BY ANUPENDRA SHARMA ('87 ECO INSTRU) AND SANDEEP MUKHERJEE ('95 PHY-MECH)

BITSians On Wall Street

BITSians are increasing in numbers on Wall Street as well as in the world's major financial centers in San Francisco, Houston, Singapore, Mumbai and London. Advising companies on multibillion-dollar mergers and acquisitions, financing new companies, acquiring mature businesses, taking companies public and much more. This article discusses BITSians working in Investment Banking, Equity Research, Sales & Trading, Private Equity, Asset Management and Hedge Funds.

In his classic book, "Liar's Poker", Michael Lewis described Wall Street as being a street with a river at one end and a graveyard at the other. He says that those who work there will end up in one or the other.

I am thankful to report that our investigations did not uncover anyone headed even remotely in either direction. Every few years there is a major shakeout on the Street, but right now there is a heady optimism, as the Street recruits in record numbers to keep pace with business.

Wall Street is physically no longer the centre of America's high finance that has been written and captured in books, magazines and film. The Street is steeped in history, which makes for great reading, but not for 21st century architecture needed for the world's most powerful financial corporations. In recent years, much of that action has shifted to Park Avenue in Midtown where spanking new buildings have come up. Morgan Stanley, Lehman Brothers and Bear Stearns have all built brand new facilities.

The world's most powerful hedge funds have moved even further afar to Greenwich. As the world's trading goes electronic, and much of the trades pulse below the city, completing billions of transactions in the blink of an eye, the New York Stock Exchange, sitting proudly on Wall Street, will disappear in the future.

Wall Street is critical to America's future. The US capital markets are the most efficient in the world, which allows capital to move rapidly throughout the system. The ability to invest in companies, liquidate as necessary, and trade in small quanta, allows capital to move rapidly within the system. Without Wall Street, America would not been able to rapidly take advantage of new technologies, trends, and create productive, efficient companies.

On an early fall morning, if you stand at the 4/5/6 subway stop, you can see financiers go about their business, their dark suits in sharp contrast to the fluttering American red and blue flags and the early morning golden rays of the sun slanting through the tall grey buildings. Inside the Stock Exchange, the bell rings and America opens for business.

Investment Banking

Pfizer buys Warner Lambert for $84 billion. JPMorgan buys BankOne for $60 billion. Teva buys Ivax for $7.4 billion.

As corporate growth slows and markets grow more competitive, buying seems to be an easy way to take on the competition. With cheap financing, multi-billion dollar hedge funds and stalled stock markets, these prices appear low. Mergers are hot on the Street, and Investment Bankers are working long hours to provide deals and financings.

Investment Banking is a narrow definition typically used on the Street for advisory and financing work.

Investment banks are financial institutions that provide a wide range of services that includes advisory, financing, sales, trading, research, money management and private wealth management.

V P Rajesh - Principal in Technology M&A

High profile mergers are the bread and butter business of the world's largest Investment Banks such as Goldman Sachs, Citigroup and Morgan Stanley These firms help companies execute mergers & acquisitions transactions by advising their clients on the valuations, taking them through a due diligence process, and negotiating the terms of the agreements that are needed to buy a company.

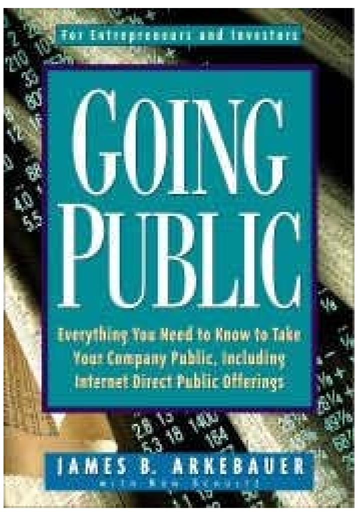
Beyond advisory work, investment banking also includes the sale of securities to raise equity and debt. When a company goes on a road show to meet investors, and files for an IPO or a debt loan, Investment Bankers work round the clock to ensure that these companies can raise capital from the markets.

BITSians have worked in investment banking at the big firms (known as bulge bracket) such as Goldman, UBS, JPMorgan and Citigroup, as well as the boutique and mid-sized firms such as Thomas Weisel and Piper Jaffray.

There are three BITSians currently working in Investment Banking in the US. **Sumeet Kanwar** ('87, Wharton MBA) is an Executive Director in Healthcare M&A at UBS in New York. **VP Rajesh** ('87, Michigan MBA) is a Principal in Technology M&A at Thomas Weisel, San Francisco. **Anuraag Agarwal** ('93, Dartmouth, Masters in Engg. Management) is a generalist Vice President at Berenson & Company, a boutique investment bank in New York, executing M&A, private placements of debt

and equity, and restructuring transactions.

Investment Banking is usually divided into Product and Coverage Groups. Product groups include M&A, Leveraged Finance and Private Placements. Coverage groups include Telecoms, Healthcare, Financial Services and Real Estate. While product bankers work with a wide range of companies, they are typically execution specialists who deliver products to their clients. Coverage bankers are focussed on understanding sectors, and building a rolodex of contacts with CEOs and CFOs at a number of organizations.



Investment Banking is a very interesting, but physically gruelling job. Junior bankers (all the way up to Vice President and Principal) work most weekdays and weekends. This is because deals typically need to get done during very short windows. M&A has a high degree of confidentiality, so it needs to be done fast. Initial Public Offerings require bankers to create prospectuses, prepare management, then go on the road with clients, meeting and educating top fund managers to buy into the stock at the time of offering. Debt deals are generally shorter, but have a similar marketing requirement. There are many other hybrid financial products which also get created and sold by investment bankers to investors through the sales arm of the bank.

Multibillion dollar deals can be completed in small periods of intense activity where timing is everything. Missed windows of opportunity can kill deals and lose millions in fees for bankers. It is a high stress job.

VP Rajesh loves the work. “As a mergers and acquisition banker, I work mostly with advising technology companies about their strategic alternatives. The goal is to negotiate best terms for a client in a given situation and execute the transaction.” VP says that he enjoys numbers, analyzing situations and sometimes, “getting to see the Wall Street Journal headlines before everyone else.” His most memorable moment in banking was on a hostile acquisition, where his team broke up an announced deal with another party.

Sumeet Kanwar’s work at UBS reflects the thought about creating the headlines. He worked at Wall Street’s #1 Healthcare investment banking group, where UBS was the advisor to Ivax, one of the world’s largest generic pharmaceutical firms on its $7.4 billion public acquisition by Teva Pharmaceuticals.

Investment Bankers build skills in project management – orchestrating a large group of people to a conclusion – including lawyers, tax experts, accountants as well as business team members. Bankers also develop a very strong understanding of finance and accounting. But as Anuraag Agarwal says, “the work is more about personalities and deal skills than numbers, which is what makes this work really exciting. You need to be able to understand numbers but effectively use the numbers to convey your message and argument – the numbers are just a means, not an end.”

As bankers get more senior, the focus shifts from executing and processing transactions, to bringing in business. This is a very important function at the boutique and smaller banks, who may need to work harder to attract business versus some of the larger banks.

People who work in investment banking need to develop strong skills in communications, negotiations, creating presentations, building very large and complex financial models, as well as working long hours on multiple projects, many of which will fail.

