

Serbian energy company EPS faces bankruptcy?

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Elektroprivreda Srbije needs 50 billion dinars credit on expedited basis. The money for refinancing debts and it doesn't expect guarantee from the state. If EPS doesn't ensure 50 billion dinars credit urgently, it can go bankrupt in the end of next month already, Aleksandar Obradovic Acting Managing Director of EPS stressed on press conference.

He appealed on EPS Managing Board to appoint conference where 50 billion dinars' loan should be approved, as well as making decisions for establishment of public supplier and operator of distribution system.

- Government adopted a conclusion to reorganization of public EPS company to the shareholding company. Establishing one operator and one supplier and business efficiency are also expected- Obradovic said- EPS hasn't accomplished tasks from Government yet. New leadership stressed in the annual business plan for 2013 that urgent debt refinancing of 50 billion dollars is necessary. EPS Managing Board adopted this plan.

EPS will be additionally shook up by the law for payment deadlines that is being used until the end of March. EPS, like all other public companies will be obligated to pay all its debts in 45 days' period.

- EPS won't be able to accomplish these obligations, it would pay taxes, blockage of account is possible and the way toward bankruptcy is open- Obradovic said.

- Credit is the only way to avoid account blockage. It wouldn't be a loan with national guarantees but indebtedness on the market. Even electricity price increase cannot compensate 50 billion dinars. To enter the price increase procedure, EPS supply establishment is necessary. If we make this decision today, we'll get "green light" for it after a month or two.

Managing Director didn't allow establishment of supplier and operator or except any new

borrowing on the last conference. President of Managing Board Aca Markovic stressed that debt cannot be approved without government.

No sudden job losses

There won't be closure of industrial societies working in EPS, sudden job losses and nothing will be done over night. When public supplier and operator get work licenses, analysis of labor of all industrial societies within EPS will be done and we'll see how industrial companies function within EPS as shareholding society- Obradovic said- Same people that work in industrial EPS societies at the moment will work in these dependent corporations. They will take over business gradually in the next few years.

The king is naked

I found many people in EPS that work in a system for a long time and they don't see a forest from the trees and they don't except reality. The new leadership had to come and say "the king is naked and we are confronting bankruptcy- Obradovic said.

- When I became EPS Director, EPS was faced with 10 billion dinars of unpaid overhaul obligations, the expected loss of investments and expropriation for 2012 was 33 billion dinars, 40 billion dinars of missing money assets in the balance of money flow with the estimation of basic assets to around 11 billion EUR which the extern reviser didn't accept.

Source Serbia Energy/ Novosti