August 20, 2026

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

Scrip Code: 544587

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

Symbol: MIDWESTLTD

Dear Sir / Madam,

Subject: Transcript of Earnings Conference call for the quarter ended June 30, 2026

We wish to inform you that pursuant to Regulations 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the transcript of the Earnings Conference call held on August 13, 2026, in relation to the Un-Audited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2026, is enclosed herewith.

The same is available on the website of the Company at https://midwest.in/investors.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **Midwest Limited**

Koppala Achyutanand Reddy

Digitally signed by Koppala Achyutanand Reddy
Date: 2026.08.20 13:47:14 +05'30'

K. Achyutanand Reddy
Company Secretary
Mem. No.: A44619

"Midwest Limited
Q1 FY27 Earnings Conference Call"
August 13, 2026

MANAGEMENT: **MR. RAM KOLLAREDDY – PROMOTER, WHOLE-TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER – MIDWEST LIMITED**
MRS. UMA KOLLAREDDY – PROMOTER AND WHOLE-TIME DIRECTOR – MIDWEST LIMITED
MR. DILIP KUMAR CHALASANI – CHIEF FINANCIAL OFFICER – MIDWEST LIMITED

MODERATOR: **MS. SANA KAPOOR – GO INDIA ADVISORS LLP**

Moderator: Ladies and gentlemen, good day and welcome to Midwest Limited Q1 FY27 Earnings Conference Call hosted by Go India Advisors LLP. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sana Kapoor from Go India Advisors LLP. Thank you and over to you.

Sana Kapoor: Thank you, Nisha. Good afternoon, everyone and welcome to Midwest Limited's earnings call to discuss Q1 FY27 performance. The financial results have been uploaded on the exchanges. I hope you have had the opportunity to review the same. We have on the call Mr. Ram Kollareddy, Promoter, Whole-Time Director, and CEO; Mrs. Uma Kollareddy, Promoter and Whole-Time Director; and Mr. Dilip Kumar Chalasani, Chief Financial Officer.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the company faces.

May I now request Mr. Ram Kollareddy to take us through the company's business outlook and financial highlights, subsequent to which we will open the floor for Q&A. Thank you and over to you, sir.

Ram Kollareddy: Thank you, Sana. Hi, everyone. Thanks for dialing in the call. I am happy to share that we have started the year with a strong note in terms of numbers. In terms of growth revenue, we have a growth of compared to Q1 last year to this Q1, we have a revenue growth of 35%, EBITDA 25%, and a PAT growth of 27%.

This is we also have to note our major cost factor is coming from diesel and we have faced a lot of volatility, especially higher prices on diesel for the last quarter compared to the Q1 of previous year. In spite of that, I am happy that we are posting these numbers and most of these numbers are coming from the granite.

In terms of quartz, we have the production for the last quarter which is we generated around INR5 crores of revenue and we have stabilized unit this quarter will be a big jump from that number and then month-on-month or quarter-on-quarter, it will be increasing until we reach a throughput of 15,000 tons per month eventually, where we stabilize the plant at the eventual number.

And we are in line to reach the target for the year end. The other development I would like to bring is the an important MoU signed with Indonesia's state-owned company PERMINAS. So PERMINAS is a state-owned company of Indonesia which is designated to explore, mine, and value add all the critical minerals Indonesia, including rare earths.

And they and we have the first private company to have an MoU with them where we get access to the all the resources in the entire country and our focus being rare earths. We already identify the first two projects which our team will be starting to work on.

Now, this MoU will be translated into an agreement to form a JV along with them and I think you will find developments on that during this quarter which we will update you in the next meeting. The other important update I would like to bring during this quarter is for Sri Lanka project, the policy which were waiting is finalized, ratified, and it is in place.

And post that, we have received the necessary communication from the government to complete the data points wherein we are confirming our production, our investment, and our timelines to them to develop this project. I think that is the final milestone before we receive the eventual license.

I think that is also expected during this quarter which we will so there was no progress for the last 12 months and this is the big milestone where there is a progress and they are ready to start finishing the last leg. So I think we should be looking at developing that project starting next some time next quarter.

So these are the important updates. We are in line for our long-term growth and in fact, we are getting more opportunities that we see. For example, PERMINAS was not a plan, it happened to happen and we happened to get the right time.

Given where we are, we will be taking all the relevant opportunities where our margin profile is maintained and every -- our goal as is right now, we are looking at projects that we take up right now that start delivering numbers and revenues in the next 12 to 18 months. And we are a lot of projects coming up in terms of rare earths, but I think we are looking at early commercial projects as a priority.

And that will be our priority. Apart from that, I think the updates on the last quarter are continuing where we are the second phase plant, all the HPQ inclusion, all remain in in line to what has been discussed. Yes, so I think that is the update from my side.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Arvind from Equiventure Capital Advisors. Please go ahead.

Arvind: Hello, sir. Good afternoon. Am I audible?