Entering investment banking requires one to demonstrate a strong passion, and interest. It is important to get to know a lot about the deals done by the investment bank, its culture, many people who work there, even before the first interview is conducted. These are sought after jobs. The hours are long – and it may be tough to balance family life with work. It is certainly not for everyone – many bankers burn out. I know of many Indians who opted out once they had children because they did not want to make the tradeoff between work and not seeing their kids.

VP Rajesh developed a gradual interest in Finance. At his first job at Citicorp Overseas Software Limited (COSL), he wrote software code for mutual funds accounting system. This exposure was very fascinating to him and drew him closer to the field of finance. After his MBA at Michigan, he joined JPMorgan Chase. After a few years in New York, he moved to Deutsche Bank in San Francisco to focus on Technology M&A., He joined Thomas Weisel earlier this year. He says "Growth banks like TWP are best suited to address the advisory and capital market needs of technology companies that are too small for bulge brackets to bank". He also jokes that banking was also the quickest way to pay his MBA loans.

Anuraag also advises to look at India. There has been a lot of development in the field of investment banking in the last five years in India. Besides the capital markets, there has been a considerable amount of mergers and acquisitions activity in India. The financing markets (both from a public and private perspective) are maturing and the distressed markets are also developing. Anuraag says " Investment banking as a profession is not as commoditized in India as it is in the West. It is an exciting time to be an investment banker in India right now and will be in the near future."

Advice From Anuraag Agarwal (BITS '93) On Investment Banking

Firstly, investment banking and other similar careers on Wall Street are mainly apprenticeship oriented – it is not about being super brilliant in solving differential equations. You need to have a good work attitude and be willing to learn. Further, you need to be able to be a good salesperson. There has to be more than just academic brilliance in your personality if you want to move ahead. Do not expect to come on Wall Street and achieve academic fulfillment (trust me I rarely use more than 2% of my gray cells!). However, if you are willing to put your head down and learn a trade, go for it!

Second, try to obtain an internship in the financial sector before deciding you want to pursue a career in investment banking. Try to get as much information as you can. Do not be swayed by the glamour – the sheen goes away very quickly when you have to routinely work for more than 100 hours per week and have no time to spend with your family. Ask yourself what kind of a

Street Stress

A career on The Street is exciting and rewarding. But, it is not for everyone. The Street is infamous for big egos that go with the enormous pay checks. It is also a cyclical industry with a hire & fire mentality. Investment Banks are notorious for over-hiring and then over-firing every five years. The last sizeable round of layoffs took place between 2000 and 2004, where entire divisions were decimated. It affected Indians in unusually large numbers. Some were out of work for up to three years, eventually getting back in when the market turned. Most people who on the Street are driven, ambitious, intelligent and talented. They are survivors. Careers are made or broken on the backs of single trades or deals. The pressures are enormous. Higher risks bring higher returns. But you have to be tough.

person you are. What you want to achieve professionally. What your innate motivations are. An internship will help you answer many such questions.

Third, talk to alums or other people in investment banking. I hate to use the term networking, but try to build as many relationships as you can. Do not call them for a job – but call them to gain some perspective.

Finally, remember that you start with a clean slate when you start working. Your history at college, the 10.0 (or the 2.0 GPA) and all the extra curricular activities means nothing if you can't deliver at work. Again, you have to have a good work attitude, put your head down and be ready to learn. Every year is a needs to be started afresh!

Private Equity

Here's a business problem. You want to buy a store in Delhi that makes Rs10K of profit per year. The owner says – You can have it for Rs200K or 20X the Price to Earnings ratio.

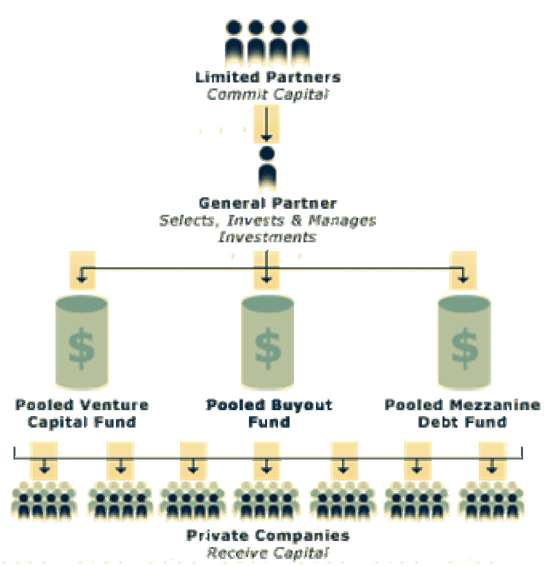
Now if you gave him Rs200K from your personal savings, the 5% annual return on your investment may not seem very attractive, especially when India's stock markets are headed for the stratosphere.

So here's the private equity spin on it. You pay Rs200K for the store, using Rs80K from your personal savings, and borrowing the remaining Rs120K from the bank. To secure the loan, you place the store as collateral.

Then you incentivize the store management by giving them some piece of the upside, or you bring in a new management team that has retail expertise to make the store more profitable and efficient. By the end of the first year, you are finished fixing it, and it is generating Rs20K per year in profit. In six years, you have paid off Rs120K the loan, and now almost own the store. You put it back on the market and sell it for 20X earnings or Rs400K. You pocket the entire sum – a handsome profit of Rs320K on your original investment, a return of 41% over five years.

This is a simplistic example, but this is essentially how it works. If you are able to leverage up the store even further by using only Rs40K of equity and $160 of debt, you would have generated a 73% return on your investment.

The wider definition of Private equity includes venture capital (early stage), growth capital, and Leveraged Buyouts (LBOs). LBOs typically focus on more established companies with stable cash flow characteristics that can support a high level of debt (or leverage) Private Equity



firms typically take full control of a company, sit on the Board of Directors, and act as partners to the management team to help them grow the business.

Private Equity in its current form was spearheaded by Jerome Kohlberg, Jr., and cousins Henry Kravis and George R. Roberts, all of whom had previously worked together at Bear Stearns, a large Wall Street firm. The three partners created Kohlberg Kravis Roberts, or KKR, in 1976, which has become the worlds' most storied private equity firm. This firm became famous in the book, Barbarians at the Gates, which details the takeover of RJR Nabisco. The $25 billion deal remains the largest of all time.

Private equity firms put in anywhere between 20-50% equity, and use leverage to make up the rest of the purchase price. They seek to create value in three ways: (i) paying down debt, (ii) improving the underlying cash flow characteristics through growth and operational improvement initiatives, and (iii) exiting the business at a higher cash flow multiple than the acquisition multiple.

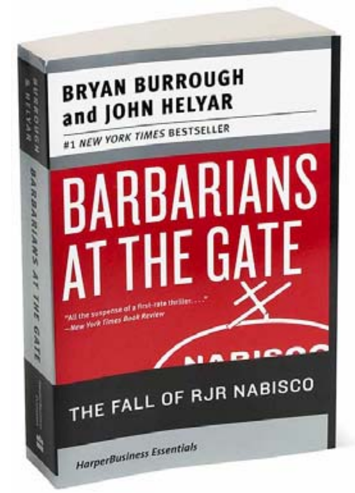
As the industry has matured, private equity firms have identified specific focus areas – either by size of transaction (large: >$1 billion, mid-market: $100 million to $1 billion, lower middle market: $25 million - $100 million) by industry vertical (eg: healthcare, consumer, media and telecom, etc.), or most recently, but functional specialization (eg: turnarounds, sourcing expertise, etc.)

