

Nearly 60 lakh people own one telecom stock. Can you explain yours?

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Maxim: “You have to know what you own and why you own it. ‘This baby is a cinch to go up’ doesn’t count.” — Peter Lynch, *Beating the Street* (1993)

Every holding should come with a short, honest story: what it is, why you bought it and what would make you sell. If you cannot tell it, you are playing cards without looking at your hand.

The most dangerous holding in a portfolio is the one you cannot explain.

Money is moving fast again. Equity mutual funds took in ₹38,307 crore in September, up almost a third on August, and the biggest share went to small-cap funds, while 22 new fund offers raised money from investors, according to AMFI data [reported by Outlook Money](#). Some of those investors will have chosen carefully. Others will have bought because a category had done well, a friend recommended it or an app put it on the home screen.

Peter Lynch had a blunt test for this. He wanted to know what he owned and why, and in an earlier book he said he liked to be able to give a two-minute monologue on the reasons for any stock before buying it. Another of his Golden Rules warned that if you don’t study companies, you have the same success buying stocks as betting in a poker game without looking at your cards.

The crowd in the shareholder register

India’s most widely held stocks are not always its biggest companies. Tata Motors had about 67 lakh shareholders this year, YES Bank about 63 lakh and Vodafone Idea about 62 lakh, [Business Today reported](#) in May. Vodafone Idea’s own shareholding filing for March 2026 lists more than 58 lakh small individual holders, each with shares worth up to ₹2 lakh, [the company’s disclosure shows](#).

Picture asking a hundred of them to explain, in two minutes, why they own it. Some would give a thoughtful answer about tariffs, debt and fresh capital, and about what would have to go right. Many, perhaps, would say it was cheap, or that it had to recover, or that everyone they knew owned some. That is not a criticism of any one investor. It is the gap Lynch was pointing at: a low share price is not a reason, and a popular stock is not a plan.

The regulator’s own survey suggests the gap is wide. In Sebi’s Investor Survey 2025, which covered more than 90,000 households, only 36% of current investors said they had moderate or high knowledge of the securities market, [Business Standard reported](#). Among investors aged 18 to 28, [more than half followed finfluencers](#), the survey found. Knowing what you own begins with admitting how much of it someone else chose for you.

Different labels, same stocks

Fund investors face a subtler version of the problem. Many hold several schemes and feel diversified. But funds from the same house in the same category often own much the same shares: a Fynprint study found overlaps of 40–70% between such schemes, [Business Today reported](#) last year. Sebi has

since moved to cap overlap between a fund house's own schemes at below 50%, and when Value Research checked portfolios against that limit in April, it found pairs of schemes at several fund houses still above it, [Value Research reported](#). An investor holding several such schemes may have bought largely the same portfolio more than once.

Even a simple product can hide what you are paying for. In October 2025, as silver prices surged, silver ETFs traded at premiums of 5–10% above the value of the metal they held, and several fund houses paused fresh lump-sum money into their silver funds of funds. "Premiums don't last long. Their costs remain forever," Kotak Mutual Fund's Nilesh Shah warned, [Business Standard reported](#). Buyers who thought they were buying silver were also buying the crowd's enthusiasm, at a mark-up.

In both cases the label said one thing and the holding said another. Only reading what you own tells you which.

The two-minute story

Lynch's test is easy to run and uncomfortable to pass. For each holding, write a short story, in plain words, that answers five questions. If it takes more than two minutes to tell, or less than thirty seconds, something is missing.

1. **What is it?** For a stock, what the company sells and to whom. For a fund, what it actually holds, from its latest factsheet, not its name.
2. **Why did I buy it?** A reason about the business or the portfolio, not the price. "It has fallen a lot" and "everyone owns it" are not reasons; Lynch's own example was "this baby is a cinch to go up".
3. **What has to go right?** The two or three things that must happen for the story to work: profits growing, debt falling, a new product selling, a fund manager staying.
4. **What would prove me wrong?** The signs that the story has changed, such as several quarters of falling profits, rising debt, a change of fund manager or mandate, or a premium you were never meant to pay.
5. **How does it fit with everything else I own?** Check overlaps between funds and how much of your money rides on one sector or theme.

The rule to keep: anything you cannot explain this way is not an investment yet. Either do the work to write the story, or reduce it to a size you would be comfortable losing. Revisit the stories once a year, and sell when a story has ended, not when the price has merely moved.

The two-minute story will not make you right. It will make you honest about why you hold something, which is the first step to knowing when to stop holding it. The 60 lakh owners of one telecom stock, and the many new fund investors of this year, all have a story of some kind. The question is whether they have written it down.

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