

November 05, 2025

To,  
The Listing Department  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001

To,  
The Listing Department  
National Stock Exchange of India Ltd.,  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 400051

Scrip Code: 544587

Symbol: MIDWESTLTD

Dear Sir / Madam,

**Sub.: Intimation for upgradation of Credit Rating of the Company under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that, CRISIL Ratings Limited (CRISIL) vide its letter dated November 04, 2025, has upgraded the Corporate Credit Rating of Midwest Limited to ‘**CRISIL A/Stable**’ from ‘**CRISIL A-/Positive**’.

The report from the CRISIL covering the rationale for revision in credit rating is enclosed.

This is for your information and records.

Thanking you,

Yours faithfully,  
For **Midwest Limited**

**Rohit Tibrewal**  
**Company Secretary & Compliance Officer**  
**M.No.: A31385**



## Rating Rationale

November 04, 2025 | Mumbai

### Midwest Limited

Rating upgraded to 'Crisil A/Stable'

#### Rating Action

<b>Corporate Credit Rating</b>	<b>Crisil A/Stable (Upgraded from 'Crisil A-/Positive')</b>
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*Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings.*

*The Board of Directors also does not discuss any ratings at its meetings.*

*1 crore = 10 million*

*Refer to Annexure for Details of Instruments & Bank Facilities*

#### Detailed rationale

Crisil Ratings has upgraded its corporate credit rating of Midwest Ltd (ML; formerly, Midwest Granite Pvt Ltd) to '**Crisil A/Stable**' from 'Crisil A-/Positive'.

The upgrade reflects the strengthening of the financial risk profile with the recently concluded initial public offering (IPO) in which the company has raised equity of Rs 250 crore. The fresh equity has strengthened the network and capital structure. With the proceeds of the issue to be utilised towards part debt reduction and funding of the capital expenditure (capex) in the subsidiary, Crisil Ratings believes the financial risk profile is likely to further strengthen over the medium term. Also, phase 1 of the quartz processing plant is completed and operational, which will diversify the risk of product concentration from black galaxy granite that contributed 69.55% to the total revenue in fiscal 2025. With funding tied up for phase 2 capex in the quartz segment, the product concentration risk is expected to come down in the upcoming fiscals.

The rating reflects the longstanding presence of ML, extensive experience of the promoters, integrated operations, geographical diversification in revenue and healthy financial risk profile. These strengths are partially offset by product concentration, vulnerability to intense competition, exposure to inherent cyclicity in demand from end-user markets, moderate working capital cycle and vulnerability of operating margin to fluctuations in foreign exchange (forex) rates.

#### Analytical approach

Crisil Ratings has combined the business and financial risk profiles of ML, along with its subsidiaries and joint ventures (JVs). This is because all these entities, collectively referred to as the Midwest group, operate in the same industry and have operational and financial linkages.

*Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.*

#### Key Rating Drivers - Strengths

**Longstanding presence and extensive experience of the promoters:** Mr K Raghava Reddy, one of the promoters of ML, has more than four decades of experience in the mining industry. He is supported by his son, Mr K Ramachandra, who has over 20 years of experience in the mining industry. Ms K Soumya (daughter of Mr Raghava Reddy) is a graduate in commerce and was instrumental in establishing ML's diamond tools manufacturing operations and facilitating its backward integration with mining operations.

ML has been engaged in the business of mining and quarrying of rough granites since 1981. It has established relationships with quarry owners and overseas customers. This has allowed the Midwest group to maintain its market position and healthy demand for its products.

**Geographical diversification in revenue and integrated operations:** ML, along with its subsidiaries and JVs, caters to a wide number of clients, both in India and overseas. It consistently derives around 60% of its revenue from exports. The top 10 customers generated revenue of 51.21% in fiscal 2025. Diversity in geographic reach and clientele should continue to support the business risk profile.

The group also processes and polishes granite through its plants that are in proximity to the mines, as a part of forward integration; it also manufactures diamond wire (used for cutting the granite blocks with less wastage) as a part of backward integration. The group drills and extracts rough natural stone from its mines in India. Its nature of operations allows it to

penetrate deep into the value chain. However, sale of dressed granite blocks will continue to be the highest revenue contributor for the group.

