

A GUIDE TO ABC AUDIT



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AUDIT BUREAU OF CIRCULATIONS

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P R E F A C E

Audit Bureau of Circulations (ABC) is a not for profit organisation constituted in the year 1948. Going back seven decades when the concept of circulation audit was yet to be established in our country, advertisers had no means to know the actual circulation numbers of publications that they used for advertising and had to depend more on their own judgement. Publishers also found it difficult to convince advertisers of the relative values of their publication for the purpose of advertising. It is with this background, eminent representatives of the advertising profession and publishing industry came together to establish an organization which could serve common interest. Since then the benefit of ABC certificate of circulation have been availed by advertisers, advertising agencies, publishers and organisations connected with print media advertising.

The primary objective of the Bureau is to secure accurate circulation figures and data relating to all periodicals and media that sell advertising space and in regard to such publications to obtain information as to area of distribution and fix standard forms and methods for ascertaining the circulation figures and to record such information and circulate it to members of the ABC.

Bureau certifies circulation figures of member publications for a six-monthly audit period i.e. January to June and July to December. The system envisages a comprehensive audit of printing, distribution, financial and production records of member publications by a panel of empanelled auditors as per the audit guidelines laid down by the Bureau from time to time.

This Guide has been updated upto October 2025.

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PART II - MAGAZINES

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A GUIDE TO ABC AUDIT**FOR DAILY AND WEEKLY NEWSPAPERS****VARIOUS TERMS USED - BUREAU'S AUDIT GUIDELINES :****1. DEFINITIONS:****1.1 Audit:**

Examination of publisher's as well as his principal agency/agencies (local or otherwise) distribution, and financial records and corroborative evidences in order to establish the Qualifying Sales and non Qualifying Sales and to verify whether the publisher and his concerned principal agency/ies has complied with all Bureau's audit guidelines from time to time.

1.2 Average:

Means average per day, per week per fortnight, per month as the case may be, of the relevant audit period.

1.3 Back Copies:

Any issue of a publication which is not a current issue. The current issue is defined as follows:

- a) Daily Publication - Day of the date of imprint only (In the case of evening Newspapers including copies dispatched prior to the issue for the following date is published)
- b) Weekly - Upto the date of imprint of the next issue

1.4 Combo Offer:

More than one publication available under any scheme (other than subscription) to readers at a **combined** price.

1.5 Daily Newspaper:

A daily newspaper which is printed and published daily for atleast 5 working days in a week except approved holidays.

1.6 Distribution Cost :

An amount paid to the distribution trade by whatever name called plus any additional incentives / benefit which is directly connected with selling / distribution of the newspaper paid to the trade, the same shall be totaled to arrive at the gross trade term payable to the trade for distributing copies.

1.7 Distributing Trade:

A general term applied to agents, hawkers, principal agent /s (local or otherwise) and any other person engaged in distribution of a publication.

1.8 Edition:

A publication/title separately registered with Registrar of Newspapers for India (RNI) and having a separate registration number, serial No. & Volume Number.

1.9 Excess Circulation – Gift on newsstand sale:

When a gift / sample is provided with a particular issue of publication value of which is more than 30% of the cover price of publication, the excess circulation achieved as compared with the average qualifying sales of previous week will be considered as excess circulation. The excess circulation if any, will not be considered for certification. **(valuation of gifts as per para 1.26)**

1.10 Excess Circulation – NRR :

“Excess Circulation” is the **incremental circulation** of any non compliant issue (provided it is compliant on a weekly average basis) as compared with the circulation of the same print run of a compliant immediate previous same day of the week, provided that the particular immediate previous week was compliant on a weekly average basis as per the prescribed NRR audit guidelines.

1.11 Free Copies:

Voucher, exchange and complimentary copies, and copies (if any) given to agents for onward free distribution for which records are available.

1.12 Institutional Sales:

Copies of newspapers (Dailies & Weeklies) which are either sold directly by the publisher and/or his distributing trade to organisations not connected with newspaper distribution trade provided bonafides of the organisation(s) involved in Institutional Sales are established to the satisfaction of the auditors (Unless Auditors/Bureau having any evidence to the contrary).

In case of Newspapers (Dailies and Weeklies) institutional Sales are accepted for certification only to the extent of 20% of Qualifying Sales.

1.13 Joint Subscription Offer:

A subscription offer for more than one publication for which subscription at the prescribed rate is received in advance for a specified term.

1.14 Local Agent:

An agent appointed by a publisher to effect distribution of copies within the town of publication or any of its printing centre.

1.15 Net Realisation Rate (NRR)

Net Realisation Rate (NRR) is the term used for value of newspaper in waste computed on the basis of waste rate per kg as fixed by the council from time to time.,

1.16 Normal Circulation (NRR)

Normal circulation is the average circulation of a particular print run of any week during an audit period when all relevant issues of the week are compliant with the qualifying principle and accordingly the corresponding circulation of the print run during the week qualified for certification.

1.17 Principal Agent /s:

The definition of “principal agent” interalia would include all agents, sub-agents or anyone who distributes or effects at least 20% of the total sales subject to a minimum of 25,000 copies per printing centre / edition is recognised and termed as “principal agent”.

1.18 Printing Centre:

Printing of an edition of a publication carried out at any other location with **same RNI registration** number and **volume number**.

1.19 Publication:

A piece of printed matter of regular periodic issue, selling at a prescribed price, which may or may not carry advertising.

1.20 Publishing Day:

A Publishing day is a day on which the publication is normally published whether as a regular issue or a special issue, and concurrently or separately in the case of a multi-centre publication. Special issues will be excluded only if they are IN ADDITION to the regular issue.

1.21 Qualifying Sales:

Circulation figures which meets all the criteria as specified in Guide to ABC Audit will be treated as “qualifying sales” and certified under ‘Part A’ of the ABC certificate of circulation.

1.22 Returns:

Copies of publication remaining unsold out of copies indented as notified by agents and accepted by publishers and in case of additional copies supplied without agents’ indents, all copies reported as unsold by agents whether or not such claims are accepted by publisher.

1.23 Single Copy Sales:

All copies sold to the reader at the prescribed cover price.

1.24 Subscriber:

Purchaser of a publication on a term contract, whose subscription at the full prescribed rate has been received

1.25 Trade Term:

Commission and allowances etc. mutually agreed to between the publisher and the distributing trade and paid continuously and consistently.

1.26 Valuation of gifts:

Gifts offered to readers would be valued at cost to the publisher. Publisher member should retain for verification all bills of purchase of gifts as well as detailed record for all gifts provided to readers.

Publisher members while offering gift(s) to reader / subscribers are permitted to advertise / publish the MRP of the gift(s).

2. CONCEPT OF “NET REALISATION RATE” – NRR:**2.1 Net Realisation Rate (NRR):**

Net Realisation Rate (NRR) is the term used for value of newspaper in waste computed on the basis of waste rate per kg. as fixed by the Council from time to time .

2.2 Qualifying Sales:

Circulation figure which meets the following criteria is treated as “qualifying sales” and certified under ‘Part A’ of the ABC certificate of circulation.

“For each issue of a particular print run on a daily basis the net sale price to the dealer (first point of sale) at any trade margin is higher than the net realisation rate (NRR) with a provision to remove “excess circulation” of non compliant issue of a particular print run where **net sale price to the dealer at any trade margin offered is equal to / lower than the net realisation rate (NRR)” subject to such non compliant issue of a particular print run being compliant on a weekly average basis.

(**Net sale price to the dealer is the net price at which a newspaper is sold to the dealer calculated at cover price of the publication less applicable trade commission, delivery charges or by whatever name called).

2.3 Normal Circulation:

Normal circulation is the average circulation of a particular print run of any week during

an audit period when **all** relevant issues of the week are compliant with the qualifying principle and accordingly the corresponding circulation of the print run during the week qualifies for certification.

2.4 Excess Circulation

“Excess circulation” is the **incremental circulation** of any non compliant issue (provided it is compliant on a weekly average basis) as compared with the circulation of the same print run of a compliant immediate previous same day of the week, provided that the particular immediate previous week was compliant on a weekly average basis as per the prescribed NRR audit guidelines.

However, if the same print run of same day of immediate previous week was a non compliant issue under the NRR guidelines or the immediate previous week was a non compliant week on a weekly average basis, then the circulation may be compared with the immediate previous (first available) compliant same print run, same day of the first available previous week, provided that particular week was compliant on a weekly average basis with the NRR guidelines during the immediate previous six months.

If no compliant issue of same day, same print run is available in the immediate previous six months then the benefit of reducing “excess circulation” of non compliant issue will be denied and the entire circulation of non compliant issue(s) would not be recognized as qualifying sales [Part A].

If any particular week is non compliant on a weekly average basis then removing of excess circulation for the non compliant issue / print run in that particular week will be denied and the entire circulation of non compliant issue(s) would not be considered for certification as qualifying sales [Part A].

2.5 Treatment of non-compliant week:

If any particular week is non compliant on a weekly average basis then removing of excess circulation for the non compliant issue / print run in that particular week will be denied and the entire circulation of noncompliant issue(s) / print run would not be considered for certification as qualifying sales [Part A].

This will however be shown under ‘Part B’ as “non-qualifying sales”. (All publishing day(s) during an audit period will however be reckoned for average calculations of qualifying and non qualifying sales.)

2.6 Exemption for subscription copies from the concept of NRR:

All copies supplied to the reader which are through subscription offers are exempted from the purview of the concept of NRR since full details of a subscriber is available with the publisher which can be verified through the process of audit. Subscription amount is also collected by the publisher in advance thus providing a complete audit trail.

2.7 Weekly newspapers:

Qualifying criteria for certification will also apply to all weekly newspapers.

In respect of a weekly newspaper, every individual print run will be required to be compliant with the qualifying criteria. Should a particular print run be non-compliant on any publishing day, the “excess circulation” will be removed with reference to the same print run of first available previous week during the immediate previous six months [subject to provisions of excess circulation as applicable for daily newspapers]

2.8 Facets of certification criteria:

Q(i) How “excess circulation” for non compliant issue of the week will be determined?

