



# Audit Bureau Of Circulations

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16<sup>th</sup> April, 2025

To,

All Publisher Members

## NOTIFICATION NO. 882

### AMMENDMENTS TO BUREAU'S AUDIT GUIDELINES

Bureau's Council of Management at its meeting have made amendments to the following audit guidelines.

Existing Rules	Revised Rules								
Institutional sales allowed upto <b>10%</b> of the qualifying sales	Institutional sales allowed upto <b>20%</b> of the qualifying sales								
Institutional subscription sales allowed upto <b>5%</b> of the qualifying sales.	Institutional subscription sales allowed upto <b>10%</b> of the qualifying sales.								
Maximum value of the gifts offered through draw of lots is Rs. 10.00 lakhs per edition / printing centre. Gifts can be offered on a cumulative basis for all ABC member publications as a single reader / lottery scheme covering multiple editions / printing centres.	<p>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.</p> <p>The limit is based on the Average Qualifying Sales of the immediate previous audit period and is applicable per edition / printing centre.</p> <table border="1"> <thead> <tr> <th>Average Qualifying Sales of immediate previous period</th> <th>Maximum value of gift(s) per edition / printing centre Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Upto 1,00,000 Copies</td> <td>10,00,000</td> </tr> <tr> <td>1,00,001 to 2,50,000 copies</td> <td>25,00,000</td> </tr> <tr> <td>Above 2,50,001 copies</td> <td>50,00,000</td> </tr> </tbody> </table> <p>a) 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.</p>	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
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								

	<p>b) 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.</p> <p>c) Any 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.</p> <p>d) 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.</p> <p>e) 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 (totalling / aggregating to value of gifts / prizes up to the limit as above) for each audit period per edition / printing centre .</p> <p>f) 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.</p>
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Maximum commission allowed to distribution trade is 45% of the cover price.	Copies qualifying under Net Realisation Rate (NRR) criteria will be considered for certification. Maximum limit of 45% commission to the trade is withdrawn.
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## **NET REALISATION RATE (NRR)**

NRR criteria is fundamentally based on aspects of cover price, commission to the distribution trade, GSM of the paper, pagination level and value of newspaper in waste.

## **FREQUENTLY ASKED QUESTIONS (FAQ)**

### **1) What is Net Realisation Rate (NRR)**

Net Realisation Rate 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.

Any copies sold to the trade at net sale price (after any trade margin) must be higher than the Net Realisation Rate (NRR). If the net sale price is lower than the NRR, than such copies will be considered as non-complaint copies and the excess circulation if any for that issue should be deducted from average qualifying sales.

To deduct only the excess circulation, it should be compliant on a weekly average basis for all the issues of the week taken together.

### **Example 1**

#### **Assumptions :**

- Waste Rate Per Kg. Rs. 5.00
- GSM : 45
- Size of the page : 1836 sq. cm.
- Weight per page : 4.131 gms.
- Waste rate per page : Rs. 0.02066

Where all issues in a week are compliant together with compliant weekly average.

1	2	3	4	5	6	7	8	9
Days	Cover Price	No. of Copies	No. of Pages	Trade Terms to agents on cover price	Trade Terms to agents on cover price	Net price to agents	Net Realisation Rate (NRR) @ Rs. 5.00 per Kg.	Whether compliant with the NRR (Yes / No)
	Rs.			%	Rs.	Rs.	Rs.	
1	1.00	200	24	43	0.43	0.57	0.50	Yes
2	1.50	300	36	45	0.68	0.83	0.74	Yes
3	1.75	700	40	46	0.81	0.95	0.83	Yes
4	2.00	600	48	50	1.00	1.00	0.99	Yes
5	2.50	900	52	55	1.38	1.13	1.07	Yes
6	3.00	800	60	58	1.74	1.26	1.24	Yes
7	3.50	1000	68	60	2.10	1.40	1.40	Yes
<b>Weekly Aggregate Total</b>						<b>7.14</b>	<b>6.77</b>	<b>Yes</b>

The net price to dealer per copy (col.7) on respective days (1 to 7) of the week is higher on each day as compared to Net Realisation Rate (NRR) per copy (col.8). All issues in the given week are also compliant on a weekly basis, therefore all copies qualify for certification.