**Established player in the black galaxy granite segment:** The group commands a strong market position, with share of 15.7% of the overall black galaxy exports volume from India in fiscal 2025. ML is one of the leading players for this variety of granite in the entire world. The group has employed the latest technology and mechanised processes for the development and extraction of stone from the mines to have better recovery rates of the stone. Furthermore, the vast network of distributors developed over years, and association with key players in both the domestic and export markets will continue to support the business risk profile. The group also participates in reputed international trade shows, which helps improve its visibility and garner orders from new clients.

**Healthy financial risk profile:** Capital structure and debt protection metrics were comfortable. Adjusted tangible network (adjusted for revaluation surplus and intangible assets) stood at Rs 466.74 crore as on March 31, 2025. Phase 1 of the quartz capex is completed and has achieved commercial operations date as per timelines. Network has further strengthened after the recently concluded initial public offering (IPO), which helped to raise capital of Rs 250 crore. The IPO proceeds will fund the phase 2 capex in Midwest Neostone Pvt Ltd and part of the existing debt. Hence, capital structure will remain strong over the medium term. On the back of healthy profitability, debt protection metrics are also expected to be strong, with interest coverage ratio of above 10 times over the medium term.

**Moderate working capital management:** Gross current assets deteriorated to 226 days as on March 31, 2025, from 167 days as on March 31, 2024, due to increase in receivables towards fiscal-end. Majority of the receivables are backed by letter of credit (LC) and are, therefore, secured in nature. The company discounts LC and receives the payments. For domestic sales, the company makes sales based on advances. Furthermore, the group maintains average inventory of 20-25 days, which is generally order backed. Working capital cycle is also supported by interest-free advances from the customers.

#### **Key Rating Drivers - Weaknesses**

**Concentration in product profile:** The business risk profile is constrained by heavy reliance on revenue contribution from the black galaxy segment, which contributes 69.55% to the consolidated revenue in fiscal 2025. Any unexpected shortage in demand or slowdown in the end-user industry will impact the business performance. However, the group is diversifying its product profile by venturing into the quartz segment and extraction of heavy mineral sands. Capex is completed for phase I of quartz processing and commercial production commenced in April 2025. Timely completion of capex and quick ramp up in operations in the quartz segment, thereby reducing dependence on the black galaxy segment, will remain monitorable.

**Vulnerability to intense competition and cyclicity in the end-user industry:** ML, along with its subsidiaries and JVs, caters to the real estate, construction and infrastructure industries, whose performance is strongly correlated with economic cycles. Besides, the industry is intensely competitive and dominated by unorganised entities and reputed brands. Ability to maintain the market share and business performance amidst the competitive scenario remains a key rating sensitivity factor. Any moderation in demand from the real estate sector and its impact on pricing and offtake will be closely monitored.

**Exposure to regulatory risk related to the mining sector:** Mining activity comes under the purview of the Ministry of Mines. The mining industry is highly susceptible to changes in government regulations (changes in royalty, export duty, ban on mining), which exposes players such as ML to regulatory risks. The industry is largely regulated by the government, which, coupled with obtaining land for mining, poses a major entry barrier.

**Vulnerability of operating margin to fluctuations in forex rates:** Since a significant portion of revenue comes from the international market, any sharp fluctuation in forex rates affects realisations, profitability and cash accrual.

#### **Liquidity** Strong

Liquidity should remain supported by the ample surplus available in cash accrual. Accrual is expected above Rs 150 crore per annum against yearly debt obligation of around Rs 30 crore, over the medium term. Cash and equivalent stood at Rs 19.16 crore as on June 30, 2025. Strong gearing and healthy network also aid financial flexibility.

#### **Outlook** Stable

Crisil Ratings believes the business risk profile will remain healthy over the medium term, backed by established market position in the black galaxy granite segment. The financial risk profile is likely to remain strong on account of the recently concluded IPO.

#### **Rating sensitivity factors**

##### **Upward factors**

- Quick ramp-up in demand for quartz and healthy continuing demand for black galaxy granite resulting in revenue above Rs 1,000 crore, while maintaining healthy profitability
- Sustenance of financial risk profile

##### **Downward factors**

- Cancellation of any lease for the mines allotted to the group impacting the business risk profile
- Moderation in business performance, with revenue less than Rs 500 crore or sharp decline in profitability.