Management: Yes.

Arvind: Okay. Sir, I would like to understand, we have a sister concern named Midwest Advanced Materials, right? Hello?

Management: Yes.

Arvind: So I would like to understand their nature of primary nature of business. So can you elaborate?

Management: So advanced material has been into production of permanent magnet. So they are their business is from oxide to rare earth oxide to permanent magnet. So that that is where their focus is.

Arvind: Okay, okay. And sir, I would like to understand what was the volume with regards to quartz in this particular quarter, Q1.

Management: Volume approximately 5,000 tons is what we have sold.

Arvind: Okay, okay. And by what time probably by end of Q3 can we expect 15,000 to be I mean, producing around 15,000 tons tons a month?

Management: Yes. So this quarter we are looking at around 20,000 and the next quarter by the end of this quarter, we will be able to touch a run rate of 10,000. So next quarter, you can do 10,000 to 12,000. I think Q4, we will be exceeding 15,000. That's the plan.

Arvind: Okay, okay. All the very best, sir. Thank you.

Moderator: Thank you. The next question is from the line of Archit Agarwal from Steptrade Capital. Please go ahead.

Archit Agarwal: Hello?

Management: Yes, hi.

Archit Agarwal: Yes, hi, sir. My question is that what utilization level do you expect quartz to reach EBITDA break-even?

Management: So this financial year, I think we will be we are planning a profit, not break-even. We will be making some profit out of the operations. So I think the but optimum profitability of optimum EBITDA we will be seeing next year. So break -- for your question break-even will be achieved maybe in Q3 and then at the end of the year, you will see a profit -- some profit.

Archit Agarwal: Okay. And my question is one more question is about Sri Lanka plant. So when that will start contributing revenues?

Management: So Sri Lanka there is technically a delay of almost six months due to the policy. We are we so I think we will can start internally timelines we can start breaking the ground somewhere in October. So I think from that point of time, we should look at 12 to 15 months for the plant build-out and start operations.

Archit Agarwal: Okay, sir. Thank you.

Moderator: Thank you. The next question is from Yash Purbhe from Inved Research. Please go ahead.

Yash Purbhe: Yes, hi. Good afternoon, sir. So my first question is on the recently signed MOU. Sir, can you give more details about it and the timeline that by when can we expect some significant milestone in that?

Management: So the why we are looking at Indonesia interestingly is, I think I will give you just a brief. In rare earths, there are heavy rare earths and light rare earths. So NdPr, which is a neodymium-praseodymium, are light rare earths, and there heavy rare earths that we are looking at are dysprosium and terbium.

Now India -- Indian monazite, which is there in Indian states -- Indian coastline, has only light rare earths. We don't have the heavy rare earths. Heavy rare earths are only in certain geographic areas, which are already mostly contracted or acquired by the Chinese companies. So which means there are very less territories where we can get access to DyTb.

And the reason DyTb is important is every powerful magnet which goes to defense, aerospace, or any critical applications, need heavy rare earths close to 4% to 5% as a coating or onto the rare earth material, without which you cannot make those products. So for strategic and critical industries, it is essential. And Indonesia has deposits called ionic clays.

They are geological deposits, different from monazites, which have the heavy rare earths. So this MOU is giving us access to not only light rare earths, but also heavy rare earths. So the initial deposits being targeted are ionic clays, which are not there in India or many geographies, they are there in Indonesia.

So we will be converting the MOU to a agreement or this quarter itself most likely and next quarter we will be forming a JV. The percentage and the equity share of the JV is yet being discussed. Now the PERMINAS will be contributing capital, we will also be contributing capital in the share that we the JV is formed.

And we will be and we will be operating this JV for a long time. Maybe so the activity the they will be mining lease, then we will explore we will be starting to mine, extract the oxides out of it. And that is the scope of this initial JV that we are forming. And this JV is not just one project, it can be for multiple projects across the country.

But obviously we will start with one or two and then we will try to increase as we go. There could also be projects where we are building out and we are still doing exploration, but geologically it's very interesting. And the light rare earths are already the light rare earths are expensive and the and heavy rare earths are four times four to five times more expensive than light rare earths.

So it is strategically important and also margin profile-wise, heavy rare earths are much more attractive in overall scheme of things. So I think once we form the JV, from there you should look at 12 months. 12 to 15 months again to plant build- out and then operate those mines and get into cash flows.

Yash Purbhe: And sir, what kind of returns or payback period can we expect from this project?

Management: It's still an initial stage. We cannot but usually the cost of extraction is very similar to what we get in monazite, but you get added heavy rare earths. So it's a very it's so usually heavy rare earth projects are significant in terms of margin profile. But the key is there needs to be enough volume. And luckily in Indonesia, we are finding enough volume of the clays to build a plant.

Yash Purbhe: And sir, can you put some light on like what kind of capex would be needed for this project? And this will be apart from the INR300 crores capex we are already doing and our existing project?

