



MIDWEST LTD

Price Band

₹1014 to ₹1065

Issue Opens

Oct 15, 2025 to Oct 17, 2025

Face Value

₹5

Issue Size

₹451.00 Cr.

Lot Size

14 Shares

Listing At

NSE, BSE

Midwest Ltd Info

Issue Size

42,34,740 shares / ₹451.00 Cr

Fresh Issue

23,47,417 shares / ₹250.00 Cr

Offer for Sale

18,87,323 shares of ₹5 / ₹201.00 Cr

Retail Quota

Not Less than 35% of the Net Issue

Retail Min/Max

Rs.14,910 / 1,93,830

Midwest Ltd Timeline

Tentative Allotment

Mon, Oct 20, 2025

Initiation of Refunds

Thu, Oct 23, 2025

Credit of Shares to Demat

Thu, Oct 23, 2025

"Midwest Ltd" Listing Day

Fri, Oct 24, 2025

Objects of The Offer



The Offer aggregates up to ₹4,510 million and comprises a Fresh Issue of Equity Shares aggregating up to ₹2,500 million and an Offer for Sale (OFS) of Equity Shares aggregating up to ₹2,010 million by the Selling Shareholders.

- **Investment in Subsidiary (Midwest Neostone Pvt. Ltd.)** – ₹1,302.98 million to fund Phase II capital expenditure of the Quartz Processing Plant.
- **Capital Expenditure for Electric Dump Trucks** – ₹257.55 million for purchase of electric dump trucks by the Company and its material subsidiary, Andhra Pradesh Granite (Midwest) Pvt. Ltd. (APGM).
- **Solar Energy Integration** – ₹32.56 million to install solar power facilities at select mining sites to improve energy efficiency.
- **Prepayment / Repayment of Borrowings** – ₹562.23 million for partial or full repayment of certain borrowings of the Company and APGM, reducing interest costs and improving leverage.
- **General Corporate Purposes** – Balance proceeds (not exceeding 25% of Net Proceeds) to meet ongoing business requirements, expansion initiatives, and corporate contingencies.

About The Company and Business Overview

Midwest Limited is a leading natural resources company with over four decades of experience in the exploration, mining, processing, marketing, and export of dimensional natural stones. The Company is best known for its leadership in premium granite varieties, particularly Black Galaxy and Absolute Black, and is recognized as India's largest producer and exporter of Black Galaxy Granite. Its operations span the entire value chain – from mine development and mechanized extraction to processing, logistics, and global distribution – with a strong focus on sustainability and responsible mining practices.

The Company operates primarily through two business segments – Natural Stone and Diamond Wire. The Natural Stone segment is the principal revenue driver, contributing nearly 96% of operating revenue over FY23-FY25. Within this, Black Galaxy Granite alone contributed about 70% of sales in FY25. The Company controls approximately 64% of India's Black Galaxy export market and 15.7% of national Absolute Black production, supported by 20 mines across Andhra Pradesh and Telangana. The Diamond Wire segment, initially established for backward integration, has evolved into a standalone business catering to both internal and external demand, with a manufacturing facility in Hyderabad.



In addition to its core granite business, Midwest is actively diversifying into high-potential minerals and value-added processing segments. Through its wholly owned subsidiary, Midwest Neostone Pvt. Ltd., it has entered the quartz extraction and processing space with a two-phase Quartz Processing Plant (QPP) at Ongole, Andhra Pradesh. Phase I (303,600 MTPA) became operational in FY26, while Phase II – funded by the IPO proceeds – will produce High-Purity Quartz (HPQ) for solar glass and semiconductor applications. The Company is also expanding into Heavy Mineral Sand (HMS) mining in Sri Lanka, targeting titanium-bearing ores, and developing Laza Grey Marble and Celestia Quartzite under an asset-light B2B2C model.

With export operations across 17 countries and 5 continents, Midwest generates over half of its revenue from international markets, leveraging China as a key export hub. Backed by a vertically integrated business model, technological innovation, sustainability initiatives (including solar energy integration), and an experienced management team, the Company is strategically positioned to maintain leadership in natural stones while capturing growth opportunities in quartz and mineral sands – sectors aligned with the global shift toward clean energy materials and sustainable construction.

