

19 Bankruptcy Claims Filed Against Subsidiaries of Debt-Stricken Mechel

By [The Moscow Times](#)

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Subsidiaries of Russian mining-to-metals company Mechel have racked up 19 bankruptcy lawsuits for failing to honor contract obligations after the company was caught up in a crisis of confidence last fall due to its more than \$9 billion debt, a news report said Tuesday.

Half of the cases have since been withdrawn by the claimants, most likely after Mechel fulfilled its obligations. Half are still being considered, Vedomosti reported, citing records from the Supreme Arbitration Court.

The majority of the claims submitted over the last few months have been directed at the subsidiaries Mechel-Remservis, Yuzhny Kuzbass and Yakutugol.

Mechel lost \$2.2 billion in the first three quarters of 2013. Since being convulsed by a crisis of investor confidence that saw its share price plunge 40 percent on Nov. 13, the company has renegotiated loan terms with its major creditors, most of which are Russian state-owned

banks.

Last week, Mechel's shares rallied by 6.5 percent on the Moscow Stock Exchange, Bloomberg reported.

Editor's note: This story, which was translated and condensed from a Russian report in Vedomosti, has been updated from an earlier version online and in the print edition to clarify a few details, including: to eliminate the suggestion that Mechel was at one time near collapse because of its debt and the fact that debt negotiations ended late last year and are not ongoing.

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