

Vaccine unlikely before middle of 2021, says WHO

RUCHIKA CHITRAVANSHI
New Delhi, 18 November



"WHILE THE VACCINE PIPELINE LOOKS PROMISING, WE CANNOT SAY WITH CERTAINTY WHEN A VACCINE WILL BE AVAILABLE FOR ADMINISTRATION TO POPULATIONS"

DR POONAM KHETRAPAL SINGH,
Southeast Asia Regional Director, WHO

With several countries planning to roll out the Covid vaccine as early as December and January, World Health Organization's (WHO's) Southeast Asia Regional Director Dr Poonam Khetrapal Singh told *Business Standard* that the earliest that vaccine doses could be available is early- to mid-2021.

She said that even the front runners will take a few months to complete the Phase 3 trials and evaluate the efficacy and safety of individual vaccines. Add to this the time taken for licensure, authorisation for use, and mass production after the trials have been completed.

The Covax facility — a specially created financial instrument to help countries get equitable access to Covid vaccines — requires \$2 billion this year and another \$5 billion in 2021 to meet the targeted vaccine coverage, according to WHO estimates.

So far, 187 countries and economies have signed up for the Covax facility, including self-financing ones and 92

emphasise that the response to the pandemic must be collective. "No one is safe until everyone is safe." Currently, around 200 candidate vaccines are at some stage of development. Of these, at least 45 candidate vaccines are in human trials. About 10 are in Phase 3 trials. Several others in Phases 1 or 2 will enter the third phase in the next two months. "While the vaccine pipeline looks promising, we cannot say with certainty when a vaccine will be available for administration to populations."

Among the front runners are the University of Oxford-AstraZeneca vaccine, Sinovac, Sinopharm, CanSino vaccines being developed by the Beijing Institute of Biotechnology, the Beijing Institute of Medical Products, and the Wuhan Institute of Biological Products Company; Russia's Sputnik V being developed by the Gamaleya Research Institute of Epidemiology and Microbiology; Moderna-National Institute of Allergy and Infectious Diseases vaccine; the vaccine being produced by Janssen Pharmaceutica; and the Pfizer-BioNTech vaccine.

lower-income countries eligible for financial support through Gavi, the Vaccine Alliance. On certain rich countries placing bulk orders of the vaccine, she said WHO continues to advocate for and

Covid effect: Small savings cross ₹1-trn mark in first 6 months

A record, this is 25% more than last year, and 130% more than the average of the past five years

ABHISHEK WAGHMARE
Pune, 18 November

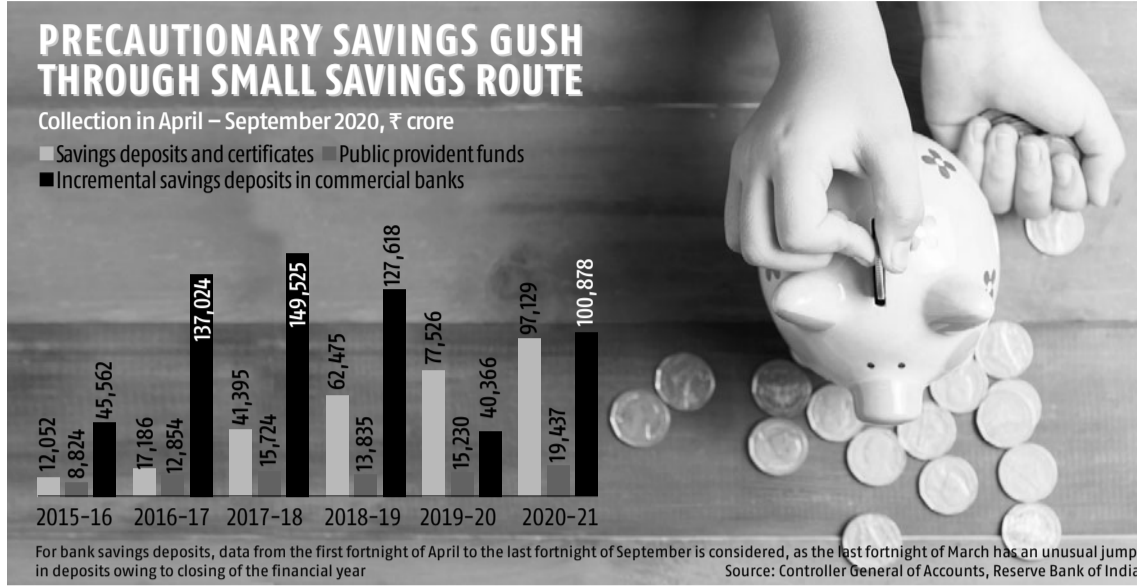
Indians pumped nearly ₹1 trillion into small savings schemes during the first six months of the fiscal year (2020-21, or FY21) even as the Covid-19 pandemic upended normal life. This is the highest-ever contribution in savings deposits and certificates — essentially the investment instruments targeted at farmers, senior citizens, the girl child, salaried class, and labourers — in a period of six months, underlining how their role as the piggy bank for the lower middle class is changing rapidly.

