

Chairman's Address

Dear Friends,

On behalf of your Council of Management and on my own, it gives me great pleasure to extend a very warm welcome to you all at the 61st Annual General Meeting of Audit Bureau of Circulations, this afternoon.

Bureau's Annual Report and Audited Accounts for the year ended 31st March 2009 were circulated earlier. I presume you must have had an opportunity to go through the details. We shall be pleased to answer any points that you may have on the annual report and audited accounts.

COUNCIL MEMBERS:

Mr. Anil Kapoor, Chairman of your Council during the previous year 2007-2008 has desired not to seek re-election following the long standing tradition maintained by past Chairmen of the Bureau.

Mr. Romit Chaterji, advertiser representative on the Council from the Tata Group also resigned from the Council following his retirement from the Tata Group.

Mr. Amitabha Datta, representing publisher members on the Council also resigned from the Council following his retirement from the ABP Group.

Your Council will certainly miss their balanced views on difficult issues that were discussed at the Council meetings.

Your Council wishes to place on record its appreciation and gratitude to them for devoting their time and effort towards the progress of the Bureau.

GENERAL OVERVIEW:

The past one and half year has been a difficult period for most of the industries and specially so for the print media industry. Most of the publishing houses have taken individual steps to cut costs without affecting their quality and content. Advertising industry on the whole had also slowed down in the wake of the general economic recession. Most of the publishers faced these market conditions head on by taking several steps including increasing cover price and / or reducing pagination. However, international newsprint prices did reduce during this period providing some relief to the publishers.

THE BUREAU:

Over the last many years since I am on the Council, I have come across many complaints / grievances of publisher members regarding their competitors which normally pertains to certification of their circulation figures or that of their competitors, compliance with publicity rules, Bureau's audit guidelines, market practices etc. Most of the complaints were resolved by your Council within the frame work of Bureau's guidelines. Competition exists in almost all market places for newspapers as well as magazines. I request all my fellow members to observe healthy norms to increase their circulation figures. It is also pertinent to note that Bureau has been formed many years ago so that publisher members, advertisers and advertising agencies could avail an independent third party certificate of circulation which is based on an acceptable, prescribed audit

guidelines. One should not forget that the Bureau is an auditing organisation and not a policing or an investigative body. You would appreciate Circulation audit is no different than a financial audit undertaken by statutory auditors.

It is the Bureau's endeavour to move with the times and market practices adopted by Publishers and smoothen the audit process for Publisher members. It will also be Bureau's endeavour to strengthen the first stage of audit carried out by publisher appointed auditors so that at the first stage itself the circulation figures certified by Publisher Auditors comply with all the existing audit guidelines thereby quickening the process of issuing ABC Certificate of circulation to publisher members. It is incumbent on the council to ensure that the processes are more robust and thereby enhance the value and relevance of the ABC Certificate of circulation to its users.

PUBLISHER MEMBERS NOT FILING THEIR CIRCULATION FIGURES:

One more important point which I desire to touch upon is the "facility available to publisher members of not filing their circulation figures for any reason for one or maximum two consecutive audit periods". This practice of not filing circulation figures by publisher members needs to be looked into and discussed thoroughly. By not filing the circulation figures regularly with the Bureau every six months, publisher members are denying the advertising community the most current circulation data. Comparison between publications then gets vitiated, as the advertising fraternity then has to depend on the previous certified circulation figures for those publications.

When a Publisher desires to enroll as a member of the Bureau, then it is incumbent upon the Publisher member to file the circulation figures at all times for all audit periods. Publishers voluntarily enroll as members of the Bureau in order to get their circulation figures audited. By not filing the circulation figures, the very purpose of becoming a member is defeated.

READERSHIP & CIRCULATION FIGURES:

Many a times, a point for discussion has emerged requesting the Bureau to provide circulation figures and readership estimates side by side for the benefit of the advertising fraternity. This would be an ideal situation. However, whilst in case of readership estimates, all editions of a title are covered on an All India basis whilst in comparison, in respect of circulation data, it has been observed that all editions of a title are in many cases not members of the Bureau and therefore the circulation figures available for a title with the Bureau are incomplete and not comparable with the total readership estimates of a title. This being one of the principal reasons why certified circulation figures of a title cannot be compared with the readership estimates of a title. In some cases, where circulation figures of a particular edition of a title is either “not accepted” for certification or “not filed” with the Bureau on time, then under such circumstances comparison between certified circulation figures and readership estimates is vitiated. Principally, due to these reasons, we have not found it appropriate to project the certified circulation figures and readership estimates side by side.

AMENDMENTS TO AUDIT GUIDELINES FOR MAGAZINE PUBLISHER MEMBERS:

During the year, Bureau's audit guidelines pertaining to magazine publisher members were revised in line with the market practices. The magazine publishing industry is going through a difficult period. It will be the endeavour of the Bureau to assist all magazine publisher members during this period.

We are also happy to report that the new concept of certification of Daily and Weekly newspapers i.e. Net Realisation Rate (NRR) concept has been well accepted by the newspaper industry since the last three audit periods.

CONDOLENCE:

On behalf of your Council, I wish to deeply condole the sad demise of Secretary, Mr. Shailesh Sheth who had devoted 28 years in the service of the Bureau. As you are aware, Mr. Sheth expired suddenly on 5th June 2009 in Mumbai. On your behalf and my own behalf, I wish to offer our deepest condolences and sympathies to his wife, children and mother. May his soul rest in peace.

COLLEAGUES:

Before I conclude, I wish to thank all my colleagues on the Council for their guidance in dealing with various issues discussed at the Council. I also wish to thank Mr. Sam Balsara, Hony. Treasurer and Mr. Shashidhar Sinha, Hony. Secretary who willingly shared the responsibility in administering the Bureau.

I also thank all Members of the Bureau for their unstinted support during my tenure as your Chairman.

I also wish to compliment the Secretariat headed by Secretary General, Mr. Masani for the efficient manner in which the Secretariat has been functioning.

The next Chairman of your Council would be from amongst the non-publisher representatives of the Council. I would like to take this opportunity to wish the incoming Chairman and his team a very successful year.

Thank you,

Place : Hyderabad
Date : 14th September, 2009

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Chairman