Kalyani Cast-Tech: a real project, but is the return still ahead of us?

Investment research | 12 September 2026

Reference price: ₹1,123.60, 11 September close. BSE SME code 544023. All financial amounts are in ₹ crore unless stated otherwise.

My conclusion: interesting enough to track closely, but not an investment I would make at this price under our checklist.

There is something happening here. A small container manufacturer is adding a rail terminal, a wagon factory and potentially a customs-cleared inland cargo hub. These are sensible adjacencies. The founder understands railways, existing customers are real, and the terminal is no longer just a drawing in a presentation.

But the investment question is not whether Kutch can become a much larger business. It is whether enough of that success remains unpriced, and whether we can follow the money from the projects to each listed-company share.

At approximately ₹807 crore of existing equity value, the stock costs about 47 times reported FY26 earnings and 51 times my adjusted earnings estimate. Including the announced warrants takes the illustrative equity value to about ₹843 crore. That is a demanding starting point for a business whose operating revenue grew 7.7% last year. [1][9][10]

What attracts me	What prevents a buy today
Engineering-led domestic container specialisation	No independently established market-share trajectory
Physical rail connectivity and a new manufacturing location	A trial train is not recurring third-party demand
A much larger addressable market in private wagons	Established wagon makers are pursuing the same opportunity
Potentially recurring terminal activity	Throughput, retained fees and returns on capital are unproven
Low reported March 2026 debt	Large capital and working-capital needs lie ahead

The difference matters. We want to enter before the full earnings inflection appears, not before we can establish who owns the earnings or what customers have committed to buy.

Working classification: a proven small manufacturing business with an early operational expansion, surrounded by several commercially unproven growth projects. Not yet a clean, company-wide Stage 2 investment.

1. What does Kalyani actually do?

Think of a container as the removable box holding the cargo. The wagon is the railway vehicle beneath it. A cargo terminal is where freight moves between road, storage and rail. An ICD adds the ability to handle import-export cargo under Customs procedures.

Kalyani began with castings and subsequently built a domestic container business. Its more interesting products are not simply standard boxes competing with China on steel fabrication cost. Management describes dwarf containers, specialised steel-coil containers, automobile containers and collapsible designs. These try to solve practical problems such as railway height restrictions, payload, loading efficiency and the cost of returning empty equipment. [2][3][5]

1	MAKE THE EQUIPMENT	Containers and proposed wagons
2	CONNECT THE FACTORY	Rail siding and cargo terminal
3	ATTRACT THIRD-PARTY CARGO	Handling, storage and dispatch
4	ADD CUSTOMS CAPABILITY	Proposed ICD and EXIM services
5	EARN A RETURN	Cash after operating costs and reinvestment

This integration could be useful. A customer might buy a specialised container and use the adjoining terminal. The factory also needs a rail connection to dispatch wagons. Commercial cargo could absorb infrastructure costs that manufacturing alone would not fully utilise.

But integration is not five separate profits on the same shipment. Internal manufacturing-to-terminal transactions must be eliminated in consolidated accounts. Railway haulage collected on behalf of somebody else is not automatically Kalyani's economic revenue.

The strongest version of the moat

If a design saves a customer ₹100 in freight costs, the manufacturer can potentially charge more than an ordinary fabricator while leaving the customer better off. That is a better proposition than selling the cheapest steel box.

The founder's railway experience, product approvals and customer relationships can help. Management has named customers including DP World, CJ Darcl and Navkar in its calls. However, named customers do not establish exclusive relationships, repeat-order economics or rising market share. [3][5]

For wagons, management has claimed exclusive manufacturing and marketing rights over a particular design. I have not independently established the precise scope, duration or commercial protection of those rights. An approval or design advantage is valuable, but a durable moat requires evidence that competitors cannot offer an economical substitute. [4]

My moat assessment: credible niche engineering capability, not yet a demonstrated wide moat. The terminal could develop a local cost advantage if cargo density and customer economics support it. That advantage cannot be inferred merely from its inauguration.

