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KE Pioneers Pakistan's First Short-Term Retail Sukuk

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K-Electric Limited (KE) has launched Pakistan's first retail listed short-term Islamic debt instrument, the KE Retail Sukuk, opening new investment avenues for individuals and strengthening the nation's capital markets.

On August 3, 2025, K-Electric Limited (KE), Pakistan's only vertically integrated power utility, introduced the country's first retail listed short-term Islamic debt instrument, named the KE Retail Sukuk, as announced in a press release by the Pakistan Stock Exchange (PSX). The pre-Initial Public Offering (IPO) phase, valued at PKR 1 billion, was successfully completed, targeting industrial, large commercial consumers, and high-net-worth individuals. Starting August 4, the IPO phase opens to individual investors across Pakistan, including KE's residential and commercial customers, with a blackout period

restricting participation to individuals only until August 18, after which asset management companies and other investors can join, according to Daily Times.

The KE Retail Sukuk, structured under the Shirkat-ul-Aqd Islamic framework, allows investors to directly participate in KE's core electricity provision operations, offering high returns and tax advantages, as stated by KE's Chief Financial Officer (CFO), Muhammad Aamir Ghaziani. Investors can opt for a unique bill adjustment feature, applying monthly Sukuk profits against their electricity bills, or receive profits via bank transfers, per the company's prospectus. The Sukuk's compliance with Shariah principles was approved by three Shariah boards: HBL Shariah Board, ASAS Shariah Advisory Services, and Mufti Ali Asghar, ensuring alignment with Islamic finance standards.

Ghaziani highlighted KE's pioneering role in Pakistan's debt capital markets, noting that since 2014, KE has issued significant Sukuks, including PKR 6 billion KE AZM Certificates and a PKR 25 billion long-term Sukuk in 2020, as reported by Global Times. The current PKR 3 billion Sukuk, with PKR 2 billion for public subscription, aims to fund working capital needs, such as fuel payments and power purchases, amid KE's \$2 billion network investment plan for 2024–2030, which focuses on grid expansion and renewable energy projects.

This launch marks a milestone in Pakistan's Islamic finance landscape, promoting financial innovation and investor participation. By aligning with the Securities and Exchange Commission of Pakistan (SECP) and PSX's vision, KE strengthens secondary capital markets while supporting Karachi's power infrastructure, fostering economic stability and investor confidence.