kotak neo

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

Crisil (Crisil)

Current Market Price	Fair Value (FV)
Rs.4,302	Rs.4,800

Date: 22 July 2026

Previous Rating: - REDUCE **Current Rating:** ADD **Change:** Upgrade

Ratings Rationale

- CRISIL reported ~25% yoy earnings growth in Q2CY26, driven by ~28% yoy revenue growth and a ~27% yoy increase in expenses.
- Non-ratings revenue rose 30% yoy, aided by the PriceMetrix acquisition and healthy underlying growth trends, while ratings revenue grew 22% yoy.
- Overall EBIT margins were stable at about 25%.
- Non-ratings revenue grew 30% yoy, while ratings revenue grew 21% yoy.
- We remain constructive on the ratings cycle, aided by broad-based growth in credit outstanding and a potential pickup in corporate capex, and factor in 17-18% revenue CAGR with calculated ratings margins of 56-57%.
- We upgrade CRISIL to ADD (from REDUCE) with FV of Rs. 4,800 valuing it at 30x June 2028E Earning Per Share ("EPS"), noting reasonable comfort on implied valuations for the non ratings business (~16X) and overall time correction in the stock i.e., nearly flat for three years, even as Profit After Tax ("PAT") is up 1.4X during the period.
- The key risk is growth disappointment in the non-ratings business, given the lower growth visibility.

Valuation

Roll forward to March & revise our FV to Rs 4,800 (Rs 4700 earlier) based on 30X June FY28 EPS

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.
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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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