Management: So it will be a similar it will be more because it's an overseas project. Although the project profile is similar, we are taking the difference between Kerala and here is Kerala, the tailings are already ready. Here you will be mining the clay from the earth and then taking it to the plant, so the capex will be higher and also overseas project usually capex are higher. So I think the capex will be a close if the first project will be higher than in Kerala, but the absolute number I think we will be able to give you next during next call because we are still doing a lot of work on the project report right now which will be ready in next 45 to 60 days.

Yash Purbhe: Okay, sir. Thank you. Those were all my questions.

Moderator: Thank you. The next question is from the line of Chirag Gandhi from Astralit Investments. Please go ahead.

Chirag Gandhi: Yes, hi. Can you hear me?

Moderator: Yes, sir.

Chirag Gandhi: Yes, thank you for the opportunity. Actually, I joined the call bit late, so I missed out on the opening remarks. I wanted update on the quartz Phase 1 plant, like have you already started the commercialization of the plant and are all the teething issues with this Phase 1 project has been behind us? Just wanted to check that.

Management: Yes, we have start the commercial operations, the teething issues are behind us. I think that will be shown in the numbers this quarter. And as indicated earlier, we will have a month-on-month, quarter-on-quarter growth. We will be stabilizing by the year end at around 15,000 tons plus above per month. And by when we will not only be breaking even, we will also be generating some profit by the year end. That is the plan.

Chirag Gandhi: Understood. And what would be the update on Phase 2 of this plant?

Management: Phase 2 we are we are already started building out. The only change is some machinery was going to come from China. We are looking at alternate options now. So we will be in line to commission the Phase 2 in the next within the next 10 to 12 months.

Chirag Gandhi: Understood, understood. And what would be the capex outgo for this year and for the next year as well?

Management: Capex on quartz would be approximately INR125 crores.

Chirag Gandhi: Okay, this is this will be entirely for Phase 2 of the project, right?

Management: Yes, but split over current year and next year. It's split over current year and next year.

Chirag Gandhi: Okay. So our total capex outgo will be INR125 crores between this and the next year, right? Or it will be a higher number because we have other projects also in the phase of build-out, right?

Management: Yes, this is for quartz.

Chirag Gandhi: Okay. And what would be the capex for the Sri Lankan project?

Management: Sri Lankan project for plant building it's around INR120 crores.

Chirag Gandhi: Okay, okay. And the last question is on our granite business. Can you explain us how did the quarter went by and how's the demand shaping up for the rest of the year?

Management: Demand is good, you can see from the numbers we have 35% topline growth. I think if you remove the quartz part, we are still above 30. So I think the demand-wise is good, the pricing-wise we have had a better realization. The attention is on the cost factor. Although we showed growth on all the fronts, the fuel is something which we are working aggressively on.

Luckily if you look at current quarter compared to Q1, the fuel prices have little rationalized a bit, but are still far from what they were previous year. We hope that once the volatility set we go back to the previous levels, then all that will directly flow into the numbers without us doing much than what we are doing now. Apart from that, I think from cost factor, electrification is something we are in line and I we are aggressively pushing that. Most of the electrification expenditure is done this year itself.

Chirag Gandhi: Understood. Are we giving any revenue and EBITDA guidance for FY27?

Management: Granite-wise, we will be achieving whatever we have recorded in the last few years. It will be more or less in the same lines. Except unless we have diesel price impact. We will be we will be like maybe a 50 bps to 100 bps kind of a range, we will be in the same lines as last years.

Chirag Gandhi: So on overall basis, what will be the revenue growth and the EBITDA margin that we are just guiding for FY27?

Management: FY27 we will be close to -- we are estimating around INR840 crores against past year's number of INR645 crores.

Chirag Gandhi: Okay. And EBITDA margin will be upward of 26, 27% for this year comfortably?

Management: Yes, it will be in the same range. Except the quartz-related weighted average factor if at all there is a little impact, to that extent there will be impact on the EBITDA. For current year, next year there will be full-fledged volumes coming in from the quartz. I think the EBITDA could be better, but this year there will be little weight factor on that.

Chirag Gandhi: Understood, understood. Thank you. Those were my questions. Thank you.

Management: Just to add to this, the diesel cost is almost 13% for us as a cost head. So to add to this, the diesel went from INR85 to INR125, INR130 a litre. So you can see a lot of manufacturing industries that are heavily dependent on diesel, their EBITDA margins were heavily under stress. Ours were down 190 basis points, that's it in this quarter with this kind of impact, diesel cost impact.

The reason being that we were very proactive and we got our fleet electrified from and whatever vehicles we are sweating, we electrified that fleet and then we back integrated with solar, so our opex costs are less dependent now on diesel fluctuations. So that's the and we are going to electrify, continue electrifying the fleet to further reduce the diesel impact. So war, no war, we will not be affected on the granite margins going forward. And we've also increased the prices slightly.

