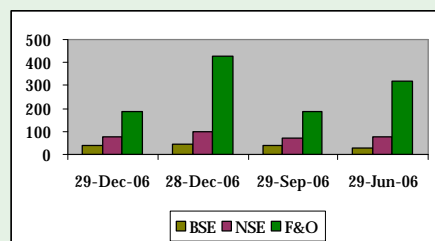




| Indices | % Change | | | |
|---------------|-----------|-------|------|------|
| | 29-Dec-06 | 1mth | 3mth | 6mth |
| Sensex | 13,787 | 1.2 | 10.7 | 35.7 |
| Nifty | 3,966 | 1.0 | 10.5 | 32.3 |
| CNX Midcap | 5,805 | 1.3 | 23.7 | 52.6 |
| Banking | 7,086 | (0.0) | 17.3 | 67.6 |
| Capital Goods | 9,090 | 1.6 | 10.8 | 36.0 |
| IT | 5,273 | 4.7 | 20.0 | 45.3 |
| Healthcare | 3,792 | 1.9 | 2.9 | 23.6 |
| NASDAQ | 2,415 | (2.1) | 6.9 | 11.1 |
| Dow Jones | 12,463 | 1.9 | 6.7 | 11.4 |

| Net Inflows | | | | |
|-------------|-----------|-----------|--------|-------|
| Rsbm | 28-Dec-06 | 27-Dec-06 | MTD | YTD |
| FII | (4) | (2) | (26.2) | 375.9 |
| Mutual Fund | 7 | 4 | 14.0 | 151.6 |
| FII - F&O | 7.3 | 7.3 | (9.4) | 36.9 |

Turnover



| Commodity & Currency | % Change | | | |
|----------------------|----------|-------|-------|--------|
| | 8-Dec-06 | 1mth | 3mth | 6mth |
| Crude (US\$/barrel) | 61.2 | 0.2 | (6.7) | (14.5) |
| Gold (US\$/Oz) | 630.0 | (0.6) | 6.8 | 3.7 |
| US\$ | 44.8 | 0.2 | (3.3) | (2.6) |
| Euro | 59.0 | 3.5 | 0.2 | 1.5 |

Debt

| % | 29-Dec-06 | | | |
|--------------------------|-----------|-------|------|-------|
| | 1mth | 3mth | 6mth | |
| RBI Reverse Repo | 6.0 | 6.0 | 6.0 | 5.8 |
| 10 yr G-Sec yld | 7.6 | 7.4 | 7.7 | 8.1 |
| Spread 1 & 10 yr G-Sec | 0.5 | 0.5 | 0.9 | 1.1 |
| US 10 yr treasury | 4.7 | 4.5 | 4.6 | 5.2 |
| Surplus liquidity (Rsbm) | (316.9) | 119.3 | 19.2 | 443.0 |

Avantel Softech(Rs41) BUY

Target Price: Rs85

Kejal Mehta
kejal@karvy.com

On account of certain delays in receiving telecom orders as well as delays in execution of defence orders, we are downgrading our turnover estimates for the company by 16% for FY07 and 13% for FY08. However, on account of higher proportion of defence sales to the total turnover we are upgrading our EBIDTA margin estimates from 16% to 19% for FY07 and from 16.5% to 19.5% for FY08.

The company had entered into a JV with Vedang Ltd for their telecom division. We had expected the company to report telecom revenues to the tune of Rs45mn in FY07. We are reducing this estimate to Rs20mn. The company has started execution of the Rs238mn jammers order which it received from Bharat Electronics in April, 2006. We expect the company to execute 60% of this order in the current fiscal.

Our turnover estimates stand at Rs218mn for FY07 and Rs265mn for FY08. Our net profit estimates stand at Rs29.37mn for FY07 and Rs33.8 for FY08 resulting in an EPS of Rs5.7 for FY07 and Rs6.6 for FY08. We maintain **BUY** on the stock with a price target of Rs **85**.

