

JDW SUGAR Mills Ltd.

April 25, 2022

JDWS/04/22

1-The General Manager

Pakistan Stock Exchange Ltd.
Stock Exchange Building,
Stock Exchange Road,
KARACHI.

2- The Executive Director/HOD

Offsite-II Department - Supervision Division,
Securities & Exchange Commission of Pakistan,
63, NIC Building, Jinnah Avenue, Blue Area
ISLAMABAD.

Dear Sirs,

MATERIAL INFORMATION

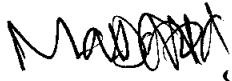
In accordance with Section 96 and 131 of the Securities Act, 2015 read with Clause 5.6.1(a) of PSX Regulations, we are pleased to convey that VIS Credit Rating Company Limited has upgraded the ratings of JDW Sugar Mills Limited from 'A/A-2' (Single A/A-Two) to 'A+/A-1' (Single A Plus/A-One) and Outlook on the assigned ratings is 'Stable'. Press Release of VIS Credit Rating Company Limited is attached.

You may please inform the TRE Certificate Holder of the Exchange accordingly.

Yours sincerely,

For & on behalf of:

JDW Sugar Mills Limited



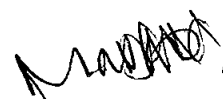
(Maqsood Ahmad Malhi)

Company Secretary / Legal Head

Encl: a.a

**DISCLOSURE FORM
IN TERMS OF SECTION 96 AND 131 OF THE SECURITIES ACT, 2015**

Name of Company	JDW Sugar Mills Limited
Date of Report	April 25, 2022
Date of Earlier Report	NA
Exact Name of Company as specified in its Memorandum	JDW Sugar Mills Limited
Registered Address of Company	17-Abid Majeed Road, Lahore Cantt.
Contact Information	Mr. Maqsood Ahmad Malhi Company Secretary / Legal Head 042-36664891-95 maqsoodmalhi@jdw-group.com
Disclosure of Inside Information in terms of the Securities Act, 2015, Rule Book of Pakistan Stock Exchange Limited	As mentioned in attached Letter



VIS Credit Rating Company Limited

International Affiliates: Islamic International Rating Agency - Bahrain, Credit Rating Information & Services Ltd.
- Bangladesh, Borhan Credit Rating Company Ltd. – Iran

Press Release

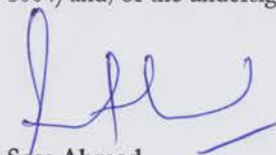
VIS Upgrades Entity Ratings of JDW Sugar Mills Limited

Karachi, April 15, 2022: VIS Credit Rating Company Limited (VIS) has upgraded the entity ratings of JDW Sugar Mills Limited (JDWS) from 'A/A-2' (Single A/A-Two) to 'A+/A-1' (Single A Plus/A-One). The medium to long-term rating of 'A+' denotes good credit quality coupled with adequate protection factors. Moreover, risk factors may vary with possible changes in the economy. The short-term rating of 'A-1' denotes high certainty of timely payment, excellent liquidity factors and supported by good fundamental protection factors. Outlook on the assigned ratings is 'Stable'. The previous rating action was announced on July 27, 2021.

The assigned ratings incorporate JDWS market position as the leading player in the country's sugar industry, significant experience of sponsors in the sugar and agriculture sector and a professional management team. The company has longstanding relationships with growers along with focus on research activities in sugarcane development. Business risk profile of the company draws support from diversification of operations into power sector. In MY22, sugarcane production in the country is estimated to be ~11% higher than the preceding period due to increase in area under cultivation on account of favorable weather conditions and higher economic returns. Sugar production is also estimated to increase in line with higher cane production and largely intact recovery rates. However, the ratings do incorporate inherent cyclical in crop levels and price vulnerability in sugar sector leading to competitive challenges for the company.

Revenue mix of the company is dominated by sugar and allied products, followed by power division and corporate farms. The company's topline recorded growth mainly on account of higher average selling prices for sugar despite decrease in volumetric sales. Gross margins have also improved primarily on account of higher key product prices which have offset increase in cane procurement cost. Liquidity profile draw strength from improvement in cash flow coverages in relation to outstanding obligations. The leverage indicators have improved notably on account of augmentation in equity and lower borrowings. Maintaining liquidity and capitalization profiles at comfortable levels would remain imperative for the assigned ratings. In addition, short-term rating will remain dependent upon maintaining net operating cycle at current levels along with achieving projected increase in current ratio. Meanwhile, VIS will continue to monitor developments related to imposed penalty by Competition Commission of Pakistan and any other matter. Any negative decision by the court of law will be incorporated in the rating action accordingly.

For further information on this rating announcement, please contact Ms. Tayyaba Ijaz, CFA at 042-35723411-13 (Ext. 8004) and/or the undersigned at 021-35311861-66 (Ext. 207) or email at info@vis.com.pk



Sara Ahmed
Director

VIS Entity Rating Criteria: Corporates (August 2021)
<https://docs.vis.com.pk/docs/CorporateMethodology202108.pdf>

Information herein was obtained from sources believed to be accurate and reliable; however, VIS Credit Rating Company Limited (VIS) does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the rating(s)/ranking(s) mentioned in this report. VIS is paid a fee for most rating assignments. This rating/ranking is an opinion and is not a recommendation to buy or sell any securities. Copyright 2022 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.