A(i) “Excess circulation” is the incremental circulation for any non complaint print run (provided it is compliant on a weekly average basis) as compared to the average circulation of the same print run of a compliant immediate previous same day of the week provided that particular immediate previous week was compliant on a weekly average basis as per the prescribed NRR audit guidelines.

Q(ii) If for a given week, the qualifying principle is not complied with on a weekly average basis, what treatment will be given to non compliant issues during such a week?

A(ii) If any particular week is non compliant on a weekly average basis then removing of excess circulation for the non compliant issue in that particular week will be denied and the entire circulation of non compliant issue(s) would not be considered for certification as qualifying sales [Part A].

This will however be shown under ‘Part B’ as “non-qualifying sales”. (All publishing day(s) during an audit period will however be reckoned for average calculations of qualifying and non qualifying sales.)

3 SUBSCRIPTION SALES:

3.1 Subscription Offers (Single & Joint) :

Following guidelines are required to be fulfilled in case of all single & joint subscription offers:

- a. Either in writing or digital subscription forms are required to be obtained by the publisher and / or his agent(s) from the subscriber.
- b. Payments received through cheque/digital payments are accepted. In case of payments received digitally, the details of remitter should be available for audit verification. Digital payments by way of credit card/debit card/bank transfer/NEFT/RTGS/Patym etc. are permitted. Minimum of 60% of all amounts received towards subscription should be thru banking channels.

- c. In case, a subscription offer is for a period of less than six months, full subscription amount to be received in advance. In case of subscription schemes for a period longer than six months, for all booked subscriptions, full subscription amount to be received within a period of two months from the date of booking a subscription.
- d. Supply of subscription copies to a subscriber to commence only after the subscription amount is received as above by a publisher and / or his agent(s) in full as per the subscription offer. Gifts to be valued as mentioned (**Ref. para 1.26**)
- e. In case a publication is offered as a gift, the same to be valued at its cover price.
- f. In case a publication, which is not a member of the Bureau but is offered under the Joint Subscription Scheme, then the member publication shall arrange for verification of the distribution and financial books and records of a non-member publication. The member publication will then arrange to obtain a written confirmation from the non-member publication that its financial & distribution books & records are open for scrutiny by Bureau's Auditors / officials.
- g. Publisher should retain atleast 10% of the cover price of the publication, after taking into account discount on cover price, value of gifts, delivery charges, etc. (in case of joint subscription publisher to retain atleast 10% of the cover price of all publications individually included in the subscription offer). In case of magazines, actual delivery charges incurred through courier / postage not to be included in the overall limit of 90% of the cover price.
- h. In case of payments received digitally, any charges deducted by the service provider/s will not be considered while retaining 10% of the cover price.

Non-compliance of any of the above conditions will render the subscription offer as unacceptable for certification as qualifying sales (Part 'A').
(valuation of gifts as per para 1.26)

3.2 Institutional subscription sales (Newspapers) :

Subscription Sales effected to institutions upto 10% of the total qualifying sales will be considered as qualifying sales. This is in addition to institutional Sales (non-subscription copies) which is included for certification as qualifying sales upto 20% of the total qualifying sales.

All prescribed audit guidelines for subscription copies (single and joint) as in force are also applicable to all institutional subscription copies. All relevant documentation should be available with the publisher for auditor's verification.

4. NON-SUBSCRIPTION SALES – includes Single, Institutional, Combo copies etc.:

4.1 Combo Offers (Non subscription):

Definition:

More than one publication available under any scheme (other than subscription) to readers at a **combined** price.

Following guidelines are required to be followed:

- a) Combined price along with the titles / names of publications involved in the combo offer shall be distinctly mentioned on the print line below the masthead on all publications involved in a Combo offer.
- b) Average number of Combo copies of the respective publications in an offer will be shown separately on the respective ABC Certificate and shall be reckoned for certification.
- c) No gift either in the form of a publication registered with RNI or in any other form will be permitted along with combo offers (non subscription).
- d) Combo cover price should at least be:
 - i) Full single copy cover price of the highest priced publication involved in a combo offer

PLUS

- ii) At least 50% of the individual single copy cover prices of the other publications involved in a combo offer

Net combo price to the trade:

Similarly, net combo price to the trade should at least be:

- Full net price to the trade of the highest priced publication involved in a combo offer PLUS minimum 50% of the net price to the trade of the other publications involved in a combo offer.

[Net price to the trade as applicable to the respective single copy involved in a combo offer should be reckoned].

- e) Number of combo copies to be separately shown in the print order of the respective publications.
- f) Combo copies should be separately billed to agents / sub agents at their net price to the trade.
- g) In case a Publication, which is not a member of the Bureau is offered under a combo offer, then the member publication shall arrange for verification of the distribution and financial books and records of the non-member publication. The member publication will then arrange to obtain a written confirmation from a non-member publication that its financial & distribution books & records are open for scrutiny to Bureau's Auditors / officials.

Non-compliance of any of the above conditions will render the combo offer as unacceptable for certification as Qualifying Sales under Part A of the ABC Certificate of circulation.

4.2 Single Copy Sales:

All copies sold to the reader at the prescribed cover price.

4.3 Institutional Sales:

Copies of newspapers (Dailies & Weeklies) which are either sold directly by the publishers and/or his distributing trade to organisations not connected with newspaper distribution trade provided bonafides of the organisation(s) involved in Institutional Sales are established to the satisfaction of the auditors (Unless Auditors/Bureau having any evidence to the contrary).

Institutional Sales are accepted for certification only to the extent of 20% of Qualifying Sales.

4.4 Different Print Runs / Variants of a publication distributed in the same market place:

Different print runs / variants of the main paper distributed in the same market place would be considered for combined certification.

Sub-titles / different names of variants (if applicable) are required to be mentioned below the line separating the title panel or mast-head in a font size not exceeding 1/4th font size of a title.

Different print run / variant of the main paper in the same market place would be defined as having any of the following differentiation:

sub-title, content, cover price, pagination, advertisement rate, size of the newspaper etc.

The title language, frequency and ownership of the variants should be similar as compared to the main paper.

Average qualifying circulation figures of all variants of the main paper in the same market place would be prominently shown on the first page of the ABC certificate of circulation.

A break-up of average qualifying circulation of each different print run/ variant of the main paper would be required to be submitted by newspaper publisher members for every audit period.

4.5 Tabloid and Broadsheet of the same title:

Publisher members may publish a particular print run of a title in different sizes i.e. tabloid for one print run for a specific market and broadsheet for the rest of the print runs for other markets. The broadsheet as well as tabloid would be considered for certification together provided the title, frequency, language and ownership of the publication remain the same.

Break-up of circulation details of broadsheet as well as tabloid in a particular market place would be separately shown on the first page of the ABC Certificate of circulation for the benefit of users of the certificate. Publisher to provide the break-up in the incoming certificate filed with the Bureau.

4.6 Weekly print runs of a daily newspaper:

A weekly print run of a daily newspaper cannot be certified together if a publication decides to publish a particular print run only once a week with the same title. The said publication would then be categorised as a weekly and therefore cannot be clubbed together with the circulation figures of a daily newspaper.

5. SCHEMES FOR READERS - Non subscription copies :

5.1 Incentive / Gifts Schemes for readers for a defined period:

Publisher is allowed to offer gifts to readers on non subscription copies upto 30% of the cover price of a publication so that copies qualify for certification as Qualifying Sales (Part A).

Publisher offering gift to a reader value of which is more than 30% of the cover price on non subscription copies then the excess copies will be deducted as compared to the period when no such reader scheme was offered by publisher.

All incentive schemes to readers to be framed in such a manner such that the name of the beneficiary / reader is identifiable. An audit trail in the form of a reader booking form with the name, address and other contact details of the reader should be made available for auditor's verification along with a record of gifts purchased and distributed.

Publishers should ensure that the reader incentive schemes are not taken advantage of by the trade in order to increase their earnings which would result in reduction of the net price at which the trade purchases a copy from the publisher.

In case of barter arrangements, relating to gifts issued to subscribers or on newsstand sales, publishers should pass necessary accounting entries in their books of accounts.
(valuation of gifts as per para 1.26)

5.2 Incentives / Gifts with a particular issue and calculation of excess circulation in case of gifts valued at over 30% of the cover price of a newspaper (non-subscription):

In case a gift / sample etc. is provided along with a **particular issue** of a publication value of which is more than 30% of the cover price of a publication then in such cases only excess circulation achieved for the relevant issue will not be considered for certification as Qualifying Sales.

In order to determine **excess circulation** achieved for a **particular issue** when a free sample, gift etc. was carried along with a publication, following procedure needs to be followed :

- a) In case of dailies, average Qualifying Sales of the previous week to be taken as normal circulation provided there were no promotional activities*, in any form, during the given period.

- b) In case of Sunday issue of a daily, weeklies and magazines, average Qualifying Sales of previous four issues where there were no promotional activities*, in any form, would be reckoned as normal circulation.

[*Promotional activity includes free distribution of gifts/samples, calendars etc. to readers and shall also include any other schemes to induce a reader to purchase a publication]

Publishing Day on which free samples/gifts are distributed alongwith a publication would be reckoned for circulation of average circulation in all cases.

(valuation of gifts as per para 1.26)

5.3 Gift to readers thru lottery (draw of lots):

Following provisions should be complied with for a reader's scheme thru lottery (draw of lots) to be compliant and eligible for certification under Part 'A' of ABC Certificate of circulation:-

- a) The maximum value of gift(s) that can be offered per audit period under a reader scheme through draw of lots should be within an overall limit mentioned below.

The limit is based on the Average Qualifying Sales of the immediate previous audit period and is applicable per edition / printing centre.

Average Qualifying Sales of immediate previous period	Maximum value of gift(s) per edition / printing centre Amount (Rs.)
Upto 1,00,000 Copies	10,00,000
1,00,001 to 2,50,000 copies	25,00,000
Above 2,50,001 copies	50,00,000

(valuation of gifts as per para 1.26).

- b) Gifts can be offered on a cumulative basis for all ABC member publications as a single reader scheme through draw of lots covering multiple editions / printing centres.