Chirag Gandhi: The prices- price hike could be in the range of what? Upward of 5% or it's like around 3% to 5% in the granite.

Management: Around that, around that range.

Chirag Gandhi: So we will be able to recoup the margin decline that we witnessed in this quarter by let's say 2Q given we have already seen some rationalization in fuel cost.

Management: Yes, yes we should be and also fuel has come down by certain extent, that is also helping and the currency also helps. So yes, we will be able to more or less go back to the norm.

Management: I mean, another war and another really big hike is really cannot be predicted, but we are on in the journey of electrifying the field. So whatever we can reduce the impact considerably compared to -- even the worst quarter it's down 190 basis points, so you can imagine the minimizing we are doing -- efforts to minimize.

Management: The biggest lever in this is the volume growth, right revenue growth. So if if revenue growth is able to absorb most of the other costs, fixed costs and I think that revenue growth we will be able to meet, we feel as of now. So I think should not be a big concern right now.

Chirag Gandhi: Understood, understood. And really the last question is what is the average realization we're able to get it in the quartz business?

Management: Around INR10,000 per ton.

Chirag Gandhi: Per ton.

Management: Yes, yes, yes.

Chirag Gandhi: Okay, thank you.

Moderator: Thank you. The next question is from the line of Deepesh J. from Manya Finance. Please go ahead.

Deepesh J.: Yes. Am I audible?

Management: Yes, sir.

Deepesh J.: Yes. Many of my questions have been answered. I just wanted to understand what are the key factors of the Q-on-Q decline in performance? Was it some seasonal impact during the quarter?

Management: Yes.

Management: I mean in essence as ideally one compares Q1 of last year, last fiscal to Q1 of this year, because usually across the industries Q4 has the highest peak sales usually. So if you so ideally instead of comparing Q1 to Q4, if you compare Q1 of this year to Q1 of last year, it's grown by a 35% revenue -- revenue grown by 35%.

Management: Adding to that too far our specific industry, we are most of the material is being sold to China and exports are to China and Chinese New Year is the biggest influencing factor in that timeline. It's like Diwali for them where they reset all their stock and start buying in bulk, in volume immediately after to stock up for the year. And that typically happens during January, February time, so historically also our Q4 revenue has ranged between 30% to 38%, 40%. I think last year it was 35% of the overall year revenue. So that is also historically constant for us. So this year also I think it will be not be any different.

Deepesh J.: Right. And could what is the -- how is the Phase 2 expansion of quartz business progressing? And could you provide some details out of that?

Management: Yes, one sec. Yes, we have spent around very marginal amount and we have finalized now the suppliers' orders and all. Q2 and Q3 you will have significant outflow that we have planned for out of INR125 crores approximately INR60 crores to INR70 crore would be spent in the next two quarters. And the remaining amount would be like the fourth quarter or the early next quarter of the early quarter of the next financial year.

Deepesh J.: And by when do you think the segment of quartz will reach the break-even?

Management: The quartz break-even, I think we will be breaking even when we touch a production of 10,000 tons on a monthly basis. I think that is what we will be doing sometime end of this quarter, next quarter for sure. So 10,000 tons is but our aspiration is 15,000 tons per month run rate. So I think we will be ending up making profit this year.

Deepesh J.: Right. And that would not need the Phase 2 expansion also, right? I mean we are able to reach...

Management: No, no, no. The capac -- in the current plant, we can go up to 18,000. I think 15,000 is optimum average that we are looking at and then setting that as a base and then going next higher than that.

Deepesh J.: Right. And could you provide any FY27 guidance for production, sales, volumes across the key business segments?

Management: I think we have absolute numbers, I may not be the unit numbers but we can give you that. Estimated revenues for the year FY27 is approximately INR840 crores, out of which INR720 crores will come from granite and INR100 crores, INR120 crores will come from quartz. EBITDA levels, granite-wise, we will be in line with our EBITDA as of the previous years and quartz this year would be a little low than expected because it's a first year of stabilization, then the volumes are also a little low, the absorption cost I mean the overhead absorption and all are I mean taking the bite of it. And next financial year, there will be full-fledged contribution coming in from quartz.

Deepesh J.: Right. And also that would increase the operating margins also when the quartz business will be coming in?

Management: Yes, absolutely.

Deepesh J.: Okay. So there will be an improvement on ROE with that?

Management: Yes, there will be deployment and the revenues will start coming in and this deploy -- this ROE current ROEs are basically because we have raised fresh capital and some money that is sitting there, there is no that's deployment and the revenues coming out from that deployment should scale up the ROCEs or ROEs.

Deepesh J.: Okay. What about the overhang of the promoter holding of 77%? Are you planning any fundraise or any, I mean, is there any other plan which wherein this promoter holding will come down to 75%? Because any selling from the promoter would actually be seen as negative, that's the reason I'm asking this.