The past year has seen an unprecedented growth in capital directed towards private equity, creating a universe of "mega-funds". Recent examples include The Blackstone Group's $10 billion fund and Warburg Pincus' $8 billion fund. As Private Equity firms raise larger and larger funds, they are being able to buy companies that would not find buyers amongst strategic (or competitor) firms. When you add the leveraged financing you can receive, these sums become significant.

The past few years have seen a huge interest in private equity in India, with many Greenfield and global private equity firms opening shop. Examples of Greenfield funds include ChrysCap and Westbridge, and examples of global private equity firms in India include Temasek, Warburg Pincus, The Blackstone Group and The Carlyle Group.

Private Equity firms have historically generated attractive returns for their investors. A recent example of a highly successful investment is Warburg Pincus' $300 million investment in Bharti Televentures which generated $1.3 billion in returns in a short span of time. In mature markets such as the US and western Europe, IRRs of 15-20% are typically the benchmarks set by high performing funds.

Professionals in Private Equity firms make their



money based on performance over the life of a fund (typically 5-8 years) – making it a long term game (unlike investment banking or hedge funds, where annual compensation is based upon the previous year's performance). The capital for funds are primarily raised from institutional investors such as pension funds and large financial institutions. Fund professionals earn 1-2% annually as a management fee to fund the ongoing operations. The upside comes from the "carry" – which represents 20% of the fund's profits over its life. Thus, for a $300 million fund, with a 15% IRR over a 5 year period, the fund gains are $300 million, resulting in a $60 million payout to the partners of the fund.

The industry is highly relationship driven, with with strong connections to the banking community as well as senior corporate professionals. John Major, the former UK Prime Minister is Chairman of Carlyle Group Europe. Texas Pacific Group hired **Vivek Paul** (1975) to its venture arm for investing in lifesciences, but he is also focussed on doing Private Equity deals related to India. Vikram Pandit, head of Morgan Stanley's Investment Bank, recently left to start a Private Equity firm aimed at investing in India. Jack Welch has worked with Clayton Dublier & Rice, another top Private Equity firm, since he left GE.

Neel Broker (BITS '93)

Neel Broker currently works for a Private Equity firm in New York called ICV Capital Partners. 4 months after graduating from Pilani in 1997 he joined BT Alex.Brown (now Deutsche Bank) in New York. He spent close to 3 years with them in New York and London and then completed an MBA at Wharton. In 2002, he joined McKinsey & Company where he worked in both South East Asia and in New York. He joined ICV in May 2005.

Looking back, the biggest stumbling block Neel faced initially getting a foothold onto Wall Street in 1997 was convincing firms of the credibility of his academic credentials from BITS Pilani. Unlike the IITs, BITS had not yet developed strong brand name recognition in the financial community, hence hirers were unsure of how much weight to place on the BITS name during the recruiting process. Eventually, what gave them comfort was the fact that Neel referenced BITS's strong college rankings in India, and explained to them that BITS was co-founded by MIT, was structured on the MIT model, and today boasts a strong alumni community in India and overseas. Additionally, Neel had already done his GMAT exam, which provided a useful metric for evaluation..

At ICV, Neel spends a bulk of his time either evaluating new acquisition opportunities, or working with ICV's existing portfolio companies on value creation initiatives. The combination of his I-Banking and consulting experience are particularly useful, since they contribute both, deal structuring and execution skills, as well as skills relating to working with management teams on diverse topics such as operations, marketing, and strategy, to ICV.

While there are few specific academic courses that he finds directly applicable on a day-to-day basis on his job, the analytical rigor, structured approach to problem solving, and the ability to multi-task and manage time efficiently are indispensable assets of his BITS education.

HOW TO GET INTO PRIVATE EQUITY?

Private equity is rarely a "first job off campus" for anyone. Private equity firms usually have small teams, and hence expect new hires to contribute from day 1, while having a long term career horizon with the Firm. Hiring decisions are highly driven by a combination of 3 factors:

(i) Academic and professional pedigree: At the pre-MBA level, experience at a good investment bank remains a good route to get into Private Equity. Consulting is also becoming a breeding ground for junior private equity professionals. As more junior professionals get private equity experience pre-MBA, a high percentage of post-MBA hiring takes place from the cohort of graduates with prior private equity experience. Larger private equity firms are beginning to establish in-house operations and consulting teams for their portfolio companies, and look to consulting firms and operating executives to fill these positions,

(ii) Relationships: Referrals are a common way to get one's foot into the door. Unlike larger banks or consulting firms, private equity firms have a small margin for error in their hiring decisions, given their small size and infrequent hiring cycles. In private equity, as on Wall Street in general, the most powerful qualification is having a good professional reputation with mentors willing to stand behind you and "blow your trumpet" for you.

(iii) Timing: Hiring cycles for post-MBA hires at small to mid size firms are closely tied to the raising of a new fund. Hence, the process can often be frustrating since although one may have the right pedigree and right relationships, it may be a few years before a new position opens up at one's "dream fund".

McKinsey&Company

McKinsey has been another firm from where a number of people have ended up in Private Equity. Neel Broker and Manish Sinha (see Hedge Fund article) both worked at McKinsey prior to joining the financial services industry. Manish Sinha says "You would find many Management Consultants, especially McKinsey alums in Private Equity. Private Equity in addition to financial analysis and valuation calls for understanding industry trends, segmentation, strategic positioning and operational efficiency improvements as the PE firm takes on a more active role in the companies they buy. In my view Mck experience comes in handy."

Equity & Fixed Income Research

Mary Meeker. Henry Blodget. These are just two equity analysts (one famous, one infamous) on Wall Street who have at one time or the other been household names in the United States. Another who briefly became famous was Ashok Kumar, a fixed income analysts at Lehman, who correctly predicted the 2000 collapse with a sell on Amazon.

The work of Research analysts is critical because it guides the direction of flow of money on Wall Street. Experts in the field supply analysis, information, advice to clients, and predict future trends. Some analysts on Wall Street are followed very closely and hugely respected for predicting markets and stocks correctly for years.

Equity Research analysts are sector experts, and spend their entire lives covering up to 20 companies in one or two related sectors at any point in time. The workload is cyclical, and revolves around the quarterly earnings announcements that are so closely watched. Analysts often appear on CNBC and MSNBC, giving their impressions about a stock. Well respected analysts have a lot of clout in the marketplace, and make the stock move up or down depending on their ratings.

Fixed Income Research analysts are the less glamorous peers. These analysts research the publicly traded debt of companies, which is an enormous market in itself. Fixed Income Analysts analyze company fundamentals. The work becomes more exciting in distressed situations (when companies approach bankruptcy – a common phenomenon in recent times) and hedge funds place bets on where these companies will end up. Small bits of news can cause large fluctuations in price. The issuance of debt, changes in capital structure or newsworthy events trigger reports from the analysts. Up to four All-Star analysts in every sector are named by IDD and the Wall Street Journal every year.

WHAT ANALYSTS DO?