Financial Ratios

FINANCIAL RATIOS	ROCE	ROE	P/E	INDUSTRY P/E	EV/EBITDA
Pokarna Limited	28.40	27.40	12.20	12.73	7.31
Midwest Limited	18.84	19.42	27.02	12.73	N/A



Brief profile of the Directors

- **Rana Som** is serving as the Chairman and Independent Director of the Company. A bachelor's degree and a master's degree in arts (economics) from the University of Calcutta and a postgraduate diploma in personnel management from the National Institute of Personnel Management were obtained by him. More than 40 years of experience in the mining and metal industries has been gained by him. He was previously associated with Hindustan Copper Limited, NMDC Limited (as Chairman-cum-Managing Director), ArcelorMittal Nippon Steel India and Essar Steel Minnesota LLC.
- **Kollareddy Ramachandra** is serving as the Whole-time Director and Chief Executive Officer of the Company. An advanced diploma in computer science and engineering from Priyadarshini College of Computer Sciences was completed by him. More than 20 years of experience in the mining industry has been gained by him. Execution on various operational fronts, including liaison with government authorities, cost optimization, marketing strategy, and customer management, is being overseen by him.
- **Kukreti Soumya** is serving as the Whole-time Director of the Company. A bachelor's degree in commerce from Osmania University was obtained by her. More than 12 years of experience in the mining industry has been gained by her. She develops and executes technology and research initiatives for the Company and was instrumental in establishing diamond tools manufacturing operations in Sri Lanka and its integration with mining operations.
- **Uma Priyadarshini Kollareddy** is serving as the Whole-time Director of the Company. A bachelor's degree in electronics and communications engineering from Jawaharlal Nehru Technological University, Hyderabad, a master's degree in science (financial engineering) from the Columbia School of Engineering and Applied Sciences, and a master's degree in business administration from the Columbia Business School were obtained by her. More than 15 years of experience in investment banking, business strategy and fund-raising has been gained by her. She was previously associated with Banc of America Securities LLC and is currently a member of the Investment Committee of T-Hub (Government of Telangana's Startup Fund) and an independent director on the board of Awaze Limited.
- **Duvva Pavan Kumar** is serving as an Independent Director of the Company. A bachelor's degree in law from NALSAR University of Law, Hyderabad was obtained by him, where he was awarded gold medals for 'Best All-Round Student' and 'Best Student in Corporate Law'. More than 20 years of experience in the legal profession has been gained by him. He has been a practising advocate for over two decades and was previously associated with Amarchand Mangaldas & Suresh A. Shroff & Co., Mumbai and Trilegal before founding The Law Chambers in 2017.
- **Smita Amol Lahoti** is serving as an Independent Director of the Company. A bachelor's degree and a master's degree in commerce from the University of Pune were obtained by her, where she stood first in order of merit and received several academic awards, including the 'Institute of Chartered Accountants of India' prize. She is a fellow member of the Institute of Chartered Accountants of India. More than 25 years of experience in accounting and auditing has been gained by her. She has been a practising Chartered Accountant since 2004 and a partner at M/s. Muttha & Lahoti, Chartered Accountants since 2005.

Strengths



- **Market Leadership in Premium Natural Stone Segment** – India's largest producer and exporter of Black Galaxy Granite, commanding ~64% of the Indian export market in FY25; also the largest producer of Absolute Black Granite, contributing 15.7% of India's overall black granite output.
- **Extensive Resource Ownership and Reserve Base** – Holds captive Black Galaxy quarries in Chimakurthy and possesses the largest reserves of premium granite varieties, along with deposits of Tan Brown, Laza Grey Marble, and Celestia Quartzite, ensuring long-term supply security.
- **Fully Integrated Value Chain** – Operates across the entire granite value chain – from mine development and mechanized extraction to processing, sales, and export – enabling operational efficiency and quality control at every stage.
- **Operational Excellence and Cost Efficiency** – Mechanized mining using a fleet of 77 excavators, 58 dump trucks, 95 wire saws, and 33 mechanical drills; continuous process optimization and reduced fuel and spare consumption have driven lower manufacturing costs and improved margins.
- **Technological Leadership and Digital Integration** – First in the Indian natural stone industry to deploy SAP ERP integrated with IoT-enabled sensors for real-time equipment monitoring; ongoing electrification and automation initiatives strengthen operational precision and sustainability.
- **In-house R&D and Exploration Expertise** – Dedicated exploration and quality testing team of geologists, chemists, and QC specialists with an average industry experience of 16+ years; internal R&D drives product development and environmentally sound mining practices.

Key Risk Factors

- **High Customer and Market Concentration** – Revenue is heavily dependent on a few key customers (top 10 contributed 63.22% in Q1 FY26 and 51.21% in FY25) and international markets, particularly China, which accounts for over 50% of exports. Any decline in demand or trade disruption in China could materially impact revenues.
- **Dependence on a Single Product and Region** – Nearly 70% of total revenue is derived from Black Galaxy Granite, extracted solely from the Chimakurthy region in Andhra Pradesh. Any regulatory or operational disruption at this site could severely affect production and profitability.
- **Geographical Concentration of Operations** – Mining, processing, and corporate activities are concentrated in Telangana and Andhra Pradesh, exposing the Company to regional political, social, and environmental risks.
- **Operational Risks and Low Processing Utilization** – The majority of granite blocks are sold as raw material, resulting in low utilization of processing facilities and reduced value addition. Heavy reliance on third-party transporters and ports (Chennai and Krishnapatnam) adds logistical and cost risks.
- **Exposure to Power, Fuel, and Forex Volatility** – High operating costs related to power and diesel; solar initiatives cover only a fraction of requirements. Significant exposure to foreign exchange fluctuations due to USD-denominated exports.

