

PSU Stocks: Government OFS Sale Hits 11-Year High; Here Are 8 Stocks That Could Be Next

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The government's stake sales in listed public sector undertakings (PSUs) through the offer-for-sale (OFS) route have reached an 11-year high in 2026. The government is increasingly using stake sales to raise resources and support its fiscal targets amid higher expenditure pressures.

₹59,228.56 Crore Raised Through OFS

So far in 2026, the government has raised around Rs. 59,228.56 crore by selling stakes in many listed PSUs through the OFS route. This marks its highest fundraising through PSU stake sales since 2015, when it raised approximately Rs. 35,291 crore from five listed companies.

OFS Fundraising Nears Record Levels

As many as listed firms have collectively raised around Rs. 59,228.56 crore through OFS issues in 2026 through PSUs. This figure is close to the Rs. 30,178 crore raised by 28 companies in 2024, according to data from Prime Database.

Despite the sharp increase in government-led PSU stake sales, the overall OFS fundraising record remains with 2015, when 19 listed companies collectively raised around Rs. 35,566 crore. The latest figures highlight the renewed importance of OFS as a fundraising and disinvestment route.

Unlike previous years, the government has front-loaded its disinvestment programme, aiming to raise funds earlier in the financial year. This strategy could help the government manage rising expenditure pressures and maintain greater flexibility in meeting its fiscal targets.

One of the key factors is that there will be an increase in the cost of crude oil, which will have a detrimental effect on the government in terms of subsidies, especially LPG. However, the need for subsidies on fertilizers and LPG can also strain government resources.

It is also working towards improving management of fiscal deficits and earning extra money outside taxation. The sale of equity in PSUs by way of Offer for Sale is one such method which takes less time than raising taxes for funds.

However, the disinvestment and privatization exercises of significant strategic magnitude have been proceeding at a slow pace. Therefore, the OFS route has become an immediate and practical method of fund-raising for the government to monetize its stake.

PSU OFS Deals – Details (2026)

This is a list of all completed OFS transactions for the fiscal year 2026, including one scheduled OFS by IRFC. It contains the company name, percentage of equity sold, OFS date, amount of proceeds generated, and the post-OFS government stake. Proceeds and government stakes after OFS are obtained from DIPAM, and BHEL data are from press releases.

Company	% Govt Stake Sold (Base + Green-shoe)	OFS Dates (2026)	Proceeds (₹ Cr)	Post-sale Govt Stake	Source
BHEL (Bharat Heavy Electricals Ltd.)	5.00% (3% + 2%)	11–12 Feb 2026	~4,400	0.6317	Press /Filing
Coal India Ltd.	2.00% (1% + 1%)	26 May 2026	5,542.36	0.6113	DIPAM
Central Bank of India	8.08% (4% + 4%)	22–25 May 2026	2,266.13	0.8119	DIPAM
NHPC Ltd.	6.01% (3% + 3%)	2–3 Jun 2026	4,357.36	0.6139	DIPAM
NLC India Ltd.	2.73% (2% + 0.73%)	9–10 Jun 2026	1,223.57	0.6947	DIPAM
GIC Re (General Insurance Corporation of India)	5.00% (2% + 3%)	16–17 Jun 2026	3,090.47	0.774	DIPAM
IRFC (Indian Railway Finance Corporation Ltd.)	2.00% (1% + 1%)	24–25 Jun 2026	2,081.27	0.8265	DIPAM
Cochin Shipyard Ltd.	5.04% (2.52% + 2.52%)	7–8 Jul 2026	1,711.24	~62.87%	DIPAM
LIC (Life Insurance Corporation of India)	6.50% (2.50% + 4.00%)	4–5 Aug 2026	31,514.89	0.935	DIPAM
Hindustan Copper Ltd.	6.00% (3% + 3%)	25–26 Aug 2026	3,041.27	~59.17%*	DIPAM

OFS Activity in Private-Sector Stocks

On the private sector side, several companies have also used the Offer for Sale (OFS) route to raise funds. These include East India Drums & Barrels, Eastern Silk Industries, and Swan Defence & Heavy Industries.

Other companies such as HMA Agro Industries and String Metaverse have also tapped the OFS route. This highlights how the OFS mechanism is being used by both public and private sector companies to raise capital through stake sales.

What Makes a PSU a Potential OFS Candidate?

A PSU could become a potential OFS candidate when the government continues to hold a large stake, particularly when its ownership is significantly higher than the minimum level required for public shareholding. Companies with low public float may therefore attract attention for possible future stake dilution.

The government may also consider factors such as the company's market capitalisation, trading liquidity, investor demand and broader disinvestment plans. PSUs with sufficient market liquidity can make it easier for the government to sell a sizeable stake through an OFS and raise funds without exiting its controlling position.

Which PSU stocks could be Next?

The next possible OFS candidates may be PSUs where the government retains a substantial stake, especially in those with adequate market liquidity to facilitate such a sale.

The stocks that have been heavily influenced by the government, have very good trading volume, and have a larger free float may qualify for future OFS issuance as a way to generate more funds.

[IRFC Limited](#)

The government's stake has declined from around 86% to 84% following the recent 2% OFS, with proceeds estimated at around Rs. 2,400 crore. Since the government continues to hold a substantial stake, investors could watch for further OFS or disinvestment announcements in the future.

General Insurance Corporation of India

The government reduced its stake from 82.4% to 77.4% through a 5% OFS. Despite this dilution, government ownership remains high, meaning the stock could remain on investors' radar for potential future stake sales.

Central Bank of India Limited

The government's holding declined from approximately 89.3% to 81.2% after an 8.08% OFS, through which around Rs. 2,266 crore was raised. With the government still owning more than 80%, further stake dilution could remain a key focus for investors.

Mazagon Dock Shipbuilders Ltd

The government's stake has declined from around 84.8% to 81.2%, although no recent OFS is included in the available data. Given the still-high government ownership, investors may continue monitoring the defence PSU for any future stake-sale announcements.

UCO Bank Ltd

The government currently owns around 91% of UCO Bank, while public shareholding is only about 9.1%. The relatively low public float compared with the government's ownership makes the stock an important candidate for investors to monitor for possible future government stake dilution.

Punjab & Sind Bank

Government ownership remains very high at around 93%, while public shareholding is approximately 6.2%. This large concentration of government ownership means investors could watch the bank for future measures aimed at increasing public shareholding, including a possible OFS.

IDBI Bank

The government and LIC together hold approximately 81.5% of IDBI Bank, with the government holding around 33% and LIC around 48.5%. However, there is currently no official announcement of an OFS, and any strategic stake sale would be a separate development.

NHPC

The government reduced its holding from approximately 67.4% to 61.4% through a 6.01% OFS, raising around Rs. 4,357 crore. Although the government remains the majority shareholder, the recent stake sale means investors may continue watching NHPC for any additional disinvestment activity.

Note: Being on an OFS watchlist does not mean that another OFS has been announced or is certain to happen. It simply indicates that the government still holds a significant stake, making these stocks relevant to monitor for potential future stake-sale activity.