

# Info Edge (India): Five-Pillar Analysis

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Companion to the Info Edge (India) investment report (68/100, Selective Positive). This piece grades the business against the five-pillar engine: Sunrise, Leadership, Moat, Iron Fortress, and Free Cash Flow.

Reference price: Rs 1,185 (NSE close, October 23, 2026). Good fit, 4 of 5 pass.

## Grades at a glance

| Pillar                                 | Grade   |
|----------------------------------------|---------|
| Sunrise (demand grows, AI reshapes it) | PARTIAL |
| Leadership                             | PASS    |
| Moat                                   | PASS    |
| Iron Fortress (balance sheet)          | PASS    |
| Free Cash Flow                         | PASS    |

**Overall fit verdict:** Good fit, 4 of 5 pass. Info Edge clears the bar on leadership, moat, the balance sheet and free cash flow, while sunrise is partial: demand grows, but AI is reshaping traffic and hiring, with the first measured damage already visible at Shiksha. Full investment report score: **68/100, Selective Positive**.

## Pillar 1: Sunrise, PARTIAL

**GRADE: PARTIAL**

The pillar tests the direction and speed of demand, and here direction and speed disagree. Direction is favourable: India keeps formalising white-collar hiring, global capability centres keep expanding, property transactions keep moving online, and the pools Info Edge owns (118 million resumes, the largest property audience) sit in front of all of it. H1 FY27 standalone billings grew 13.5 percent, with 99acres billings up 19.2 percent and Jeevansathi up 16.3 percent.

Speed and certainty are the deductions. Recruitment, about 75 percent of billings, grows at low-to-mid teens in a good half (underlying 14 to 15 percent in H1 FY27 on management's renewal-timing adjustment), and its largest demand pool, IT services hiring, is the one AI automation compresses first. The AI headwind is not hypothetical inside this company: Shiksha billings fell 22.8 percent in Q1 FY27 and 27.2 percent in Q2 FY27 as AI-driven search cut referral traffic. A sunrise in which one vertical is already losing its distribution to AI answer engines, and the core vertical's growth has normalised from 30 percent plus to the low teens, is a partial sunrise: real, durable, and honestly graded. PARTIAL.

## Pillar 2: Leadership, PASS

### GRADE: PASS

Grade the record, and this record is unusually long and checkable. Sanjeev Bikhchandani founded the company in 1995, launched Naukri in 1997, raised about Rs 7 crore in 2000 and refused to burn it, surviving the dotcom bust that killed better-funded rivals. Hitesh Oberoi, co-promoter and MD and CEO for over two decades, runs the operating businesses. Together they built four classifieds verticals, listed the company in 2006, and produced the FY26 prints this analysis grades: standalone revenue up 15.0 percent to Rs 3,052 crore, operating PBT up 16.9 percent to Rs 1,137.7 crore, and the specific directors' report claims (recruitment billings up 10.04 percent, non-recruitment losses down 15.8 percent) match the filings.

The second record is capital allocation, and it is the best in Indian listed internet: investing since 2007 at a claimed gross IRR of about 36 percent across 111 companies, with Rs 483.78 crore in Eternal and Rs 591.40 crore in PB Fintech becoming stakes worth roughly Rs 44,000 crore at October 2026 marks. Deductions are recorded without breaking the grade: 99acres remains loss-making after two decades (FY26 loss Rs 59 crore), no monetisation or distribution plan has been stated for the listed stakes, and the promoter holding has trimmed slowly from 37.63 percent (March 2025) to 37.19 percent (September 2026). Delivery on operations and on investing, over 29 years, is a pass. PASS.