2. What has the September announcement actually changed?

The good news is real, but the sequence needs to be kept straight. The 11 September filing contains the CBIC letter itself, not just management's description of it. It approves issuance of the Letter of Intent for the proposed ICD. It does not provide all permissions required to handle the first EXIM container. [6]

Business component	Evidence available by 12 September	My framework reading
Existing container manufacturing	Established revenue and customers	Operating business, not a new inflection by itself
Kutch container facility	Management reported initial deliveries in May	Early Stage 2 ramp, scale and cash conversion still need evidence
Gati Shakti Cargo Terminal	Commissioning reported, trial train reported in August	Early operational validation, external commercial economics incomplete
Bulk salt activity	Train flag-off scheduled for 14 September	Potential commercial catalyst, not yet a measured earnings stream
Wagon manufacturing	September filing says substantially ready, commencement subject to requirements	Stage 1+, readiness is ahead of demonstrated production and customer acceptance
Proposed ICD	CBIC LOI milestone, construction and final permissions still required	Stage 1 with an important regulatory risk reduced
ITE refrigerated-container partnership	Agreement signed on 8 September	Stage 1 product opportunity

Sources: company results letter and exchange filings. August milestones are also recorded in the filing index. [2][6][7][8][14]

The remaining Customs steps are substantive

The CBIC letter calls for infrastructure completion, Customs staffing arrangements on a cost-recovery basis, RFID and systems integration. The applicant must subsequently seek the Section 7 ICD notification, Section 8 Customs-area approvals and Section 45(1) custodianship. It also sets a one-year operationalisation requirement. These are conditions in the letter, not my interpretation of an unrestricted licence. [6]

As of this report, 14 September is still in the future. An inauguration, salt-train flag-off and foundation-stone ceremony are scheduled, they have not yet occurred. [7]

Our Stage 2 test is deliberately different from waiting for a spectacular profit number. We look for independent customer validation, operational execution and a credible cash or balance-sheet bridge. Kalyani has made progress on execution. What is still missing is enough evidence on paid third-party traffic, wagon orders, pricing and capital returns.

3. Is the industry giving the same signal?

There is a genuine opportunity in specialised private freight equipment. The mistake would be to assume Kalyani has discovered a market that everyone else has ignored.

Peer evidence from Q1 FY27	What it tells me
Texmaco reported 1,054 freight cars delivered. Private and export orders represented 96.4% of its freight-car order book, against 21% in FY25.	The shift toward private demand is real. Large competitors are already repositioning.
Texmaco discussed specialised wagons and more than 6,000 wagons in its outstanding book.	Kalyani will compete against qualified manufacturers with customer commitments, not just empty factories.
Jupiter's revenue rose 46% to approximately ₹671 crore. EBITDA margin fell from 13.0% to 9.7%, and PAT fell about 16% to ₹26.2 crore.	Volume growth and profit growth can move in opposite directions. We cannot casually assign mature premium margins to a new plant.
Gateway described weak cargo conditions, empty running and lower double stacking affecting rail economics.	A rail connection is not immunity from trade cycles or unbalanced cargo flows.

Sources: Texmaco's 4 August call, Jupiter's Q1 presentation and Gateway's 5 August call. The businesses and mixes differ, these are operating cross-checks, not identical valuation comparables. [11][12][13]

Why Kutch could still work

Local salt cargo could give the terminal a useful starting base before the ICD is ready. The existing manufacturing operation can also create some traffic. Later, a cargo hub could combine domestic freight with EXIM activity.

The crucial question is what the shipper saves versus its existing route. That requires the full door-to-door cost, including first-mile trucking, terminal charges, railway freight, loading delays and empty repositioning. A map showing proximity to ports does not answer this question.

A bulk salt train would be a useful first commercial datapoint. I would next want the customer's contracted annual tonnage, retained handling contribution and repeat dispatch schedule. Salt tonnage by itself does not tell us profit.

The ITE partnership adds another possibility in refrigerated containers and IceBattery technology. But the filing does not provide a committed order book, unit margins or a quantified exclusive market. It envisages reciprocal investments of about ₹1 crore, subject to the necessary steps. I assign it no separate value in the model below. [8]

Demand verdict: a favourable long-term direction, with meaningful cyclical and competitive friction. The peer evidence supports researching Kalyani, not underwriting its revenue ambition without contracts.

