Midwest Ltd.

14th October, 2025

IPO Details

IPO Date	October 15, 2025 to October 17, 2025
Face Value	₹5 per share
Price Band	₹1014 to ₹1065 per share
Lot Size	14 Shares
Sale Type	Fresh Capital-cum-Offer for Sale
Total Issue Size	42,34,740 shares (aggregating up to ₹451.00 Cr)
Fresh Issue	23,47,417 shares (aggregating up to ₹250.00 Cr)
Offer for Sale	18,87,323 shares of ₹5 (aggregating up to ₹201.00 Cr)
Employee Discount	₹101.00
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	3,38,12,415 shares
Share Holding Post Issue	3,61,59,832 shares
QIB Shares Offered	Not more than 50.00% of the Net Offer
Retail Shares Offered	Not less than 35.00% of the Net Offer
NII (HNI) Shares Offered	Not less than 15.00% of the Net Offer
Retail (Min & Max) shares	14 Shares & 182 shares
Retail (Min & Max) application amount	₹14,910 & ₹1,93,830
S-HNI (Min shares & application amount)	196 shares & ₹2,08,740
S-HNI (Max shares & application amount)	938 shares & ₹9,98,970
B-HNI (Min shares & application amount)	952 shares & ₹10,13,880
Basis of Allotment	Mon, Oct 20, 2025
Initiation of Refunds	Thu, Oct 23, 2025
Credit of Shares to Demat	Thu, Oct 23, 2025
Listing Date	Fri, Oct 24, 2025
Cut-off time for UPI mandate confirmation	5 PM on Fri, Oct 17, 2025
Promoters	Mr. Kollareddy Rama Raghava Reddy, Mr. Kollareddy Ramachandra, Mrs. Kukreti Soumya and Mrs. Uma Priyadarshini Kollareddy
Registrar	Kfin Technologies Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

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Company Profile

Midwest Limited is engaged in the business of exploration, mining, processing, marketing, distribution and export of natural stones, with an emphasis on sustainability. They are India's largest producer and exporter of Black Galaxy, and held a share of approximately 64% of the Indian export market for Black Galaxy Granite in FY25, exporting 44,992 cubic meters of Black Galaxy Granite during FY25. They are also the largest producer in Absolute Black Granite in India, both of which have high demand. Their Absolute Black Granite production accounted for 15.7% of the overall black granite production in India during FY25.

The company's business activities primarily comprise extracting and processing Dimensional Granite, particularly the Black Galaxy and Absolute Black varieties (Natural Stone Segment). In addition to the Natural Stone business, they also manufacture Diamond Wire, which is a precision cutting tool employed in the natural stone and construction industries to size stones and other hard substances with precision in mines and processing/ fabrication facilities (Diamond Wire Segment).

Objects of the issue

- Investment in Midwest Neostone, the company's wholly owned subsidiary, by way of a loan, towards funding capital expenditure for the Phase II Quartz Processing Plant – Rs. 130.29 Cr
- Capital expenditure for purchase of Electric Dump Trucks to be used by the company and investment in APGM, their Material Subsidiary, by way of a loan, for purchase of Electric Dump Trucks – Rs 25.75 Cr
- Capital expenditure for integration of solar energy at certain Mines of the company – Rs. 3.2 Cr
- Pre-payment/re-payment of, in part or full, certain outstanding borrowings of the company and investment in APGM, by way of a loan, for pre-payment/ re-payment of, in part or full, certain outstanding borrowings of APGM – Rs. 56.2 Cr
- General Corporate Purposes – Rs. 34.56 Cr
- Offer for sale – Rs. 201 Cr