Publisher having multiple editions may include non-member edition(s) of a publication while offering a combined reader scheme through draw of lots. However, while determining the total value of the gifts on a cumulative basis, only the editions which are members of the bureau shall be considered. Non-member editions should not be considered while calculating the total value of the gifts.

- c) Each reader's scheme should publish clearly the starting date and an ending date.

- d) Amendments to the reader scheme would not be permissible in between the duration of the scheme. If a scheme is required to be amended for any reason then such a scheme should be terminated and a new compliant scheme should be started subject to the overall limit as above, per audit period per edition / printing centre.
- e) If a reader scheme is announced in one audit period and continues in the next audit period, then such a reader scheme upto the maximum value of gifts / prizes totaling / aggregating as above would be permissible and counted as covering both the audit periods. However, it should be ensured that readers are eligible for gifts / prizes in one audit period aggregating / totaling to the limits as above only.
- f) If the terms of the reader scheme or any of the gifts/prizes are changed in between the announced period of the reader scheme, then such a reader scheme has to be terminated and a new reader scheme should be offered to the readers. Such reader scheme per edition/printing centre, would be permitted which are within the provisions of the above mentioned criteria (totaling / aggregating to value of gifts / prizes up to the limit as above) for each audit period per edition / printing centre .
- g) For reader scheme thru draw of lots which is non-compliant with the above provisions, the excess circulation achieved if any, is to be deducted and not certified under Part `A` of ABC Certificate. Immediate previous month average circulation where there was no reader scheme would be considered as the base circulation on which excess copies would be calculated.

5.4 Gift of a publication on newsstand sales (non subscription):

- a) The value of gift / inducement / incentive to a reader should not exceed 30% of the cover price of the publication on which an inducement is offered (**valuation of gifts as per para 1.26**).
- b) In case another publication is offered as a gift, in such cases, on the print line below the mast-head of the main publication, it should be mentioned that "XYZ" publication offered free with "DEF" publication.
- c) Similarly, on the print line of the publication offered free, it should be specified that this publication is offered free alongwith XXX publication.
- d) Print Order of the publication offered free should specifically show the number of copies offered free with a particular publication.
- e) In case a Publication, which is offered as a gift / inducement / incentive is not a member of the Bureau then the member publication shall arrange for verification of the distribution and financial books and records of a non-member publication. The member publication will then arrange to obtain a written confirmation from the non-member publication that it's financial & distribution books & records are open for scrutiny by Bureau's Auditors / officials.

- f) Copies of the Publication offered free as an inducement or at less than the prescribed cover price would not be considered for certification under **Part A** of the ABC Certificate of circulation.
- g) The net price to the trade would be calculated at the cover price of the main publication less trade commission and / or delivery charges on the main as well as the free publication.
(valuation of gifts as per para 1.26)

Non compliance of any of the above guidelines would render such gift/inducement offer as unacceptable for certification as qualifying sales.

5.5 Free calendar / almanac to readers once a year:

Publisher Members would be allowed to distribute to their regular readers, a Calendar / Almanac once in a year alongwith their publication with or without increasing the cover price of the publication on the relevant day. All copies of the relevant issue sold would qualify for certification under **Part A**.

6. COPIES DISTRIBUTED THRU DISTRIBUTION TRADE:

6.1 Distribution cost:

An amount paid to the trade by whatever name called plus any additional incentives / benefit which is directly connected with selling / distribution of the newspaper paid to the trade, the same shall be totaled to arrive at the gross trade term payable to the trade for distributing copies.

An amount not connected with distribution of copies paid / reimbursed to the trade for which supporting's are available may not be considered as part of the trade term. The trade term should be calculated on the cover price of a publication.

Actual cost of transporting publications from the printing location to the distribution centres as per contractual arrangements made by the publisher do not form part of the delivery charges or trade term.

6.2 Trade terms:

Commission and allowances etc. mutually agreed to between the publisher and the distributing trade and paid continuously and consistently.

Apart from basic commission, it may include other facilities such as office allowances, transport allowances, bonuses, rewards, incentives, ex-gratia payments, value of gifts/ incentives consistently offered under any scheme to the distribution trade.

However, if a gift or a reward is announced on specific occasion which is based on the performance of a particular agent from a group of agents or is subject to a draw of lottery pursuant to a sales promotion scheme, then such gifts shall be considered more or less as a sales promotion scheme rather than a part of the trade term (Unless Auditors/Bureau having evidence to the contrary).

However, reimbursement made by the publisher for expenses actually incurred by the distributing trade on their behalf for services rendered other than those relating to the sale of copies shall not be included in the gross trade terms provided, necessary documentary evidence in support of actual expenses incurred by agents for such services is available for auditors' verification.

(valuation of gifts as per para 1.26)

6.3 Gift / incentive schemes for agents:

Information on gift schemes run for the benefit of the agents should be declared in the check lists and made available to the Auditors at the time of circulation audit. Written records should be kept by all publishers for all such schemes.

Publishers offer various incentive schemes to agents In order to increase the number of copies. **Additional commission/ gifts** are offered to agents on copies increased (i.e. over and above the cut-off base order) during the scheme period.

All additional payments / value of gifts offered should then be added to the trade terms of the agents / hawkers on the total number of copies supplied to them during the scheme period and not just on the increased number of copies.

All gifts offered to the trade to be valued as mentioned earlier (**para 1.26**)

7. SUBMISSION OF CIRCULATION FIGURES:

7.1 Issuance of an ABC Certificate of Circulation:

All newspaper publisher members would be issued an ABC Certificate of circulation duly specifying copies under qualifying sales (PART A) and / or non qualifying sales (PART B) as the case may be, subject to atleast 50% of the total copies being sold at the prescribed price i.e. atleast 50% of the total sales should be paid circulation at the prescribed price.

7.1.1 Mandatory submission of circulation figures:

All publisher members are mandatorily required to submit audited circulation figures for certification for every audit period. Non submission of audited circulation figures within the prescribed time limit would result in immediate mandatory termination of Bureau membership unless prior permission for non-submission of circulation figures for a particular audit period is obtained by a publisher member from the Bureau's Council of Management in advance.

In exceptional circumstances for a genuine reason, if a publisher member is unable to submit audited circulation figures for a particular audit period, then such a publisher member should approach the Bureau's Council of Management in writing with reasons atleast one month prior to the end of the audit period. Council would thereafter consider such requests on merit. However, such exemption for non-submission of circulation figures could be sought by a publisher member only once in a block of 3 years.

7.1.2 Dates for submission of audited circulation figures:

- a) All publisher members are mandatorily required to submit their circulation figures every six months to the Bureau in the prescribed format of Incoming Certificate. The due dates are:

**Audit period
January/June**

**Audit period
July/December**

1st July to
16th August

1st January to
15th February (next)

- b) Incoming Certificates submitted after the above due dates would not be considered for certification and will be treated as **“Not Filed”** and no ABC certificate of circulation will be issued.

7.2 Submission of circulation figures under “Part B” of ABC Certificate of circulation:

- In some cases, few readers schemes in vogue may not qualify for certification as per the Bureau’s existing guidelines. Such circulation to be shown under “Part B” of the ABC Certificate of circulation as “Non Qualifying Sales” .
- Users of the ABC certificate mainly media planners, media buyers, advertising agencies and advertisers, time and again had requested the Bureau to provide complete details of circulation of member publications.
- In order to give meaningful and complete information to the media planners and in order to assist them in their analysis and comparisons, it would be appropriate for all Publisher members to submit their circulation figures to the Bureau either as qualifying sales under “Part A” or under “Part B” as non-qualifying sales within the prescribed time frame.

7.3 Publications distributed without supplements:

Bureau certifies circulation figures of a member newspaper as a “unit” and supplements are an intrinsic part of the unit particularly so when the total number of pages are mentioned on the mast-head which includes the supplement pages. Any incomplete publication sold/distributed in the market place or supplied to Subscribers etc which do not contain all pages including supplement as mentioned on the mast-head would accordingly not qualify for certification as “Qualifying Sales” under PART A.

7.4 Total number of pages contained in a newspaper:

It would be mandatory for all newspapers enrolled with the Bureau as members to clearly mention on the front page of the main newspaper, total number of pages including all its supplements plus add-ons.

7.5 Compilation of Incoming Certificate:

7.5.1 Certification of a new edition and/or printing centre for part audit period

ABC certificate of circulation is issued for an entire six monthly audit period and the total average figure represents average copies certified amongst various centres for each publishing day.

Accordingly, different number of publishing days in the ABC certificate of circulation would henceforth be treated as under:

- A)** An edition / printing centre published throughout the six month audit period – January to June and July to December would be calculated at the respective number of publishing days (except publishing holidays) eg. 178, 179, 180, 181 days (as the case may be).
- B)** A new edition started during the six monthly audit period for lesser number of publishing days for which the publishing days to be calculated as the maximum number of publishing days amongst all editions in the ABC certificate.
- C)** A new printing centre of an existing edition started during the six monthly audit period for lesser number of publishing days for which the publishing days would be calculated as the maximum number of publishing days of the respective existing edition.
- D)** If a new edition / printing centre has been carved out of an existing edition and/or printing centre, and published for a part audit period, then the publishing days would be taken as the entire six monthly publishing days of the parent edition / printing centre from which it was carved out.
- E)** If a particular edition / printing centre has ceased during the audit period, then the same would also be treated similarly and the number of publishing days would be calculated as the maximum number of publishing days amongst the respective edition / printing centres (similar to B & C above).

A foot note would also be provided on the ABC certificate as under for all the above cases:

Foot note:-

..... edition and/or printing centre (as the case may be) started/ceased on (date) and published for publishing days.

The average qualifying sales for the same works out to copies (based on actual publishing days).

7.5.2 Copies indented locally but distributed abroad:

All copies of a publication which are indented by agents in India but distributed / sold abroad will not be considered for certification while arriving at the average qualifying sales.

7.5.3 Option to avail a separate and / or a combined ABC certificate for a multi-edition publication:

A publisher of a multi-edition publication has an option to avail either a separate certificate for its various editions or a combined ABC certificate for various editions. A publisher who is a member of the Bureau and has exercised an option to avail a separate ABC Certificate or a combined ABC Certificate can change his option only once during a period of four six monthly audit periods.