4. The accounts tell a more complicated story

The audited FY26 numbers show a profitable company, but also a transition consuming cash. The table uses consolidated figures. Operating EBITDA excludes other income and is calculated from the accounts. [1]

Metric	FY25	FY26	What matters
Revenue from operations	139.22	149.94	Growth of 7.7%
Operating EBITDA	19.73	21.82	Margin approximately 14.2% → 14.6%
PAT attributable to parent shareholders	14.26	17.08	Not all growth is operating growth
Operating cash flow	8.28	18.22	Stronger, with working-capital support
Trade receivables	26.41	32.99	Growth of approximately 25%
Inventory	8.79	5.03	Release of approximately 3.77
Customer advances	0.01	5.90	Helpful funding, also future delivery obligations
Cash/bank balances plus current investments	26.71	7.21	Liquidity was used to fund expansion
Borrowings	5.28	0.58	Low at year-end, not proof the expansion is fully funded

Two earnings adjustments I would not skip

First, FY26 includes ₹1.66 crore of investment-sale gains. Removing those and a small fixed-asset gain at an illustrative 25% tax rate reduces attributable PAT from ₹17.08 crore to about ₹15.81 crore. Removing all other income gives approximately ₹15.48 crore. I use ₹15.8 crore as a rough current recurring-earnings reference, not a claim of audited adjusted PAT.

Second, the separately disclosed billed domestic-goods revenue line fell from ₹139.04 crore to ₹135.86 crore. Services increased from ₹0.16 crore to ₹8.67 crore, and ₹5 crore of unbilled revenue appeared. Unbilled revenue could relate to goods or services, so this is not proof that total product demand fell. It is proof that the headline growth rate needs a better explanation. [1, notes 25–26]

We need to know the nature of those services, whether they repeat, and when the unbilled amount becomes an invoice and then cash. I have not assumed those revenues are fictitious or automatically non-recurring.

Year-end receivables divided by annual operating revenue imply roughly 80 days, versus 69 previously. This is a simple closing-balance proxy, not the company's average debtor-day calculation. It is moving the wrong way for a business entering a larger capex cycle.

5. Follow the cash before celebrating the capex

Here is the FY26 cash bridge, in deliberately simple terms. These are calculations from the consolidated cash-flow statement, not management's project-budget figures. [1, p.120]

Cash item	₹ crore
Operating cash generated	+18.22
Cash-flow outlay for property, plant and equipment	−16.22
Increase in capital work in progress	−20.48
Intangible development outlay	−0.15
Increase in long-term capital advances	−2.33
Operating cash less these expansion uses, using unrounded figures	**−20.96**

This is not a distressed balance sheet today. It is a business moving from a relatively light asset base to a much larger investment programme. Redeeming investments and using existing cash helped finance that transition.

There is another useful stress test. Inventory release added ₹3.77 crore and the increase in customer advances added ₹5.89 crore. If just those two movements had been flat, operating cash would mechanically have been about ₹8.57 crore rather than ₹18.22 crore. That is not a substitute accounting figure. It shows why one strong cash-flow year should not be extrapolated blindly.

A project budget is not cash already spent

The May results letter described a ₹450–500 crore multi-year capital plan and ₹200 crore of funding described as tied up through accruals and debt. Its ₹70 crore spending wording was subsequently clarified on 8 June as planned expenditure, partly incurred, rather than all spent in FY26. I use audited cash flows for actual spending and do not treat the original wording as an unresolved ₹70 crore accounting gap. The June clarification was located through filing indexes, not a readable original in this review. [2][14][15]

At March 2026, the annual report also disclosed ₹35 crore of capital commitments net of advances. That is a dated commitment disclosure, not the cost of every subsequent ambition. [1]

The announced warrants can provide ₹18.81 crore if fully exercised. Only 25% is payable initially, the remaining 75% arrives on conversion. That is useful money, but it does not by itself fund a ₹450–500 crore vision. [9]

The future funding questions are therefore unavoidable: how much bank debt, at what rate, against which assets, and how much more equity might be required?

6. Who owns the upside, and can I trust the allocation of capital?

KMT Engineering, the terminal subsidiary, is not something I can safely value as 100% owned by listed shareholders. In the June 2024 call, management described a 51% holding and said the remaining 49% was with the family. [5]

FY26 parent accounts show ₹10.50 crore invested in KMT and approximately ₹12.40 crore of loans to it. Consolidated minority interest also increased substantially. These figures indicate additional subsidiary funding, but they do not by themselves establish the latest percentage ownership or which entity owns every part of the Kutch campus. [1]

That is an information gap I want closed before investing. It is not evidence that subsidiary funding is improper. Loans can earn interest and be repaid even when the lender does not own all the equity. We need to see the terms and the complete ownership map.

