PRIVATE CLIENT GROUP | kotak Securities

Dated: 11 Nov 2025

JK PAPER LTD (JKP) – ADD

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs. 386	**Rs. 425**

Rationale:

- During Q2FY26, JK Paper's (JKP) performance was below our estimates on the top-line and bottom line front.
- Paper and Paper Board segment continues to face headwinds from elevated wood costs and lower sales realizations due to cheaper imports.
- During the quarter, the company reported revenue of Rs1,749cr (grew ~4% growth YoY).
- EBITDA during the quarter de-grew ~15% YoY to Rs224cr (down ~9% QoQ).
- Currently, the stock is trading at PE of 5.0x FY28E EPS.
- Hence, we recommend ADD rating, with revised target price of Rs425.

Positives:

- JKP is the market leader in Branded Copier Paper in India and amongst the top producers of Coated Paper and Packaging Products in the Country.
- The implementation of a minimum import price (MIP) for virgin paper board, which should benefit domestic manufacturers.

Negatives:

- JKP report PAT of ~Rs75cr, which down ~42% YoY (up 8% QoQ).

(EBITDA - earnings before interest, taxes, depreciation, and amortization, PAT-Profit After Tax)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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