The amount collected in the first half was 25 per cent more than last year, and 130 per cent more than the average of the past five years. This includes the National Savings Certificate, Kisan Vikas Patra (farmer development certificate), Sukanya Samridhi Yojana (scheme for the prosperity of the girl child), Senior Citizens Savings Scheme, and deposits in the post office: be it savings, term or recurring deposits.

The money in Public Provident Fund (PPF), largely held by the salaried class, was also a record, kissing the ₹20,000-crore mark — 46 per cent more than the April-September average of the past five years.

Overall, small savings have amassed ₹1.17 trillion from April-September — 26 per cent more than the previous year. But in those six months, the economy lost 24 per cent in the first three months, and is slated to lose 10 per cent in the second quarter. A government official who overlooks the small savings administration said the affluent are increasingly accessing small savings now. "It is being observed that the relatively richer are parking money in these savings. It has become more broad-based than its original avatar," he said. Banks are the nodal points for enrolling into these schemes, and that is facilitating inflows, he added. Another official said that a cursory analysis of PPF shows that most of the contributions are coming from high per capita income urban areas.

DK Joshi, chief economist at CRISIL, said this is the usual behaviour in risky



times. "The data reflects the proclivity to save as a precaution. Savings in most countries go up during such times," he said. The massive jump in collection by small savings instruments assumes greater significance if we look at bank deposits during this period, especially demand deposits which broadly represent the savings deposit accounts. The period under consideration is from the middle of April till the end of September since the March-end data for deposits distorts the numbers.

Small savings have been offering a healthy premium of about 40 basis points (bps) for a one-year term deposit, and more than 250 bps over the bank savings deposit, in times of pandemic. The spread was higher in 2019.

For two years on the trot, small savings inflow has been more than the incremental savings bank deposits. In April-September of 2019-20 (FY20), bank demand deposits accretion was very low at ₹40,000 crore from mid-April to end-September. Small savings collection was ₹93,000 crore.

This year, in the same period, citizens

have deposited ₹1 trillion, and small savings collections have touched ₹1.2 trillion. This is a sharp departure from the earlier trend. In the past few years, incremental savings bank deposits have been 2-5x the collection in small savings in the first half of the fiscal year.

Time deposits or fixed deposits, on the other hand, have seen an accretion of ₹4.5 trillion in April-September, substantially higher than the past three years' average. This could mean that while people are preferring small savings instruments over savings bank deposits, money flow into banks through long-term deposits has also

bulged considerably, further showing risk-aversion tendencies. Since 2010-2015, contributions towards small savings were weak, as boom in housing and construction, as well as gold demand, had surged. It is only after 2017 that they began to rise, and beat the previous year's collection every year.

Till about late 1990s, small savings were a part of the Consolidated Fund of India: that is to say, the small monies

people contributed till that time went into the government spending account directly. This changed when the National Small Savings Fund (NSSF) was established as a public account. The Union as well as state governments took loans from it to finance fiscal deficit, till about 2016, when most states (barring four) were exempt from mandatory borrowing from the NSSF.

From that point in time, the Union government became the top borrower from the NSSF. It gradually began to dig deeper into the annual small savings collections to finance its fiscal deficit (the shortfall between its revenue and expenditure). Its borrowing from the NSSF pool this year. Analysts have noted that to append the enhanced market borrowing of ₹12 trillion this year, the government may borrow to the tune of ₹3 trillion from the NSSF, helping the government with deficit financing worth ₹15 trillion.