Management has relevant experience, but communication needs to improve

The company describes Naresh Kumar as an IIT Madras mechanical-engineering postgraduate with substantial Indian Railways experience. That background is relevant to this project. The execution visible at Kutch deserves credit. [3][5]

However, several parts of the public record reduce my confidence in underwriting an ambitious forecast:

Observation	My interpretation
June 2025 call discussed 30–40% FY26 revenue growth. Actual operating revenue grew 7.7%.	A meaningful forecast miss. New guidance needs a higher evidence threshold.
November 2025 discussion of approximately ₹140 crore of orders included about ₹92.6 crore already executed.	Cumulative orders and the unexecuted order book must not be confused.
Promoter holding declined from 63.32% to 59.47% during FY26, while the listed share count was unchanged.	This fall was not caused by FY26 equity dilution.
Asked about promoter selling in the November call, management declined to discuss it.	Not proof of misconduct, but an unsatisfactory response to a legitimate shareholder question.
The July warrant proposal is predominantly promoter-group participation.	New capital is positive, but the ₹582 issue price is not a fair-value certificate for a buyer at ₹1,124.

Sources: calls, annual report, EGM notice and shareholding history. [1][3][4][9][10]

Related-party property rents and family involvement require scrutiny, especially when assets and profits are spread across entities. The audit opinion is unmodified. I found reasons to ask harder questions, not a basis to label this company fraudulent.

The document I want most: a one-page entity map showing land, factory, wagon unit, terminal, ICD, debt, guarantees and minority ownership, plus the terms of inter-company funding and transactions.

7. What could it earn by FY30?

Rather than annualising a press release, let us build three conditional operating outcomes. These are my illustrations, not company guidance or measured probabilities. They cover an initial-scale expansion, not the entire ₹4,000–5,000 crore aspiration.

The September filing gives approximately 2,400 wagons of annual capacity. I use management's older ₹40 lakh per-wagon indication as a modelling placeholder. Actual design mix and contract prices could differ materially. The container disclosures also alternate between TEUs and physical containers, so I model that business in revenue rather than invent a precise unit-capacity forecast. [3][6]

FY30 assumption	Slow ramp	Workable ramp	Strong execution
Existing-business revenue, including container expansion	180	275	375
Existing-business EBITDA margin	12%	14%	15%
Wagons delivered annually	300	1,100	2,200
Utilisation of 2,400-wagon capacity	13%	46%	92%
Wagon revenue at ₹0.40 crore each	120	440	880
Wagon EBITDA margin	8%	11%	13%
Combined manufacturing EBITDA	31.2	86.9	170.7
Manufacturing depreciation	10	14	20
Manufacturing interest	6	10	14
Manufacturing PAT at 25% tax	11.4	47.2	102.5

The workable case assumes approximately 16% annual growth in the existing-business revenue base between FY26 and FY30, plus a new ₹440 crore wagon business. That is already substantial execution, not stagnation dressed up as conservatism.

Its arithmetic is: **₹275 × 14% + 1,100 wagons × ₹0.40 × 11% = ₹86.9 crore EBITDA.** Subtract ₹14 crore depreciation and ₹10 crore interest, then 25% tax, leaving approximately ₹47.2 crore manufacturing PAT.

Depreciation is much higher than FY26 because new plant cannot remain in capital work in progress forever. Interest is also higher. The model's interest assumptions are equivalent to roughly ₹60/100/140 crore of average manufacturing debt at 10%. They are financing assumptions, not disclosed facilities.

The slow-ramp case shows the unpleasant possibility: revenue rises, yet earnings disappoint because the assets and funding costs arrive before adequate utilisation. The strong case requires approaching full wagon utilisation and earning a better margin than Jupiter's latest consolidated quarter.

8. The terminal must earn its place in the valuation

A terminal is potentially more recurring than manufacturing equipment. It is not automatically an annuity. The same customers need to ship repeatedly, on profitable routes, with enough cargo to absorb fixed costs.

