

Private Equity News

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PEOPLE

My first deal: Advent's Shweta Jalan

In the opening interview of PEN's new monthly series speaking to senior PE figures about their first big deal, Advent International's Shweta Jalan talks about her role in one of India's earliest leveraged buyouts



– Advent International

By Sebastian McCarthy

Almost two decades ago, Shweta Jalan, now a Mumbai-based managing partner at Advent International, was forging her career at ICICI Venture, an Indian private equity firm.

Aged 26, her first big deal was one of India's earliest leveraged buyouts: ICICI snapped up Tata's stake in Mumbai-based Infomedia India, best known for its business directory service, the Yellow Pages. Over a four-year ownership period, Jalan helped lead the deal from start to finish: executing the buyout in 2003, overseeing operations, and finally selling the business onto a strategic buyer in 2007.

How did you find the experience of doing your first deal?

I joined ICICI in 2000 so I was still fairly young and junior in the grand scheme of things. There was the head of the firm, a

senior director and myself. It was a small team.

What attracted you to the business?

It was really a business comprising the Yellow Pages, specialty magazines and printing.

The printing business was considered to be the one which was not growing very well. The Yellow Pages business was a cash cow, and that's what we found interesting. Then there were these magazines, such as specialty magazines on home interiors and automobiles.

It also had a lot of non-core assets. It was in a fancy building in the heart of Mumbai which we thought we could monetise. It also had non-core businesses, including a movie business, believe it or not. From a private equity standpoint, that didn't make sense, so we had to wind up that business.

One of the key parts of our thesis was to enter adjacent businesses. We therefore decided to enter the publishing business pro-

cess outsourcing (BPO) market. We acquired a company in the publishing BPO space and we started building out that business.

What were some of the challenges you faced?

We changed the management team. We got a new CEO on board from Pepsi. We worked very closely with him over the four years, with lots of ups and downs, because the old CEO who we let go of started a competing business.

Managing through all that crisis was something that we worked on. I worked on all the M&A we did, I worked on the sale of property that we did, and getting leverage for leveraged buyouts.

What lessons did you learn?

I can't pick one lesson because there were so many! The level of preparedness you should have before buying assets is a lesson that is always worth having. You always think you should hire this person or that person, but really having the whole management team sorted and in place before any transaction is important so you can hit the ground running. We were also learning all about leverage – how to raise it, where you raise it, what the right structure is.

How do you look back at that deal compared to industry deals you do now?

It was a very nascent buyout industry in India. To do a buyout deal with a private equity company, not many people were thinking of doing it back then. Yes I was very nervous about changing management teams, how to raise leverage – there were a hundred questions in my mind.

I was very nervous, but it was very exciting. It was very exciting to be involved in one of the first buyouts to have happened in the country, and in many ways, it was the first time I fell in love with what I do.