
Avendus Capital advises NSEIT, the digital examination (DEX) business of the National Stock Exchange of India on its acquisition by CL Educate

Mumbai, January 31, 2025

CL Educate Limited, a leading Indian education company listed on NSE and BSE, announced the successful closure of its acquisition of the Digital Exam Assessment (DEX) business of NSEIT Limited, a step-down subsidiary of the National Stock Exchange of India (NSE). This acquisition strengthens CL Educate's position in the fast-growing assessments market, valued at around INR 7,000 crore in India and projected to grow at a CAGR of 12%, reaching INR 13,500 crore by 2028. Digital assessments, the space that CL Educate is specifically entering, accounts for 64% of the assessments market in India, and is projected to grow at an even faster clip of 16%.

Avendus Capital acted as the exclusive financial advisor to NSE and NSEIT on the transaction.

The acquisition, valued at INR 230 crore upfront, with an additional earn-out of INR 75 crore linked to FY25 performance, aligns with CL Educate's strategic vision to diversify and expand into adjacent education sectors. DEX, the second-largest player in India's digital assessments space, boasts a strong reputation, advanced technology infrastructure, and a 20%+ relative market share.

The DEX business provides scalable solutions across Recruitment & Promotion Exams, Professional Certifications, Vocational Assessments, Entrance Exams, and Employability Enhancement. With this acquisition, CL Educate aims to leverage its 30 years' experience in India's education space to enhance DEX's offerings and expand its footprint in the global digital assessment market, estimated at USD 15 billion.

With its proven operational efficiency, experienced leadership team, and scalable tech-driven model, the DEX business is well-positioned to contribute to CL Educate's long-term growth strategy.

Ashish Chauhan, Managing Director & CEO, NSE said, "This transaction demonstrates NSE's intent to focus on its core business and divest from non-core business areas. We are pleased that CL Educate (CLE), which has extensive experience in test preparation and higher education services, is acquiring NSE's DEX business. The acquisition of DEX business by CLE is a testament to the quality and potential of the business NSE has built."

Satya Narayanan R., Chairman, CL Educate commented, "This acquisition is a transformative step in CL Educate's journey, enabling us to bring cutting-edge digital assessment solutions to students, institutions and corporates worldwide with the proven capabilities of DEX. We believe this move aligns with our mission to make education accessible and impactful. Together, we aim to redefine the future of assessments with innovation and scalability."

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Varun Gupta, MD and Head SEA, Digital and Technology Investment Banking, Avendus Capital added, “Digital assessments are increasingly becoming pivotal amidst growing need for high quality entrance exams being conducted at scale. NSEIT has built cutting-edge technology and capabilities to deliver digital exams at scale in a secure environment. The combination with CL Educate will help it strengthen its position in the market by helping it tap its expansive network and expertise. We are seeing a resurgence in consolidation in EdTech / Education with a strong interest for profitable assets like NSEIT.”

About Avendus

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Avendus Capital, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in the class track record of domestic and cross-border transactions. Avendus’ wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions, M&A advisory and access to public markets.

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