For the model, terminal revenue means externally earned, retained handling and related service revenue. It excludes internal group billing and pass-through railway freight. These are assumptions, not disclosed tariffs or contracts.

FY30 terminal illustration	Slow ramp	Workable ramp	Strong execution
Net service revenue	8	24	48
EBITDA margin	25%	35%	40%
EBITDA	2.0	8.4	19.2
Depreciation	4	5	6
Interest	2	3	4
PAT, no tax benefit assumed on losses	−4.0	0.3	6.9
Attributable PAT at illustrative 51% ownership	−2.0	0.2	3.5
Total model PAT attributable to listed shareholders	**9.4**	**47.3**	**106.0**

The workable case's ₹24 crore net service revenue would require 12 lakh tonnes a year if retained revenue were ₹200 per tonne. At an illustrative 4,000 tonnes per train, that is 300 trains a year. This is a bulk-equivalent sanity check, not an actual tariff quote or an ICD container-volume forecast.

This is why a first salt train matters, but is not enough. We need evidence for the hundreds of repeat movements that could support the economics.

Important ownership and funding boundaries

The model assumes manufacturing profits accrue entirely to the listed parent and applies the original 51% holding only to terminal profits. This ownership allocation is provisional. If meaningful manufacturing assets or profits sit in partly owned entities, attributable earnings will be lower. The latest entity map is therefore essential.

At 70% terminal ownership instead, model total PAT becomes approximately ₹8.6/47.4/107.3 crore. The small change shows that, under these particular operating assumptions, most of the valuation is a wagon-manufacturing bet, not an ICD bet.

Depreciation and interest together are ₹22/32/44 crore across the model's businesses. Working capital also matters. In the workable case, 15% net working capital on ₹715 crore manufacturing revenue is about ₹107 crore. The comparable simple FY26 trading working-capital balance was roughly ₹28 crore. About ₹79 crore of additional cash could be required before considering the rest of capex.

These are not fully financed project forecasts. They are explicit tests of what must work. More equity issuance, higher borrowing costs or a larger asset base would reduce per-share outcomes.

9. What is the market asking us to believe?

The existing share count is 71,80,500. The proposed 3,23,123 warrants would take it to 75,03,623 if all convert, approximately 4.5% more shares. At ₹1,123.60, those counts imply equity values of ₹806.8 crore and ₹843.1 crore respectively. The model uses the latter count. The separate ITE investment arrangement could add further dilution depending on implementation. [1][8][9][10]

Work backwards from the return we want

There are approximately 3.55 years from this report to March 2030. For a 15% annual price return, ₹1,123.60 needs to become about ₹1,845, excluding dividends. What earnings would support that price?

FY30 exit P/E assumption	Required FY30 attributable PAT	Growth from adjusted FY26 PAT of ₹15.8 crore
15×	₹92.3 crore	5.8 times
20×	₹69.2 crore	4.4 times
25×	₹55.4 crore	3.5 times

Formula: **required PAT = current price × 1.15^3.55 × 0.7503623 crore shares ÷ exit P/E.** The market does not disclose an earnings forecast. This is a reverse-expectations calculation under stated return and multiple assumptions.

Our operating scenarios translated into a shareholder outcome

Conditional outcome	FY30 PAT	Exit P/E	FY30 share value	Annual price return from ₹1,124	Value today at a 15% hurdle
Slow ramp	₹9.4 cr	15×	₹187	−40%	₹114
Workable ramp	₹47.3 cr	20×	₹1,261	+3%	₹768
Strong execution	₹106.0 cr	25×	₹3,532	+38%	₹2,150

Rounded calculations use unrounded PAT. These are scenario values, not price targets. No interim dividends or additional equity beyond the known warrants are assumed. Warrant cash is not added a second time because the expansion consumes funding.

Notice the central problem. A fairly successful industrial expansion can still produce only a modest stock return from today's price. The spectacular return comes from strong execution combined with a premium exit multiple. The downside case is not remotely “tails, I do not lose much”.

I would not present a single probability-weighted fair value here. Ownership, signed orders and the financing schedule are too incomplete to assign defensible probabilities. To illustrate the burden of proof, if the slow-ramp probability were 25%, the strong-execution probability would need to be about 38%, with the balance in the workable case, merely to make this three-outcome model's expected discounted value equal today's price.