Management: No, we have enough time and I don't think we are looking at it in near term to get down to 75%.

Management: Yes, I think 3 years is what we are told and we have not even done with 1 year.

Management: Yes.

Deepesh J.: Right. Thank you so much guys. All the best.

Management: Thank you.

Moderator: Thank you. The next question is from the line of Alok Deora from Motilal Oswal. Please go ahead.

Alok Deora: Hi, good afternoon. Just had a couple of questions. So first is on the revenue guidance which you just gave. So just wanted to understand, like we have already done around INR190 crores in 1Q, so even if we just go and extrapolate it for remaining quarters and assuming second half is better, we should be doing INR850 crores or so, plus the quartz will also be ramping up.

So just wanted to understand more on the FY27 revenue guidance, how are we seeing it, because it seems to be little on the lower side considering the current run rate and things will ramp up in the 2H?

Management: Yes, Alok, we basically as a company, we want to promise less and over-deliver, so these are considerable estimates, I mean, conservative estimates.

Alok Deora: Right. But -- so if we just, you know, on the realistic side, it should be like 200 which we are doing could kind of continue for the full quarter and slight bump up and plus what would be the quartz revenue in this? INR120 crores, is it?

Management: So yes, INR120 crores for the quartz. And of course, when it gets to optimum level, then the overhead costs will be optimized and then it will cross the break-even mark. But then usually the rains are slightly delayed in Quarter 3 and usually the production will be slightly lesser compared to Quarter 1 also. So the those factors will play out, but ultimately this is a conservative estimate from our side.3

Management: So whatever number we have given, we are very confident is what I would say, and if things go as planned, like Q1, we should definitely beat that.

Alok Deora: Got it. And sorry, I joined call little late. So the margin profile which we have been doing over the -- if you just knew this quarter, we have been doing 27% to 29% sort of a range on a blended basis, that should kind of continue or I mean, it should be or it would be more like on the lower end of that range?

Management: So Q1, we faced all the challenges that we could face, uncertainty, sudden spike of fuel and so, I think Q2 is tapering down in terms of uncertainties and on the cost. In terms of realization, we are more or less in line with Q1. So given that, we are more relaxed in Q2. Q3, whether we can expect surprises, we don't know.

We are prepared for flooding. We are prepared for rains, much prepared for rains than last quarter. That angle. Operationally side we are strong. Any external factors, we don't know, but if things remain as they are, I think we are quite comfortable.

Alok Deora: Sure. And just last question. So, we have seen other companies where because of the increase in the cost, they have taken some price increases. Have we also taken that selectively in our segments or we are still in kind of a wait and watch mode and then we'll take appropriate call? Because many companies, we have seen the -- basically the cost being passed on to certain extent. So just wanted thoughts on that.

Management: We already have done price increase. That has helped us and the second thing which has helped us in maintaining our margins, overall is more or less is the volume increase. So I think we are focusing on the volume increase which is in our control and delivering a good value to the customer right now. And the price has been done, and if further fuel there is uncertainty, we have option to do that again also, but I think for now, for this year, we will be maintaining where we are if the costs are in line to this.

Alok Deora: Sure. Just last question if I may. So the quartz business in the Phase 1, we'll be doing this INR120 crores revenue this year. So from this Phase 1, what could be the revenue next year assuming by end of this year it's almost at fully ramped up in terms of the capacity. So what could be the revenue from that in the second -- in FY28?

Management: Around 180 to 200.

Alok Deora: 180 to 200.

Management: So that is the range once you have touched the 15,000 ton mark per month.

Alok Deora: Got it. And from the Phase 2, we will be getting in FY28 any material contribution?

Management: Phase 2, I think we are looking at some time Q2 next year, right? So yes, next year we will be getting some numbers, but you need to keep a buffer of quarter for stabilization and streamline the production. So I think you will get production for about 4 months for the next year is what we should be planning, around 4 months

Alok Deora: Got it. So if we end up doing say, 840, 850 which you are guiding for FY27, so in that approximately 720 is for the granite. So whatever growth you get on 720 will be there for FY28 and the 120 of quartz will be more like a 180 to 200 in FY28. Is is that understanding correct?

Management: Yes, for 180, let's say from Phase 1 and some part from Phase 2, let's say, another 50 or 40-50. So I think we are targeting 200 plus definitely for next financial year. That number could be anywhere between 200 to 230, 240, let's look at it. I think by end of this year, we will be able to throw more light on more accurate numbers there.

Alok Deora: Right. And that 740, 750 could be more like whatever 10%, 12% growth.

Management: Yes. So, if you remember in the last call, last few calls also we have guided 12% on the granite, so we have beaten that by good margin. And whether that momentum will continue in terms of order book and production, yes it is for this year. Next year, let's say, we maintain the same 10%, 12% as a conservative estimate.

