Tel: +91 22 2261 18 12 / 2261 90 72 .

E-mail: abc@auditbureau.org ● Web Site: http://www.auditbureau.org

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15th October, 2020

NOTIFICATION NO. 866 (A)

CLARIFICATION ON NOTIFICATION NO. 866 - REVISED AUDIT GUIDELINES FOR GIFT TO READERS THRU LOTTERY (DRAW OF LOTS)

Some publisher members have sought clarifications on some of the points mentioned in Notification No. 866 pertaining to revised audit guidelines on the subject of readers scheme offered to readers thru lottery (draw of lots).

Our clarifications are as under:

- Applicability of the maximum limit totaling / aggregating to Rs. 10 lakh per readers scheme per audit period as mentioned in the above Notification No. 866 applies to each edition/printing centre of a title as the case may be.
- ➤ It does not mean that a publisher member can add up the maximum limit totaling to / aggregrating to Rs. 10 lakhs as gifts/prizes to readers for all its editions and offer a higher amount of prizes /gifts to readers. For example, a publisher member having 4 editions cannot offer one single readers scheme to readers of all 4 editions and raise the maximum value of prizes thru gifts upto Rs. 40 lakhs.
- Intention of this Notification is to limit the gifts/prizes to a reader to an overall limit totaling / aggregating to Rs. 10 lakh per readers scheme per edition / printing center of a title per audit period. Only then the readers scheme will qualify for certification under Part A of ABC certificate.
- ➤ If a readers scheme is announced in one audit period and continues in the next audit period, then such a readers scheme upto the maximum value of gifts / prizes totaling / aggregating upto Rs. 10 lakh would be permissible and counted as covering both audit periods. However, it should be ensured that readers are eligible for gifts / prizes in one audit period aggregating / totaling to upto Rs 10 lakhs only.
- ▶ If the terms of the readers scheme or any of the gifts/prizes are changed in between the announced period of the readers scheme, then such a readers scheme has to be terminated and a new readers scheme offered to the readers. Such reader scheme per edition/printing centre, would be permitted which are within the provisions of the above mentioned Notification (totaling / aggregating to value of gifts / prizes up to Rs 10 lakhs) for each audit period .

Subject to the above, should you still require any further clarification, please feel free to contact the Secretariat on Email: abc@auditbureau.org

Thanking you,