

₹22.5LCR MCAP GAIN THIS YEAR, ₹12LCR SINCE JUNE 4 POLL RESULTS

Govt Goldmine: PSU Stocks Still Partying Hard on D St

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Mumbai: The renewed momentum in public sector stocks after the election results on June 4 have resulted in these entities adding nearly ₹12 lakh crore in market capitalisation in little over a month. So far in 2024, these stocks have gained nearly ₹22.5 lakh crore in market value, with the spike in the prices triggering speculation that the government may be tempted to raise money through stake sales. Money managers said any share sale could temper the upmove in the stocks.

“There is a significant likelihood that the government may seek to raise funds by diluting its stakes in certain PSUs (public sector units), which could exert downward pressure on their prices,” said Sunil Damania, chief investment officer, MojoPMS.

PSU stocks gained further after the poll results on optimism that continuation of the government’s policies would benefit these companies. Since July 1, shares of Rail Vikas, Indian Renewable, Shipping Corporation, Mazagon Dock, Oil India, Railtel Corp. and Cochin Shipyard have rallied between 25% and 50%.

As of March 31, the government held more than 75% in about 10 listed companies, including Life Insurance Corp. of India (LIC), IRFC, Uco Bank among others.

Minimum Public Shareholding Norms >>> 6

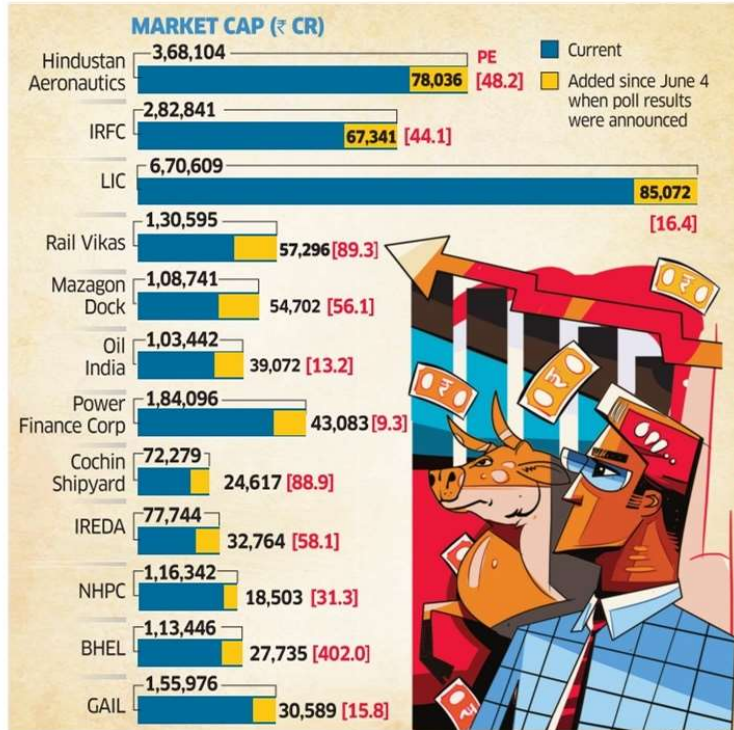


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