Alok Deora: Got it. And margins, when you say, plus the quartz will stablize, so the margins will start inching up. So FY28, I mean, if we are doing INR180 crores which is almost the peak revenue which we could get from the Phase 1. So what could be the blended margin looking like?

I mean, would it be more like inching towards the 30% mark or it would still be slightly lower than that number? Because quartz is expected to have a much higher margin profile as compared to the granite business.

Management: Yes, quartz, I mean, there will be little better contribution in the next financial year, because the number which is coming from quartz would be a little higher, I mean, in terms of EBITDA. EBITDA would be close to 30%, little above 30%. And overall blended EBITDA might be around 29%, 30%.

Alok Deora: Got it. Yes fine. I think that's all from my side. Thank you and all the best.

Management: Yes. Thanks, Alok.

Moderator: Thank you. The next question is from the line of Archit Agarwal from Steptrade Capital. Please go ahead.

Archit Agarwal: Hello?

Moderator: Yes, sir, you're audible.

Archit Agarwal: So my question is, in the previous concall you have guided the run rate 150,000 tons of quartz production in FY27. However, Q1 FY27 sales is around 5,000 tons only. So is it still achievable 1,50,000 tons or what are the challenges, like it's on the production side or demand side?

Management: So first the challenges on the production, we have been facing some challenges last quarter to streamline the production, it's a technical issue, that technical glitch is sorted. We will not be able to do -- we are not doing 150,000 tons, we will be doing around 120,000, so that is the effect of that. And all the guidance and numbers that we have just discussed till now is based on 120,000 tons.

Archit Agarwal: Okay. And what will be the mix of engineered stone and solar in this quarter?

Management: Around 60% to 65% engineered stone, balance solar. I think 65-35 is a reasonable assumption.

Archit Agarwal: 65 to...

Management: 65% engineered stone, 35% solar.

Archit Agarwal: Okay. When the Phase 2 quartz commencement will be done? It will be in Q4 FY27 or is there any revision? Phase 2 quartz.

Management: Phase 2 quartz.

Archit Agarwal: Yes.

Management: Phase 2 quartz, we will take another 10 months. Next year we will be commissioning the plant, so I think you will see the numbers only coming in from next year. We were also waiting a bit to stabilize this plant, so now that is done, so we are going ahead and I think next year, whether it's 10 or 12 months, we'll commission that plant. As discussed on the call previously, we'll see some revenue from that next year.

Archit Agarwal: Okay. Thank you sir.

Moderator: Thank you. The next question is from the line of Manish Gupta from Equinox Investment Advisors. Please go ahead.

Manish Gupta: Yes. Good afternoon. I'm sorry I joined the call a little late. Could you talk a little about your Kerala JV with the Kerala government?

Management: Yes. So post signing the -- post last development, there is no development this quarter, primarily because there is a new government there and they are just settling down. In fact, there is no new MD also for KMML appointed yet. So there are some bureaucracy and internal issues in deploying some officers. So KMML there is no activity post that.

We are hoping that once the new MD and new team comes in place, we will start progressing that and in continuation to that. Now, a timeline on that we frankly cannot estimate, because government thing. But one thing I would like to highlight here, the current administration is pro-development and they are concerned about commercial activities in the state and increase in the state revenue.

So I think once the team is set, we believe that things will move faster. But until I think we'll have to wait a bit. Hopefully this quarter that team should be there and we should see some activity from next quarter onwards.

Manish Gupta: Fully understand that. And regarding Sri Lanka policy longjam, do you have any visibility when you think it should just settle?

Management: Yes, so there is a development this quarter which I updated. The policy, we were waiting for the policy. The policy is done, streamlined, ratified, all the boxes have been checked from policy. And after we have received a formal communication to re-confirm our capacities, timelines, and investment into the country. So that is being done as we speak.

And then I think that was the last milestone, so from their side they have done. From our side we are presenting all that information and project report, final project report. I think once that is there, we expect the documentation to be done sometime this quarter itself and we can start developing the project from next quarter onwards. So I think we are at the final stage. What we have been waiting for long is panning out now this quarter.

Manish Gupta: So that's great to hear. Regarding capex, so correct me if I'm wrong. We have almost about INR800, INR900 crores of capex planned. You said INR125 crores for Sri Lanka, INR150 crores for quartz, Kerala again I think INR300 crores and Indonesia little more than Kerala. So what are the plans for capex funding? Is it going to be more debt-oriented or you are planning to raise some equity also?

Management: Yes. If you look at Kerala, Kerala is basically pilot plant unless we get into a kind of a commercial plant arrangement with the new government. It's basically pilot plant which will not cost much, it's an insignificant cost. As far as Phase 2 is concerned, it is a fresh equity that we have raised, it's not a capex, we just need to spend as per the timeline.