Publisher's request may be considered by the Council only prospectively from the commencement of the following audit period.

7.6 Part certification of editions / printing centres contained in a combined certificate:

If a publisher member does not wish to avail of certificate of circulation from the Bureau for one or more editions amongst other editions of a title involved in a combined certificate, then the same will be permitted.

Bureau will consider for certification those editions submitted for certification and the remaining editions will be shown as "Not Submitted" / "Not Received" / "Not Certified" as the case may be.

Non-submission of circulation figures of printing centre/s is however not permissible. In case a publication has various printing centres of an edition, then the publisher has to submit audited incoming certificates of all printing centres in order to avail certification of that particular edition from the Bureau. In case of printing centres, if for any reason, the circulation figures do not qualify for certification, then the same will be shown under Part "B" of the incoming certificate.

7.7 Reasons for increase in circulation:

Publisher members are required to specify the reasons for increase in circulation when the circulation of a printing centre or an edition individually increases / decreases by 10% or more over the previous audit period.

7.8 Sunday circulation / weekly editions of daily newspapers:

In case of daily newspapers, where higher rates are prescribed or surcharge is levied over normal advertisement rates for Sunday editions or Weekly edition published on any other day, average circulation of such Sunday or Weekly editions is indicated separately on the relevant ABC certificate alongwith average qualifying sales. In such cases, publisher members are required to submit separate circulation figures for Sunday issues/weekly editions.

7.9 Newsprint wastage:

Reasons to be provided in the incoming certificate for newsprint wastage of (+/-) 3 per centage points as compared to previous audit period.

7.10 i) Bureau Audits:

Bureau audit will be undertaken by another empaneled audit firm as and when deemed appropriate. Bureau's Audit Committee consisting of non-publisher members would decide on such Bureau Audits from time to time. It is decided to do away with the earlier limits which were prescribed for recheck audit due to increase in circulation. Henceforth, Bureau's Audit Committee would decide on such audits as deemed appropriate.

ii) Competent Authority for Bureau audits:

Bureau's Council of Management and/or Audit Committee members are fully empowered and authorised to initiate Bureau audits as and when deemed appropriate under any circumstances.

iii) Market visits:

Bureau's Council of Management and/or Audit Committee members can authorise any audit firm, Bureau official(s) highly technically qualified person, forensic auditors, local authority or any other person (excluding competitor) that the competent authority feels appropriate for carrying out surprise market visits

iv) Bureau audits including press visit and verification of books and records:

Bureau audits including Press visits and verification of books and records of a publisher member would be carried out by an appointed audit firm authorised by ABC and/or Bureau officials, forensic audit firm (as and when deemed appropriate).

v) Result of Bureau audits:

Result of Bureau audits as per report submitted by the audit firm and Bureau official would be considered by the Bureau's audit committee and its recommendations put before the Bureau's Council of Management .

If the Bureau audit picks up discrepancies in the books & records as compared to actual printing and distribution observed by the audit team in an obvious attempt to obtain higher ABC certificate, then the Audit Committee would issue a show cause notice spelling out the anomalies noticed. If no satisfactory response is received, the matter would be placed before the Bureau's Council of Management for appropriate action against the erring member. In such circumstances publisher member would have to pay for the audit as well as subject themselves to actions as determined by the Council.

Publisher member will be heavily penalized who do not co-operate during the audit process or do not provide correct and timely information or attempts to albeit obtain a higher circulation number certificate from ABC by preparing and maintaining dubious records. Such a member publication would not be considered for certification and would be named and shamed amongst members of ABC and / or disqualified from ABC membership. However, before disqualification of ABC membership the publisher member would be provided an opportunity to explain his

point of view in writing. This would be considered by the Bureau's Council of Management before taking any action against the Publisher.

vi) **Complaints from publisher members:**

Complaints against publisher members should be sent to the Secretariat before the end of the respective six monthly audit period so that the complaint can be verified and acted upon by the Bureau for that particular audit period. All complaints should be in writing accompanied by evidence.

vii) **Frivolous complaints:**

If a complaint is found to be frivolous, then following action will be taken:-

- a) Two frivolous complaints noticed within a block of two years, then ABC certificate of circulation of the complainant would be withheld or withdrawn as the case may be.
- b) Any other action as decided by the Council.

viii) **Cost of Bureau audits:**

In all cases where a Bureau audit is undertaken due to a compliant, then the complainant would have to bear the entire cost of the verification of the complaint including audit fees and out of pocket expenses of the audit team.

In other circumstances publisher members would pay for one Bureau audit in a calendar year as and when undertaken.

8. **COMPILATION OF AREA BREAKDOWN STATEMENT:**

8.1 **Area Breakdown Statement:**

For the purpose of compilation of Area Breakdown Statement to be submitted to the Bureau together with the circulation figures, publisher members and their auditors are required to select an issue which has circulation **nearest** to the average qualifying sales for the relevant audit period so that it reflects normal pattern of distribution of a publication. Despite the above requirement, substantial variations are noticed between the figures of average Qualifying Sales for an audit period and the total distribution provided in the Area Breakdown Statement for the issues selected. In order to rectify this anomaly, members are requested to provide details of State-wise, District-wise and Town-wise distribution in an Area Breakdown Statement for the issue selected which will be **reduced or adjusted** in proportion to the average circulation figures for the period. Accordingly, total qualifying distribution of an issue provided in Area Breakdown Statements will be **equal** to the average qualifying sales as certified for the period.

8.2 **Compilation of Area Breakdown Statement (in case of new edition started during the audit period):**

In case of a new edition of a multi-centre publication started in between the audit period, edition-wise distribution details of a newly started edition during the relevant audit period will not be shown separately. The same will be reflected under the parent edition from which supply was earlier catered to.

8.3 Details of town-wise distribution under Section 'B' to be provided as under :

For the State(s) in which the town(s) of publication is/are situated, towns to be classified according to the respective Districts. A tally of total distribution in each District to be provided showing towns where copies are distributed. Those distributed in other towns to be totaled and indicated as distributed in "other places".

9. BUREAU MEMBERSHIP:

9.1 Governance:

Membership of the Bureau is governed by the terms and conditions of membership together with the provisions of Bureau's Memorandum and Articles of Association.

9.1.1 Documents to be submitted:

All publishers who desire to enroll their publications to Bureau membership are required to submit the following documents:

- Completed application form duly proposed and seconded by two members of the Bureau.
- Permanent information form duly completed, signed and stamped
- Fees: Application fee as per schedule in force.
- Letter of authority **(Annexure 3)**
- Publisher's confirmation **(Annexure 4)**
- Copy of relevant RNI registration certificate
- Specimen copy of the publication

9.2 Enrolment of new editions / printing centres:

Publisher members are required to separately enroll a new printing centre and / or edition with the Bureau. Publisher members are also required to submit separate Incoming Certificate for each printing centre and / or edition. Publisher members may request for a combined or separate ABC certificate of circulation for their various editions.

New titles and/or new editions of existing titles which apply for Bureau membership and seek Council's consent to file their audited circulation figures for a particular audit period should with immediate effect ensure that the audited circulation figures are submitted to the Bureau for that particular audit period. In case, a publication fails to submit the audited circulation figures for that particular audit period for which Council has given its consent, then the application for Bureau membership submitted to the Bureau would be treated as "Null" and "Void" and the application fee paid alongwith the application for Bureau membership would be forfeited.

9.3 Return of Application for Bureau membership:

Bureau will be constrained to return application received for Bureau membership from prospecting publisher applicant under the following circumstances:

- Not completing procedural formalities and providing required documents within a reasonable time [within the audit period for which admission to Bureau membership was sought].
- Failure to comply with Bureau's prescribed audit guidelines.
- Non-availability of RNI registration certificate.
- Non-payment of annual membership fees and entrance fee as per the prescribed schedule of fees.
- Failure to comply with the provisions of Bureau's Code for Publicity
- Any other reason which the Bureau's Council of Management feels appropriate.

9.4 Re- admission to Bureau membership:

All applications from Publishers for re-admission to Bureau membership would be considered subject to cooling off periods as detailed below :-

It is proposed to categorise publisher members and prescribe different cooling off periods before applying for re-admission to Bureau membership as under:

Cooling off period

i)	Council terminating membership under Article 52(a) for any reason]	5 years from the date of termination of membership
ii)	Not adhering to Council's directive to print corrigendum / take corrective action in case of Bureau's code for publicity]	3 years from the date of final communication by the Bureau
iii)	- Wilful manipulation of books and records in order to claim higher circulation figures]	3 years from the date of final communication by the Bureau
	- Books and records cannot be relied upon for certification (in both cases circulation figures not accepted for certification)]	
iv)	In all other cases]	1 year from the date of ceasing to be a member of the Bureau for any reason other than 1,2 and 3 above

9.5 Starting of new edition:

ABC certificate of circulation are issued for a six monthly audit period i.e January to June and July to December every year. Certification of circulation figures of a new edition for part audit period would be considered for certification provided the publisher seeks a combined ABC certificate alongwith an existing member edition and submits to the Bureau an application for Bureau membership in the prescribed form as well as

completes all prescribed procedural formalities (also see para 7.5.1).

Certification of circulation figures **separately** of a new edition for a part audit period will not be considered.

9.6 Bureau Audit prior to admission to Bureau membership:

All new applications for Bureau membership for a new title and/or new edition would be put thru a Bureau audit by Bureau appointed empanelled audit firm without a choice to the publisher. The Bureau audit will also include a surprise press and market visit by the appointed audit firm. The entire cost of Bureau audit will be borne by the publisher. The appointed firm will submit the check-list and their audit report to the Bureau before the prescribed time limit for submission of audited circulation figures.

10. GUIDELINES COVERING TITLES HAVING AVERAGE CIRCULATION LESS THAN 15,000 COPIES:

In order to encourage small publications / titles to have their circulation figures certified by the Bureau and to minimise record keeping by such small publications / titles, following simplified guidelines have been prescribed for maintenance of books of accounts and other documents for a satisfactory circulation audit for such titles having average circulation upto 15,000 copies.

The same is applicable to TITLES having average circulation less than 15,000 copies and not to individual edition / printing centre of a title.