## Pillar 3: Moat, PASS

### GRADE: PASS

The moat is a live data asset plus a sales force, and the evidence is quantitative. Resdex held 118 million resumes in Q1 FY27, refreshed by about 8.59 lakh profile modifications a day and searched about 9.97 lakh times a day. A rival can build a jobs website in a quarter; it cannot rebuild a decade of edited, employer-verified, recruiter-searched candidate data, nor the feet-on-street sales organisation that converts it into prepaid annual subscriptions (deferred revenue Rs 1,385.9 crore at June 2026). Naukri's position in IT services and staffing hiring, where bulk recruiters treat Resdex as infrastructure, is the deepest layer.

The supporting moats are thinner and are graded as such. 99acres has traffic leadership in property but no profit moat yet (FY26 loss of Rs 59 crore against Magicbricks, Housing.com and NoBroker). Jeevansathi is a challenger to Matrimony.com and Shaadi.com, not the leader. The named threats are real: LinkedIn owns professional identity and is layering AI matching on it, and AI sourcing agents attack exactly the search task Resdex monetises. The company's defence, workflow tools (Zwayam, DoSelect) and AI products (AI-Rex, Talent Pulse), is directionally right and not yet proven at scale. A moat that fully covers the core database business, and thins at the AI and non-recruitment edges, is a pass. PASS.

## Pillar 4: Iron Fortress, PASS

**GRADE: PASS**

Borrowings were Rs 259 crore on the consolidated balance sheet at March 2026, against investments of Rs 42,299 crore and net worth of about Rs 37,914 crore. Standalone cash was Rs 5,034 crore at June 30, 2026. The company funds four operating verticals, a venture programme and a dividend from internal accruals, has never needed rescue capital since the 2000 venture round, and carries no promoter pledging. Promoters hold 37.19 percent; foreign and domestic institutions hold about 52 percent combined, a deep and stable register.

One structural note is recorded, and it changes the character of the fortress rather than its grade. Most of the wall is listed equity, not cash: the Eternal stake alone marks at roughly Rs 38,300 crore, about half the market capitalisation, and PB Fintech's September 2026 fall cut about Rs 4,100 crore from that stake's value in days. The fortress cannot be forced by a lender, which is what this pillar tests, but its market value breathes with two other companies' share prices. PASS, with the monitored metric named: the combined listed stake value as a share of market capitalisation, and any stated plan for it.

## Pillar 5: Free Cash Flow, PASS

**GRADE: PASS**

This is the cleanest financial pillar in the set. Standalone free cash flow was Rs 701 crore in FY22, Rs 730 crore in FY23, Rs 807 crore in FY24, Rs 904 crore in FY25 and Rs 1,098 crore in FY26; consolidated free cash flow was Rs 1,003 crore in FY26. Operating cash flow tracks operating profit closely (standalone Rs 1,169 crore against operating profit of Rs 1,261 crore in FY26) because customers prepay and capex is minimal (standalone fixed assets of Rs 341 crore). The FY26 final dividend of Rs 3.60 a share was paid from this cash generation, not from the investment book.

The honest caveat is classification, not quality. Reported PAT on both bases is dominated by fair-value items (standalone FY26 PAT of Rs 5,536 crore includes Rs 5,503 crore of other income), so a careless reader can mistake investment marks for cash earnings. The cash itself is unambiguous: positive free cash flow in every year of the reviewed series, rising each year on the standalone basis. PASS, with the monitored metric named: standalone free cash flow conversion of operating profit, and whether AI defence spending bends the 41 to 44 percent operating margin.

