

RATING REPORT

Veda Transit Solutions (Private) Limited

REPORT DATE:

March 28, 2025

RATING ANALYSTS:

Saeb Muhammad Jafri

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RATING DETAILS

Rating Category	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
Entity	D		BBB	A2
Outlook/Rating Watch	-		Stable	
Rating Action	Default		Reaffirmed	
Rating Date	March 28, 2025		December 13, 2023	

COMPANY INFORMATION

Incorporated in 2017	External auditors: Nasir Javaid Maqsood Imran Chartered Accountants
Private Limited Company	Chairman: Muhammad Naeem Khan
Key Shareholders (with stake 5% or more):	CEO: Muhammad Mikail Khan
Raaziq International (Pvt.) Limited – 31%	
JW-SEZ (Pvt.) Limited – 29%	
MCBFSL Trustee PNO Pakistan Fund – 16%	
Transit Associated (Pvt.) Limited – 14%	

APPLICABLE METHODOLOGY

VIS Entity Rating Criteria: Corporates

<https://docs.vis.com.pk/docs/CorporateMethodology.pdf>

VIS Rating Scale

<https://docs.vis.com.pk/docs/ratingscale.pdf>

Veda Transit Solutions (Private) Limited

OVERVIEW
OF THE
INSTITUTION

RATING RATIONALE

Company Profile:

Founded in 2017, Veda Transit Solutions (Pvt.) Limited (Veda) specializes in mass transit services, with a primary focus on government-subsidized public transportation projects. The company primarily engages in competitive bidding processes conducted by Provincial Government entities, particularly the Punjab Mass Transit Authority (PMA). Veda is responsible for the deployment, maintenance, and operation of transit vehicles on behalf of the government.

The company was initially established as a joint venture between Raaziq Group and Transit Associated (Pvt.) Limited. In 2018, Pakistan Catalyst Fund (a partnership between JS Bank and USAID) joined as an equity partner. Later, in FY21, JW-SEZ (Pvt.) Limited and PNO Capital also acquired stakes to support the financing of a new project. These sponsors bring diverse expertise spanning logistics, manufacturing, engineering, public transportation, real estate development, and product sales.

JW-SEZ (Pvt.) Limited, which previously held a 29% stake in Veda, has agreed to sell a number of shares to Raaziq International (Pvt.) Limited, allowing Raaziq to surpass the 50% ownership threshold and become the majority shareholder. While the transaction is pending formal approvals, Raaziq has assumed control of the company according to the management, including operational and strategic decision-making, and is functioning as the parent entity.

Rationale for Default Rating

Ratings of 'D' reflect the Company's overdue financial obligations, communicated by the management. The matter was brought to the attention of VIS by the new management of VTSL in the due diligence meeting, who further informed that there have been key changes in the management as well as the entire accounts and finance department. Management has also shared that they are in the process of restructuring their financial dues and we will review the assigned ratings upon the conclusion of this process.

REGULATORY DISCLOSURES					Appendix I
Name of Rated Entity	Veda Transit Solution (Private) Limited				
Sector	Mass Transit				
Type of Relationship	Solicited				
Purpose of Rating	Entity Ratings				
Rating History	Rating Date	Medium to Long Term	Short Term	Outlook/Rating Watch	Rating Action
	<u>RATING TYPE: ENTITY</u>				
	2025-03-28	D			Default
	2023-12-13	BBB	A2	Stable	Reaffirmed
	2022-08-24	BBB	A2	Stable	Initial
Instrument Structure	N/A				
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.				
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.				
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Due Diligence Meetings Conducted	Name	Designation		Date	
	Ateeq ur Rehman	Chief Operating Officer		18 th Feb, 2025	
	Muhammad Junaid	Head of Accounts & Finance			