Public Announcement cum Corrigendum to Detailed Public Statement (DPS)
For the attention of the Equity Shareholders of
RESONANCE SPECIALTIES LIMITED

CIN : L25209MH1989PLC051993
Regd Office: 301, Evershine Mall, Off Malad Link Road, Malad West, Mumbai – 400 064.
Tel: 022-42172222 -5; e-mail : info@resonancest.com

This Public Announcement cum Corrigendum to the DPS is being issued by **Arihant Capital Markets Limited** ("Manager to the Offer") on behalf of **Makers Laboratories Limited ("MLL") / "Acquirer 1"** and **Kaygee Investments Private Limited ("KIPL") / "Acquirer 2"** [hereinafter collectively referred to as "the Acquirers"] in respect of the Open Offer to the Equity Shareholders of **Resonance Specialties Limited ("Target Company")** pursuant to and in compliance with Regulation 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto ("SEBI SAST Regulations"). This Corrigendum should be read in conjunction with the DPS published on October 7, 2020 in publications (a) Business Standard, all India English and Hindi editions; and (b) Mumbai Lakshwadeep, Mumbai Marathi edition.

The terms used in this Corrigendum to the DPS have the same meaning assigned to them in the DPS issued earlier, unless otherwise specified.

REVISION IN THE SCHEDULE OF ACTIVITIES

Activity	Original Schedule	Revised Schedule
Public Announcement Date	Tuesday, September 29, 2020	Tuesday, September 29, 2020
Detailed Public Statement Date	Wednesday, October 7, 2020	Wednesday, October 7, 2020
Filing of draft Letter of Offer with SEBI	Wednesday, October 14, 2020	Wednesday, October 14, 2020
Last date for competing offer	Wednesday, October 28, 2020	Wednesday, October 28, 2020
SEBI observations on draft LOF	Thursday, November 5, 2020	Monday, November 9, 2020
Identified Date (Identified date is only for the purpose of determining the shareholders to whom the LOF shall be sent)	Monday, November 9, 2020	Wednesday, November 11, 2020
Date by which LOF will be despatched to the shareholders	Tuesday, November 17, 2020	Thursday, November 19, 2020
Last date by which the Board of Target Company shall give its recommendation	Friday, November 20, 2020	Tuesday, November 24, 2020
Issue Opening Advertisement Date	Monday, November 23, 2020	Wednesday, November 25, 2020
Date of commencement of tendering period (open date)	Tuesday, November 24, 2020	Thursday, November 26, 2020
Date of expiry of tendering period (closure date)	Tuesday, December 8, 2020	Thursday, December 10, 2020
Date by which all requirements including payment of consideration would be completed	Tuesday, December 22, 2020	Thursday, December 24, 2020

Reference to the various dates as mentioned in the Public Announcement, DPS should be read as per revised activity schedule mentioned above. Except for the revision in the schedule of activities, all other terms and conditions remain unchanged.

CHANGES IN THE BOARD OF DIRECTORS OF ACQUIRER 1

- (a) Mr. Prashant Godha has been appointed as additional non-executive, non-independent director of Makers Laboratories Limited w.e.f. November 4, 2020 (subject to the approval of the shareholders of MLL).
- (b) Mr. Vishal Jain has been appointed as an independent director of Makers Laboratories Limited w.e.f. November 4, 2020 (subject to the approval of the shareholders of MLL).

CHANGES IN THE BOARD OF DIRECTORS OF THE TARGET COMPANY

- (a) Mr. Prashant Godha, Director of MLL and KIPL, the Acquirers, has been appointed as additional non-executive, non-independent director of Resonance Specialties Limited w.e.f. November 10, 2020 (subject to the approval of the shareholders of the Target Company)
- (b) Mr. Raj Kamal Prasad Verma, an independent director of MLL, has been appointed as an independent director of the Target Company w.e.f. November 10, 2020 (subject to the approval of the shareholders of the Target Company).

Interest of MLL / KIPL in the TC

Save for the directorships held by Mr. Prashant Godha (Director of MLL and KIPL) and Mr. R K P Verma (independent director KIPL) and the Equity Shares acquired under the SPA, MLL and KIPL do not have any relationship / interest in the Target Company or its existing promoter / promoter group.

