

'Buy blue chips and forget': Devina Mehra says there's no such strategy

Mehra explained that the life cycle of a company is growing shorter, citing an unattributed graphic that suggested only 11 Nifty companies of 1996 were a part of the index in 2024.

March 27, 2025



Reliance Industries Ltd, Hindustan Unilever Ltd, HDFC Bank Ltd, ICICI Bank Ltd, ITC Ltd and State Bank of India are among 11 companies that managed to stay in Nifty 50 since inception.

Devina Mehra, founder and CMD of asset management firm First Global in a post on X reiterated that there is no such strategy as "Buy blue chips and forget", as she pointed out that the definition of what a blue chip stock is changes all the time.

Mehra explained that the life cycle of a company is growing shorter, citing an unattributed graphic that suggested only 11 Nifty companies of 1996 were a part of the index in 2024.

Data available with NSE suggested Reliance Industries Ltd, Hindustan Unilever Ltd, HDFC Bank Ltd, ICICI Bank Ltd, ITC Ltd and State Bank of India are among 11 companies that managed to stay in Nifty 50 since inception. Others included Bajaj Auto Ltd, Tata Motors Ltd, Tata Steel Ltd, Larsen & Toubro Ltd and Hindalco Ltd.

Mehra called it a "survivorship bias", saying stock investors usually remember the successes but forget those that fall by the wayside.

Stocks such as Reliance Capital, Tata Tea, Castrol, Ashok Leyland, Tata Power and MRPL were a part of Nifty in 1996. Ranbaxy Laboratories and Pond's (India), which were part of the Nifty 50 in 1996, have either merged or been acquired. In the most recent instance, the country's largest mortgage lender, Housing Development Finance Corporation, merged with HDFC Bank in 2022.

Devina Mehra
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A point I have made so many times

There is no such strategy as, "Buy blue chips and forget" because the definition of what's a blue chip changes all the time

And the life cycle of a company is growing shorter

Survivorship bias!

We remember the successes but forget those that [Show more](#)

**NIFTY 50 COMPANIES
1996 VS 2024**

Only 11 companies from the Nifty 50 in 1996 remain part of the index in 2024

Companies from NIFTY 50 when it was formed in 1996

Nifty 50 Companies today

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The comment came ahead of the entry of Zomato Ltd and Jio Financial Services Ltd in Nifty 50. These two stocks will replace Britannia Industries Ltd and BPCL from the index. The adjustments will take place on March 27 and the stocks would be included in Nifty on March 28.

In 2024, Shriram Finance Ltd entered Nifty, replacing UPL Ltd.

The entry of the two stocks on March 28, 2025, are seen pushing Nifty's estimated FY26 EPS lower to Rs 1,171 from Rs 1,186, resulting in a rise in Nifty PE ratio to 20.2 times from 19.9 earlier, Nuvama Institutional Equities suggested.

"We remember the successes but forget those that fall by the wayside," Mehra said.