| Company Name | Avantel Softech | Rsmn | FY2003 | FY2004 | FY2005 | FY2006 | FY2007E | FY2008E |
|-------------------------|-----------------|--------------------|--------|--------|--------|--------|---------|---------|
| Reuters/Bloomberg Code | AVAN.BO | Net Sales | 67.02 | 93.15 | 117.80 | 161.20 | 218.00 | 265.00 |
| Bloomberg Code | AVTS@IN | EBITDA | 11.56 | 19.37 | 18.31 | 20.02 | 41.42 | 51.68 |
| Market Cap. (Rsmn) | 211.3 | Net Profit | 0.42 | 1.07 | 8.72 | 9.76 | 29.37 | 33.80 |
| Market cap. (US\$m) | 4.6 | EPS (Rs) | 0.08 | 0.21 | 1.69 | 1.89 | 5.70 | 6.56 |
| Shares Outstanding (mn) | 5.2 | EPS Growth (%) | NA | 154.4 | 714.3 | 12.0 | 200.8 | 15.1 |
| 52-week High/Low (Rs) | 190/34.6 | EBITDA margin (%) | 17.2 | 20.8 | 15.5 | 12.4 | 19.0 | 19.5 |
| | | PER (x) | 502.13 | 197.35 | 24.23 | 21.64 | 7.20 | 6.25 |
| Major Share Holders (%) | | PIBV (x) | 1.97 | 2.07 | 1.92 | 1.80 | 1.51 | 1.27 |
| Promoters/Majority | 31.7 | Market Cap/Sales | 3.15 | 2.27 | 1.79 | 1.31 | 0.97 | 0.80 |
| Fils | 5.1 | EV/EBITDA (x) | 21.71 | 11.94 | 12.74 | 8.92 | 5.40 | 4.27 |
| Others | 14.9 | Dividend Yield (%) | - | - | - | - | 2.8 | 2.9 |
| Public | 48.3 | ROCE (%) | 4.1 | 11.7 | 10.8 | 14.0 | 22.4 | 23.6 |
| | | ROE (%) | 0.4 | 15.0 | 7.9 | 8.3 | 21.0 | 20.4 |

