FILE NAME: Shree Digvijay (SDV)

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DOCUMENT DESCRIPTION: J-M Memo RE Mr. Bhandari, President of Shree Digvijay

Johns-Manville **Internal Correspondence**

To: R. A. Boardman (1-02)

Date: March 31, 1983

From: J. L. Brown (2-18)

Copies: J. T. Hulce (3-05); E. R. Bettinardi (3-05); J. C. Hamilton (3-05); File/Chrono

Subject: Shree Digvijay

S. F. Shree Digvijay

The President of Shree Digvijay, Mr. Bhandari, was in Denver earlier this week and met with Lutz Siebert, Ed Bettinardi and myself. Shree Digvijay is a major producer of cement and asbestos cement products in India. 10% of its stock is currently held by Johns-Manville Corporation and, according to my latest information, is on our books for 589,000 U.S. dollars. The stock of Shree Digvijay is currently trading at around 300 Rupees per share (we have 30,000 shares and the Rupee is currently worth approximately 10¢).

The Board of Directors of Shree Digvijay and Hastings Mill Limited have approved a scheme of amalgamation which must be approved by various courts in India as well as a majority in number (and 3/4ths in value) of the shareholders of the respective companies. Hastings Mill Limited has three major divisions consisting of its Jute Mill, Silk Mill, and Coir and Felt Division. While the amalgamation may dilute our percentage ownership in the combined corporate group, the group as a whole is expected to have a greater net worth and earning capability at least commensurate with the dilution. The amalgamation also helps to diversify Shree Digvijay placing less emphasis and dependence upon its asbestos cement operations. Due to tax losses in Hastings (which is owned or controlled by the same house) the amalgamation is expected to improve the tax position of the combined group.

After evaluation of the proposal, AFD management determined that we should support the amalgamation based on the recommendation of Mr. Bhandari, the description of the amalgamation contained in the attached shareholders' notice, and the probable ineffectiveness of any attempt on our part to resist the amalgamation.

Therefore, when Mr. Bhandari was here, we provided him with a proxy authorizing certain designated individuals to vote the shares of Johns-Manville Corporation in Shree Digvijay at a shareholders' meeting to be held for the purpose of approving the amalgamation on April 23, 1983. In connection with the proxy, there are certain formalities required by Indian procedure. One is a certified copy of a Resolution passed by Johns-Manville Corporation authorizing J. T. Hulce to sign the proxy and the specimen signature form attached hereto. The second is a certified copy of a Resolution incorporating the language of the proxy also in the form attached hereto. I would appreciate it if you would prepare the necessary Resolutions and obtain certified copies of those Resolutions for transmittal to Mr. Bhandari. Please provide these certified copies to me and I will transmit them directly.

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Enclosures