
Deadline for Kremikovtzi recovery plan expires on Nov 9

Tuesday, 10 Nov, 2009

It is reported that the deadline for shareholders of the troubled steel maker Kremikovtzi to make a final decision on the recovery plan proposed by the assignee in bankruptcy expires on November 9th 2009.

The bondholders already rejected once, at the end of October, the recovery plan, which calls for converting their claims into equity capital, a change in the terms of the bond contract, which needs the nod of investors holding 75% of the issuance to pass.

A month ago the administrator Mr Tsvetan Bankov invited all creditors to decide on whether they wanted to capitalize the money the factory owns them. According to the replies, the creditors wanted to transform into shares debts totaling BGL 1.6 billion.

The total debts of Bulgaria's former largest steel-maker amount to BGL 1.9 billion, whereas the market value of all of its assets has been estimated at BGL 837 million. The creditors of the steel plant include the state owned gas provider Bulgargaz, the state power utility NEK and the railway operator BDZ.

Kremikovtzi, one of Bulgaria's biggest companies, provides jobs for over 5,000 people and its future was a politically sensitive issue ahead of the general elections in the summer.

(Sourced from www.novinite.com)

For more news visit at www.steelguru.com