10. What about the much bigger ten-year opportunity?

The ₹4,000–5,000 crore aspiration is not arithmetically impossible. It is just a different project from the initial factory now approaching operation.

At ₹40 lakh per wagon, 2,400 wagons produce ₹960 crore of annual revenue at full utilisation. Management's older long-term 7,500–8,000 wagon capacity ambition would imply ₹3,000–3,200 crore at the same realisation, before containers and logistics. Reaching that scale requires additional assets, approvals, customers and capital. [2][3][6]

From FY26's approximately ₹150 crore operating base, ₹4,000 crore in eight years needs roughly 51% annual growth. That is a company-transformation case, not merely participation in ordinary railway growth.

The terminal value question

Rail freight is not a sunset industry. Containers, wagons and cargo handling should remain economically useful for a long time. That supports the opportunity. It does not automatically give Kalyani a high terminal value.

A durable terminal franchise would need repeat cargo, customer density, attractive route economics, continued approvals and good returns on its asset base. A durable manufacturer would need repeat orders, engineering relevance, sensible pricing and the ability to fund growth without continuously diluting shareholders.

I would not import a 7% perpetual-growth assumption from an asset-light AMC into this business. A terminal-growth assumption must include the reinvestment needed to produce it. For example, a business earning 12% on incremental capital needs to reinvest about half its operating profit to sustain 6% growth. The growth is not free cash for owners.

The valuation above discounts possible future equity prices based on earnings multiples. It is **not a full free-cash-flow DCF**. I have deliberately not built a 15-year DCF around undisclosed terminal tariffs, uncertain ownership and an uncosted final expansion phase. That would add precision without resolving the questions that matter.

As another lens, valuing ₹15.8 crore of current adjusted profit at an illustrative 15–20 times gives roughly ₹237–316 crore for a continuing core business, before separately valuing growth projects. Against the fully diluted ₹843 crore equity value, that leaves about ₹527–606 crore dependent on growth and optionality. This is a rough decomposition, not a liquidation value, a sum-of-parts appraisal or a downside floor.

My long-term assessment: industry relevance is high, but company-specific durability and returns on the new capital remain unproven. A good future is possible. A wide margin of safety is not visible today.

11. Our checklist, and what would change my mind

Checklist question	Current assessment
Is the opportunity structurally relevant?	Yes, specialised rail freight and logistics can grow over many years.
Is the company gaining market share?	Not established independently. I cannot mark this a pass based on management's leadership claims.
Is there a durable moat?	Engineering capability is credible, exclusive economics and local terminal advantage still need proof.
Is there an earnings inflection before the P&L?	Physical commissioning and initial deliveries are leading signals. Commercial validation of the larger projects remains incomplete.
Is the balance sheet safe through the ramp?	March debt is low, future capex and working-capital funding are unresolved.
Is governance sufficiently clear?	Subsidiary ownership, related-party asset arrangements and promoter-selling communication need better disclosure.
Are cash flows supporting reported progress?	Positive CFO, but receivables and unbilled revenue need attention. Expansion outlay exceeds operating cash.
Is the risk/reward asymmetric at ₹1,124?	Not under the scenarios I can currently justify. The downside is substantial if utilisation disappoints.

The early evidence worth acting on

I do not need to wait until FY30 profits arrive. I need evidence that makes those profits substantially more likely.

1. **Commercial wagon proof.** Applicable approvals, named customers, committed quantities, deposits and acceptance of initial deliveries. Orders, not MoUs.

2. **Repeat external cargo.** Paid third-party tonnage and retained contribution. Separate own-factory traffic from external customers.

3. **A financed asset plan.** Remaining capex, sanctioned debt, depreciation and further equity. Reconcile the ₹70/200/450–500 crore figures by phase and date.

4. **A shareholder ownership map.** Latest KMT percentage, asset ownership, inter-company terms and where profits accrue.

5. **Cash verification.** Collection of unbilled revenue, explanation of services income, and receivables that stop outrunning sales.

A wagon order with deposits can be a stronger Stage 2 signal than a record quarterly PAT number. Repeated profitable trains can validate the terminal before full utilisation.