**About the group**

ML was set up in 1981 by Mr K Ragahava Reddy. The company, along with its subsidiaries and JVs, is engaged in quarrying, extraction, processing and trading of natural stones (granite and slabs). The group has completed phase 1 of the quartz processing unit (grit and powder), which commenced operations in April 2025. It also manufactures diamond wire.

**Key financial indicators**

As on/for the period ended March 31- Crisil Ratings Adjusted	Unit	2025	2024
Operating income	Rs crore	626.18	585.62
Reported profit after tax (PAT)	Rs crore	133.29	100.32
PAT margin	%	21.29	17.13
Adjusted debt/adjusted networkth	Times	0.51	0.36
Interest coverage	Times	15.32	16.34

**Any other information:** Not applicable

**Note on complexity levels of the rated instrument:**

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

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**Annexure - Details of Instruments**

ISIN	Name of the instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue size (Rs.Crore)	Complexity Level	Rating assigned with outlook
NA	NA	NA	NA	NA	NA	NA	NA

**Annexure - List of Entities Consolidated**

Names of entities consolidated	Extent of consolidation	Rationale for consolidation
Andhra Pradesh Granite (Midwest) Pvt Ltd	Full	Subsidiary in same business
Midwest Ltd	Full	Parent company
Midwest Neostone Pvt Ltd	Full	Wholly owned subsidiary
AP Midwest Galaxy Pvt Ltd	Full	Subsidiary
Midwest Heavy Sands Pvt Ltd	Full	Subsidiary
Trinco Mineral Sands Pvt Ltd	Full	Subsidiary
Midwest Holdings Ltd	Full	Wholly owned subsidiary
Reliance Diamond Tools Pvt Ltd	Full	Wholly owned subsidiary
Deccan Silica LLP	Full	Subsidiary
NDR Mining CO	Full	Subsidiary
Maitreya Minerals	Full	Subsidiary
Baahula Minerals	Full	Subsidiary

**Annexure - Rating History for last 3 Years**

Current				2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Corporate Credit Rating	LT	0.0	Crisil A/Stable	17-04-25	Crisil A-/Positive	19-04-24	Crisil A-/Stable		--		--	--

All amounts are in Rs.Cr.

**Criteria Details****Links to related criteria**

[Basics of Ratings \(including default recognition, assessing information adequacy\)](#)

[Criteria for consolidation](#)

[Criteria for manufacturing, trading and corporate services sector \(including approach for financial ratios\)](#)

Media Relations	Analytical Contacts	Customer Service Helpdesk
<p><b>Ramkumar Uppara</b> Media Relations <b>Crisil Limited</b> M: +91 98201 77907 B: +91 22 6137 3000 <a href="mailto:ramkumar.uppara@crisil.com">ramkumar.uppara@crisil.com</a></p> <p><b>Kartik Behl</b> Media Relations <b>Crisil Limited</b> M: +91 90043 33899 B: +91 22 6137 3000 <a href="mailto:kartik.behl@crisil.com">kartik.behl@crisil.com</a></p> <p><b>Divya Pillai</b> Media Relations <b>Crisil Limited</b> M: +91 86573 53090 B: +91 22 6137 3000 <a href="mailto:divya.pillai1@ext-crisil.com">divya.pillai1@ext-crisil.com</a></p>	<p>Himank Sharma Director <b>Crisil Ratings Limited</b> B: +91 124 672 2000 <a href="mailto:himank.sharma@crisil.com">himank.sharma@crisil.com</a></p> <p>Nagarjun Alaparathi Associate Director <b>Crisil Ratings Limited</b> B: +91 40 4032 8200 <a href="mailto:nagarjun.alaparathi@crisil.com">nagarjun.alaparathi@crisil.com</a></p> <p>Akhil Thomas Manager <b>Crisil Ratings Limited</b> B: +91 40 4032 8200 <a href="mailto:akhil.thomas@crisil.com">akhil.thomas@crisil.com</a></p>	<p>Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 3850</p> <p>For a copy of Rationales / Rating Reports: <a href="mailto:CRISILratingdesk@crisil.com">CRISILratingdesk@crisil.com</a></p> <p>For Analytical queries: <a href="mailto:ratingsinvestordesk@crisil.com">ratingsinvestordesk@crisil.com</a></p>



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