

10th August, 2007

To,

- ❖ **All Publisher Members**
- ❖ **Bureau's Approved Auditors**
- ❖ **Bureau's Surprise & Recheck Auditors**

CIRCULAR

Clarifications on some of the Bureau's audit guidelines

I) Gifts offered to readers on non subscription copies:

Bureau's present audit guidelines permit publications to offer gifts to readers on non subscription copies upto 50% of the cover price of a publication so that copies qualify for certification as Net Paid Sales.

Accordingly, it is clarified that publishers offering gifts to readers value of which is **more than 50%** of the cover price on non subscription copies under any scheme for a defined period then such a scheme would be void abinitio and would not qualify for certification. Accordingly, all copies offered to readers under such a scheme would not qualify for certification as net paid sales irrespective of whether readers have availed the benefit offered under the scheme or not.

(Notification No.717 dated 28th March, 2003)

However, in case a gift / sample etc. is provided along with a **particular issue** of a publication value of which is more than 50% of the cover price of a publication then in such cases only excess circulation achieved for the relevant issue would not be considered for certification as net paid sales.

The provision referred to above for reducing 'excess circulation' does not apply to cases where value of gifts offered to readers is more than 50% of the cover price under a scheme for a defined period. In such circumstances, such a scheme as mentioned above will be treated void abinitio and **all** copies under such a scheme would not be recognised for certification as net paid sales.

II) Gifts to subscribers and gifts on single copy sales to regular readers:

(Notification No.739 dated 15th December, 2004)

Bureau's audit guidelines specifically exclude from the scope of "gifts" all cash gifts or cash equivalent (gift cheques etc.) as may be offered to subscribers / readers. Gifts offered to subscribers / regular readers only in kind are considered for the purpose of recognising gifts and consequent certification of corresponding circulation as Net Paid Sales.

Accordingly, it is clarified that publishers announcing any scheme for non subscription copies which has an element of cash back / cash benefit to the readers then such a scheme will not be recognised for certification. Consequently, all copies under such a scheme during the scheme period will not be considered for certification as net paid sales irrespective of whether the readers have availed the benefit under the scheme or not.

Sd/-
Secretary General