My verdict

Kalyani goes on the active research watchlist, not the buy list at ₹1,124. The project looks more real than a promotional slide, but the price already needs a major transformation.

The workable illustration gives approximately ₹768 of present value. A 20–30% buffer would be roughly ₹540–615. This is only a price-alert zone **conditional on** clean ownership and funding answers, not an unconditional buy range. Governance uncertainty does not disappear because the price falls.

The opportunity becomes investable when the operating evidence, shareholder economics and price line up. Today, they do not yet line up for me.

Sources, method and limitations

Prepared on 12 September 2026. FY26 means the year ended 31 March 2026. This is company research, not personalised portfolio advice. No assumption is made about the reader's financial circumstances or suitability. No securities transactions or account changes were made.

Method. Reviewed FY25 and FY26 annual-report material, FY26 results and investor letter, June 2024, June 2025 and November 2025 calls, the warrant documents, September project filings, and recent operating disclosures from three peers. Calculations are independently reconstructed. Management assertions are not treated as independently confirmed market-share or demand data. All forward financial numbers are author scenarios unless identified as management's ambition.

Limits. I did not obtain customer contracts, the latest standalone KMT ownership schedule, asset-level project budgets, bank sanction letters, a complete patent/licence record or terminal tariffs. I did not conduct customer calls or a site visit. The report does not claim to have reviewed every filing or every management interview. Missing commercial evidence limits confidence in valuation, it does not prove wrongdoing.

Linked source register

[1] Kalyani FY26 annual report. Financial statements and notes, particularly printed pages 112–120, parent investment/loan disclosures, capital commitments and related-party schedules. The report uses the accounts' lakh figures divided by 100 to express crore.

[2] FY26 results and 29 May investor letter. Initial Kutch deliveries, order book, project readiness, capital plan and revenue ambition. The original capex wording has a subsequent clarification, see [14] and [15].

[3] 10 June 2025 earnings-call transcript. Products, customers, growth expectations, wagon economics and expansion plans.

[4] 15 November 2025 earnings-call transcript. Order-book definitions, design claims, timing and promoter-holding questions.

[5] 1 June 2024 earnings-call transcript. Founder background, original KMT 51% ownership, family interest and property arrangements. These are dated disclosures, not confirmation of the current ownership percentage.

[6] 11 September 2026 ICD disclosure, including CBIC letter. Exact regulatory conditions, 10,000 TEU container capacity indication, 2,400 wagon capacity indication and project status.

[7] Scheduled 14 September inauguration disclosure. Ceremony, salt-train flag-off and proposed ICD foundation stone.

[8] 8 September 2026 ITE Japan agreement disclosure. Refrigerated-container cooperation and proposed reciprocal investment.

[9] July 2026 EGM notice, preferential warrants. Number, price, payment terms and objects of the proposed issue. Share conversion is modelled, not represented as already completed.

[10] Kalyani on Screener and Trendlyne company page. Market-price and shareholding cross-checks. Reference price ₹1,123.60, rounded to ₹1,124 in prose, 11 September 2026 close. Not a live executable quote.

[11] Texmaco 4 August 2026 call. Private/export orders, specialised wagons and operating volumes.

[12] Jupiter Wagons Q1 FY27 presentation. Consolidated margin and PAT bridge, wagon deliveries and order book.

[13] Gateway Distriparks 5 August 2026 call. Cargo conditions, route mix and rail profitability. Management's assessment, not independently measured industry market share.

[14] Investor Feed filing index. Secondary discovery/corroboration for August milestones and the 8 June capex clarification. The precise August temporary-approval conditions were not independently reviewed, so the report does not rely on them.

[15] LongRun, filings of 8 June 2026. Secondary corroboration that ₹70 crore was planned expenditure, not all FY26 spending. The original clarification was indexed behind an inaccessible document page during this review.

Calculation notes. Operating EBITDA = PBT + finance costs + depreciation − other income. Current recurring PAT is approximate and retains ordinary other income except identified investment and asset-sale gains. Scenario equity values = attributable PAT × assumed exit P/E ÷ diluted shares. Present value divides those prices by $1.15^{3.55}$. This is a discounted future-equity-value framework, not a full project DCF. Terminal losses receive no model tax benefit. Forecast debt, margins, volumes and ownership allocation are explicit assumptions, not verified future outcomes.