Release of Escrow Shares and Sale Proceeds

The Acquirers had complied with the requirements of escrow provided under Regulation 22(2) of the SEBI SAST Regulations on September 29, 2020; and the period stipulated thereunder i.e. expiry of 21 working days from the date of DPS was completed on November 6, 2020. Accordingly, in compliance with Regulation 22(2) of the SEBI SAST Regulations, shares acquired under the SPA kept in a Demat Escrow Account have been credited to the Acquirers by the Escrow Agent on November 10, 2020. The proceeds of the Sale Shares were also released to the Sellers by the Escrow Agent on November 7, 2020.

COMPLIANCE OF SEBI CIRCULAR DATED MAY 14, 2020 AND JULY 27, 2020

In compliance with the Securities and Exchange Board of India ("SEBI") circular bearing reference number SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated 14 May 2020 read with SEBI circular bearing reference number SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated 27 July 2020 (collectively referred to as "Relaxation Circulars"), the following information is provided :

(1) Completion of dispatch of Letter of Offer (LOF)

The LOF has been electronically dispatched to all the Public Shareholders holding Equity Shares as on Identified Date i.e. as on November 11, 2020, who have registered their email ids with the Depositories and/or the Target Company. Additionally, the LOF has also been dispatched to all the public shareholders as on the identified date through registered / speed post on November 18, 2020.

(2) Availability of LOF

- (a) The LOF along with the Form of Acceptance-cum-Acknowledgement and this public announcement / advertisement will be available on the respective websites of SEBI (www.sebi.gov.in), the Target Company (www.resonancest.com), the Manager to the Offer (www.arihantcapital.com), the Registrar to the Offer (www.adroitcorporate.com) and BSE (www.bseindia.com)
- (b) The Public Shareholders can also contact the Manager to the Offer and the Registrar to the Offer for receiving a soft copy of the Letter of Offer and the Form of Acceptance-cum-Acknowledgement:

The Acquirers accept full responsibility for the information contained in this Public Announcement cum Corrigendum / advertisement and also for the fulfillment of their obligations laid down in the SEBI SAST Regulations. A copy of this Public Announcement cum Corrigendum / advertisement will be available at SEBI website at <http://www.sebi.gov.in>

Issued by Manager to the Offer on behalf of the Acquirers

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
<p>Arihant Capital Markets Limited Merchant Banking Division SEBI REGN NO.: INM 000011070 #1011, Solitaire Corporate Park, Guru Hargovindji Road, Chakala, Andheri (E), Mumbai – 400 093 Tel : 022-42254800; Fax : 022-42254880 Email: mbd@arihantcapital.com Website: www.arihantcapital.com Contact Persons: Mr. Amol Kshirsagar / Mr. Satish Kumar P</p>	<p>Adroit Corporate Services Pvt. Ltd 19-20 Jafferbhoy Industrial Estate, 1st floor, Makwana Road, Marol Naka, Andheri East, Mumbai – 400 059. Tel:022-42270400; Fax:022-28503748 Email: info@adroitcorporate.com Website: www.adroitcorporate.com Contact Person : Mr. N. Suresh SEBI Regn.No.:INR000002227</p>

'Economic momentum will be lost in 2021'

As sporadic lockdowns return across major developed economies with the second wave of the Covid-19 pandemic, growth is likely to be more resilient in emerging markets, said **ERIC FISHWICK**, chief economist at CLSA, and **ANTHONY NAFTE**, the firm's senior economist, in an interview with **Puneet Wadhwa** on the sidelines of 23rd CITIC CLSA Annual India Forum. India, CLSA says, will have the weakest growth in 2020 in the Asian region, but the strongest growth in 2021. Edited excerpts:

What are your expectations for global growth in 2020, 2021?

Fishwick: Growth in developed economies will weaken in Q4CY20 and Q1CY21 because of the second wave of Covid-19. This is already visible in European data, where lockdowns are being re-imposed. It is only a matter of time before US data softens as state-level lockdowns are now starting to be re-imposed. The consensus is too optimistic on 2020 growth in developed economies for this reason. Growth in emerging markets (EMs) is likely to be more resilient, as they are more recent in their emergence from the 'first wave'.

