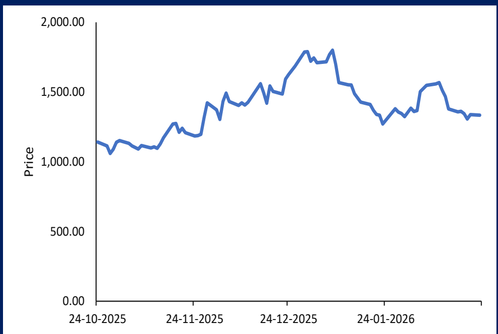
Company Name: Midwest Ltd.

CMP: ₹ 1334.30 (23 Feb, 2026)	M Cap: ₹ 4,825 Cr.	Target : ₹ 1700

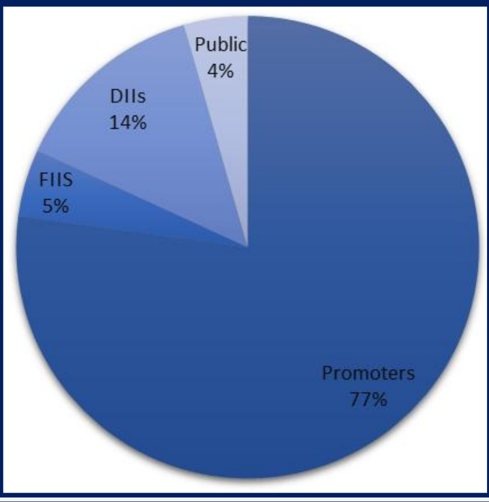
Key Information*##

NSE Code	MIDWESTLTD
BSE Code	544587
Shares o/s (Cr)	3.62
FV (₹)	5
Latest EPS (TTM) ₹	25.83
Latest PE Ratios (x)	51.66
Latest BV ₹	217.48
51 Wk H (₹)	1856.60
52 Wk L (₹)	1048.65

Price Chart*



Shareholding Pattern Dec'25



Mines Portfolio

Source: Capitaline Data Base, EFL Research, Company Investor Presentation

Hyderabad-based Midwest Ltd is a vertically integrated natural stone and mining company, specializing in the exploration, mining, processing, and export of natural stones, particularly granite and quartz. The company commands leadership position in Black Galaxy and Absolute Black Granite, with diversified operations across Granite, Diamond Wire, Quartz, and emerging Heavy Mineral Sands (HMS).

Investment Rationale

Strategic Transformation

Historically associated with mining, Midwest is presently undergoing strategic shift towards emerging as a vertically integrated rare-earth magnet and green-energy materials platform, aligned with the country's clean-energy and manufacturing ambitions. The focus is on targeting applications across EVs, wind energy, electronics, solar and MRI segments alongside becoming India's sole listed rare-earth focused platform. The company is focussed on expanding from premium black granite market to high-purity quartz and HMS. The company is executing its "Mine-to-Magnet" integrated strategy with 500-tonne pilot plant operational. The capacity planned to scale to 5,000 tonnes over 24–36 months. Till date ₹250 cr has been invested and the next phase entails an estimated capex of approximately ₹2,000 cr. Similar to large Indian firms integrating solar cell manufacturing, Midwest is building an integrated supply chain from mining to processing rare earth magnets and quartz, reducing import dependency.

First Mover Advantage

Midwest initiated this major business transition to a diversified high-growth materials player from being a focused granite exporter, leveraging its strong cash flows, supported by a successful IPO in October 2025. This was ahead of the Government's announcement of ₹7,300cr rare-earth incentive scheme (Nov 2025). As the first mover, the company can take the advantage of early alignment with global supply-chain diversification and policy tailwinds.

Wide Product Range

The company's product portfolio includes a significant presence in dimensional stone, alongside offerings in quartz and diamond wire tools to meet diverse industry needs. As a vertically integrated, high-tech processor, Midwest transforms raw materials like granite, quartz, and precision-crafted diamond wire tools into advanced, strategic assets for industries worldwide. From engineered stone to solar glass, high-performance titanium, and cutting-edge tools, its innovative processes deliver value-added premium materials that fuel growth in sectors such as construction, aerospace, semiconductors, and renewable energy. Additionally, it is foraying into HMS, with exploration licenses secured and environmental licenses pending approval.

Macro Tailwinds

The Union Budget 2026-27 reinforces the Production Linked Incentive (PLI) scheme with a massive total outlay of ₹1.97 lakh crore across 14 key sectors to boost domestic manufacturing and strengthen global competitiveness. Midwest is positioned to benefit due to the budget's focus on Critical Minerals and Rare Earth Elements.

