

Oschadbank wins UAH 1 bln ruling against Ukrtelecom owner in supreme court

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Analyst: A bill for about UAH 2,000 mln from Ukreximbank may also follow soon. It is hard to forecast whether SCM will obey such obligations, but if so, it will have to pump a lot of money out of its core assets, Metinvest (METINV) and DTEK (DTEKUA), as we reported on May 4.

KYIV, May 10, 2018 - Ukraine's Supreme Court ruled on May 3 in favor of a complaint by Oschadbank (OSCHAD) asking to reject a one-year delay demanded by the company ESU on a UAH 960 mln debt payment, Concorde Capital informed its clients based on an Oschadbank report on May 8. On March 15, the same court rejected the request for a one-year delay for another ESU debt owed to the bank for UAH 850 mln, the bank said. ESU is the owner of a 92.8% stake in Ukrtelecom (UTLM UK), which it bought from the state in early 2011 for UAH 10,575 mln (USD 1,322 mln based on then-exchange rate). The purchase was partially financed by loans from state Oschadbank and Ukreximbank (EXIMUK), which bought the two-year bonds of ESU for UAH 2,000 mln and UAH 2,244 mln, respectively. In 2013, the bonds were reissued for another two years, but have been not redeemed so far. Since a late 2013 acquisition, ESU has been controlled by SCM Holding, which belongs to Rinat Akhmetov [pictured]. Based on a December ruling of the Kyiv Appellate Economic Court (which is now being appealed by SCM in the Supreme Court), ESU has violated the sales-purchase agreement with the state and therefore should return its 92.8% stake in Ukrtelecom to the State Property Fund. Meanwhile, the debt owed to state banks "should be resolved by former owners of ESU, SCM commented to Interfax-Ukraine on May 8. Concorde analyst Alexander Paraschiy added: SCM is due to repay USD 821 mln to Raga for Ukrtelecom (which Raga sold to SCM in 2013), according to a UK court ruling, as well as at least USD 69 mln (UAH 1,810 mln) to Oschadbank. A bill for about UAH 2,000 mln from Ukreximbank may also follow soon. It is hard to forecast whether SCM will obey such obligations, but if so, it will have to pump a lot of money out of its core assets, Metinvest (METINV) and DTEK (DTEKUA), as we reported on May 4. This promises little positive to SCM's steel and energy holdings.

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