## Summary

- **Pillar 1. Sunrise:** PARTIAL, formal hiring, property and matchmaking demand grows (H1 FY27 billings up 13.5 percent), but recruitment growth has normalised to low-to-mid teens, IT hiring faces AI compression, and Shiksha billings fell about 25 percent in H1 FY27 on AI search changes
- **Pillar 2. Leadership:** PASS, a 29-year delivery record across operations (FY26 standalone revenue up 15.0 percent, operating PBT up 16.9 percent) and investing (about 36 percent claimed gross IRR, Eternal and PB Fintech stakes worth roughly Rs 44,000 crore); deductions are 99acres losses and no stated plan for the listed stakes
- **Pillar 3. Moat:** PASS, Resdex's 118 million live resumes, about 9.97 lakh daily recruiter searches and a prepaid subscription sales force; the moat thins at the LinkedIn and AI sourcing edge and outside recruitment
- **Pillar 4. Iron Fortress:** PASS, borrowings of Rs 259 crore against investments of Rs 42,299 crore and cash of Rs 5,034 crore, no pledging; the wall is mostly listed equity, so its value moves with Eternal and PB Fintech
- **Pillar 5. Free Cash Flow:** PASS, standalone free cash flow positive and rising for five straight years (Rs 701 crore to Rs 1,098 crore), consolidated Rs 1,003 crore in FY26, dividend funded from operations

Good fit, 4 of 5 pass. The engine's read: Info Edge passes every pillar that describes the company's own defences and cash machine: leadership, the data moat, the balance sheet and free cash flow are top tier for Indian internet. The single partial pillar describes the weather: demand grows, but AI is changing how traffic and hiring flow, and the first measured damage is already inside the portfolio at Shiksha. That matches the investment report's 68/100 Selective Positive: the franchise grades higher than the current growth print, and at Rs 1,185, with roughly 64 percent of the price in listed stakes and cash, the constraint is the full value placed on the core, not the quality of the machine.

What changes the grade: Sunrise upgrades to pass if recruitment billings re-accelerate above the high teens for two consecutive halves or Shiksha stabilises, and downgrades to fail if recruitment billings turn negative or AI sourcing visibly takes Resdex share. Moat is re-graded if a major recruiter cohort shifts primary spend to LinkedIn or AI agents. Iron Fortress is re-graded if the listed stakes are pledged or if a large debt-funded acquisition appears. Leadership is re-graded on the 99acres full-year profitability checkpoint and on any stated plan for the listed stakes.

## Sources

- Screener.in company pages for NAUKRI (standalone and consolidated), accessed October 23, 2026: standalone revenue Rs 3,052 crore and operating profit Rs 1,261 crore in FY26, free cash flow Rs 701 crore (FY22) to Rs 1,098 crore (FY26); consolidated investments Rs 42,299 crore, borrowings Rs 259 crore, free cash flow Rs 1,003 crore in FY26; shareholding September 2026 (promoters 37.19 percent, FII 25.46 percent, DII 26.81 percent)
- Company FY26 directors' report and results: standalone revenue up 15.01 percent, operating PBT Rs 1,137.72 crore (up 16.89 percent), recruitment billings up 10.04 percent, non-recruitment operating PBT losses down 15.80 percent; Inc42 results coverage: recruitment FY26 revenue Rs 2,374 crore and profit Rs 1,277 crore, 99acres revenue Rs 488 crore and loss Rs 59 crore, final dividend Rs 3.60 a share
- Q1 FY27 and Q2 FY27 business updates (company filings): Q1 billings Rs 737 crore (up 14.4 percent), Naukri census of 118 million resumes and 9.97 lakh daily searches, cash balance Rs 5,034 crore, deferred revenue Rs 1,385.9 crore; Q2 billings Rs 822.3 crore (up 12.8 percent), Shiksha down 27.2 percent, H1 billings up 13.5 percent
- The Hindu BusinessLine (FY25 shareholder letter): investing since 2007, gross IRR about 36 percent, 111 companies, Rs 483.78 crore invested in Eternal (Zomato) and Rs 591.40 crore in PB Fintech; Finnhub October 23, 2026 marks: Eternal market cap about Rs 3.09 lakh crore, PB Fintech about Rs 47,805 crore; Inshorts, September 26, 2026: 12.43 percent PB Fintech stake lost over Rs 4,100 crore on the IRDAI proposal

*DalalBytes Research. Estimates labelled as such are DalalBytes modelling. Verified facts are drawn from the sources above as at October 23, 2026.*