

Dove Soft IPO

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- The company is engaged in providing integrated cloud communications solutions in India.
- It is operating in highly competitive and fragmented segment.
- The company marked growth in its top and bottom lines for the reported periods.
- Based on its recent average financial data, the issue appears aggressively priced.
- However, only well-informed/cash surplus investors may park moderate funds for medium term.

About the Company

Dove Soft Ltd. (DSL) is an integrated provider of cloud communications solutions in India. commonly known as a CPaaS (Communications Platform as a Service) provider. It offers a wide range of services through channels such as SMS, RCS, Voice, WhatsApp, Email, and other digital platforms. Its solutions enable businesses to communicate efficiently with their customers through reliable and scalable messaging and engagement tools. The company provides services to enterprises as well as over-the-top (OTT) platforms, including transactional SMS, WhatsApp messaging solutions, voice services, automated voice call solutions, email communication, and various digital products. The organization acts as an aggregator between telecom operators and clients, ensuring seamless connectivity and delivery of communication services.

DSL serves clients across multiple industries, including Telecom, Information Technology, Travel & Tourism, Entertainment, Media, Advertising & Events, Retail, Real Estate, Healthcare & Cosmetics, Banking, Financial Services & Insurance (BFSI), Automobile, E-commerce, and Food & Beverages. Its solutions help businesses effectively manage customer communication, enhance engagement, and streamline their operational processes. Its sales team actively engages with existing and potential clients to promote its range of communication solutions. By understanding each client's marketing objectives and business requirements, DSL presents the most suitable services from existing portfolio.

Based on the client's specific needs, it designs and proposes a customized communication plan. Once the client approves the proposed strategy, its team proceeds with the implementation and execution of the plan to ensure effective delivery of services. It is committed to delivering quality solutions that support clients in achieving their business goals and maintaining efficient customer communication.

The organization is supported by a dedicated team of skilled technicians and professionals who ensure reliable service delivery and technical excellence. The Company has two subsidiary entities,

namely Dove Soft Technologies Private Limited and Dove Soft Global FZCO. As of March 31, 2026, it had 92 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 6600000 equity shares of Rs. 10 each to mobilize Rs. 73.26 cr. at the upper cap. The IPO consists of 5328000 fresh equity shares (worth Rs. 59.14 cr. at the upper cap), and an Offer for Sale (OFS) of 1272000 equity shares (worth Rs. 14.12 cr. at the upper cap). The company has announced a price band of Rs. 104 – Rs. 111 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The issue opens for subscription on September 30, 2026 and will close on October 05, 2026. The shares will be listed on BSE SME. The IPO constitute 27.06% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 46.00 cr. for working capital, and the rest for general corporate purposes.

The IPO is solely lead managed by Swastika Investmart Ltd., while Purva Shareregistry (India) Pvt. Ltd. is the registrar to the issue. Swastika Investmart Ltd. is also a market maker, and also a syndicate member. The IPO is underwritten to the tune of 15% by Swastika Investmart, and 85% by Giriraj Stock Broking Pvt. Ltd.

After issuing initial equity capital at par value, the company issued/converted further equity shares in the price range of Rs. 171 – Rs. 1100 per share between March 2021, and December 2024. It has also issued bonus shares in the ratio of 140 for 1 in July 2022. The average cost of the acquisition of shares by the promoters is Rs. 4.94, Rs. 7.68, and Rs. 8.07 per share.

Post-IPO, company's current paid-up equity capital of Rs. 19.06 cr. (19058755 equity shares) will stand enhanced to Rs. 24.39 cr. (24386755 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 270.69 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted total income/ net profit, of Rs. 119.79 cr. / Rs. 10.27 cr. (FY24), Rs. 188.26 cr. / Rs. 16.54 cr. (FY25), Rs. 274.74 cr. / Rs. 23.40 cr. (FY26). The company posted steady growth in its top and bottom lines for the reported periods. The boosted profits for FY26 (Pre-IPO year) appears to be a window dressing to fetch fancy valuation for IPO. Rising trade receivables year-on-year, raise alarms.

For the last three fiscals, the company has reported an average EPS of Rs. 9.89 Basic) and an average RoNW of 38.88%. The issue is priced at a P/BV of 2.34 based on its NAV of Rs. 47.43 per share as of March 31, 2026 , but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 11.56, and based on FY25 earnings, the P/E stands at 16.37. The issue appears aggressively priced based on its recent average earnings.

The company has posted PAT Margins of 8.58% (FY24), 8.81% (FY25), 8.54% (FY26) and RoCE margins of 45.48%, 42.14%, 36.50%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Route Mobile, Tanla Platforms, as its listed peers. They are currently trading at a P/E of 8.07, and 12.5 (as of September 28, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

This is the 15th mandate from Swastika Investmart, in the last four fiscals (including the ongoing one). Out of the last 10 listings, 2 opened at discount, 1 at par, and the rest listed with a premium ranging from 0.14% to 110.64% on the listing date.

Conclusion / Investment Strategy

DSL is engaged in providing integrated cloud communications solutions in India. It is operating in highly competitive and fragmented segment. The company marked growth in its top and bottom lines for the reported periods. Based on its recent average financial data, the issue appears aggressively priced. Merchant Banker has an average track record. However, only well-informed/cash surplus investors may park moderate funds for medium term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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