10.1 Advance written indents / monthly confirmations

This requirement is waived. Auditors may however seek direct confirmations from the agents.

10.2 Agents' supply register

Details of total copies supplied to the agent – paid & free copies to be maintained. Details of unsolds to be maintained.

10.3 Agreement with outside printers

No formal agreement necessary. Instead, printer's bills and/or statement of account, with correspondence to cover the supply of newsprint, conversion of reels into sheets and percentage of wastage etc. to be maintained.

10.4 Banking of cash collection

Banking of cash collection only relating to sale of copies to be banked on the following day.

10.6 Cash sales records

Centre wise details of copies supplied to hawkers in cash and cash received to be maintained.

10.7 Machine room returns

Details should atleast include start and finish time preferably with machine break timings.

10.8 Newsprint consumption register

Periodic reconciliation of newsprint consumption and wastage to be carried out as under –

- | | | | |
|-----|-------------------|----|-------------|
| i) | Daily Newspapers | .. | Fortnightly |
| ii) | Weekly Newspapers | .. | Monthly |

10.9 Newsprint stock register

One consolidated register showing all receipts and consumption of newsprint with the necessary details may be considered as adequate.

10.10 Postage / despatch record for subscribers

Details of subscription copies despatched to be maintained

10.11 Print order

Consolidated print order may be prepared

10.12 Returns register

Unsold / returns register to be maintained

11. OUTSTANDING / ADD BACK OF COPIES:**11.1 Adjustment of agents deposits against outstanding dues:**

Publisher may seek to appropriate the agents deposits held by him against the outstanding dues of the said agent by passing appropriate accounting entries in the books and records. In all such cases, publisher is required to give a due notice in writing to such an agent whose deposits have been appropriated on account of outstandings at the end of the audit period. In such cases, reversal of the accounting entry after the close of the audit period is not permissible.

11.2 On account payments by agents:

On account payments received from agents / sub-agents without mentioning the name of the publication may be appropriated on pro-rata basis amongst ABC as well as non-ABC publications in cases where both ABC as well as non-ABC publications are billed together.

11.3 Outstandings:

Whilst calculating the qualifying copies under Part “A” of the ABC certificate of circulation outstanding payment for copies supplied to agents at the end of the audit period as under have to be excluded.

- Local agents - outstanding for more than one month's supply
- Outstation agents – copies outstanding for more than two months supply
- Railway book stalls – copies outstanding for more than four months supply

Qualifying Copies which were outstanding for payment in the previous audit period and excluded but payments for which have been received in the immediate subsequent audit period are to be added back as qualifying sales for certification under Part “A” in the immediate subsequent period equally over the entire audit period of six months.

In case where publisher member does not submit circulation figures for a particular audit period for any reason then facility of add back is not permitted for the next audit period when publisher submits audited circulation figures.

12. AUDIT GUIDELINES:

12.1 Appointment of Publisher Auditor:

Following broad framework has been decided upon by the Council to directly appoint auditors to carry out circulation audits of member publications every six-months:

- i) Publisher members would be provided names of three audit firms as an option to choose the audit firm / firms to audit their member publications. Publisher member having multiple editions / printing centres at several places may choose any one or two or all three audit firms and distribute their various publications and / or (editions) amongst those firms.
- ii) In cases where the option of three audit firms provided to a publisher member is not acceptable to a publisher member for any valid reason then a publisher member should clearly specify in detail the reasons for not accepting any of the three audit firms offered. Council would then decide on the matter duly considering the reasons offered by a publisher member.
- iii) The audit firm chosen will carry out circulation audits as per the prescribed audit guidelines as laid down from time to time and submit the certified circulation figures along with the check list duly stamped and signed.
- iv) An Audit firm would undertake circulation audits of member publications for a maximum period of 3 years i.e. 6 six monthly audit periods.
- v) All empanelled auditors should necessarily carry out circulation audits as per the prescribed Bureau's audit guidelines and submit the audited circulation figures within a period of 45 days after the end of the relevant audit period i.e.
 - for the audit period January - latest by 16th August (next day in case of a
 - to June case of a

Sunday or Bank
Holiday)

- for the audit period July to - latest by 15th February
December
- vi) Emphasis would be placed on the capacity of the audit firm to handle the volume of circulation audits and complete circulation audits on time.
- vii) Instances of complaints received from publisher members against any empanelled auditors would be considered by the Council within 30 days and appropriate action would be initiated by the Council based on the material facts of the matter available including response from the auditor.
- viii) The existing practice of circulation auditors carrying out a press and market visit atleast once a year (January to December) would continue.
- ix) The check-list would be required to be completed by the appointed publisher auditor for each edition and / or printing centre (as the case may be)
- x) **Audit Fees & out of pocket expenses:**

Audit fees payable to the appointed audit firms will be mutually decided between the publisher and the audit firm. Audit fees mutually decided should be informed to the Bureau. Actual out of pocket expenses incurred by the auditor to be reimbursed by the publisher against supportings/vouchers.

12.2 All publications of a group not members of the Bureau:

Publishers who publish more than one publication, all of which are not members of the Bureau and separate books of accounts are not maintained for non member publications then under such circumstances the publisher should provide access to the auditor to enable him examine records pertaining to non member publications.

In cases where non member publications are offered to a reader along with member publications under any scheme then it is incumbent upon the publisher to provide full access to the auditor for scrutiny of books and records pertaining to non member publications.

12.3 Banking of cash collections:

Publisher members are required to deposit into the bank on the same day or the next working day cash received from all sources viz. sale of copies, advertisement receipts and from any other source.

Cash required by the publisher for day-to-day disbursement should be separately withdrawn and not adjusted from the daily cash collection.

Auditor should verify this aspect and establish that actual cash received on all days has been deposited into the bank in full on the same day or next working day and such a transaction is not merely a book entry.

Monthly bank reconciliation statements should be up-to-date and available for Auditor's verification.

12.4 Books and records to be audited:

Each audit should include financial, sales and statistical audit to the satisfaction of the auditor in order to establish the qualifying sales. For that purpose auditors should call for relevant books and records and information as may be required from the publisher. However, the financial audit should be limited to ascertain to the satisfaction of the auditor the circulation figures to be certified without going into other financial records which have no bearing on the publisher's circulation figures. Scrutiny of various accounts heads in general ledger should be done for those accounts pertaining to sale of copies.

For a satisfactory audit, an auditor should not limit his scrutiny of publishers books and records placed before him but his audit should include physical verification of actual printing and despatch of the publication including actual sale of copies to the trade which may be ascertained through market visits, interaction with distribution trade as well as seeking direct confirmations from newsprint suppliers, agents, principal agents and others involved in sales of copies.

12.5 Books and records to be maintained by principal agent(s) / agency:

An agent /s who distributes or effects at least 20% of the total sales subject to a minimum of 25,000 copies per printing centre / edition is recognised and termed as "principal agent".

It is essential for the publisher to arrange for principal agent's books and records for an audit by the publisher auditor and / or Bureau auditor as required at all times.

Further the word "publication" in the context of principal agency mean **"which submits separate incoming certificate for consideration of the Bureau"**.

Following books and records are required to be maintained.

a) Distribution records:

- i. Sub agents/ hawkers supply register
- ii. Sub agents/ hawkers unsold/returns register
- iii. If the indent is received through telephone, then the principal agent needs to maintain a register showing increase/decrease in copies over previous days supply
- iv. Despatch distribution summary
- v. Subscriber records wherever applicable

b) Financial Records:

- i. Credit note register/ Credit notes
- ii. Sub agents ledger for Credit sales
- iii. Duplicate bills/invoice of sub agents – Bills register
- iv. Cash sales records
- v. Cash/bank book, Bank Reconciliation statement etc.

- vi. Supporting payment advices for remittances received from distributing trade

The Auditors may where deemed necessary, call for such information directly from the parties concerned with the concurrence of the Publisher.

Auditors shall verify that Cash receipts on account of sale of the concerned publication and from all sources must be deposited with the bank intact on the following day except on a bank holiday, in which case cash receipts are to be deposited on the next working day. The auditor will satisfy himself as to the banking of cash receipts and examine the Bank Pass Book. He will also ensure that cheques deposited on account of sale of the publication have been duly realised by reference to bank reconciliation statement.

c) Agents Confirmations:

Principal agent/s are required to obtain advance written indent / orders from agents in support of copies supplied to them. If the indent is received orally then the principal agent/s needs to maintain a register showing increase/decrease in copies over previous days supply.

Confirmations received from agents alongwith any communication / correspondence either electronically or physically will be accepted provided all norms laid down in the "Guide to ABC Audit" are followed by publishers.

d) Agents Remittances:

All remittances from agents specially by cash or demand drafts should be supported by documentary evidence such as payment advices, covering letter or statement of accounts. All remittances from agents should be checked with the principal agent's books of accounts and bank statements.

Auditor should report all such cases and carry out detailed scrutiny specially where remittances have been made on behalf of more than one agent through a consolidated cheque by another agent

In order to have an evidence for payment received in cash by principal agent's representatives / field staff, a pay-in-slip or any other document by whatever name called, duly filled by the agent / dealer detailing name of the agent, place, Bill No. amount paid should be obtained. Auditors may seek direct confirmations from such agents as deemed appropriate.

Cash covering letters upto average 50 copies or less per day / per issue from agents / sub-agents are exempt.

Confirmations received from agents alongwith any communication / correspondence either electronically or physically will be accepted provided all norms laid down in the "Guide to ABC Audit" are followed by publishers.

13 BOOKS AND RECORDS TO BE MAINTAINED BY PUBLISHER MEMBERS:

13.1 Various books and records :

A GENERAL

1. Cash Book
2. General Ledger
3. Journal

B PAPER PRINTING & DELIVERY

8. Print Orders
9. Machine Room Returns
10. Newsprint Stock Register

A GENERAL

4. Bank Statement
5. Bank Reconciliation Statement
6. Trial Balance
7. Cash Sale Records

B PAPER PRINTING & DELIVERY

11. Newsprint Consumption Register
12. Newsprint Bills
13. Wastage Records
14. Dispatch / Distribution Summary

C AGENTS

15. Agents' Invoice / Bill Register
16. Agents' Supply Register
17. Agents' Returns Register
18. Credit Note Register / Credit Notes
19. Agents' Ledger

D SUBSCRIPTION

20. Subscription Scheme
21. Subscribers' form
22. Subscription amount receipts
23. Subscribers Register
24. Dispatch Records

Auditors should include any adverse observation on the scrutiny of the above books and records in their reports to be annexed alongwith six monthly audit report issued to the publisher.