Source: Company and Karvy Estimates

BULK DEALS ON BSE - 29 Dec BULK DEALS

| Symbol | Scrip Name | Client Name | Buy/Sell | Quantity Traded | Price |
|--------|-----------------|---------------------------|----------|-----------------|-------|
| 505185 | BOSCH CHA SY | RELIANCE MUTUAL FUND | B | 71,430 | 900.0 |
| 506390 | CLARI CHEM | CLARIANT PARTICIPATIONS L | B | 2,660,000 | 322.0 |
| 506390 | CLARI CHEM | BTP LTD | S | 2,660,000 | 322.0 |
| 523200 | CLASS DIAMI | JIGNESHBHAI HIRALAL SHAH | B | 45,000 | 540.9 |
| 532542 | CREW BOS | DEUTSCHE SECURITIES MAURI | B | 90,000 | 231.3 |
| 532542 | CREW BOS | THE INDIA FUND INC | S | 89,420 | 231.5 |
| 531270 | DAZZEL CONFI | RAPID COMMERCIAL AND FINL | B | 21,240 | 8.7 |
| 530959 | DIANATEA CO | MERRILL LYNCH CAPITAL MAR | S | 400,000 | 8.3 |
| 517973 | DMCVAULTS | HI KLASS TRADING AND INVE | S | 13,500 | 29.2 |
| 517973 | DMCVAULTS | KSB HOLDING PRIVATE LIMIT | S | 15,000 | 29.2 |
| 524818 | DYNAMIC INDU | SANIY JETHALAL SONI | B | 18,202 | 62.9 |
| 524818 | DYNAMIC INDU | SANIY JETHALAL SONI | S | 16,713 | 63.3 |
| 532038 | EMMSO INTERN | VIEL INSURANCES PRIVATE L | B | 22,000 | 46.6 |
| 500139 | FEDDERS LLYO | INDO DISTILLATION COMPANY | B | 175,000 | 134.8 |
| 531439 | GOLDSTONTEC | SUMATI SHARMA | B | 110,000 | 66.7 |
| 531439 | GOLDSTONTEC | PRINDHI ESTATES PRIVATE L | B | 375,000 | 66.7 |
| 531439 | GOLDSTONTEC | YUTHIKA COMMERCIAL PRIVAT | B | 149,932 | 66.7 |
| 531439 | GOLDSTONTEC | JMP SECURITIES PVT. LTD. | B | 126,001 | 66.0 |
| 531439 | GOLDSTONTEC | MATRIBHUMI DEALERS PVT LT | S | 565,500 | 66.7 |
| 531439 | GOLDSTONTEC | JMP SECURITIES PVT. LTD. | S | 133,886 | 66.5 |
| 590009 | GRABAL ALOK-PMS | NIMISH SHAH | B | 80,000 | 145.0 |
| 590009 | GRABAL ALOK-PMS | SEAHEAVEN INVESTMENT MAUR | S | 50,000 | 145.0 |
| 526931 | HARIYANA SH. | A.C.AGRAWAL SONS SHARES | B | 27,891 | 29.3 |
| 526931 | HARIYANA SH. | A.C.AGRAWAL SONS SHARES | S | 27,891 | 30.3 |
| 513361 | ISIBARS LTD. | HITESH JHAVERI | B | 200,011 | 15.0 |
| 513361 | ISIBARS LTD. | RUBY MULTIMEDIA PVT LTD | B | 200,000 | 14.7 |
| 506943 | JB CHEM PHR | MORGAN STANLEY AND CO INT | B | 688,568 | 89.9 |
| 507759 | LIME CHEM | HITESH SHAH | B | 18,177 | 19.8 |
| 524232 | MAHAR POLYBU | D H BHJOAK | B | 91,000 | 13.6 |
| 511276 | MEFCOM AGR I | MASTER FINLEASE LTD | B | 41,214 | 154.4 |
| 511276 | MEFCOM AGR I | MASTER FINLEASE LTD | S | 39,913 | 154.4 |
| 511672 | MITTAL SEC. | RAMESHCHANDRA DHOOT | B | 25,000 | 8.3 |
| 511672 | MITTAL SEC. | ARCHANA ARUNKUMAR UPADHYA | B | 35,000 | 8.3 |
| 511672 | MITTAL SEC. | G.S. R.C.V. PRASAD | S | 20,000 | 8.7 |
| 531096 | MOUNT EVE MI | BAKLIWAL FINCOM PVT. LTD. | B | 600,000 | 74.0 |
| 531096 | MOUNT EVE MI | GUJARAT FLUORO CHEMICALS | S | 600,000 | 74.0 |
| 532789 | NISSAN COPER | RAMESH DAMANI | B | 121,431 | 87.1 |
| 532789 | NISSAN COPER | D.P.VORA SECURITIES PVT | B | 179,875 | 77.1 |
| 532789 | NISSAN COPER | RAMA JAIN | B | 96,869 | 79.2 |
| 532789 | NISSAN COPER | MAHESHKUMAR P GANDHI | B | 323,000 | 71.3 |
| 532789 | NISSAN COPER | KARNAVATI DYE CHEM PVT | B | 94,287 | 102.2 |
| 532789 | NISSAN COPER | MAHESH KUMAR DAMANI | B | 229,777 | 93.1 |
| 532789 | NISSAN COPER | UTTAM FINANCIAL SERVICES | B | 149,522 | 69.2 |
| 532789 | NISSAN COPER | KATAYUN MAHIYAR DASTOOR | B | 161,500 | 54.9 |
| 532789 | NISSAN COPER | PRUTHVI BROKERS AND SHARE | B | 102,250 | 86.2 |
| 532789 | NISSAN COPER | KETAN BHAILAL SHAH | B | 139,046 | 103.8 |
| 532789 | NISSAN COPER | GEMINI SECURITIES | B | 372,000 | 108.1 |
| 532789 | NISSAN COPER | KAUSHIK SHAH SHARES AND S | B | 304,265 | 82.4 |
| 532789 | NISSAN COPER | HEMANG D SHAH | B | 249,143 | 83.9 |
| 532789 | NISSAN COPER | HAREN M SHAH | B | 291,973 | 113.9 |
| 532789 | NISSAN COPER | MATIS FINANCIALS PVT LTD | B | 100,000 | 59.0 |
| 532789 | NISSAN COPER | H.J.SECURITIES PVT.LTD. | B | 7,304,855 | 91.3 |
| 532789 | NISSAN COPER | GANDHI SEC.AND INV PVT LT | B | 257,891 | 84.7 |
| 532789 | NISSAN COPER | MAGNUM EQUITY BROKING LTD | B | 90,542 | 92.1 |
| 532789 | NISSAN COPER | NEELAM R DEDHIA | B | 108,909 | 100.5 |
| 532789 | NISSAN COPER | CHANDAN MORARJI SHAH | B | 113,205 | 91.5 |
| 532789 | NISSAN COPER | VINOD N.DOSHI | B | 1,047,941 | 100.4 |
| 532789 | NISSAN COPER | AMU SHARES AND SEC LTD | B | 1,698,815 | 85.6 |
| 532789 | NISSAN COPER | INDUCTO STEEL LTD | B | 415,000 | 50.2 |
| 532789 | NISSAN COPER | RIZWAN KHALIL | B | 180,001 | 118.4 |
| 532789 | NISSAN COPER | MOTILAL OSWAL FIN SERVICE | B | 127,748 | 107.8 |
| 532789 | NISSAN COPER | RAMESH DAMANI | S | 121,431 | 88.0 |
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| 532789 | NISSAN COPER | MAHESH KUMAR DAMANI | S | 229,777 | 94.3 |
| 532789 | NISSAN COPER | UTTAM FINANCIAL SERVICES | S | 149,522 | 70.4 |
| 532789 | NISSAN COPER | KATAYUN MAHIYAR DASTOOR | S | 161,500 | 56.5 |