**2) How “excess circulation” for non-complaint copies of the issues will be determined?**

“Excess circulation” is the incremental circulation of any non-compliant issue as compared with the circulation of the same print run (provided it is compliant on a weekly average basis) 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 issues would be recognised as non-qualifying sales.

## Example 2

Where some issues in a week are non-compliant however it is compliant on a weekly basis.

1	2	3	4	5	6	7	8	9
Days	Cover Price	No. of Copies	No. of Pages	Trade Terms to agents on cover price	Trade Terms to agents on cover price	Net price to agents	Net Realisation Rate (NRR) @ Rs. 5.00 per Kg.	Whether compliant with the NRR (Yes / No)
	Rs.			%	Rs.	Rs.	Rs.	
1	1.00	700	28	43	0.43	0.57	0.58	No
2	1.50	300	36	45	0.68	0.83	0.74	Yes
3	1.75	600	48	46	0.81	0.95	0.99	No
4	2.00	800	48	50	1.00	1.00	0.99	Yes
5	2.50	900	52	55	1.38	1.13	1.07	Yes
6	3.00	1200	64	58	1.74	1.26	1.32	No
7	3.50	1000	68	60	2.10	1.40	1.40	Yes
<b>Weekly Aggregate Total</b>		<b>5500</b>				<b>7.14</b>	<b>7.09</b>	<b>Yes</b>

Since NRR of Rs.7.09 on a weekly basis (col.8) is lower than the weekly net price to the dealer i.e. Rs.7.14 (col.7) all copies (excluding excess copies) in the given week will be treated as compliant copies. However, excess circulation to be deducted from the three non-compliant days i.e. day 1,3 & 6

### Calculation of excess circulation

Non-compliant issues	Corresponding No. of copies	Compliant copies of previous week (as per example 1)	Excess Circulation Copies
Day			
1	700	200	500
3	600	700	NIL
6	1200	800	400

### Qualifying and non-qualifying copies

Day	Qualifying Copies	Non-Qualifying copies
1	200	500
2	300	
3	600	
4	800	
5	900	
6	800	400
7	1000	

- 1) Excess circulation to be treated as non-qualifying copies.
- 2) No deduction of copies to be made from day 2,4,5 and 7 as these are compliant copies.

### 3) 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 non-compliant issue(s) / print run would not be considered for certification.

#### Example 3

Where some issues in a week are non-compliant and weekly average issues are also non-compliant.

1	2	3	4	5	6	7	8	9
Days	Cover Price	No. of Copies	No. of Pages	Trade Terms to agents on cover price	Trade Terms to agents on cover price	Net price to agents	Net Realisation Rate (NRR) @ Rs. 5.00 per Kg.	Whether compliant with the NRR (Yes / No)
	Rs.			%	Rs.	Rs.	Rs.	
1	1.00	700	32	43	0.43	0.57	0.66	No
2	1.50	300	36	45	0.68	0.83	0.74	Yes
3	1.75	600	48	46	0.81	0.95	0.99	No
4	2.00	800	48	50	1.00	1.00	0.99	Yes
5	2.50	900	52	55	1.38	1.13	1.07	Yes
6	3.00	1200	64	58	1.74	1.26	1.32	No
7	3.50	1000	68	60	2.10	1.40	1.40	Yes
<b>Weekly Aggregate Total</b>		<b>5500</b>				<b>7.14</b>	<b>7.17</b>	<b>No</b>

Non-compliant issues	Non-compliant copies
Day	
1	700
3	600
6	1200

Day	Qualifying Copies	Non-Qualifying copies
1	-	700
2	300	
3	-	600
4	800	
5	900	
6		1200
7	1000	

Since weekly NRR of Rs.7.17 (col.8) is higher than the weekly Net Price to the trade i.e. Rs.7.14 (col.7), entire copies of all non-compliant issues i.e. day 1, 3, and 6 will be treated as non-qualifying sales.

All non-qualifying copies will be shown in 'Part – B' of the certificate of circulation.

#### **4) 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.

The above amendments will be applicable w.e.f 1<sup>st</sup> July 2025 (i.e. audit period July – December 2025 onwards)

Should you desire any further clarification please email your query to [abc@auditbureau.org](mailto:abc@auditbureau.org).

Thanking You

Secretary General