13.2 Agents Confirmations:

Advance written indent / orders from agents in support of copies supplied to them. If the indent is received orally then the publisher needs to maintain a register showing increase/decrease in copies over previous days supply.

Confirmations received from agents alongwith any communication / correspondence either electronically or physically will be accepted provided all norms laid down in the "Guide to ABC Audit" are followed by publishers.

13.3 Agents Remittances:

All remittances from agents specially by cash or demand drafts should be supported by documentary evidence such as payment advices, covering letter or statement of accounts. All remittances from agents should be checked with the principal agent/s books of accounts and bank statements.

In order to have an evidence for payment received in cash by publisher's representatives / field staff, a pay-in-slip or any other document by whatever name called, duly filled by the agent / dealer detailing name of the agent, place, Bill No. amount paid should be obtained. Auditors may seek direct confirmations from such agents if required.

Cash covering letters upto average 50 copies or less per day / per issue from agents / sub agents are exempt.

Confirmations received from agents alongwith any communication / correspondence either electronically or physically will be accepted provided all norms laid down in the "Guide to ABC Audit" are followed by publishers.

13.4 Newspaper Purchases and Consumption:

In respect of newsprint purchases and / or loan of newsprint, publishers are required to maintain for Auditor's verification:

- Invoice from newsprint suppliers duly specifying the quantity, rate, amount
- If imported newsprint is used, then all documents pertaining to import of newsprint.
- Transporters bills for transport of newsprint.
- Lorry receipt, gate pass to authenticate receipt of newsprint.
- GST Returns where input credit is availed for newsprint purchases.

13.5 Newspaper Stocks Register:

- Newspaper stocks register should be maintained at all times clearly mentioning the date, quantity, make and / or other particulars of newsprint purchases together details of newsprint issued to the press from time to time.
- Loans of newsprint, if any, either received or given should be clearly specified alongwith details of debit and credit notes as applicable.
- Newspaper stocks register should be up-to-date at all time and available for auditor's verification.

13.6 Auditors are also required to cover the following areas during their circulation audit:

13.6.1 Distribution records:

- i) Sub agents/ hawkers supply register
- ii) Sub agents/ hawkers unsold/returns register
- iii) Despatch distribution summary
- iv) Subscriber records wherever applicable

13.6.2 Financial Records:

- i) Credit note register/ Credit notes
- ii) Sub agents ledger for Credit sales

- iii) Duplicate bills/invoice of sub agents – Bills register
- iv) Cash sales records
- v) Cash/bank book, Bank Reconciliation statement etc.
- vi) Supporting payment advices for remittances received from distributing trade

The Auditors may where deemed necessary, call for such information directly from the parties concerned with the concurrence of the Publisher.

Auditors shall verify that Cash receipts on account of sale of the concerned publication and from all other sources must be deposited with the bank intact on the following day except on a bank holiday, in which case cash receipts are to be deposited on the next working day. The auditor will satisfy himself as to the banking of cash receipts and examine the Bank Pass Book. He will also ensure that cheques deposited on account of sale of the publication have been duly realised by reference to bank reconciliation statement.

13.6.3 Agents Confirmations:

Advance written indent / orders from agents in support of copies supplied to them. If the indent is received orally then the publisher needs to maintain a register showing increase/decrease in copies over previous days supply.

Confirmations received from agents alongwith any communication / correspondence either electronically or physically will be accepted provided all norms laid down in the “Guide to ABC Audit” are followed by publishers.

13.6.4 Agents Remittances:

- All remittances from agents specially by cash or demand drafts should be supported by documentary evidence such as payment advices, covering letter or statement of accounts. All remittances from agents should be checked with the agent/s books of accounts and bank statements.
- Auditor should report all such cases and carry out detailed scrutiny specially where remittances have been made on behalf of more than one agent through a consolidated cheque by another agent.
- In order to have an evidence for payment received in cash by publisher’s representatives / field staff, a pay-in-slip or any other document by whatever name called, duly filled by the agent / dealer detailing name of the agent, place, Bill No. amount paid should be obtained. Auditors may seek direct confirmations from such agents if required.
- Cash covering letters upto average 50 copies or less per day / per issue from agents / sub-agents are exempt.
- Confirmations received from agents alongwith any communication / correspondence either electronically or physically will be accepted provided all norms laid down in the “Guide to ABC Audit” are followed by publishers.

13.7 Newsprint purchases and consumption:

- i. Auditors to verify the publisher's newsprint purchases and loans of newsprint and paper of any other kind used for production of this publication, with reference to invoices, receipts from parties, bank statements correspondence etc. and have excluded copies, if any, printed out of newsprint and paper acquisitions not supported by vouchers.
- ii. Auditors to check the summary reconciling acquisition with consumption of newsprint and other paper with reference to the copies printed and thoroughly verified the wastage of% which is an overall wastage inclusive of tare, core, tear-off, cut- wastage and spoils etc.
- iii. Auditors to check the summary reconciling acquisition with consumption of newsprint and other paper with reference to the copies printed and thoroughly verified the wastage of% which is an overall wastage inclusive of tare, core, tear-off, cut- wastage and spoils etc.
- iv. Auditors to examine the printing capacity of the equipment in use by the Publisher(s) and/or the printer of publication; and in the later case: Auditors to also examine the printers' bills showing total number of pages/copies printed and the rate per form etc.
- v. Auditors to carry out physical verification of newsprint stocks and/or verified stocks with the Bank Certificate, and/or Certificate(s) from outside press(es), which has been found to be in conformity with the records.
- vi. Auditors to verify the newsprint consumption with reference to Print Orders, Newsprint Issue Sheets, Machine Room returns. Stock Register and/or periodic newsprint consumption statements received from outside press(es).
- vii. Auditors to verify non-payment to newsprint suppliers beyond 90 days which is considered as normal credit period. Secondary documentation like octroi payment, gate pass etc. should be verified. Auditors may seek direct confirmations from the concerned newsprint suppliers if required.

13.8 Distribution:

- i) Auditors to check:
 - a. Cash Sales with Cash Sales Register and / or Cash Book.
 - b. Subscription Sales with Subscriber's Register and dispatch records.
 - c. Agency Sales: Supplies to Agents with advance written orders, subsequent confirmations or statements of Account obtained from agents.

- d. Agency Sales: Agency Sales Register with Railway Road/Air /Postage/Delivery Book etc.
 - e. Agents' Sales Register with Duplicate Bill Copies.
 - f. Agents' Sales Register with Returns register.
- ii) Auditors to adjust from Qualifying Sales:
- a. Copies involved in outstanding from agents and others in accordance with the instructions of the Bureau.
 - b. Copies returned or intimated as remaining unsold by hawkers /agents/ distributors. .
 - c. Copies not meeting the qualifying criteria.

13.9 Financial Reconciliation:

Auditors to check:

a. **CASH SALES :**

- i. Cash Book with Cash Sales Register
- ii. Cash Book with Sales Account in General Ledger.

b. **SUBSCRIPTION SALES:**

- i. Cash Book with Subscriber's Register.
- ii. Cash Book with Sales account in General Ledger

c. **AGENCY SALES:**

- i. Agents' Sales Register with Agents' Ledger
- ii. Agents' Sales Register with Sales account and Agents' Account in General Ledger.
- iii. Cash Book with Agents' Ledger
- iv. Cash Book with Agents' Account in General Ledger. Agents' ledger with Credit Note Books.
- v. Totals of Credit Note Books with Agent's Account and Sales Account in General Ledger.
- vi. Journal with Agents' Ledger and General Ledger.
- vii. Cash Book with Bank Pass Books/ Statement.

d. **CASH RECEIPTS AND PAYMENTS:**

Auditors to confirm that:

Cash receipts from ALL sources including circulation receipts, advertisement receipts, receipts in respect of sister publications and miscellaneous receipts of whatsoever nature have been regularly banked intact and that payments are made from withdrawals from the bank on imprest basis or otherwise.

All payments and/or perquisites to agents have been verified with reference to Agents' Ledger, Agents' Account in General Ledger, respective Nominal accounts in the General Ledger, Credit Notes and correspondence between the Publisher and the agent(s) and that payments made or perquisites allowed have been taken into account while arriving at gross Trade Terms as per the Bureau's instructions.

13.10 Other Information:

i) Principal Agency / ies

Auditors to provide details of principal agency/ies
(Any agent/s who effects 20% or more of the total distribution of a publication subject to a minimum of 25,000 copies per printing centre / edition)

ii) Variation in average qualifying sales

Auditors to provide detailed reasoning for variations in qualifying sales
(+/- 10% as compared to previous audit period)

13.11 Direct confirmations sought by Auditors:

Auditors are required to seek third party direct confirmations from newsprint suppliers and agents as per the addresses / details available in the publisher's books and records. In cases where such third party direct confirmations sent by registered post, speed post or courier are returned undelivered by the postal authorities / courier company for any reason, then auditors should treat such transactions as non-bonafide and accordingly those copies during the audit relevant period pertaining to the respective agents and / or newsprint supplier be deducted as unconfirmed supplies before certifying copies under qualifying sales (Part A). Details of such deduction of copies should be mentioned in the audit report / check-list submitted to the Bureau.

14. BUREAU AUDITS:

14.1 Non production of books and records by publisher members:

In cases where publisher members do not make available the required books and records for verification by Bureau Auditors during their visit to the publisher's office, then after waiting for a reasonable time i.e. upto 24 hours after the request is made by the Bureau Auditors, the circulation figures for the relevant audit period will not be considered for certification.

15. SURPRISE PRESS AND MARKET VISIT BY PUBLISHER AUDITORS:

All circulation Audit Firms are required to carry out atleast one surprise press and market visit during a calendar year which consists of two audit periods i.e. January to June and July to December. Such surprise press and market visit to be carried out in respect of all printing and publishing units of the publisher member. Auditors are required to follow the market protocol prescribed by the Bureau (para 9.8).

