

ESCALATION FORMULA FOR NEWSPAPER / BOUND PUBLICATIONS
USING STANDARD NEWSPRINT

The cost related to circulation is based on the cost of Newsprint of Rs.26500 per MT and other processing cost excluding depreciation to All India average consumer price index number of 529 in April 2005 (Base 1980=100). The increase in the cost of Newsprint and All India Consumer Price Index number, the cost related to circulation shall be subject to increase in accordance with the following formula:

$$C_1 = 51.95 (N_1/N_0) + 88.20 (W_1/W_0) + 5.33$$

C₁ = Cost per column centimeter related to circulation for 1 lakh copies.

N₀ = Newsprint Cost Rs. 26500 per MT

N₁ = Revised newsprint cost on the basis of average of immediately preceding 6 months.

W₀ = All India Average Index No. 529 as in April 2005 (Base 1982 = 100)

W₁ = Current All India Average Consumer Price Index No.

Assumed price of Newsprint = Rs 28000 per MT

Assumed All India Average Consumer Price Index No. 540 (Base 1982 = 100)

Revised Cost per Col. Cm. relating to circulation of 1 lac copies

$$= 51.95 \times (28000/26500) + 88.20 \times (540/529) + 5.33$$

$$54.89 \quad + \quad 90.03 \quad + \quad 5.33 = \text{Rs. } 150.25$$

$$\text{Proposed Rate as per the Report} = \text{Rs. } 145.48$$

$$\text{Percentage Increase} = 3.28\%$$

With reference to the above percentage increase, the revised rate in column 5 of Annexure VII will be worked out and made applicable accordingly for each level of circulation as indicated in columns 5 & 6 of the Annexure VI. For unbound Weeklies / Fortnightlies and Monthlies, weightage of Rs.3.00 and 6.00 respectively will be added to the revised rate, the details of which are shown in columns 7 to 10 of Annexure VI

* Periodicity of Escalation, if necessary : Once in a year.