BULK DEALS ON NSE - 29 Dec BULK DEALS

| Symbol | Scrip Name | Client Name | Buy/Sell | Quantity Traded | Price |
|--------|-----------------|----------------------------|----------|-----------------|-------|
| 505185 | BOSCH CHA SY | RELIANCE MUTUAL FUND | B | 71,430 | 900.0 |
| 506390 | CLARI CHEM | CLARIANT PARTICIPATIONS L | B | 2,660,000 | 322.0 |
| 506390 | CLARI CHEM | BTP LTD | S | 2,660,000 | 322.0 |
| 523200 | CLASS DIAMI | JIGNESHBHAI HIRALAL SHAH | B | 45,000 | 540.9 |
| 532542 | CREW BOS | DEUTSCHE SECURITIES MAURI | B | 90,000 | 231.3 |
| 532542 | CREW BOS | THE INDIA FUND INC | S | 89,420 | 231.5 |
| 531270 | DAZZEL CONF | RAPID COMMERCIAL AND FINL | B | 21,240 | 8.7 |
| 530959 | DIANA TEA CO | MERRILL LYNCH CAPITAL MAR | S | 400,000 | 8.3 |
| 517973 | DMC VAULTS | HI KLASS TRADING AND INVE | S | 13,500 | 29.2 |
| 517973 | DMC VAULTS | KSB HOLDING PRIVATE LIMIT | S | 15,000 | 29.2 |
| 524818 | DYNAMIC INDU | SANJAY JETHALAL SONI | B | 18,202 | 62.9 |
| 524818 | DYNAMIC INDU | SANJAY JETHALAL SONI | S | 16,713 | 63.3 |
| 532038 | EMMSO INTERN | VIEL INSURANCES PRIVATE L | B | 22,000 | 46.6 |
| 500139 | FEDDERS LLYO | INDO DISTILLATION COMPANY | B | 175,000 | 134.8 |
| 531439 | GOLDSTONTEC | SUMATI SHARMA | B | 110,000 | 66.7 |
| 531439 | GOLDSTONTEC | PRINDHI ESTATES PRIVATE L | B | 375,000 | 66.7 |
| 531439 | GOLDSTONTEC | YUTHIKA COMMERCIAL PRIVAT | B | 149,932 | 66.7 |
| 531439 | GOLDSTONTEC | JMP SECURITIES PVT. LTD. | B | 126,001 | 66.0 |
| 531439 | GOLDSTONTEC | MATRIBHUMI DEALERS PVT LT | S | 565,500 | 66.7 |
| 531439 | GOLDSTONTEC | JMP SECURITIES PVT. LTD. | S | 133,886 | 66.5 |
| 590009 | GRABAL ALOK-PMS | NIMISH SHAH | B | 80,000 | 145.0 |
| 590009 | GRABAL ALOK-PMS | SEA HEAVEN INVESTMENT MAUR | S | 50,000 | 145.0 |
| 526931 | HARIYANA SH. | A.C.AGRAWAL SONS SHARES | B | 27,891 | 29.3 |
| 526931 | HARIYANA SH. | A.C.AGRAWAL SONS SHARES | S | 27,891 | 30.3 |
| 513361 | ISIBARS LTD. | HITESH JHAVERI | B | 200,011 | 15.0 |
| 513361 | ISIBARS LTD. | RUBY MULTIMEDIA PVT LTD | B | 200,000 | 14.7 |
| 506943 | JB CHEM PHR | MORGAN STANLEY AND CO INT | B | 688,568 | 89.9 |
| 507759 | LIME CHEM | HITESH SHAH | B | 18,177 | 19.8 |
| 524232 | MAHAR POLYBU | D H BHOJAK | B | 91,000 | 13.6 |
| 511276 | MEFCOM AGR I | MASTER FINLEASE LTD | B | 41,214 | 154.4 |
| 511276 | MEFCOM AGR I | MASTER FINLEASE LTD | S | 39,913 | 154.4 |
| 511672 | MITTAL SEC. | RAMESH CHANDRA DHOOT | B | 25,000 | 8.3 |
| 511672 | MITTAL SEC. | ARCHANA ARUNKUMAR UPADHYA | B | 35,000 | 8.3 |
| 511672 | MITTAL SEC. | G.S. R.C.V. PRASAD | S | 20,000 | 8.7 |