A copy of the Auditor's report should be submitted to the Bureau alongwith publisher's comments wherever required.

This provision is not applicable to all those titles whose average circulation is less than 15,000 copies during an audit period.

Under mentioned points should be covered in the Auditor's surprise press and market visit report:

a) Press Visit:

- Date and time of visit
- Number of copies to be printed as per print order available including break-up of print order
- Cover price of various print runs as per print order
- Number of copies printed and dispatched before Auditors arrival as per MRR and availability of dispatch records.
- Number of copies printed and dispatched during Auditors physical presence at the press
- Auditors comments on the printing speed and capacity of the printing press as actually observed
- Scrutiny of dispatch labels and dispatch details available at the press
- Mode of dispatch
- Details of maintenance of Machine Room Report
- Any other relevant matter observed by the Auditors during printing and dispatch at the press

b) Market Visit:

- Date & Time of visit
- Names of the centres visited and the time of visit
- Actual number of copies received at the centre
- As per publishers record number of copies dispatched to the centre
- Net price at which copies are sold to the trade at each centre, actual trade terms as a % of cover price
- Previous days unsolds
- Whether cash sale or credit sale
- Record maintained by the agent
- Any other observations

16. MACHINE ROOM RETURN (MRR) :

16.1 Details contained in Machine Room Return (MRR):

Machine room return is the record of actual printing as well as confirmation that newsprint issued to the press has been utilised for printing the publication as per the Print Order. It states the number of copies actually printed and sent for despatch.

Machine Room Return should contain the following details:

- i) Issue date with their respective print-runs (if any)
- ii) Number of pages for the respective issue
- iii) Time of receiving the plates
- iv) Start and finish time for each print run for respective editions / print runs
- v) Number of copies recorded on clock for each print run
- vi) Number of spoils and make ready copy for each run
- vii) Number of good copies printed, for each run
- viii) Number of copies to be printed as per print order
- ix) Number of paper breaks with timings and time lost in each break
- x) Number of reel changes and time taken for change
- xi) Number of good copies sent for dispatch
- xii) Number of copies spoiled etc. on hand
- xiii) Remark column for any other information by foreman in charge

Machine Room Return states the actual performance of the machine / machines on a day to day basis and should be based on actual machine running timings and signed by the foreman or supervisor in charge of printing. In case of computerized Machine Room Returns, the source documents on the basis of which computerized record is generated should be maintained and made available for atleast one full previous audit period.

The working sheet of the MRR prepared during actual printing of copies be retained alongwith the fair copy of the MRR prepared on the next day in the office records. The same to be produced for audit verification.

16.2 Publications printed at outside press:

Where a publication is printed at an outside press not owned by the publisher, printers' bills showing number of copies printed, the rate per form along with the terms and conditions laid down in the agreement between the publisher and third party printers should be maintained and produced for auditor's verification.

Where the printing press is an associate concern, or subsidiary company under the same Management or where proprietors/partners/directors of the printing unit, are also proprietors/partners/directors of the publication, printing records maintained by such printers shall also be made available for the auditors' verification.

Publisher shall arrange for verification of actual printing and distribution of copies by Bureau's Officials/ Auditors as and when required.

17. PRINT ORDER:

It is utmost essential that a print order duly signed by an authorized official of the publisher is available at the press before the start of the printing process. Any alteration / correction to the print order should be duly authorized.

The print order should contain the following information:-

- 1) Date of issue
- 2) Total number of pages – main paper + supplements + add-ons if any to be separately mentioned.
- 3) Total number of copies to be printed
- 4) Break up of total number of copies into
 - Standalone copies
 - Combo copies
 - Subscription copies
 - Institutional sales
 - Free and promotional copies
- 5) Number of copies to be printed as per different print runs (details to be provided)

Auditors have been specifically intimated to verify the print order immediately before the starting of the printing process.

18. CODE FOR PUBLICITY BY PUBLISHER MEMBERS:**1. PREAMBLE**

Membership of the Bureau entitles a publisher-member to use the fact of his membership and circulation figures certified by it, for publicity and promotion of his publication/s, in conformity with the rules as set out in Sections 2, 3 and 4 hereunder. These must be read in conjunction with each other and not in isolation.

The rules apply to publicity and promotion carried out by a publisher member himself as well as to publicity and promotion carried out on his behalf by any other person or organisation.

These rules are intended to ensure that all publicity and promotion related to circulation are carried out by publisher-members only on the basis of the circulation figures certified by the Bureau.

Membership of the Bureau requires members to abide by these rules and not to use any figures or claims related to circulation in publicity and promotion that are not certified by the Bureau.

2. DEFINITIONS / SCOPE**a) CIRCULATION**

- i) '**Circulation**' shall always mean the Average Qualifying Sales of Daily & Weekly Newspapers shown in Part A of the ABC Certificate of Circulation OR Net Paid Circulation of Magazines of the entire audit period as certified by the Bureau for the last

completed ABC Audit period.

If circulation figures for the last audit period are not certified for any reason including non-submission, late submission of circulation figures or for any other reason, then a publisher member cannot make any claim (including ranking) such as Number one, highest, leading or similar, based on the previous audit period certified circulation figures.

ii) **Disclaimer:**

A disclaimer in the same font and size as the main claim is required to be mentioned whenever variant copies are included in the total copies for any claim / publicity, ranking, advertisement hoardings etc. or any other form of publicity. This disclaimer would apply in all cases including comparison made for State, District or Town based on Area Distribution Statement certified by ABC and available to all members

(main claim would be considered as one which projects – leading, highest, number one, rankings etc. and / or a claim with the largest font size)

- iii) Circulation figures given under Part B of the ABC Certificate of circulation in case of Daily and Weekly Newspapers are intended for information purpose only and should not be used, added together with any other certified circulation figures for any publicity / promotion campaign in any form whatsoever.
- iv) Publisher Members may if they so desire, publicise their average Weekday, average Sunday circulation figure provided the figure of average Qualifying Sales / Net Paid Circulation is also shown in the publicity as prominently as (same font size) the average Weekday or average Sunday circulation figure.
- v) Provided month-to-month circulation figures for the **entire** six-monthly audit period are quoted along with the Average Qualifying Sales / Net Paid Circulation for the period, monthly average circulation figures shall not be used selectively for the purpose of publicity and promotion. If so desired, copies of ABC Certificates issued by the Bureau may be circulated or used for publicity without any alterations.
- vi) Distribution data appearing in the Area Breakdown Statement of the same audit period, certified by the Bureau may be used for publicity and promotion.

b) PUBLICITY AND PROMOTION.

Publicity and Promotion' shall always mean the providing of any information whatsoever relating to circulation, through the release of advertisements in any medium and in any other form, such as Ad rate cards, brochures, leaflets, circulars or handouts etc.

The term '**in any other form**' referred to above will also cover one-to-one communication addressed by publisher members to more than one person. Such one-to-one communication shall **not** contain information relating to or based on circulation figures, or any other figures not certified by the Bureau - for example, no reference will be allowed to print order figures or projections made on circulations whether certified by the Bureau or not.

3. RULES

- a) Membership of a publisher with the Bureau can be publicised and used only after confirmation of membership and issue of first ABC Certificate and not while the application is under consideration.
- b) Publisher member may use the ABC insignia and the statement **"Member of Audit Bureau of Circulations"** for publicity and promotion of his publication/s as long as he is a member of the Bureau. No reference shall be made either to the ABC or the circulation figures certified by it for any audit period for the purpose of publicity or promotion after he ceases to be a member. Violation of this requirement may disqualify the concerned publisher from seeking re-admission to Bureau membership. The Council shall, however, retain its discretion to re-admit a member if it so desires.
- c) When a publisher member uses circulation figures in publicity and promotion, he shall only use circulation figures as defined in para 2(a).

Publisher may also, if he so desires, use circulation figures of any previous period/s as certified by the Bureau along with the certified circulation figures of the last ABC Audit Period. The period/s to which they relate must be specified.

Where circulation figures for the last ABC audit period have not been certified by the Bureau for any reason, the publisher must indicate the same in his publicity and promotion.

- d) Publisher member must not use any figures which are not certified by the Bureau such as print order figures, for the purpose of publicity and promotion.
- e) Publisher member may use comparative circulation figures in respect of other member publications for the purpose of publicity and promotion, along with his own, provided circulation figures are such as have been certified by the Bureau for the last completed ABC audit period. (along with those for any previous period as certified by the Bureau, if so desired, shown separately.)

Publisher member may use circulation figures relating to his own publication/s based on the ABC certificates issued to him. In case of data of other member publications, such data will be sourced from the Preliminary Lists of Circulation, Serial Volumes, Bureau's website or any other publication released by the Bureau.

Comparisons must be made on the basis of circulation figures relating to the same audit period/s.

If for any reason, circulation figures for any publication/s are not certified, the fact as stated in the Preliminary Lists, Serial Volumes, Bureau's website e.g. 'Not a Member', 'Not Accepted', 'Under Consideration', 'Not Certified', 'Not Filed' etc. must be clearly specified.

In case of comparison with multi-centre publications, all respective editions of such member publication(s) enrolled with the Bureau along with the circulation figures as certified must be separately specified.

In case a multi-centre / multi-edition publication desires to publicise all India certified circulation figures of average Qualifying Sales / Net Paid Circulation, then such publication

will be required to mention in the publicity that the circulation figures quoted are the total average circulation figures of a publication published from various centres (all centres to be stated along with the respective circulation figures).

Further, in case of publicity of all India certified circulation figures by a publication / title in a specific geographic viz. any Town / District / State, it will be necessary to state the certified circulation figures of the relevant Town / District / State as per the Area Breakdown Statement for the relevant period.

Necessary details as above are to be provided even though no comparison is made with any other member publication.

Where circulation figures of any edition / printing centre of any publication are not certified, the same should be so indicated. However, totalling across circulation figures certified by the Bureau of remaining editions / printing centre of a title will then be permitted.