Analysts have high stress jobs. Bold calls on companies, good or bad, can create instant recognition, and trigger the flow of billions of dollars. Henry Blodget made a $400 price target call on Amazon which came true and made him the most famous equity analyst of all time. In July 2005, Matt Simmons appears to have made a wrong call that

Praveen Chakravarthy, has had an extraordinary start to his Wall Street career. He was promoted to Director in less than three years of graduating from Wharton. He has become in-charge of Thomas Weisel, India. Praveen put together a business plan, presented it to the Executive Committee and the Board. His most memorable moment came when he mustered the courage to tell Mr. Weisel personally that the business was under pressure, and proposed a solution to set up the India operations. He says his success is due to his ability to be pro active and bold in putting his views across.

Praveen has important advice or BITSians. He says “Most people, especially Indians are very wary of putting their views across strongly which can be the biggest stumbling block in this business. In my business, I only get paid for my views. I do not get paid for not taking a stand.”

oil would hit $100 per barrel, but it put him on every newspaper, TV station and channel in the world. Can you handle that kind of pressure?

Analysts create financial models to value the companies they cover, and try to calculate the quarterly earnings per share, which drives the share price. Since investors, many of whom are large financial institutions, depend on these reports, there is a great deal of stress not to get this figure too far wrong.

Investment banks hold investor conferences all year round, where CEOs and CFOs come together with investment managers and other analysts to talk up their companies, and provide a short and long term outlook for their business.

Analysts spend a lot of time talking to the market as they move further up in their career. They talk to industry experts, CEOs and CFOs of the companies they cover, and competitors as well to understand how the dynamics of the industry are shaping up. The ability to connect with with powerful and influential people, build a meaningful relationship and provide intelligent insights is a very useful skill.

There is a lot of writing involved. Short reports are produced once a quarter on each company, and significantly longer ones at least once a year. When coverage is first initiated on the company, the report can contain very interesting details on the strategy, markets and products of the company, running up to 100 pages. One analyst said he spends the whole day talking to people. Come 6 PM, he unplugs his computer and starts writing late into the evening.

WHY JOIN RESEARCH?

Research allows one to develop excellent domain expertise about a group of companies in great detail (end markets, consumers, suppliers, competition, profitability, risks, managements, track records) and then performs financial analysis to determine the price targets. This information is usually communicated through written research reports, TV interviews as well as one-one discussions with portfolio managers looking for investment ideas.

Research is a good area for BITSians especially those who have specific domain expertise, and/or are looking for a switch. Research is a way to build strong domain expertise. The industry offers flexibility to move over to the Money Management or Hedge Fund side of the business, like Arun Kumar. There are many Indians, especially in the high-tech sectors such as Software, Hardware and Semiconductors.

BITSIANS AND RESEARCH

There are four BITSians in Equity Research in the US, but none in Fixed Income Research. **Wamsi Mohan** (’90, Kellogg MBA 2003) works at Merrill Lynch covering Enterprise Hardware companies. **Rajesh Raju** ('89, MBA Chicago 2001) covers Infrastructure Software companies at Robert Baird. **Sumit Dhanda** ('87) works in Semiconductors Research at Bank of America. **Praveen Chakravarthy** ('90, Wharton MBA 2002) relocated from San Francisco to Mumbai in October 2005 as Director and Head of Thomas Weisel India, to start up the operations there.

Wamsi joined Equity Research because he was tired of engineering. He was excited by the financial markets. But getting an equity research job right out of school wasn't easy. Instead, he went to a corporate finance group, but later moved when the opportunity came.

Rajesh Raju started out in investment banking, then moved to Equity Research. Praveen had a defining moment when he was sitting in the Corporate Finance class by Prof. Franklin Allen. He says "I truly understood the meaning and power of the "Invisible Hand" as postulated by the great Adam Smith."

LOVE RESEARCH?

The BITSians we spoke to love their jobs. Praveen says "My job involves analytics, strategy, operations and vision. I cannot think of a more complete job."

Rajesh Raju reiterates "Great thing about following the markets is that there is something new everyday. I tend to compare "Markets" to "Golf", you can get better at it, can never master it. So you are constantly learning and getting humbled along the way."

Wamsi is racing up the learning curve. He says "I really enjoy the aspect that each day brings something new. No one knows what news might occur on a given day which might impact the stock prices. To quickly absorb the news and translate that to financial impact is key to the job. Macro changes include tendency to ramp up outsourcing in areas of pure number crunching. "

WINDS OF CHANGE

In December 2002, the economics of the Research industry changed forever, as regulation rebuilt the Chinese Wall. Eliot Spitzer went after the banks and broke the cozy relationship between investment banks and research. The top banks paid $1.4 billion in fines.

The problem was essentially one of conflict of interest. Research is supposed to be independent. But in the pre-Spitzer days, investment bankers executed the IPOs, and the research analysts talked up the stock to the investors. The banks with the most influential analysts were chosen by companies to run their IPOs. Everyone on the Street got rich. The highest paid analysts were the ones who could talk up a stock to investors. Everyone was selling stock and being compensated for it. Jack Grubman got paid $20 million a year to provide investors with "independent advice".

But when the telecom and tech bubble burst, shareholders were left holding worthless stock. That's when the backlash started and Eliot Spitzer sprung into action.

Eliot Spitzer's settlement has recreated the Chinese Wall. VP Rajesh (Investment Banking) and Praveen Chakravarthy (Equity Research) are at the same firm but cannot talk business with each other.

Since Research is back to writing and selling what it writes (that retails at approx. $8 per page), this has resulted in an industry shakeout. There is a close relationship with Sales & Trading. Funds reward good research with trading of stock and bonds through the firms; this subsidizes the research.

As the bulge bracket firms pared their ranks to focus on covering only large companies, smaller independent firms have sprung up to cover the mid-tier and small-cap sectors. While these were intended to give customers more choice, they have largely struggled. India is beginning to take advantage of the significant opportunities in offshoring by setting up research back office operations, or even independent shops to reduce the costs of research. **WS Ravishankar** ('87) and **Sandeep Talwar** ('87) run one such firm in India.

Wamsi echoes the changes on the Street. "Sell-side analyst

slots on the street have been shrinking since the bubble days; because of the new regulatory environment the economics are not as attractive for investment banks, most are running lean research shops."

Praveen has a more aggressive take. He says "I postulate that this model will break very soon and different models will emerge. So, people looking for a job as a Equity Research Analyst will have to be aware of what they get into and be prepared to change dynamically with new business models that will emerge.

Because of these changes, BITSians should think long and hard about the changes on Wall Street. Broadly, declining trading commissions, separation of investment banking and research and the "push" model of current Wall Street research is under severe pressure.

Stephen Castellano, a former researcher predicts that hedge funds are going to acquire many of these independent research firms. This year a quarter of Wall Street income will come from servicing Hedge Funds. The sheer size and competitiveness of hedge funds makes it difficult to beat the market, hedge funds may have to acquire more resources, including some of these research firms.

WHAT AFTER RESEARCH?

Equity Research can be a good long term career. For those seeking a move after a few years, good analysts can move into the more lucrative buyside into asset management research or hedge fund analyst positions. Here, they may eventually evolve into managing funds. Analysts with strong C-level networks within industries have also joined investment banking.

HOW TO GET INTO EQUITY RESEARCH

The MBA is instrumental in switching careers, into the Research industry. A CFA is also very relevant for the Research qualification if one does not have an MBA.

For those looking to get into research, start running a small stock portfolio, have three stocks or bonds at any time that are your buy or sell recommendations and keep a close watch on the macro and micro forces impacting at least two sectors. Only if you live and breathe the markets, read a lot and demonstrate passion, can you enter this industry.