And other capex that we have as of now, its not regular replacements as far as granite is concerned, that's being met year-on-year from its regular cash flows. Sri Lanka, if, I mean, that comes in then we will be in a position to spend INR120, INR150 crores from internal accruals. Our gearing ratio today is at a 0.2 times. So we have leverage on that front.

Manish Gupta: All right. And so finally, I mean, of all the diversifications that the company is doing, Sri Lanka is there or Kerala is there or quartz is there and now Indonesia MoU is there. Which one excites you more to become a meaningful contributor behind granite in times to come?

Management: If you look at all these projects, independently, they are meaningful contributors. Now what you mean by meaningful contributor? If today we're generating about INR700 crores odd or INR800 crores in natural stone, something which is at least 50% of that size is meaningful, right? So Kerala, once a Kerala commercial it happens, it ticks that box. The Sri Lanka ticks that box. Indonesia could be much bigger, I mean too initial times to to talk about it.

So I think all these are significant contributors. Now we'll have to see and we're working in parallel, because as you have seen the timelines when we're working with government agencies initially may be slow but once you get all the permitting in line, it's in our control, right? So we're geared up for that. We have the team, infrastructure, all to gear up, so we can execute once we have all the ground clearance available to us.

So I think we will take all the opportunities, whatever is mentioned, in parallel, we have independent teams and each one is significant. Ideally, we want to see all of them come into numbers, translate into numbers in the next 18 months' time. So that is the whole idea that we are working on.

Manish Gupta: Got it. Thank you and all the best.

Management: Thank you.

Moderator: Thank you. The next question is from the line of Prateek Singh from IIFL Capital. Please go ahead.

Prateek Singh: Hi, thanks for the opportunity and good afternoon Ram and Dilip-ji. So wanted to understand, maybe I missed it in the opening remarks. What was the year-on-year growth in Absolute Black and Black Galaxy in this quarter in terms of percentage terms, have you given it earlier?

Management: So I think overall granite growth you have seen upward of that 33% -- 32% to 33%. Now within that segmentation, Black Galaxy, do we have that data?

Prateek Singh: Volume growth will be better.

Management: Hello?

Prateek Singh: Yes, I was asking about the volume growth, sir, volume growth.

Management: Volume growth, it's approximately 10%.

Prateek Singh: Okay, 10% in both of them, right?

Management: 10% in volume, Yes, in both the products.

Prateek Singh: Okay. And just if you can remind me, you had a revenue share in 2 mines. That mine the revenue share with the AP government, that is Black Galaxy, right? Or is that Absolute Black one?

Management: Yes, Black Galaxy.

Prateek Singh: Black Galaxy.

Management: It's revenue sharing, actually, there's a kind of a consideration that we are paying to the Lessor that's a state-owned body, and they have a percentage of shareholding.

Prateek Singh: Understood. The last question was mainly on this Indonesia JV. So as of now, I mean, I assume it would be in pretty early stages, but as of now have we decided in what share would Midwest Limited, Midwest Gold, or Energy, and NFPTC share with capex?

Management: So right now the structure that is evolving is different. There'll be 2 -- what we are discussing is there'll be 2 JVs. And the first JV is from mine to oxide where Midwest Limited will contribute. The second JV is from oxide to magnet which Energy is going to contribute. So right now it will be 1 JV which will be with PERMINAS where we we start off, because without the oxide, there is no meaning in producing the magnet, right?

So I think there is a timeline difference also. We are starting off the first JV now. I think the other JV with Energy they are looking at some time later. But our focus is, we are good to go as of now and our product will be oxides. So rare earth oxides which are the ones mentioned heavy and light rare earths.

NFPTC is just a technology partner, they will not be equity partners nor they will be contributing in terms of the capital. So the capital raise on this specific JV will be between PERMINAS and Midwest Limited.

Prateek Singh: Understood. And which of these is a bit more capex intensive, the ore to oxide part or the oxide to battery part?

Management: Oxide to magnet part is more capital intensive and ore to oxide is less capital intensive.

Prateek Singh: Okay. So whatever oxide to magnet part work would be done, that would be contributed largely by the Energy.

Management: Yes.

Prateek Singh: Understood. And just one more question if I can squeeze in. I understand that the bulk of your exports go to China. Have we seen any rise in freight costs due to the West Asia war and if yes, are we able to pass it on to our customers?

Management: So usually most of shipments are FOB basis. So freight is always to the customer historically. There are some instances where we do CIF also where even if that freight we pass on to the customer. So we usually, even our costing, we don't take it in our costing also, so it's always customer's scope, direct or indirectly.

Prateek Singh: Understood. Thanks a lot and all the best, sir.

Moderator: Thank you. The next question is from the line of Balamurali from Oman Investment Advisors. Please go ahead.

Balamurali: Hi, good evening. So what is the contribution from this silicon segment in this quarter, quartz segment?

Management: Balam, can you repeat the question?

Balamurali: What is the contribution of revenue in this quarter from the quartz segment?

Management: Approximately INR5 crores.