Statement of Profit and Loss



(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
INCOME			
Revenue from operations	6,261.82	5,856.24	5,025.17
Other income	169.60	177.06	197.16
Total Income (A)	6,431.42	6,033.30	5,222.33
EXPENSES			
Quarry expenses	650.43	550.81	635.00
Seigniorage and cess fees	1,005.55	1,045.06	953.61
Cost of materials consumed	76.76	72.23	82.92
Purchases of stock-in-trade	19.33	68.65	42.46
Consumption of stores and spare parts	756.03	753.55	909.18
Changes in inventories of FG, SIT & WIP	151.51	184.86	(114.85)
Employee benefits expense	509.54	414.99	389.20
Finance costs	109.31	91.64	90.61
Depreciation & amortisation	255.91	221.80	215.43
Other expenses	1,374.87	1,251.66	1,231.83
Total Expenses (B)	4,909.24	4,655.25	4,435.39
Profit before JV & tax (C = A - B)	1,522.18	1,378.05	786.94
Share of profit of joint ventures	0.05	-	-
Exceptional Items			
Adjustment due to loss of control of subsidiary	257.88	-	-
Profit before tax	1,780.06	1,378.05	786.99
Tax Expense (D)			
Current tax	456.11	371.43	228.19
Tax pertaining to earlier years	0.10	13.44	6.04
Deferred tax	(9.14)	(10.06)	8.40
Total tax expense	447.07	374.81	242.63
Profit after tax (E = C - D)	1,332.99	1,003.24	544.36
Other Comprehensive Income (F)			
Remeasurement gains/(losses) on defined benefit plans	(8.94)	(1.58)	4.64
Income tax on above	2.29	0.36	(1.17)
Exchange differences (foreign operations)	28.95	8.04	57.39
Total OCI (Net of Tax)	22.30	6.82	60.86
Total Comprehensive Income (G = E + F)	1,355.29	1,010.06	605.22
Attributable to:			
Owners of the Company	1,224.12	965.29	540.83
Non-controlling interests	108.87	37.95	3.53
Other Comprehensive Income attributable to:			
Owners of the Company	22.39	6.61	60.62
Non-controlling interests	(0.09)	0.21	0.24
Total Comprehensive Income attributable to:			
Equity holders of the parent	1,246.51	971.90	601.45
Non-controlling interests	108.78	38.16	3.77
Earnings per equity share (₹ FV)			
Basic EPS (₹)	39.42	29.67	16.10
Diluted EPS (₹)	39.42	29.67	16.10

Valuation and Outlook



Midwest Ltd IPO is expected to be priced between **₹1014 to ₹1065 per share**. At this price, the company is valued at a Price-to-Earnings (P/E) ratio of **27.02x**, whereas the industry average is **12.73x**.

Name of Company	Revenue from Operations (₹ mn)	Face Value (₹)	Closing Price (₹)	EPS (Basic) (₹)	EPS (Diluted) (₹)	NAV per Share (₹)	P/E	RoNW (%)
Midwest Limited	6,261.82	5.00	-	39.42	39.42	163.75	-	22.11
Pokarna Limited	9,301.28	2.00	719.00	60.49	60.49	250.93	12.20	24.11

Midwest Limited stands as a dominant force in India's natural stone industry, backed by a legacy of over four decades, strong vertical integration, and a commanding market share in Black Galaxy and Absolute Black Granite. The Company's leadership in the premium granite segment, combined with operational efficiency, technological adoption, and disciplined financial management, provides a solid foundation for sustainable growth. Its consistent EBITDA and PAT growth, low working capital cycle, and 100% mining lease renewal record underline operational stability and credibility in a cyclical, resource-driven business.

Looking ahead, Midwest's strategic diversification into Quartz and Heavy Mineral Sands (HMS) positions it to capitalize on long-term structural demand in renewable energy, solar glass, and semiconductor sectors. The upcoming Phase II Quartz Processing Plant and planned investments in electric dump trucks and solar integration are expected to enhance productivity, reduce costs, and improve sustainability metrics. The Company's global customer base across 17 countries and growing brand presence also provide resilience against regional slowdowns.

However, the business remains exposed to risks arising from geographical concentration, heavy reliance on Black Galaxy Granite, and dependence on a few international markets—particularly China. Successful execution of new mineral ventures, disciplined capital allocation, and effective risk diversification will be crucial to sustain growth momentum. Overall, Midwest is well positioned to leverage its resource strength, integrated operations, and expansion strategy to evolve into a diversified, sustainable mining and minerals enterprise with global competitiveness.

"Call us on 8448899576" to find out whether or not you should apply.

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