



BABRI COTTON MILLS LIMITED

HABIBABAD - KOHAT (KHYBER PAKHTOONKHWA) PAKISTAN

Phones: (0922) 862284-862288 Fax: (0922) 862283 - 862346

Website: www.bcm.com.pk E-mail: info@bcm.com.pk

Ref No: BCM/SECY/C-0614

June 17, 2016

Miss Najia Ubaid
Joint Director (SSED),
Securities & Exchange Commission of Pakistan,
Securities Market Division,
NIC Building, Blue Area,
Islamabad.

Re: TRADING VOLUME AND PRICE OF BABRI SHARES

Dear Madam,

This has reference to your letter no.SMD/SSED/BCML/260/2016/4431-33 dated June 10, 2016 wherein we have been asked to narrate the reasons for volatile price increase in the shares of our company running from Rs: 47.00 (May 05, 2016) to Rs: 103.18 (June 9, 2016).

In view of the provisions of section 97 of Securities Act 2015, we have to state that:-

1. We confirm that there is no material change what so ever in the machinery lay out of the Company and neither we have planned any BMR in the near future.
2. We confirm that we have not made any change in the product mix of the Company. Average Count spun on May 2, 2016 was NE 59.17 and Average Count spun on June 9, 2016 was 58.29
3. We confirm that the prices of the Companies product are on the declining trend since May 2, 2016 viz a viz June 9, 2016 as narrated below.
4. We confirm that there is no hope of any volatile increase in the rates of textile spun yarn in the near future due to rampant dumping of cheap Indian yarn in the Pakistan market which is already surplus and due to this phenomena about 100 textile spinning units have been closed.
5. We confirm further that none of the beneficial, owners, Directors, their associates, sponsors and executives have made any deal of shares during this period which should have affected the price of the shares.
6. The financial results of the company are tabulated below for your information which clearly indicate that profit earned by the company from 2010 to 2015 is on declining trend and there was no hope of any improvement in it on 02nd May 2016 viz a viz 09th June, 2016. This information has already been disseminated to the share holders on the page no.09 of the printed balance sheet for the year ended 30th June 2015.

Particular	2015	2014	2013	2012	2011	2010
Profit / (Loss) before taxation	(123,803)	113,915	302,336	61,963	131,960	154,897
Earnings per share	(23.43)	22.46	58.98	24.11	35.24	30.73
Breakup value per share	166.21	184.30	161.84	98.53	72.61	46.07

PESHAWAR OFFICE

Dean's Trade Centre,
145&146, 3rd Floor,
Saddar Road, Peshawar-Cantt.
Tel: (091) 5286764 5250082

RAWALPINDI OFFICE

Gammon Pakistan Ltd.
Gammon House
Peshawar Road, Rawalpindi
Tel: (051) 5477831, 5477326

LAHORE OFFICE

2nd Floor, Gardee Trust Building
Napier Road, Lahore
Tel: (042) 37231691, 37232691
Fax: (042) 37356278

KARACHI OFFICE

Gandhara House,
109/2 Clifton Karachi-74200
Tel: (021) 35830251-57
Fax: (021) 35831830



BABRI Cotton Mills Ltd.

7. The Loss before taxation of the company for 09 months period ended on 31 March 2016 is Rs: 36.830 million & we feel that in the 4th quarter, the company will incur further loss due to steep decline in the sale rates of the company as shown in the comparison given below:-

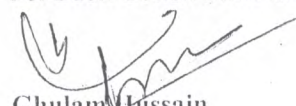
Count	Sale rates decreased or increased	
	02-05-2016	09-06-2016
	Billing rate/Lbs (Rs)	Billing rate/Lbs (Rs)
10/1 OE	48.70	48.70
40/1 Carded	147.10	145.0
52/1 CMD Compact	174.10	161.90
80/1 Warp	249.20	236.90

8. None of the parameters of the company's working as narrated above are supporting the share price hike and in our considered opinion, the punters are doing "satta" i.e. hedging on the shares of the company for making quick profits on the shares of the company which shall be probed by SECP in its own way. We feel that above facts will satisfy you that there is no such information being held by the company which is affecting the volatile increase in the price of the company shares. Since none of the provisions of section 97 are applicable to the company which would have affected the price variance therefore we feel that we were not obliged to disseminate any information to SECP, Stock Exchange or share holders of the company.

We shall be pleased to provide any other information to the SECP which it may require in this regard

Thanking you,

Yours faithfully,
For Babri Cotton Mills Ltd


Ghulam Hussain
Company Secretary

C:C

1. The chairman,
Securities and Exchange Commission of Pakistan
NIC Building 63 Jinnah Avenue, Islamabad.
- ✓ 2. The Dy. General Manager- Operations
Pakistan Stock Exchange Stock Exchange Road, Karachi