Birlasoft Ltd. – Investment Update – SELL Recommendation

Dear Bajaj Capital Investors,

We, Bajaj Capital's Research Team, **had recommended Birlasoft Ltd stock as a BUY on 10 June 2025 at a price of 425, with a 12-month investment horizon and a target price of 497, implying an upside potential of 17%.**

However, the company's Q1FY27 performance was materially below expectations, both relative to our estimates and management's prior guidance. Lower single digit revenue growth quarter after quarter, Operating margins and PAT margins declined on both a QoQ basis in Q1. In light of the weaker-than-expected operating performance and limited near-term growth visibility, **we have reassessed our investment thesis and are revising our stance on the stock to SELL at CMP of 305 as of 29 July 2026, representing 28% downside from our recommended price.**

Q1FY27 Results: -

	YoY	QoQ	Jun 2026	Mar 2026	Jun 2025
Revenue Cr	7.3%	2.3%	1,379	1,349	1,285
Operating Profit Cr	40.3%	-10.6%	223	249	159
OPM %			16.1	18.5	12.4
PAT Cr	51.3%	-8.5%	161	176	106
NPM %			11.7	13.1	8.3
EPS ₹	50.1%	-8.8%	5.7	6.3	3.8

Happy Investing!

Thank you and best regards,

On behalf of Bajaj Capital's Research Team