Assuming a vaccine is distributed through 2021, it is almost inevitable that 2021 will see extremely strong GDP growth numbers. Our Asia ex-Japan (AxJ) and G3 forecasts for 2021 are the strongest for a decade. However, it is the nature of rebounds from economic shocks that the sequential pace of growth slackens. This will be hidden by base effects in YoY growth numbers, but is already visible in leading countries' month-on-month or quarter-on-

quarter data profiles. Despite robust growth headlines, economic momentum will be lost through 2021 and we see 2022 as a weak year.

How do you see central banks, especially the US Fed, responding to the developments?

Fishwick: There has been a clear shift in how central banks look at inflation and employment mandates in the persistent low inflation environment of the 2010s. This has been to move from regarding low inflation as a target, to regarding it as a problem.

This, therefore, means that it would take a significant inflation shock, which we do not forecast, to cause the present monetary accommodation to be withdrawn. We do not envisage any tightening from the US Fed, at least till 2022-end. This looseness extends to all of our other monetary policy forecasts. India and Indonesia will cut rates further to mid-2022. Other Asian countries are closer to the end of their rate cutting cycles, but no one will want to be the first to tighten.



Eric Fishwick (left), chief economist at CLSA, expects India to cut interest rates further, while Anthony Nafté, the firm's senior economist, said India will be the weakest among Asian countries in 2020

What are your projections for India?

Nafté: Pending Q3CY20 GDP data, we estimate a 13.2 per cent GDP contraction in CY20 and a rebound to 12.3 per cent growth in 2021. CPI inflation was at 7.6 per cent YoY in October, which we expect to fall to 5.3 per cent by March 2021 and to 4 per cent by March 2022. This corresponds to a fall in average inflation from 6 per cent in FY21 to 4.2 per cent in FY22. Expect the rupee to hold at the current 74.5/USD level until end-December 2020 and forecast a 7.5 per cent depreciation to 80.5/USD by end-December 2021.

India will be the weakest among Asian countries in 2020 and we forecast it to contract at 15 per cent, but the strongest growth in 2021 forecast to grow 14.5 per cent.

How do you view India's decision to refrain from joining RCEP?

Nafté: Negatively. India will miss out on the economic benefits. The Peterson Institute for International Economics estimates India would have gained \$60 billion by joining RCEP. India will eventually recognise the counterproductive implications of its protectionist policy.

The government has announced a slew of reforms and stimulus measures under 'Atmanirbhar Bharat'. What's your view on this?

Nafté: The scheme is appropriate for boosting employment by giving companies an incentive to hire (or rehire) workers. The scheme will add to the fiscal burden though, reinforcing the need to move expeditiously with privatisation.

Thailand Trilateral Highway hit by delays

Indian portion of the project may be completed by 2023, over 2 decades after it was conceptualised

MEGHA MANCHANDA
New Delhi, 18 November

THE ROAD TO EAST

- Trilateral highway in Myanmar will be constructed in 2 sections
- It will be a four-lane highway around 1,360-km long
- The project will boost trade and commerce in the Asean-India Free Trade Area, as well as with the rest of Southeast Asia
- India has also proposed extending the highway to Cambodia, Laos and Vietnam

Asia-Pacific nations, including China, recently signed the RCEP, a pact being called one of the biggest free trade deals in history. India had opted out of the RCEP, with an option to join back later.

The project was planned in 2002 as part of the 'Look East' policy. Former Road Secretary Vijay Chhibber, who was involved with the transport project, said: "The project was first handed over to the Border Roads Organisation (BRO), which took almost 10 years to construct 72 bridges. Later it was awarded to the NHIDCL (National Highways & Infrastructure Development Corporation)." He added the Myanmar side was also reluctant in signing the road transport agreements for the proposed corridor. The pacts are to ensure proper documentation and seamless movement of goods on the highway.

Reviving road infrastruc-

ture becomes essential as the time taken to move goods via highways is two-third of the time taken through the sea.

Experts say the highway gives India's northeast region greater access to the larger Asean market through Myanmar. "This will not only integrate the northeastern states in terms of trade but also help them export their produce to neighbouring countries with whom India shares socio-cultural linkages," said Jagannarayan Padmanabhan, director - transport, CRISIL Infrastructure Advisory.

The Union government has also shifted its focus to enhancing road connectivity in the northeastern region. This could possibly provide seamless highway movement from Indian hinterland to Thailand, promoting both trade and tourist movement, say experts.