Financial Details

Particulars (Amount in Crores)	31-Mar-25	31-Mar-24	31-Mar-23
Revenue from Operations	626.2	585.6	502.5
Other income	16.9	17.7	19.7
Total Income	**643.1**	**603.3**	**522.2**
Expenses			
- Quarry Expenses	65.0	55.0	63.5
- Seigniorage and cess fees	100.5	104.5	95.4
- Cost of material Consumed	7.6	7.2	8.3
- Purchases of stock-in-trade	1.9	6.8	4.2
- Consumption of stores and spare parts	75.6	75.3	90.9
- Changes in ventroies of finished goods, stock-in-trade-work-in-progress	15.1	18.4	-11.4
- Employee benefit expenses	50.9	41.4	38.9
- Other expenses	137.5	125.2	123.2
Total expenses	**454.1**	**433.8**	**412.9**
EBITDA	**172.1**	**151.8**	**89.6**
EBITDA Margin (%)	**27.48%**	**25.93%**	**17.82%**
- Finance cost	10.9	9.2	9.6
- Depreciation and amortization	25.6	22.2	21.5
Exceptional Items (Due to loss of control of subsidiary)	-25.8	0.0	0.0
Profit/(Loss) before tax	**152.5**	**138.2**	**78.2**
Tax expense/(credit)	44.7	37.4	24.2
Profit/(Loss) After Tax	**133.6**	**100.8**	**54.0**
PAT Margin (%)	**20.77%**	**16.71%**	**10.34%**
Basic EPS (in Rs.)	**39.42**	**29.67**	**16.1**

Key Metrics	Mar-25	Mar-24	Mar-23
Debt to Equity	0.43	0.29	0.45
EBITDA Margin	27.48%	25.93%	17.82%
Working Capital Cycle	120.00	89.00	106.00

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Competitive Strengths

- **Largest Producer & Exporter of Granite:** Black Galaxy is available in only one village in Andhra Pradesh in the entire world (Source: CRISIL Report). The company is India's largest producers and exporters of Black Galaxy Granite. They have produced 66,548 cubic meters of Black Galaxy Granite during FY25, and held a share of approximately 64% of the Indian export market for Black Galaxy block Granite during FY25. They operate 3 Black Galaxy Granite Mines which allowed them to export 44,992 cubic meters during FY25.

- **End-to-End Dimensional Granite Operations:** The company's mine to distribution capabilities span across the Dimensional Granite value chain and allow them to effectively cater to their customers' requirements. Through the company's 16 operational Granite Mines, they are able to extract and supply dressed dimensional Granite blocks to their customers. They also operate two processing facilities where smaller Granite blocks are cut and polished, rendering the Granite suitable for use in final products such as counter-tops, steps, window-sills, dining islands, facades and floor/ wall cladding.

- **High Entry Barriers Due to Capital-Intensive Nature :** Mining is a highly capital-intensive business involving significant expenditure at each stage of the process, namely, exploration, development, exploitation and reclamation. There is a long gestation period to transition from the exploration stage to the production stage. The company has 20 operational Mines, and a resource base across the Indian states of Telangana, Andhra Pradesh, Karnataka and Tamil Nadu. They held a share of approximately 64% of the Indian export market for Black Galaxy Granite in FY25.

- **Emphasis on R&D and Technology Integration:** The company places emphasis on R&D, which primarily comprises (i) tracing, identifying and establishing new mineral deposits to expand their resource portfolio; and (ii) developing methods to increase operational efficiency, reduce costs and improve the quality of the products. They have a dedicated R&D and Exploration team, comprising 8 personnel, including 6 geologists, 1 quality control specialist and 1 chemist who have, on average, 16.10 years of industry experience.

Key Risk Factors

- **Regulatory Notice involving Promoter:** One of the company's Promoters, Mr. Kollareddy Rama Raghava Reddy, had received a notice in 2015 from the Central Bureau of Investigation (CBI) in relation to the formation and operations of their Subsidiary, BEML Midwest Limited. Any regulatory actions in relation to this notice, could adversely affect the Promoter's reputation or divert the time and attention of their management, and accordingly, may affect the business and results of operations.