| 531096 | MOUNT EVE MI | BAKLIWAL FINCOM PVT. LTD. | B | 600,000 | 74.0 |
| 531096 | MOUNT EVE MI | GUJARAT FLUORO CHEMICALS | S | 600,000 | 74.0 |
| 532789 | NISSAN COPER | D.P.VORA SECURITIES PVT | B | 179,875 | 77.1 |
| 532789 | NISSAN COPER | RAMA JAIN | B | 96,869 | 79.2 |
| 532789 | NISSAN COPER | MAHESHKUMAR P GANDHI | B | 323,000 | 71.3 |
| 532789 | NISSAN COPER | KARNAVATI DYE CHEM PVT | B | 94,287 | 102.2 |
| 532789 | NISSAN COPER | MAHESH KUMAR DAMANI | B | 229,777 | 93.1 |
| 532789 | NISSAN COPER | UTTAM FINANCIAL SERVICES | B | 149,522 | 69.2 |
| 532789 | NISSAN COPER | KATAYUN MAHIYAR DASTOOR | B | 161,500 | 54.9 |
| 532789 | NISSAN COPER | OWN | B | 121,431 | 87.1 |
| 532789 | NISSAN COPER | PRUTHVI BROKERS AND SHARE | B | 102,250 | 86.2 |
| 532789 | NISSAN COPER | KETAN BHAILAL SHAH | B | 139,046 | 103.8 |
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| 532789 | NISSAN COPER | H.J.SECURITIES PVT.LTD. | B | 7,304,855 | 91.3 |
| 532789 | NISSAN COPER | GANDHI SEC.AND INV PVT LT | B | 257,891 | 84.7 |
| 532789 | NISSAN COPER | MAGNUM EQUITY BROKING LTD | B | 90,542 | 92.1 |
| 532789 | NISSAN COPER | NEELAM R DEDHIA | B | 108,909 | 100.5 |
| 532789 | NISSAN COPER | CHANDAN MORARIJ SHAH | B | 113,205 | 91.5 |
| 532789 | NISSAN COPER | VINOD N.DOSHI | B | 1,047,941 | 100.4 |
| 532789 | NISSAN COPER | AMU SHARES AND SEC LTD | B | 1,698,815 | 85.6 |
| 532789 | NISSAN COPER | INDUCTO STEEL LTD | B | 415,000 | 50.2 |
| 532789 | NISSAN COPER | RIZWAN KHALIL | B | 180,001 | 118.4 |
| 532789 | NISSAN COPER | MOTILAL OSWAL FIN SERVICE | B | 127,748 | 107.8 |
| 532789 | NISSAN COPER | D.P.VORA SECURITIES PVT | S | 179,875 | 82.7 |
| 532789 | NISSAN COPER | RAMA JAIN | S | 96,869 | 82.1 |
| 532789 | NISSAN COPER | MAHESHKUMAR P GANDHI | S | 323,000 | 71.6 |
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| 532789 | NISSAN COPER | MAHESH KUMAR DAMANI | S | 229,777 | 94.3 |
| 532789 | NISSAN COPER | UTTAM FINANCIAL SERVICES | S | 149,522 | 70.4 |

Source: BSE

Research Desk (Tel: 91-22-22895000)

Hemindra Hazari

Head of Research

hemindra.hazari@karvy.com

| Stock Ratings | | Absolute Returns | | Stock Ratings | | Absolute Returns |
|----------------------|---|-------------------------|--|----------------------|---|-------------------------|
| Buy | : | > 25% | | Market Performer | : | 0 - 15% |
| Out Performer | : | 16 - 25% | | Under Performer | : | < 0% |

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Karvy Stock Broking Limited

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