Dated: 16th February 2026

CRISIL (CRISIL) - REDUCE

Result Update Q3FY26

Current Market Price (CMP)	Fair Value (FV)
Rs.4443	**Rs.4600**

Rationale:

- CRISIL reported 7% yoy growth in PAT in Q4CY25 (PBT up 17% yoy, excluding the labor code impact), driven by 18% yoy revenue growth.
- The underlying margin trajectory was also positive across both segments.
- Our CY2026-28 earnings estimates are largely unchanged, factoring in 12-14% revenue growth.
- While the stock has corrected in the last 12 months, we await reasonable valuations to turn more constructive.
- Retain REDUCE with an unchanged Rs4,600 FV.

Positives:

- The rating division revenues grew 14% yoy in Q4CY25, led by similar growth in domestic ratings.
- We remain constructive on the ratings cycle, aided by broad-based growth in credit outstanding and a potential pickup in corporate capex.
- CY2025 was a strong year for the ratings business, with 18% revenue growth and 20% operating profit growth, resulting in a 44% operating margin.
- Non-ratings revenues (research, analytics and solutions) grew 20% yoy in Q4CY25, reflecting better-than-expected growth.

Negatives:

- Reported Non-rating segment margins declined to 26% from 29% yoy.
- A more constructive stance would require more favorable valuations and improved visibility in non-ratings revenue growth.

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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