Business Growth and Market Leadership

Midwest is India's largest producer and exporter of Black Galaxy Granite, holding a 64% share in FY25. Domestic granite demand is accelerating sharply. Domestic market is on a very high growth trajectory and the growth rate is exceeding expectation. The momentum is expected to be maintained over the next few quarters.

Capacity Expansion

- Midwest's newly-acquired 10.9 Ha Black Galaxy granite mine, adjacent to its existing operations, enables infrastructure sharing and operating leverage. Management expects revenue contribution to come soon (Q4 FY27) due to minimal development needs.
- HMS Phase 1 (capacity: 150,000 TPA), is expected to commence production in Q4 FY26. Potential revenue accretion is ₹350-400 Cr. The consideration Midwest is paying to the AP government is lower compared to what it pays to APMDC so it improves per-ton economics. This will ultimately push the margins up.
- The company has also secured Grey Quartzite mine lease and the commercialization is expected to happen over the 9-12 months. This is also the period in which the company will test the vitality. High-purity quartz turnout is expected by Q3/Q4 FY27 for supplementing the quartzite stone coming from Brazil into India.

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Presence Across Complete Supply Chain

The company is building it into a business model of B2B2C, wherein Midwest holds the brand, has the exclusive mining rights, and can use this product to position in the market. While Midwest is controlling the end price it is also going asset-light in positioning this product in the Indian market. Grey Quartzite, being a unique material will profit commercial benefits to the market.

Captive Solar Power

The company has planned a certain capacity of captive solar power. It will work aggressively towards expanding this capacity and the extent of the potential impact will be evident next quarter. Cost saving is a given. Whatever issues arose on integration plant of solar and the engineered stone have been ironed out leaving room for further cost rationalization which will further boost the margins.

Growth Potential

Management repeatedly emphasized that end-demand is strong and that Midwest's near-term value creation hinges on ramping volumes and commissioning new capacities. According to the Management, the company will start witnessing double-digit volumes following 2030; diversified mine pipeline fuels long-term multi-mineral.

Another aspect in this sector is the Government's announcement of PLI scheme to make permanent magnets. Initially the company's plan was to keep to oxides only while it studied the viabilities of a forward integration once the PLI scheme came. The company will get clarity during Q4 itself.

The Company has diversified its portfolio to include (HMS) mining, with significant operations in Sri Lanka and plans for expansion in Sierra Leone. It has formed a company in Sierra Leone and expecting some concessions that are available on sanction based on technical capability. The opportunity is good and the company is positive about it. Itis a large resource setup of HMS with a monazite by-product.

Valuations & Recommendation

Midwest Limited is a prominent Indian mining and natural stone company (largest producer-exporter of Black Galaxy granite) that is actively expanding into the high-purity quartz (HPQ) industry and incorporating sustainable, captive solar energy into its operations. The Company is undergoing a significant strategic restructuring that mirrors the transition strategies of large Indian energy conglomerates, moving from traditional operations toward sustainable, integrated, and high-growth energy-aligned materials. It is well positioned to move from being a traditional mining firm into a specialized supplier for the renewable energy and technology sectors. The company is proactive and bullish on converting fossil fuel-driven machinery and trucks and excavators that it uses into EVs, that will lead to significant cost saving and positively impact the profitability of the company. We expect gradual scaling of operations and the effects of cost rationalization boosting profitability in the near future.

At the current price the stock trades at 34x its FY26 E EPS and 31x FY27E EPS.

Financials

	Q3 FY26	Q3 FY25	YoY	Q2 FY26	QoQ	9m HY26	9m HY25	YoY	FY25	FY26E	FY27E
Operating Revenue	129	117	10.0%	159	-18.8%	430	396	8.5%	626	689	758
EBIDTA	31	23	30.7%	47	-34.3%	313	299	4.9%	175	222	258
EBIDTA M	23.7%	20.0%		29.3%		72.9%	75.5%		28.0%	32.2%	34.0%
Profit for the Period	17	15	19.8%	28	-37.3%	69	85	-18.1%	133	143	158
Profit Margin	13.5%	12.4%		17.5%		16.2%	21.4%		21.2%	20.7%	20.9%
EPS (Dil)	4.80	4.01	19.8%	7.66	-37.3%	19	23	-18.1%	37	39	44

Sources: NSE, Capitaline Database, Company Website Mint, ET, Yahoo Finance, Investing.Com & CNBC TV18, EFL Research

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EFL's recommendation nomenclatures (12 months investment horizon)	
BUY	>15%
Accumulate	5% to 15%
Hold	5% to -5%
Reduce	-5% to 15%
Sell	< -15%
NR (Not Rated)	No specific call on the stock
UR (Under review)	Stock being reviewed – rating may change shortly

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