Investment Management

Investment management (also known as Asset Mgmt, Fund Mgmt or Money Management) describes the business of managing savings by investing them in various securities and assets to provide returns to investors.

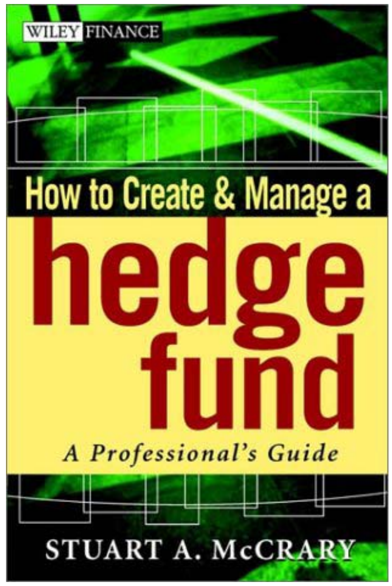
Investment management companies in the US control over $9 trillion in assets. Of this, approximately $8 trillion is held by 8,300 mutual funds, and the rest by closed end and exchange traded funds. Hedge funds (which are largely unregistered) control close to $1 trillion in assets through 7,000 hedge funds. George Soros (Soros), Julian Robertson (Tiger) are famous names. Steve Feinberg, Cereberus, the world's largest hedge fund has control over more revenues than Coke or Exxon Mobil.
The rest of the Investment Management industry also has famous superstars including the legendary superstars - Peter Lynch (Manager of Fidelity

Investments) and John Bogle (Founder and CEO of Vanguard).

Capital is increasingly becoming global as investors are looking to various parts of the world to diversify their investments. The flow of money around the world is also becoming much easier given the easier convertibility of various currencies into one another, a more global workforce, and much improved financial instruments that allow this flow of money (technology clearly has an important role in this trend). A Partner at a top fund recently said that America's biggest export is fast becoming capital, not goods or services.

Investment vehicles known as hedge funds have resulted in a significant move into the sector of both people and capital. Hedge funds have arrived in very large numbers as increasingly wealthy and sophisticated investors look to generate absolute returns that are uncorrelated to broader market returns. This is a sector that is fraught with risk due to the unregulated nature of the industry, and high profile bankruptcies and meltdowns.

Hedge funds use aggressive strategies that are not allowed for most mutual funds. This allows them to raise the risk profile and the rewards. Hedging strategies tries to reduce the rewards within predictable outcomes. Only accredited investors with $250,000 in income and net worth of over $1 million are allowed to invest in hedge funds.



HEDGE FUNDS - JUST A NEW PAYOUT MECHANISM?

Hedge funds receive 1-2% management fees, and 20% of the profits. This structure is similar to the PE and VC industry. However, some Hedge Fund managers with outstanding records keep up to 40% of the profits. When there are three partners running a $5 billion fund that makes a 40% profit in a year, that's $300 million per partner. No wonder experts from so many different fields have ended up in Hedge Funds – Nobel Prize winners, Research Analysts, Mutual Fund managers, Private Equity and Hedge Fund managers.

There are five BITSians in the Hedge Fund Industry in the US. **Anand Haridh** ('84, Wharton MBA), **Pradeep Kumar** ('84, PhD Economics, Alabama, Drake), **Sanjay Rajpal** ('84, PhD Mathematics, Dartmouth), **Manish Sinha** ('89, PhD Mechanical, Johns Hopkins, Litespeed) and **Adri Guha** ('88, APM Capital).

There are three BITSians in Investment Management. **Harish Kumar** (Mech, PhD Columbia Business School) is a Managing Director at New York Life Investment Management. **Krishna Memani** is a Managing Director at Putnam Investments (Edward Jones Group) responsible for Fixed Income Mutual Funds. **Rajesh Chelapurath** ('88, MBA Tulane, CEERA Investments) is the CEO of his own company, a Registered Investment Advisor based in Houston.

TRACING THEIR PATHS

Anand Haridh joined Merrill Lynch Capital Markets in the Strategic Solutions and New Products Group straight out of Wharton. This was a small high profile group that

Pradeep Kumar

Portfolio manager at Drake Investments – a $3B global fixed income hedge fund

Anand Haridh

"Persistence and stamina more than anything else are key ingredients for success on Wall Street"

worked with selected clients often discretely. The hugely profitable group worked across products (equity, debt, cash, derivatives) which was rare in Wall Street in the 90s. He played a key role in building what is now a multi-billion dollar market in preferred securities in Europe. In the process his group financed much of the corporate consolidation in Europe in the late 1990s.

Anand says willingness to move to London gave him the big break. "I got an opportunity to start this group at Merrill Lynch in Europe along with a senior banker. Not many of my peers wanted to move to London - New York was the preferred place. I took the opportunity and it paid off as the business took off." At Goldman, due to his past experience, he invests across the capital structure which requires both debt and equity markets experience as well as a more "event/deal" oriented analysis of investments that comes from having worked in banking.

Pradeep Kumar was a Civil Engineer, but developed an interest in Economics and a simultaneous lack of interest in Civil Engineering. He pursued a doctorate in Economics at the University of Alabama. He also got the CFA, but he says that at the least an MS or an MBA is a must. Pradeep worked as an emerging market strategist at Citigroup for 8 years. He was a Director in the fixed income research group before he decided to quit and join Drake. Pradeep is a portfolio manager at Drake Management-a $ 3 billion global fixed income hedge fund. He trades and manages emerging market fixed income products and currencies.

Sanjay Rajpal studied Mathematics and Computer Science at BITS, and then completed his PhD in Math at Dartmouth, with a specialization in combinatorial geometries. He started as a Research Associate at a global investment manager. He worked there for a number of years learning about various aspects of the investment management process from technology to research to trading to portfolio management to performance attribution. Subsequently, he moved to a financial analytics startup and then moved to a mid-sized quantitative hedge fund where he co-developed their statistical arbitrage program. After rising to Research Director, he left to join a major international bank as head of a quantitative trading desk.

Harish Kumar

His PhD at Columbia Business School was in computational finance, option pricing, bond indexation and credit derivatives.

Manish Sinha did not get into Hedge Funds directly. He joined McKinsey & Co. as a Management Consultant, right after his PhD. To get into McKinsey, he took Accounting/Finance courses in Night School, got involved in extra-curricular activities while remaining faithful & diligent toward his fluid mechanics research program. He worked with McKinsey for three years, and the move to hedge funds, although unusual, was relatively easy. At Oaktree Capital Management, he learnt hedge-fund by investing as part of the Global Emerging Market Hedge Fund group.

