BREXIT

What is Brexit?
Brexit is the term coined for Britain's referendum to exit the European Union. The referendum is due for voting on 23rd June 2016. Momentum is growing behind the EU exit campaign, which wants to end central control by Brussels and give Britain the freedom to manage its own affairs.

Impact on India:
- UK has always acted as a gate way for Indian companies to access the European companies, it's more because of the access to financial markets in London and ease of doing business with Europe, from UK. Why will anyone want to set up office in Europe and learn the local language to get access to the markets, when the same can be done sitting in London?
- India has positive trade surplus of $3.64 billion in terms of bilateral trade with Britain. The total trade stood at $14.02 billion in FY16, out of which $8.83 billion was in exports and $5.19 was in imports.
- If we look at exports from India to UK, the major exports are textiles and clothing, followed by machinery and auto ancillaries. India's major exports in terms of pharma are US, UK followed by Europe.
- The mango export from India to the UK will find a boost since high regulatory laws of the EU will not be in effect anymore.
- Indian pharmaceutical industry which has more exposure towards Europe, will also be affected.
- On the other hand the imports from UK will be getting cheaper on the event of Brexit, mainly rough uncut diamonds, spirits etc. Those Single Malts may finally be affordable!
Other companies which have decent exposure to Brexit are HCl Technologies, Lupin, Navin Fluorine, Sun Pharma, Bombay Burmah trading Corp, TVS logistic services, Piramal enterprises etc.

If we look at indirect impact on an event like Brexit, it could be a “flight to safety” – meaning, foreign investors exit Indian investments to rush back to the dollar. limited implications but a cascading affect can be seen across the Global Markets on the happening of Brexit. It will take some time to settle the dust, but never the less we need to be prepared for it.

**CURRENT SCENARIO OF FINANCIAL SERVICE**

**Financial Services:** Financial services can be defined as the products and services offered by institutions like banks of various kinds for the facilitation of various financial transactions and other related activities in the world of finance like loans, insurance, credit cards, investment opportunities and money management as well as providing information on the stock market and other issues like market trends.

**Outsourcing:** An outside vendor might provide operational efficiencies and associated cost savings that the firm could not achieve on its own. Purchasing software for producing internal reports and customer statements from a specialized vendor often provides significant cost savings and greater flexibility over developing and maintaining that software in-house.

**Insurance:** A promise of compensation for specific potential future losses in exchange for a periodical payment. At present insurance sector is growing at fast pace of 20%. Together with banking services add &% to National GDP.

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**American Depositary Receipt:** A negotiable, bank-issued certificate representing ownership of stock securities by an investor. It is the non-US equivalent of an American Depositary Receipt. A receipt issued by a bank as evidence of ownership of one or more shares of the underlying stock of a corporation that the bank holds in trust.

**Credit derivatives:** A credit derivative is a derivative whose value derives from the credit risk on an underlying bond loan or other financial asset. Credit derivatives are bilateral contracts between a buyer and seller under which the seller sells protection against the credit risk of the reference entity led for it.
Weather derivatives: They are financial instruments that can be used by organizations or individuals as part of a risk management strategy to reduce risk associated with adverse or unexpected weather conditions.

Venture capital: Venture capital is the term for money invested in young, fast-growing companies. New phenomenon, especially in India. Also called as risk capital.

CURRENT SCENARIO OF PHARMACEUTICAL INDUSTRY

Introduction
The pharmaceutical industry has a number of unusual characteristics that make it very different from what people normally think of as an industry. It is also an industry replete with contradictions; for example, despite the undisputed fact that for over a century the industry has made a major contribution to human well-being and the reduction of ill health and suffering, it is still regularly identified by the public in opinion surveys as one of the least trusted industries, often being compared unfavourably to the nuclear industry. It is undoubtedly one of the riskiest businesses in which to invest money, yet it is perceived by the general public to be excessively profitable. The major pharmaceutical companies rightly promote themselves as being research-based organizations, yet most people believe that they spend more on marketing than on research.\(^1\),\(^2\) Despite the acknowledged risks and costs associated with pharmaceutical development, many citizens still believe that pharmaceuticals should be being developed to meet all human needs and that when developed, they should be given away to everyone on the basis of need.

Meaning
The pharmaceutical industry develops produces, and markets drugs or pharmaceuticals for use as medications. Pharmaceutical companies may deal in generic or branded medications and medical devices. The pharmaceutical industry is the world's largest industry due to worldwide revenue of approximately US$2.8 trillion. Pharmaceutical industry has seen major changes in the recent years that place new demands on payers, providers and manufacturers. Customers now demand the same choice and convenience from pharmaceutical industry that they find in other segment. Indian pharmaceutical Industry is poised for high consistent growth over the next few years, driven by a multitude of factors. Top Indian Companies like Ranbaxy, DRL, Cipla and Dabur have already established their presence.
The pharmaceutical industry is a knowledge driven industry and is heavily dependent on Research and Development for new products and growth. However, basic research (discovering new molecules) is a time consuming and expensive process and is thus, dominated by large global multinationals. Indian companies have only recently entered the area.

The Indian pharmaceutical industry came into existence in 1901, when Bengal Chemical & Pharmaceutical Company started its maiden operation in Calcutta. The next few decades saw the pharmaceutical industry moving through several phases, largely in accordance with government policies.

The pharmaceutical industry in India is most progressive and advanced among all the developed and developing countries. The industry has provided great employment opportunities to thousands of people, apart from contributing greatly towards the Indian economy.

Today, India is among the top five pharmaceutical emerging markets in the world. The market is expected to grow at a compound annual growth rate (CAGR) of 14-17 percent over 2012-16. The total revenue of the market stood at US$ 11 billion and are estimated to be US$ 74 billion by 2020.

KABALI FEVER 2016

The movie, KABALI starred by Rajinikanth created a tremendous response in the market during its promotion and also after its release. Most of the companies used this movie as the major basis to market their brand. The major companies which used this tactics were Air Asia, CITI Bank and Amazon. Air Asia launched a flight which had a poster of the movie. Tickets for this flight were booked from June, 2016 and the flight was launched on July 14, 2016. More than 100 passengers who were the fans of Rajinikanth traveled in this flight. The flight company announced a special rate for the passengers that the tickets will be sold only for 786(INR). This caused a triple fold increase in the revenue for Air Asia. CITI Bank also launched credit cards which had the print of Kabali poster. The poster were printed by the bank on the cards on the demand of the customers. The credit cards like Citi Visa Platinum Rewards, Citi Indian Oil Master Card, Citi Premium Miles Card and Citi Cash Back Card printed the poster on demand of the customers. This created major demand for the credit cards of CITI Bank both at the DSA Level and the branch Level all over India. The sales of these credit cards were double fold and the revenue was drastically increased. Amazon.com came up with Kabali Merchandise during June, 2016 and July, 2016. They launched miniature figures of Kabali, T-shirts, mobile cases, and Audio Tracks. Many Customers purchased these merchandise though they were of limited edition and costly. This was used as a marketing tool in Amazon so that their sales for these two months would increase and generate enough profit and their profit increased substantially.