some of the material contained in the "Photographic Investigation" in a published article. This can only be damaging to those companies mentioned and possibly bring unreasonable standards and regulation to the Indian industry.

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We have demonstrated Johns-Manville's willingness to cooperate with the management of Shree Digvijay and assist in bringing this project to an early conclusion. As a shareholder of Shree Digvijay and a company vitally interested in the future of asbestos fibre, we would appreciate knowing the current status of the project to clean up the plant and the local environment, as well as a timetable for completion.

We look forward to your comments.

Very truly yours,



Monroe Harris
Senior Vice President

Enclosures:

cc: Mr. S. R. Bhandari (with enclosures)
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