Harish Kumar completed his Mechanical Engineering degree at BITS, and followed it up with an MS in Mechanical Engineering from University of Colorado at

Boulder. But he saw limited growth in engineering due to globalization, but the most developed capital markets in the world. He saw a trend to apply quantitative methods to traditional areas of Finance such as investment management, so he decided to get a PhD from the Columbia Business School. At Columbia, Harish focused his dissertation on computational finance, option pricing, bond indexation and credit derivatives. He also worked simultaneously as an Associate, Credit Derivatives at The Chase Manhattan Bank. After his PhD, he moved on to Aeltus Investment Management where he served as Quantitative Analyst and Portfolio Manager, enhancing models for all Large Cap products, as well as supporting ING/Aeltus' suite of products. Before joining Aeltus, he managed more than $1.2 billion in Large Cap Aggressive Growth Strategy as Senior Portfolio Manager at ING Investment Management and led a team responsible for managing Large Cap Disciplined Core and Large Cap Dividend Growth Strategies. One of the main obstacles was the transition from a Quantitative analyst to being a money manager. Investors are particular about who they give their assets to; they want a seasoned professional with good track records. Harish says "A strong backing from senior management and the desire to retain me assisted me in making the transition." Now Harish is Managing Director and Head of Growth Portfolios at Equity Investors Group. This role entails the development, growth and management of multiple strategies in domestic growth equities.

Rajesh Chelapurath

Started his own firm – Ceera Investments, LLC

Rajesh Chelapurath worked at Larsen & Toubro for a few years after graduating from BITS and then obtained an MBA from Tulane University to get the academic training he needed to make the career transition to finance. At business school, Rajesh decided to focus on buy-side money management because he wanted to evaluate and invest in different businesses and the managers who run these businesses and make managerial decisions. He also saw this career as a flexible lifestyle choice, where he could work from anywhere in the world if he were to set up his own firm and make it a success. Rajesh, who was part of a team that managed over $100 million in assets at Burnham Securities as AMD, left to start his own firm (Ceera Investments, LLC; www.ceera.com) this year. As portfolio manager at Ceera, he manages investments for various types of clients. Rajesh's value-based investment philosophy revolves heavily around the thoughts and teachings of investing legends such as Warren Buffett, Philip Fisher, Ben Graham, and Peter Lynch. He is also the Chief Investment Officer of the BITSAA Investment Committee that oversees the surplus funds / endowments of BITSAA International.

LIFE IN THE INVESTMENT MANAGEMENT INDUSTRY

Hedge Funds are very entrepreneurial but within a structured environment – kind of best of both worlds. Anand says the day goes by very quickly and the earnings potential is of course tremendous. On the flip side, you work with big egos and constant tense environment can wear you down quickly. Asset management is going through a shift from relative to absolute returns and this is affecting money flow in a fundamental way.

Harish says "On a day to day basis, my job involves decision making in buying and selling equities for the client's portfolios and assist the company in gathering and retaining assets through presentations to clients, both in the retail and institutional community."

Harish loves his job because new situations present themselves everyday. There is constant change and challenges to adapt. Harish says "There has been a tremendous growth in alternative strategies, also known as "hedge funds" which has resulted in increasing volatility and efficiency in the equity markets. Technology has influenced investment management in a huge way, affecting everything - from the speed of information flow to trading methodologies. The days where brokers could generate huge revenues from being middlemen are gone with the rise of electronic exchanges."

Anand says "On a day to day basis, I research investment ideas, talk to other market participants and trade. I usually check up on Asian markets late night before going to bed. I am up early in the morning to commute to New York and get my reading done during the commute."

QUALIFICATIONS AND SKILLS

The advice differed between professionals, but a lot of the messages were similar.

Harish advises that one should get an advanced degree in finance. Do an internship at a Wall Street firm. Network with Wall Street professionals.

Sandeep says "I felt that my lack of formal education in finance would be a major stumbling block, but the reality turned out to be quite different. There is room on Wall Street for all sorts of backgrounds! It is, however, critically important to choose the right work environment." The MBA is the degree of choice, especially if it is from a good school. Wharton probably has the highest number of people working in the industry. The CFA could be considered as a way to supplement particular sector expertise with financial skills that can lead to a career in research and fund management. However, with CFA one has to use other means such as networking to get a break into Wall Street.

The PhD is more relevant if one wants to go into fixed income research or advanced modeling. Harish agrees "An advanced degree in quantitative methods in Finance is essential in what I do."

Sanjay does not believe his area of specialization in Math is directly relevant to quantitative trading, but he says that it is the entire process of original research and the discipline of formal proofs that is more useful. According to him, "Understanding the markets is a continuous research process that involves a certain level of scientific rigor so that one can be extremely objective about one's beliefs."

Manish Sinha agrees. He did not apply any core engineering skill sets in his career. Instead, several skill sets he honed along the way proved to be invaluable. It was primarily the analytical and quantitative skills that he developed as an engineer/researcher.

In hindsight, none of the BITSians felt that the discipline/degree mattered as much if one was determined to enter the industry. Being an engineer has its advantages on Wall Street since engineers can "slice and dice" real world issues. But persistence, passion and hard work are bigger predictors of success for those wanting to get in.

So what does it take to win in this industry? Anand says "In terms of stumbling block, you are competing with people with extensive friends and family network within the industry. Without such advantages, mistakes are inevitable. By not giving up easily and keeping at it day in and day out, you eventually come out OK."

Sanjay says "a quantitative background with strong computing skills tends to be quite useful in my field. The traits that probably matter the most are a deep interest in markets, flexible thinking, and perseverance."

Anand advises that one should "Talk to people and do your research. It can be a very satisfying and remunerative career for those with the aptitude. If you are early on your career, the major investment banks are recruiting heavily again and can provide the right entry

Manish Sinha

What matters most - "deep interest in markets, flexible thinking, and perseverance" platform to a career in finance. For others, history is full examples of late bloomers. Wall Street has many people such as doctors, math professors and meteorologists who have made a switch to Wall Street later on life."

HEDGE FUNDS HEADED FOR MELTDOWN?

On the positive, there is fundamental shift in investment management from relative to absolute returns which favours hedge funds. However, as Hedge Funds have become so large, and the competition has increased, it has been harder to generate adequate returns for many. This has resulted in diversification. Capital is heading for offshore markets. Hedge Funds have gotten into the Private Equity and Venture Capital game with more capital than there are good ideas. This is turning some Hedge Funds into full-service sources of capital – and even investing in real estate developments.

Hedge Funds first caused a panic in the markets when Long-Term Capital Management started to melt down with exposure to over $1 trillion in securities. This almost caused the start of a major collapse in the US markets, resulting in the Federal Reserve to move in to bail out the company. There was another recent collapse, with Bayou Management LLC. Since hedge funds use derivative securities, the collapse of one fund could lead to a series of effects Hedge Funds first caused a panic in the markets when Long-Term Capital Management started to melt down with exposure to over $1 trillion in securities. This almost caused the start of a major collapse in the US markets, resulting in the Federal Reserve to move in to bail out the company. There was another recent collapse, with Bayou Management LLC. Since hedge funds use derivative securities, the collapse of one fund could lead to a series of effects across the industry. SEC is trying to rein in funds. SEC registration is going to be mandatory.

THE FUTURE OF INVESTMENT MANAGEMENT

In the West, the aging population needs to manage its retirement savings. In countries like India and China, only a fraction of personal net worth is invested in the financial markets but increasing. Both of this means there will be demand for talent to manage money. There are also related jobs in investment management such as risk management, marketing and distribution of mutual funds, personal financial planning which are all set to grow, particularly in India.

Manish says "India has been "hot" in recent times as the equity market has taken off. There has been a lot of funds/liquidity flowing through to India. Action on the private equity front and distressed debt side is also picking up as many reputed global firms are in the midst of opening offices in India."