- **Risks Related to Stone Reserves and Mine Economics:** The company's estimates of natural stone reserves in the Mines may be materially different from the quantity and quality of natural stone that may actually be recovered from such Mines. Further, their estimates of mine life, i.e., the operational lifespan of a Mine, may prove to be inaccurate and market price fluctuations and changes in operating and capital costs may render certain or all of their natural stone reserves uneconomical to exploit.

- **Regulatory Approval Risks :** The company's business operations are subject to regulation. They are required to obtain, renew or maintain statutory and regulatory approvals to operate their business, and they may experience delays in obtaining, renewing or maintaining such approvals or be unable to obtain such approvals due to litigation and change in regulatory landscape.

- **Ongoing Legal Proceedings :** There are outstanding legal proceedings involving the Company, Subsidiaries, Directors and Promoters. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Any adverse outcome in such proceedings may adversely affect the reputation, business, results of operations, cash flows and financial condition.

- **Legal and Regulatory Risks from BEML Midwest Dispute:** The company and one of the Promoters, Mr. Kollareddy Rama Raghava Reddy, are involved in a dispute with BEML Limited ("BEML"), the joint venture partner in BEML Midwest Limited (BEML Midwest). In this connection, various legal proceedings have been initiated and the Ministry of Corporate Affairs(MCA) had ordered an investigation into the affairs of BEML Midwest. The results of such investigation included certain adverse recommendations against Mr. Kollareddy Rama Raghava Reddy. Such proceedings, or any further regulatory actions in relation to this dispute, could adversely affect the business.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Midwest Ltd.	NA	5.00	28.70*	37.1**	37.1**	22.11%	163.75
Peers:							
Pokarna Limited	735	2.00	12.15	60.49	60.49	24.11%	250.9

*P/E Ratio calculated based on upper band price.
** EPS calculated including fresh issue shares.

Summary

India's granite industry is a significant global player, with a $40 billion size, abundant reserves, and a large export market that ships to over 150 countries. The industry is particularly strong in states like Andhra Pradesh, Telangana, and Rajasthan, and is a major source of employment, especially in rural areas. Key granite products include a wide variety of colors and patterns, used for everything from countertops to monuments.

Midwest Limited is engaged in the business of exploration, mining, processing, marketing, distribution, and export of natural stones. The company is a producer and exporter of Black Galaxy Granite, a unique granite variety known for its sparkling golden flakes. The company operates 16 granite mines across 6 locations in Telangana and Andhra Pradesh, producing a wide range of granite varieties, including: Black Galaxy, Absolute Black and Tan Brown. The company also has one granite processing facility in each of the states of Telangana and Andhra Pradesh. They also have built a strong resource base comprising 25 locations across Andhra Pradesh, Telangana, Karnataka, and Tamil Nadu for future mining operations.

The company plans to use the IPO proceeds to fund capital expenditure for the Phase II Quartz Processing Plant of its subsidiary, Midwest Neostone. Phase I of the facility has an installed capacity of 303,600 metric tonnes per annum(MTPA) and has commenced operations during the quarter ended September 30, 2025. The company proposes to expand the installed capacity by a further 303,000 MTPA during Phase II, thereby creating a total installed capacity of 606,600 MT. It also intends to spend part of the funds on purchasing Electric Dump Trucks and integrating solar energy systems at some of its mines.

The company is expanding its product portfolio by developing capabilities in Heavy Mineral Sand mining and processing by setting up two subsidiaries in Sri Lanka and securing four exploration licenses for minerals like Rutile, Ilmenite, Zircon, and Garnet. These products find application in varied industries such as paints, aerospace, chemical, automotive, electronics and medical industries on account of its light weight, high strength, resistance to corrosion and compatibility with human organs.

While the valuations are steep for the company, it highlights the growth potential in the coming quarters from the capacity expansion.

Therefore, it is recommended to **"Subscribe"** to the IPO for long-term investment, considering it's valuation and growth potential.

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