

ANNEXURE VIII

ESCALATION FORMULA FOR NEWSPAPER/ UNBOUND PUBLICATIONS USING STANDARD NEWSPRINT

The cost related to circulation is based on the cost of Newsprint of Rs.34,000 per MT and other processing cost excluding depreciation to All India Average Consumer Price Index Number of 174 in June, 2010 (Base 2001 = 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:

$$C1 = 66.66 (N1/N0) + 85.32 (W1/W0) + 7.34$$

- C1 = Cost per column centimeter related to circulation for 1 lakh copies
N0 = Newsprint Cost Rs.34,000 per MT
N1 = Revised newsprint cost on the basis of average of immediately preceding 6 months
W0 = All India Average Consumer Price Index 174 as in June, 2010 (Base 2001 = 100)
W1 = Current All India Average Consumer Price Index

Assumed price of Newsprint = Rs.36,000 per MT

Assumed All India Average Consumer Price Index 180 (Base 2001 =100)

Revised Cost per Col.Cm. relating to circulation of 1,00,000 copies

$$= 66.66 \times (36,000/ 34,000) + 85.32 (180/ 174) + 7.34$$

$$= 70.58 + 88.26 + 7.34 = \text{Rs.166.18}$$

Proposed Rate as per the Report	=	Rs.159.32
Percentage Increase	=	4.31%

With reference to the above percentage increase, the revised rate in column 3 of Annexure VI will be worked out and made applicable accordingly for each level of circulation as indicated in column 9 & 10 of Annexure VII. 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 11 to 14 of Annexure VII.

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