JOINING INVESTMENT MANAGEMENT

The most important aspect of getting into the field is networking. It should continue to grow after one has entered Wall Street. Since Wall Street is an apprenticeship business, the first salary, the first sign on bonus is not important. Where you work and who you work with is the most important. BITSian seniors want more people to join Wall Street, so they are willing to help.

There are other things that one must do. Read as much as possible on history, recent events etc. in financial markets and do some basic reading on macroeconomics. This is easy to digest without financial knowledge. Suggestions on this would include The Great Crash of 1929 (Galbraith), History of Financial Euphoria (Galbraith), Bull (Mahar), You can be a Stock Market Genius (Greenblatt) etc. Skip sections that seem totally unfamiliar but see how interesting you find all of this. If one finds this interesting, then read more technical books such as Graham Dodd. But to make this step forward, one needs basic accounting skills that can be got by taking a few classes to get the basics.

For those already involved in a specific industry and wishing to migrate to finance using that industry knowledge, I would suggest them trying to get the "big picture" of the industry through extra reading. Read industry reports by say

Economist or ask a friend in the brokerage industry for industry reports. If you can talk about your own company onjectively from a financial perspective (margins, leverage, valuation etc), then you are most of the way there. This can then provide the basis to start talking to people about careers in the money business. For example, "The Prize" is an excellent read on the politics and economics of the oil industry.

For those who can afford it, set aside a pool of money for investing. Document each trade/investment you make along with your rationale for the investment. Build the portfolio and you can use that as a basis for discussion.

Reinventing oneself is necessary in any field these days. Ability to work under pressure, quick thinking, global perspective – these are all transferable and sought after skills that you hone in this industry. They just need to be repackaged if you want to or are forced to change careers.

Sales And Trading (S&T)

Wall Street conjures up pictures of men in colourful jackets, screaming buy and sell, making strange hand gestures, and electronic tickers running across the screen. Millions are being made and lost as the seconds roll by. Its adrenaline pumping action. This is the Wall Street most of us know.

Some remnants of this picture remain – in the pits of Chicago, but it is disappearing quickly. Much of the trading has moved off the trading floor. Men and women in suits, sipping lattes behind desks on trading floors that are larger than football fields. There is a buzz in the air, but not the same noise and action that was reminiscent of the 80s. A lot of the trading is done by computers.

Welcome to the future of trading on Wall Street.

Trading is an instinct. The best traders in the world can "feel" the market even though it has moved to the computer screens.

If you look at the securities industry as a whole there are two major divisions – equities and fixed income. Fixed Income gets its name from securities that have a fixed coupon on the notional, like government bonds. However the fixed income market is much bigger and more complex that equities. It broadly includes credit and interest rates. Over the last few years, fixed income has powered the profits on Wall Street as Equities sputtered after 2000.

Sales brings in business to the firm – from other financial institutions that are looking to buy and sell securities. Trading execute orders that sales brings into the bank. Sales people are out selling when they are not in the office taking orders. Cultural fit and an ability to sell helps in this business. Very simplistically, Traders make money when they buy low and sell high.

IMPORTANCE OF S&T

Over the past few years, S&T has overtaken investment banking (advisory/equities/debt) in terms of being a source of profits for the bank. This is due to the enormous volumes of trading being generated by hedge funds, who have made the markets very efficient, but also due to the enormous amounts of capital that the banks have risked on a daily basis through their own superstar proprietary traders.

BITSIANS IN S&T

There is one BITSian in Sales – **Rajiv Rangarajan** (‘00, IIM-B MBA, Deutsche), and five in trading. **Sreenivas Kopparapu** (’93, Pace MBA, Barclays), **Karthik Krishna** (’93, IIM-C MBA, Deutsche), **Siddharth Swarup** (‘93, Columbia MBA, Merrill Lynch), **Nirav Shah** (‘93, Lehman) and **Prasanth Subramanian** (‘98, IIM-C MBA, Lehman).

Srinivas Kopparaju worked at Wipro in the finance and banking vertical, which made him quite interested in the field. With the money he saved from his Wipro job, he bought a one way ticket to the US (and an F1 visa) and landed at his brother’s place. He found a job pretty quickly at a Quantitative Analytics firm in NYC, where he worked full-time, while studying full-time at Pace University. He completed the MBA in 3 years. After completing his MBA, he found a job Donaldson, Lufkin & Jenrette in research and eventually transitioned into trading. He says he wishes he had applied to a better business schools.

Karthik Krishna was a software engineer before his MBA. Deutsche was the first firm to make him a summer offer at IIM-C. He says the interesting paychecks made it difficult to resist. He is currently a Vice President in the Emerging Markets Structured Products Group.

Srinivas Kopparapu

After an MBA, he joined Donaldson, Lufkin & Jenrette in research, eventually transitioning to trading

Siddharth Swarup pursued a Masters in Chem Engg at the National University of Singapore after doing a BE in Chemical at BITS. He then worked for an Environmental Consulting firm in Hong Kong and London for about 4 years. While in London, he met some people who were interning at Goldman Sachs in their Fixed Income division and that’s where he learnt about the field. It sounded quite interesting. So he decided to give both the MBA and finance career a shot. He is now an Associate in Credit Derivatives Trading at Merrill Lynch.

Rajiv Rangarajan did Mech at BITS. He got exposed to Finance during his MBA at IIM Bangalore. The courses and projects he did at IIM Bangalore shaped this decision. His favourite course in MBA was macroeconomics, where he authored an interesting paper on monetary policy which got published in the IIM management review. That was the real turning point. Post MBA, he joined Deutsche Bank in June 2004 as a senior analyst. After completing their global graduate program in London, he moved to work in New York, completing short rotations in different functional areas before he joined his current position in sales – Selling Interest Rates Products to Hedge Funds. Only one year into Deutsche, he is handling really big accounts very early in his career.

LIFE IN S&T

Sales & Trading is a weekday job. Though it is as pressured – there are budgets and quotas to be met, positions that could win or lose millions of dollars, the job starts at 630 and ends at 6pm. And no one comes in on weekends – unlike the bankers and research analysts who have work to do even when the markets are closed.

Rajiv works in Fixed Income Sales and Trading. Within fixed income, he works with interest rate products – these are instruments that depend on the level of interest rates in the economy. There are several instruments that are derived from interest rates – and are called derivatives. Examples are swaps, options on interest rates and so on and so forth. His group is called Cross Rates Sales, which sells different interest rates products to Hedge funds across the world. Hedge funds are large investment houses that use capital from its investors in risky financial instruments. They take a lot of risk and hence are termed to be levered (ie even though they may have $10 million in capital, they would have a potential exposure of 10 times that figure). Rajiv's job is to provide liquidity to his clients who might want to trade these instruments and also suggest innovative trade ideas. He says "I tread a very fine line between managing client relationships and keeping the traders happy."

Karthik works with Governments, Central Banks, Hedge Funds, Corporates/Banks in the Latin American/Carribean region to design and execute structured products in order to manage, hedge and transform the risks in their books in the most efficient and profitable way. He does a lot of work with derivatives technology.

Srinivas runs the Emerging Markets Credit Derivatives Trading for Barclays. Credit Derivatives are one of the hottest areas on Wall Street or "the cutting edge in global fixed income and the new frontier in finance" as Srinivas likes to describe it. His job involves market making and proprietary trading in Emerging Market sovereigns and corporates. The business also has a highly structured component to it which involves devising and implementing investment, risk management and balance sheet solutions for Barclays' global client base involving emerging market countries or corporations.

