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## OGDCL Secures Rs7.7 Billion in Debt Settlement

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Oil and Gas Development Company Limited (OGDCL) has received its first interest payment of Rs7.725 billion from Power Holding Private Limited (PHL) under Pakistan's circular debt resolution plan. The payment, disclosed to the Pakistan Stock Exchange (PSX), marks progress in settling long-standing energy sector liabilities. OGDCL confirmed the

amount is part of a Rs92 billion interest repayment schedule spanning 12 monthly installments.

The transaction follows the government's June 2024 approval for PHL to clear Rs82 billion in principal dues through privately placed term finance certificates (TFCs). These instruments were originally issued in 2013 to address overdue receivables between energy entities, with repayment terms later extended to 10 years. Market analysts view the latest payment as a critical step toward stabilizing Pakistan's energy finance chain, where circular debt had ballooned to Rs170 billion in principal and interest obligations by March 2024.



Energy sector experts note that the structured repayment mechanism demonstrates improved fiscal discipline in handling inter-company liabilities. OGDCL's role as a key creditor highlights its financial strength amid sector-wide liquidity challenges. The government-backed settlement framework provides a replicable model for resolving similar debt entanglements between power distributors, refineries, and gas suppliers.

With the first tranche successfully processed, stakeholders await consistent follow-through on remaining installments. This development signals potential relief for Pakistan's energy ecosystem, though sustained commitment remains essential to fully untangle the circular debt knot. The coming months will test whether this mechanism can deliver lasting solutions or merely temporary liquidity patches.