Monsanto

FROM (NAME & LOCATION) St. Louis, Missouri

DATE : October 8, 1970

SUBJECT : AROCLOR MEETING - September 28
INDIA

REFERENCE :

cc: H. S. Bergen
P. B. Benignus
D. Danna
J. P. Berndt
S. P. Adarkar (Bombay)

TO : FILE

Present - H. S. Bergen
P. B. Benignus
D. Danna
S. P. Adarkar (Bombay)
J. P. Berndt
M. J. Auzine

Key Points

1. Current market for Aroclor is ≡ $100,000. Monsanto is sole supplier. No! not true.
2. Market should grow as electric power grows.
3. There is no know substitute for CDP for use in capacitors at this point in time.
4. In U.S., Monsanto has withdrawn the sale of CDP from those areas except closed sytem uses or reasonable substitutes.
5. Monsanto does not want to lose Indian market.
6. Current installed facilities around the world have more than enough capacities to supply India with all of its projected needs for the foreseeable future.
7. India does not need capacity for its electric industry at this point in time.
8. World prices - particularly from Japan - are quite low. The price is lower than can be manufactured in India. Reason - unit size high, depreciated facilities, incremental pricing.
9. Monsanto is searching for replacements for CDP - trying to research itself out of CDP.
10. Any Indian project should make biphenyl as well as CDP.
11. Does the GOI really want CDP?
12. What Ministry will control such a project?

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13. Is the GOI aware of the ecology problem?

14. If Monsanto would mount an Indian project it would want minimum and limited cash exposure.

15. Estimated value of project ≅ $1.6M
- assume 2/1 debt/equity ratio
Total cash required ≅ $.64M
Monsanto at 50% equity ≅ $.32M

Size of project =

16. Size of project indicates it should be a satellite unit of a larger operation - such as a rubber chemical project.

17. Don't complicate other projects by including it as part of original request.

18. Monsanto should probably make application for a Letter of Intent but with reservations re actual Indian needs and question of ecology and possible future products to replace CDP.

19. International Division to draft letter with review by Organic. Organic (Bill Papageorge) can supply press releases and ecology studies.

Merlin J. Auzine

MJA:mo

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