Siddharth also works in structured Credit Derivatives. He trades options on Credit Default Swap contracts, first-to-default baskets and other correlation products such as CDOs. He prices and risk manages these securities. In derivatives trading, he works on the cutting edge of financial innovation. The work is highly competitive and one requiring quick decisions, which Siddharth says he thrives. "It brings out the best in me", he says. He starts work early (before 7am) and is usually done by 7pm. He never works weekends which gives him time to pursue non-work interests.

The widespread acceptance of Credit Derivatives greatly the increased the liquidity of this business. Siddharth says that "Global clients have begun to recognize the merits of the products. Since, these are fairly complex financial products it has taken a while to gain acceptance." The market has grown at an extremely fast rate. Hedge funds have emerged as the biggest players in these credit derivative products. This has also increased the competition within the industry requiring reinvention and continuous innovation.

QUALIFICATIONS AND SKILLS

Karthik believes that one should have (i) A lot quantitative and analytical skills, (ii) Cross disciplinary – Statistics, Legal, Marketing and (iii) Most importantly, interpersonal skills and trustworthiness which are critical in winning and maintaining business. In terms of degrees, PhDs and MBAs. Karthik says BITS helped by giving him a lot of exposure, competitive spirit and the essence of camaraderie.

Siddharth credits the MBA. "The MBA has definitely helped in this both in terms of securing the job and being able to successfully do it. MBA/CFA are probably good degrees to have in my field if you decide to move into the field rather than starting into it after undergrad." But he says that there are a lot of people who have just college degrees and no advanced degrees and end up being very successful in this job.

FUTURE OF S&T IN INDIA

The Indian Bond market is a USD 200bn market. Not too many countries can boast of a bond market that is 40% of the GDP. The Indian equities are also the darling of US investors who think the future is in India, China and Japan. Hence there has been a lot of activity from domestic and overseas investors and the Indian markets have proven their stability in the face of intense activity.

Fixed Income sales and trading is very nascent in India. The liquidity in these instruments is very limited and due to absence of hedge funds or other investment houses that can take risky bets, the market for derivatives in general is small. However as the government deregulates the financial services sector, this sector should pick up. The opportunity to exploit proven market ideas and practices is very alluring.

KEY TRAITS TO TRADING

You have to be willing to work under pressure. This is an extremely fast market, and there is no room for error. In terms of other traits, Karthik says technical aspects are clearly vital. So are Ethics, since you are deal with someone else's money. Communication skills and clarity of thought are very important in converting opportunities into profitable transactions.

Siddharth adds humility. Attitude is everything and having a good one can make all the difference.

Rajiv believes students should seek information aggressively. Cocooned in Pilani, Goa, Dubai, we know nothing of Wall Street. But there is a lot that one can read and learn independently. If this is of interest, seek as much information as you can. Tap into your alumni pool. He encourages students to get in touch. More importantly, he says that students should be willing to take risks early in their career – not the tried and tested path. Think through all the alternatives you have (like an MBA or doing a one yr Masters in Finance from a US school even if it means taking a big loan) and go with what you really want to do. Even if it doesn't click, because it is so early in your career, you can reverse them. Be a go getter – Aggression is very valued on Wall Street. Be well mannered but not too docile. You must have the urge to learn and explore new things all the time. The early years are always rough but if you can ride them out – you'll be a winner (no pain, no gain!).

WHAT AFTER S&T

Karthik believes that he will go back one day in the role of an investor in small businesses. Those businesses have the highest growth prospects. Rajiv says he may go back to India at some point, but at this stage he has no plans. With India growing, it is likely that at some points all the alums would get ample opportunities. Srinivas says he will continue to build the Barclays business in India over time.

The First BITSAA Wall Street Gathering in New York. October, 2005
Front (L to R): Rajiv Rangarajan, Manish Sinha, Pradeep Sinha, Anand Haridh and Wamsi Mohan
Back (L to R): Karthik Krishna, Neel Broker, Anuraag Agarwal and Siddharth Swarup

Our Alumni in High Finance

Name	Department	Company	Location
Vivek Pandita	Venture Capital	Eastward Capital	Boston
Rajesh Chelapurath	Asset Management	Ceera Investments	Houston
Janardan Menon	Equity Research, Semiconductors	Dresdner Kleinwort Wasserstein	London
Aashish Bhinde	Venture Capital	View Group	Mumbai
Ajay Gupta	Global Energy & Utilities Group	Morgan Stanley	Mumbai
Ajay Mahajan	Sales & Trading	Yes Bank	Mumbai
Alok Gupta	Investment Banking	Yes Bank	Mumbai
Aru Arumugam	Private Equity	Merlion	Mumbai
Jugal Parekh	Currency Options Trading (Derivatives)	HDFC Bank	Mumbai
Padmanabh Sinha	Private Equity	Temasek Holdings	Mumbai
Pradeep Mirchandani	Equity Research	Salomon Smith Barney	Mumbai
Ravi Menon	Investment Banking	HSBC	Mumbai
Sandeep Talwar	Asset Management	Banyan Tree Advisors	Mumbai
Sanjeev Kaushik	Investment Banking	Lehman Brothers	Mumbai
Sashi Krishnan	Asset Management	Chola Mutual Fund	Mumbai
Srinivasa Alluri	Venture Capital	ICICI Ventures	Mumbai
Sunil Mehra		Merrill Lynch	Mumbai
Vikas Khattar	Equity Origination and Capital Markets	Merrill Lynch	Mumbai
WS Ravishankar	Asset Management	Banyan Tree Advisors	Mumbai
Adri Guha	Hedge Fund	APM Capital	New York
Anandh Haridh	Proprietary Investments	Deutsche Bank	New York
Anuraag Agarwal	Investment Banking	Berenson Minella	New York
Harish Kumar	Asset Management	NY Life	New York
Kamal Kasera	Trading	Goldman Sachs	New York
Karthik Krishna	Fixed Income Trading	Deutsche Bank	New York
Manish Sinha	Hedge Fund	Litespeeed Partners	New York
Neel Broker	Private Equity	ICV Capital	New York
Nirav Shah	Trading	Lehman Brothers	New York
Pradeep Kumar	Hedge Fund	Drake Investments	New York
Prasanth Subramanian	Mortgage Strategies	Lehman Brothers	New York
Rajesh Raju	Equity Research	Robert W Baird	New York
Rajiv Rangarajan	Fixed Income	Deutsche Bank	New York
Sanjay Rajpal	GM Equity Prop Trading	Deutsche Bank	New York
Siddharth Swarup	structured credit/correlation trading	Merrill Lynch	New York
Sreenivas Kopparapu	Credit Trading	Barclays	New York
Sumeet Kanwar	Healthcare Investment Banking	UBS	New York
Sumit Dhanda	Equity Research, Semiconductors	Bank of America	New York
Wamsi Mohan	Equity Research, Enterprise Hardware	Merrill Lynch	New York
Vivek Paul	Private Equity	Texas Pacific Group	San Francisco
Praveen Chakravarty	Equity Research	Thomas Weisel	San Francisco
Rahul Chandra	Venture Capital	Undisclosed	San Francisco
Rajesh Vaishno	Investment Banking	Thomas Weisel	San Francisco
Rajeev Kannan	Structured Finance	Sumitomo Mitsui Banking Corporation	Singapore