



**HEAD OF ADMINISTRATION  
OF ROSTOV REGION**

344050, Rostov-on-Don,  
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19 09 96, № 116049

**To the General Director of the  
Federal Office for insolvency  
(bankruptcy) proceedings**

**Mostovoy P.P.**

**Dear Petr Petrovich!**

Having familiarized myself with the proposal for stabilization of the financial-economic state of Atomash OJSC, developed jointly by the FUDN territorial agency of Rostov region, the bankruptcy referee and the management of Atomash OJSC according to the orders of the Government of Russian Federation, I kindly ask for your assistance in the implementation of the proposed measures in the aspect within the competence of the Government of RF.

I believe that the proposed measures will help a large enterprise like Atomash to overcome its crisis and restore its productive potential, if at the initial stage the enterprise is supported by the state, local government and the Federal Subject government.

I support the proposed measures, the decision on which is in the competency of the region and Volgodonsk city.

I draw your attention to the fact that the developed measures do not require state subsidies and are driven by necessity to preserve the property complex of Atomash OJSC as a specialized enterprise for nuclear machinery production.

In brief, the essence of the developed measures, the implementation of which is in the competency of the Government of RF is in the following:

1. Suspend the accumulation of sanctions on those accounts payable which are currently under the moratorium, especially considering the fact that this rule is prescribed by the project of the federal law "Bankruptcy (insolvency)" (p. 63)

2. Establish a tax amnesty in 1996 for accrued interest and penalties on the current payments to the budget and extrabudgetary funds since the beginning of external management.

3. Prolong till 2001 the decrees on the exemption from the property tax of mobilization capacities, production capacities conserved by the decision of Minatomenergo of RF (till the moment of their reopening) and other objects for which Atomash OJSC has benefits in 1996.

4. Allow Atomash OJSC to write off, through the reduction of capital surplus, the value of fixed assets and objects under construction which became unusable and disordered due to drawdown of the ground base and yielding of the basement of buildings and technical equipment (according to the company's reference, the value of these objects is 878.3 billion rubles).

5. Allow Atomash OJSC to write down, at the expense of capital surplus, the value of outstanding losses of previous years and losses emerged from the company's business results for the reporting period (according to the company's reference, outstanding losses of previous years are 47.4 billion rubles, current year losses as of 1.07.96 - 50.2 billion rubles, uncovered social expenses - 2.4 billion rubles).

6. Support the proposal of the bankruptcy referee to perform a secondary equity issuance (following the RF Presidential Order № 1054 from 20.07.96) so that Atomash OJSC can repay the arrears of wages and payments to the budget and extrabudgetary funds as of 1.07.96 which are not covered by the moratorium.

7. Sell 30% of Atomash OJSC stock on an investment tender.

8. Solve the problems of offering to Atomash OJSC a deferral of payments to the federal budget in 1996 - 1998 in a prescribed manner.

Head of administration

V. Chub

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This letter in English is a translation of an original text of a document in Russian, the existence of which I hereby confirm.

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