

K-Electric claims Rs158.8 bn against federal, provincial govts' entities

ISLAMABAD: K-Electric on Wednesday said that it had Rs158.8 billion outstanding against various federal and provincial public sector entities.

It has Rs31.9 billion outstanding against Karachi Water and Sewerage Board (KWSB), the power utility said in a statement.

The K-Electric's receivables are nearly two times its payables. It says that its payables are Rs82.2 billion, while interestingly the Power Division the other day told a parliamentary panel that the payables of K-Electric are Rs125 billion.

K-Electric says that of the this payable amount of Rs82.2 billion, actual principal payments that are due against the utility of SSGC is Rs13.7 billion (out of which Rs4.67 billion is to be adjusted against refundable GIDC), while the remaining dues relate to National Transmission and Distribution Company (NTDC) and other federal and provincial entities.

KE spokesperson has said, "KE has not defaulted on its current payments to SSGC since 2012, and during this period, KE has paid over Rs277 billion to SSGC which includes all the current running bills and payments for arrears to the tune of Rs13.55 billion. The current outstanding principal balance of SSGC is around Rs13.7 billion (out of which Rs4.67 billion is adjustable against refundable GIDC, whereas the remaining amount as claimed by SSGC appears to be grossly inflated through the inclusion of markup or interest which has been challenged in the court of law.

Considering that this matter is still subjudice and pending judgment, it is highly inappropriate that grossly exaggerated allegations have been made against KE. Until the culmination of the litigation process, through a judgment on the merits, deeming this disputed amount as dues would be premature and contrary to the facts and law."

The power utility reiterates that the financial settlements between KE and public sector entities must be treated in a fair and uniform manner and the yardstick applied on KE's payables, should also apply to KE's receivables from provincial, federal & other public sector entities.

K-Electric is in constant liaison with concerned stakeholders for a fair and equitable resolution of this matter. Most importantly, all stakeholders must acknowledge that KE is Pakistan's sole vertically integrated power utility, providing power to the country's financial and industrial hub and thus should be treated equitably, in a fair manner and all settlements whether federal or provincial should be tabled together under one umbrella.

KE, as the sole power provider to Karachi and its adjoining areas with over twenty million inhabitants, is committed to serving its customers and powering the country's economic hub. In this regard, the power utility has invested more than \$2.1 billion in infrastructure upgrades across the energy value chain over the last nine years and has exempted more than 70pc of its service area from loadshedding including 100pc exemption for industries.

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