- f) Whenever a publisher wishes to make a statement or claim relating to the certified circulation figures in a specific region (e.g. State, Town, District, etc.), such statement or claim shall be made only on the basis of the Area Distribution

Statement of the corresponding audit period as certified by the Bureau. In all such cases, certified circulation figures as per Area Distribution Statement of all editions / printing centres included in the said claim are required to be mentioned (as applicable).

Further such statement shall be made only on the basis of the circulation figures in the stated region and not on the basis of total circulation of the publication or edition emanating from the region.

- g) Publisher member shall not make any statement or claim relating to circulation of his publication or that relating to other member publication/s which cannot be substantiated by circulation figures certified by the Bureau.

Publisher member shall not make ambiguous claims relating to any member publication. Unless, claims such as 'leading' 'number one' etc. are otherwise qualified, these will be treated as circulation claims and will be subject to the rules set out in this Code.

- h) Whenever a publisher member publicises circulation figures, a copy of such publicity /promotional material shall be sent to the Bureau for information

4. OTHER PUBLICITY

All Correspondence exchanged by members with the Bureau on any matter shall be deemed as **CONFIDENTIAL** and no copies thereof shall be published/circulated by them to any person whether ABC member or not, without prior approval of the Bureau.

5. CONTRAVENTION OF THE CODE

Cases of contravention of Bureau's Code for Publicity will be considered by the Bureau's Disciplinary Committee formed specifically to deal with such cases where necessary. The matter

may also be referred to the Bureau's Council of Management for its consideration.

Following action would be considered by the Bureau's Disciplinary Committee/Bureau's Council of Management in cases of contravention of Bureau's Code for Publicity by Publisher Members (pertaining to a publication title).

Number of instances of contraventions of Bureau's Code for Publicity within a period of 2 years will be applicable to all editions / printing centres put together of a title.

Contravention of provisions of Bureau's Code for Publicity for the FIRST TIME:-

- i) In case of contravention of the provisions of Bureau's Code for Publicity by a title for the first time, the concerned Publisher member will be called upon to publish a corrigendum advertisement as per the text provided by the Bureau in size 20 x 3 cc on page 3 of the publication within a period of **15 days** from the date of intimation by the Secretariat in the respective edition/printing centre as the case may be.

The said corrigendum should be published in the entire area of 20 x 3 cc space in large readable font size which are either identical or superior to the font and size of the other news items published on the same page. The corrigendum should also be included in the re-edition of the same publication (if there exists an e-edition)

PLUS

Bureau would also reprimand the publication.

- ii) **If the corrigendum is NOT published within the stipulated time as mentioned in (i) above**

and/or

Second contravention of the Bureau's Code for publicity by a title within a period of one year

In both the above cases, a corrigendum would be required to be published as mentioned in (i) above

PLUS

ABC would get the corrigendum advertisement also published in the complainant publication.

PLUS

Inform all members thru a circular as well as put up the information on Bureau's website.

PLUS

A warning would be issued by ABC not to repeat violation of any provisions of the Bureau's Code for Publicity.

The erring Publisher member will however be required to publish the corrigendum

advertisement despite the above actions by the Bureau.

iii) **Contravention of the provisions of Bureau's Code for Publicity by a title for second time within a period of two years:**

Corrigendum would be required to be published as mentioned in (i) above

PLUS

ABC would get the corrigendum advertisement also published in the complainant publication.

PLUS

Inform all members thru a circular as well as put up the information on Bureau's website.

PLUS

ABC certificate for the relevant edition for the relevant audit period would not be issued.

PLUS

A strict warning would be issued by ABC not to repeat violation of any provisions of the Bureau's Code for Publicity.

iv) **Contravention of the Bureau's Code for Publicity by a title multiple times i.e. more than twice in two years:**

and/or

If the corrigendum is not at all published by an erring publisher member:

All actions as mentioned in (iii) above

PLUS

Show Cause notice would be issued to the publisher as to why the publisher's membership of the respective edition should not be terminated.

19. OTHERS:

19.1 Number of votes – Publisher members:

Each edition of a title having a **separate RNI registration number** would be considered as a separate publication irrespective of the fact whether a publisher member avails a separate or a combined ABC certificate of circulation for various editions of a title. Accordingly, each edition would be registered separately in the Bureau's register of members and entitled **to one vote for each separately registered edition** with the Bureau.

19.2 Proxy:

In case a proxy is to be issued, then **separate (individual) proxies** for each publication / edition as registered separately would be necessary to be filed with the Bureau. Proxies would be considered as valid only after they are stamped signed and dated by the authorized signatory whose name appears on the Bureau's register of members.

A proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

A proxy should be a member of the Company.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members.

19.3 Article 6 – Privileges of membership not transferable:

The privileges of membership shall not be transferable; change in status from a proprietary firm to company or private limited company to limited company or vice versa would be considered as transfer of ownership.

19.4 Article 52(a) – Termination of membership :

The Board shall be entitled without assigning any reason to terminate at any time the membership or any member by a resolution passed on a majority of not less than three-fourths of Board members present at a meeting of the Board at which not less than half the members thereof shall be present. A member whose membership has been terminated under this clause shall forfeit all rights in and claims upon the Company and its property and shall not be entitled to a refund of any proportion of his subscription.

19.5 Article 52(b) – Non receipt of membership fees or any other dues :

If any member fails to pay any entrance fee, annual or other subscription or any other sum payable to the Company within two months of the date when the same became payable then upon the expiration of such two months such member shall cease to be a member of the Company.

In an event of a non publisher member subsequently seeking re-election shall pay up all arrears and other monies due by him to the Company the Board may consider to re-elect him as a member, if still eligible, without requiring payment of any entrance fee which might otherwise be payable.

19.6 Article 52(c):

A publisher member would not be issued any ABC certificate of circulation if any sum due from him on any account is pending receipt after a period of two months from the date the same became payable. Since after two months of amount becoming payable, a publisher member ceases to be a member of the Company.

PART II

MAGAZINES

PART II - MAGAZINES

In respect of audit of circulation figures of magazines, most of the audit guidelines pertaining to Daily & Weekly Newspapers as mentioned in detail in Part I of the Guide would be applicable. However, specific differences pertaining to magazine publisher members are only listed below:

Trade Term:

Commission and allowances etc. mutually agreed to between the publisher and the distributing trade and paid continuously and consistently.

1. SCHEMES FOR READERS - Non subscription copies :

All provisions under para 4.1, 4.2, 4.3, 4.4 and 4.5 (Newspapers) would also apply to magazines.

- **Gift on newsstand sales / subscription copies:**

Adhoc gifts which are offered alongwith a magazine on newsstand mostly as inserts valued upto 30% of the cover price of a magazine will now also be permissible on subscriber copy. Value of such adhoc gifts to subscribers will not be included in the 90% limit on cover price.
(valuation of gifts as per para 1.26)

2. BULK SALES/INSTITUTIONAL SALES:

Copies of magazines which are either sold directly by the publisher and/or his distributing trade to organisations not connected with newspaper distribution trade provided bonafides of the organisation(s) involved in Institutional Sales are established to the satisfaction of the auditors (Unless Auditors/Bureau having any evidence to the contrary).

Maximum limit for institutional sales would be **30% of the total net paid sales.**

3. INSTITUTIONAL SUBSCRIPTION SALES:

A new category of institutional subscription sales introduced wherein institutions can subscribe in bulk for magazines. Such institutional subscription scheme will qualify for certification if the publisher retains atleast 10% of the cover price of the magazine after offering discounts / gifts / incurring service provider's charges, if any.

(valuation of gifts as per para 1.26)

Institutions availing the institutional subscription scheme will be required to maintain a list of the recipients of the magazine including full particulars of the recipient namely, name, address, telephone number etc. These details to be made available to the publisher so that the same can be verified by the auditors.

The upper limit for overall institutional subscription sales is **10% of the total Net Paid Sales**

Also, details of individual addressees in case of bulk supplies to institutions where individual readers cannot be identified e.g. hotels, airlines, libraries etc. may not be necessary.

4. BANKING OF CASH COLLECTIONS:

Cash collected from all sources is required to be banked intact by a publisher on the next working day.

Magazine Publisher Members who do not generate any cash receipts for sale of copies through any means may be exempt from the above provision subject to a condition that such Publisher should also not have any cash payments / cash reimbursements to agents.

5. PRINTING AT OUTSIDE PRESS:

Third party printing presses where magazines are printed are required to maintain and produce for Bureau Auditors verification, production records pertaining to a Member Publisher. If no printing activity is in progress at the time of Bureau Auditor's visit to a third party printing press then at least an "intent to publish" the magazine for the respective issue should be made available to the Bureau Auditor e.g. printing plates, part pages printed, print order, cover page, required newsprint, or any other verifiable evidence which the Bureau Auditors could rely on which shows the "intent of the publisher" to print the relevant issue of the magazine and the number of copies to be printed.

6. OUTSTANDINGS:

Whilst calculating the qualifying copies of the ABC certificate of circulation outstanding payment for copies supplied to agents at the end of the audit period as under have to be excluded.

- Local agents - outstanding for more than one month's supply
- Outstation agents – copies outstanding for more than two months supply
- Railway book stalls – copies outstanding for more than four months supply

Qualifying Copies which were outstanding for payment in the previous audit period and excluded but payments for which have been received in the immediate subsequent audit period are to be added back as qualifying sales for certification in the immediate subsequent period equally over the entire audit period of six months.

Wherever there is separate billing for **magazines**, the period for calculating outstanding period may be revised to:

Local Agents	60 days
Upcountry agents	90 days

7. ONACCOUNT PAYMENTS BY AGENTS:

On account payments received from agents / sub-agents without mentioning the name of the publication may be appropriated on pro-rata basis amongst ABC as well as non-ABC publications in cases where both ABC as well as non-ABC publications are billed together.

8. SUBSCRIPTION COPIES:

A) SERVICE CHARGES FOR ONLINE PAYMENTS:

Service charges on digital payments to be outside the purview for calculating 10% retention by publisher.

Subscriptions can be sought online provided details of subscriber viz. name, address, email, contact no. is available with proof of advance payment.

B) DELIVERY CHARGES:

Actual delivery charges incurred through courier / postage not to be included in the overall limit of 90% of the cover price
