

Why 10 stocks suffered massive Rs 17,000 crore mutual fund selloff in April

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Synopsis

Mutual funds aggressively booked profits in April, offloading an estimated Rs 17,000 crore from 10 major stocks like HDFC Bank and Wipro. This strategic sell-off occurred amid concerns over earnings risks, geopolitical uncertainty, and stretched valuations, even as many of these stocks saw significant rallies.



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Adopting a clear "sell on rise" strategy when the market rallied in April, [mutual funds](#) were seen smartly booking profits, pulling an estimated ₹17,000 crore out of just 10 major stocks amid caution over earnings risks, geopolitical uncertainty, and stretched valuations even as several of these stocks staged sharp rallies.

Market data estimates compiled from PRIME Database reveal that at least 109 stocks witnessed mutual funds selling shares worth at least ₹100 crore each last month. However, the exodus was heavily concentrated at the top, with the ten largest exits, headlined by heavily weighted bluechips like [HDFC Bank](#), [Wipro](#) and [Vedanta](#), bearing the brunt of the ₹17,000 crore institutional liquidation.

"Equity valuations have normalised — Nifty-50 at 12-month forward PER of 19x — but the earnings risks have risen as the resolution to the West Asia conflict gets delayed further," Tata Mutual Fund said in a note. It cautioned that input costs and supply chain disruptions "could lead to downside both on growth and margins," with crude price pass-throughs adding further pressure. The fund house warned this could drag FY27 earnings growth down from a consensus of 17% to just 12–15%, "delaying the recovery in valuations."

Domestic brokerage [Emkay Global](#) has warned of significant downside risk for Indian equities until the resolution of the Gulf conflict and reopening of the Strait of Hormuz. The brokerage, however, added it expects normalcy to return and sees any weakness "as an entry opportunity, with discretionary and industrials as key overweights."

10 Most Sold Stocks by Mutual Funds in April 2026

Stock	Estimated selling (Rs crore)
HDFC Bank	-3,956
Wipro	-2,322
Hindalco Industries	-1,961
Vedanta	-1,913
Bajaj Auto	-1,560
GE Vernova	-1,249
NTPC	-1,167
Jio Financial	-1,071
Asian Paints	-892
Avenue Supermarts	-841

Table: Nikhil Anand | Source: DDIME Database | [Download image](#)

HDFC Bank: The Biggest Bleed

The single largest net outflow was from HDFC Bank, where funds net sold an estimated Rs 3,955 crore worth of shares in April even as the stock rallied 5.4% during the month. Total mutual fund holding slipped from 24.74% to 24.41% of the bank's share capital.

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The profit-booking comes against a painful backdrop as HDFC Bank has lost 22% of its value so far in calendar year 2026. In the March quarter, foreign institutional investors also trimmed their stake, from 55% to 52%.

The house was divided. Nippon and [ICICI Prudential](#) AMC added to their HDFC Bank positions; Axis MF, [SBI](#) MF, Edelweiss, Invesco, Sundaram, Tata, and Motilal Oswal sold. Most strikingly, Quant [MF](#) made a complete exit from the stock.

Despite the selling, brokerages continue to back the name. Analysts say easing of tensions around the West Asia conflict and clarity on HDFC Bank's leadership could ease concerns and aid a re-rating. The stock remains a top pick across brokerages.

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Wipro: AI Fears Drive a Rs 2,322 Crore Exit

Wipro saw the second-largest net outflow estimated at Rs 2,322 crore. Mutual fund holdings fell sharply from 4.71% to 3.62% of share capital, a reduction of over 114 million shares. The value of holdings dropped by Rs 1,654 crore.

Wipro's stock climbed 7.6% in April. Yet it remains down 28% year-to-date, battered by what Quantum MF described as "weak trends" in IT services, with "forward guidance moderated owing to continued macro uncertainty and pricing pressures." ICICI Prudential, Bandhan, and Kotak were among the sellers.

Profit Booking Pattern

Vedanta recorded the sharpest fall in holding value on paper of Rs 11,256 crore but the company completed its demerger in April, which distorts the comparison. The stock is up 51% year-to-date, and net selling by mutual funds

is estimated at Rs 1,912 crore, with the fund holding declining from 7% to 6.28%.

Hindalco Industries surged 17% in April on rising aluminium prices. Mutual funds still net sold Rs 1,961 crore, with Aditya Birla Sun Life, SBI, and Kotak among the sellers even as the value of their collective holding actually rose by Rs 1,890 crore due to the price appreciation.

Bajaj Auto rallied 14.6% in April but mutual funds net sold Rs 1,559 crore. GE Vernova T&D India jumped 22% in April, MFs still exited Rs 1,248 crore net.

NTPC and Asian Paints each saw net outflows of Rs 1,167 crore and Rs 891 crore, respectively. Avenue Supermarts saw Rs 841 crore in net selling. Jio Financial Services recorded a Rs 1,071 crore net outflow, with holdings falling from 5.92% to 5.23%.

Where the Money May Be Headed

Tata Mutual Fund's sectoral preference offers a clue to where fund managers are rotating. In the current environment, "sectors with tailwinds and relative insulation like Power/Energy, Healthcare, FMCG and Metals & Mining are relatively better placed," the fund house said, adding that energy security and a manufacturing focus are likely to benefit those sectors over the medium term.

The April sell-off, then, is less a vote of no-confidence in Indian equities broadly and more a disciplined repricing of risk by booking gains where stocks have run hard, and waiting for geopolitical fog to lift before committing fresh capital to large-cap heavyweights.

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