Balamurali: INR5 crores. Okay. And, I mean, the quartz sales we can expect in FY28. So you think I think you have a update on Sri Lanka HMS. So what do you -- how will this revenue shape up in the

FY28 from this HMS? And can we assume that it would be at peak level or it can still -- the peak can be hit in FY29?

Management: The FY27 we said that the number would be somewhere around INR840 crores. By FY28 there will be full-fledged revenue which is coming from the quartz Phase 1, that will be approximately INR200 crores, INR180 to INR200.

And there might be little revenue which is coming from the Phase 2 also, that number we are yet to estimate, probably by end of this year we'll be in a position to estimate this better And with that and the normal 10% to 12% growth even the conservative side if we take for the granite segment, it'll be so close to INR950 crores kind of a revenue.

Balamurali: Yes, thanks for that. So, I mean, I'm supposed to ask regarding HMS business, only the Sri Lanka's HMS business. So how it will shape shape up in the FY27, 2028, 2029? So whether we can achieve this peak potential in FY28 or maybe we can get some optimum level in FY28 and will go to FY29 also?

Management: Sri Lanka, this is in the licensing stage and licenses have to be granted and we have to build out, I mean, the plant has to be built and then the cash flows will start. And we are estimating this in FY29, not in FY28.

Balamurali: Okay. So, I think there is an Indonesia part, so we've partnered with some local government agency and also our the promoter entity one more listed entity. So how do you -- what is the visibility over there? So when do you think things get realized and we can have some revenue contribution from there?

Management: So that will also be in line with Sri Lanka, I think FY29 we should practicing in some numbers. Anything progressing faster, we'll update you, but right now we are conservative and very initial stages, so I don't think it's right to put timeline and numbers. Some, it can be faster, it can be longer, I think next next call we'll give a more detailed account.

Balamurali: Yes. A small follow-up on the similar one. So another promoter entity is also partnered in this business. So do you think that we can merge that entity into the listed entity so that it can be a subsidiary or at arms' length rather than separate entity?

Management: No. So the MoU was signed because the Indonesian government was interested in producing magnets also in the country. And the scope of our business is different from the scope of Midwest Energy. As I just indicated in the previous call, sorry, the earlier statement, we are forming first a JV between Midwest Limited and PERMINAS, Indonesian company where the scope is taking from mine to oxide, that is the scope of Midwest Limited.

The MoU also clearly says that. The later, another JV will be formed by Midwest Energy and Indonesian entity to take that oxide into magnet. So right now all the activity, all the focus will be to first produce oxides and then they will do a JV for the magnet. So there is no JV level partnership between these two companies, so there is no question of arms' length coming there. And the capital raised will be between Midwest Limited and PERMINAS, Indonesian government.

Balamurali: Yes, understood. So, and in India rare magnets front, so we also want to be part of this government initiative. So where are we in terms of that when we can see something outcome from that rare magnet, rare earth magnet front in India?

Management: Are you talking about the PLS scheme of government of India?

Balamurali: Yes, the PLS scheme is came from the government of India, but we should want, I mean, we have thoughts to participate somewhere in that entire overall cycle either from ore to oxide or oxide to magnet something.

Management: Yes. So right now we are focused on production of oxides. That is our focus and that will be our focus for the next 2 years. And once we do this in volume, then we'll look at further validation if required. But right now, I think we're very busy and all these projects are taken up in order to produce from mine to oxide or ore to oxide. That will be our focus.

And there, we are right now from government point of view, there is in terms of opportunities or in terms of subsidies, nothing much and also the projects can be easily capitalized and the margin profile is good, so I don't think we are waiting for any subsidies from government for these projects.

Balamurali: Yes. But I think earlier we discussed that they will select some 6 entities for this magnet production, so do you think we will participate in that somewhere in that cycle or another promoter entity could take part on that one?

Management: No, we are not looking at any magnet production as of now. All those schemes are for magnet production.

Balamurali: Got it. Understood. Thank you.

Moderator: Thank you. The last question is from the line of Gursharan from GMA Advisors. Please go ahead.

Gursharan: Any update on the activity of our subsidiary in Sierra Leone?

Management: No. So, we had to form a company to do some local works there and do some due diligence and apply for some licenses. So this quarter there is no update and there is -- we have looked at a couple of concessions which had local issues, so we are still actively looking for there. There is no or minimum or no expenditure right now on that front also. It is just the logistics of our team going there and looking at them. So I think if there is an update, we'll update you next quarter, but this quarter no update.

Gursharan: Okay. Thank you.

Moderator: Thank you. That was the last question for the day. I would now like to hand the conference over to the management for the closing comments.

Management: Thank you, everyone for joining the call and asking all the relevant questions and look forward to the next call.

Management: Thank you, everyone.

Moderator: On behalf of Go India Advisors LLP, that concludes this conference. Thank you for joining us and you may now disconnect your lines.