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## Asset management company founder shares Amitabh Bachchan song for investors who believe in 'Buy blue chips and forget'

### Synopsis

Devina Mehra of First Global states that 'Buy blue chips and forget' is not a valid strategy. The definition of blue chip stocks changes over time due to the shorter life cycle of companies. She emphasizes the importance of a systematic investment approach. Recent changes to Nifty 50 include Zomato and Jio Financial Services, replacing Britannia and BPCL.



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[Devina Mehra](#), founder and CMD of asset management firm First Global, has reiterated that there is no strategy like "Buy blue chips and forget." She pointed out that the definition of a blue chip stock is constantly changing. Her remarks come ahead of the inclusion of [Zomato](#) and Jio Financial Services in the [Nifty 50](#), replacing Britannia and BPCL. The changes will be effective on March 28, 2025.

### Changing composition of Nifty 50

Mehra highlighted that the life cycle of companies is becoming shorter. Citing historical data, she noted that only 11 companies that were part of Nifty in 1996 remain in the index in 2024. According to data from NSE, these companies include [Reliance Industries Ltd](#), [Hindustan Unilever Ltd](#), [HDFC Bank Ltd](#), [ICICI Bank Ltd](#), [ITC Ltd](#), and [State Bank of India](#). Other long-term members of the index are [Bajaj Auto Ltd](#), [Tata Motors Ltd](#), [Tata Steel Ltd](#), Larsen & Toubro Ltd, and [Hindalco Ltd](#).



Several companies that were part of Nifty in 1996, such as Reliance Capital, Tata Tea, [Castrol](#), [Ashok Leyland](#), [Tata Power](#), and [MRPL](#), are no longer in the index. Ranbaxy Laboratories and Pond's (India), which were also included in Nifty 50 in 1996, have either merged or been acquired. A recent example is the 2022 merger of Housing Development Finance Corporation with HDFC Bank.

## Survivorship bias in stock investing

Mehra described this as "survivorship bias," where investors remember successful stocks but overlook those that have declined or disappeared. "We remember the successes but forget those that fall by the wayside," she said.

The entry of [Zomato](#) and Jio Financial Services into Nifty 50 is expected to impact key valuation metrics. Nuvama Institutional Equities estimated that the changes would lower Nifty's estimated FY26 earnings per share (EPS) from Rs 1,186 to Rs 1,171, raising the Nifty price-to-earnings (PE) ratio from 19.9 to 20.2 times.

## Frequent reshuffling of the index

In 2024, Shriram Finance Ltd entered Nifty 50, replacing UPL Ltd. This reflects the ongoing shifts in the index composition, reinforcing Mehra's point that the definition of a blue chip stock is not fixed.