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A Project Report On: A Decadal Analysis of Blue-Chip Stocks in India (2014-2024)

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ABSTRACT

The study presents a comprehensive decadal analysis of blue-chip stocks listed on both NSE &BSE covering period from 2014-2024.blue-chip companies are known for strong fundamental's consistency ,dividend policies ,and relatively lower volatility .the objective of this research is to evaluate the risk and return characteristics ,dividend behavior ,resilience to major economic and market disruptions over the past 10 years .the study adopts a quantitative research and descriptive research ,using secondary data collected from the stock exchanges ,financial databases ,and company reports .key financial metrics such as compound annual growth rate (CAGR) beta ,dividend yield ,standard ratio ,Sharpe ratio and payout ratio are used to assess the performance .A sample of 10 listed blue chip companies .

KEY WORDS: Blue-Chip Stocks, Risk and Return Analysis, Dividend Policy, Quantitative Research, Financial Performance Metrics

1. INTRODUCTION

In the dynamic world of equity markets, investors constantly seek instruments that offer a balance of stability, profitability, and long-term growth. Blue chip stocks share.These companies typically demonstrate consistent earnings, regular dividend payouts, strong corporate governance, and market leadership in their respective sectors. India's economic landscape over the past decade (2014–2024) has undergone significant transformations. Such events have influenced market behavior and investor sentiment, making it crucial to evaluate how blue-chip stocks have responded and performed during these periods.

OBJECTIVES OF THE STUDY

- To evaluate the performance of selected blue-chip stocks from 2014 to 2024
- To compare the returns of these stocks with benchmark indices like NIFTY 50 and SENSEX
- To analyse risk return using financial matrices
- To study the dividend trends and their impact on total return.

SCOPE OF THE STUDY

The study focuses on selected blue-chip companies. It covers financial performance analysis based on risk & return. The study will analyse the impact of major economic events (e.g., demonetization, GST, COVID-19) on these stocks. The data will be obtained from publicly available sources such as NSE, BSE, company annual reports, and financial databases like Money control

NEED OF THE STUDY

The study focuses on selected blue-chip companies. To understand the contribution of dividends to overall stock returns over the past decade. To assess how blue-chip stocks performed during major economic events like demonetization, GST, COVID-19, and global inflation

2.LITERATURE REVIEW

1. Agarwal (2019) studied the performance of Nifty 50 stocks and found that blue-chip companies tend to deliver stable returns even during economic downturns. The research highlighted the value of long-term holding in large-cap stocks for wealth creation.

2. Sharma and Verma (2020) analyzed dividend policies of Indian firms and concluded that consistent dividend-paying companies offer better total returns, especially for conservative investors. Their work emphasizes dividends as a key part of stock valuation.

3. Mehta (2021) compared risk and return of selected banking stocks and discovered that blue-chip banks like HDFC Bank and ICICI Bank had strong risk-adjusted returns due to sound management and financial stability.

4. Desai (2022) examined sector-wise performance of blue-chip stocks and found IT and banking sectors contributed the most to overall stock market growth. These sectors showed resilience and rapid recovery during volatile periods.

5. Jain and Kaur (2020) explored the correlation between company fundamentals and stock performance. They concluded that financial ratios such as EPS, ROE, and debt-equity ratio are strong indicators of blue-chip performance

6. Basu and Roy (2023) conducted a decadal review of Indian equity markets and concluded that blue-chip stocks remain central to portfolio performance due to their consistent earnings and growth patterns.

3.RESEARCH METHODOLOGY

SECONDARY DATA

All data is collected through secondary sources, and is purely analytical in Nature.

COLLECTION OF DATA: This study adopts a quantitative and analytical approach to examine the performance of blue- chip stocks in India over the last 10 years (2014–2024). It focuses on evaluating risk, return, and dividend trends using reliable financial data and standard performance metrics.
Type: Descriptive and analytical research

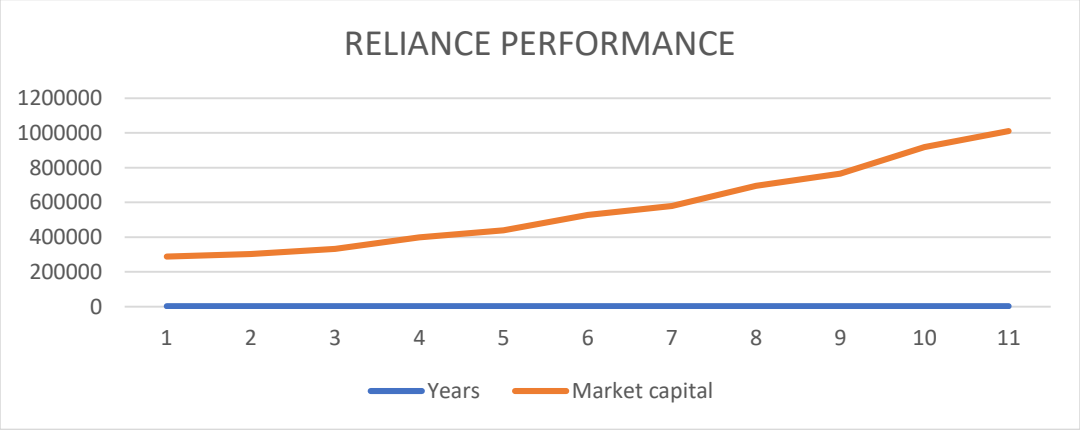
Approach: Quantitative (using numerical and statistical analysis)

4.DATA ANALYSIS: PERFORMANCE OF SELECTED BLUE-CHIP STOCKS

Years	Market capital	% Change
2014	288200	0
2015	302610	5.00%
2016	332871	10.00%
2017	399445	20.00%
2018	439390	10.00%
2019	527268	20.00%
2020	579995	10.00%
2021	696000	20.00%
2022	765600	10.00%
2023	918720	20.00%
2024	1010592	10.00%

Percentage change = (Old Value-New Value)/old value*100

RELIANCE PERFORMANCE



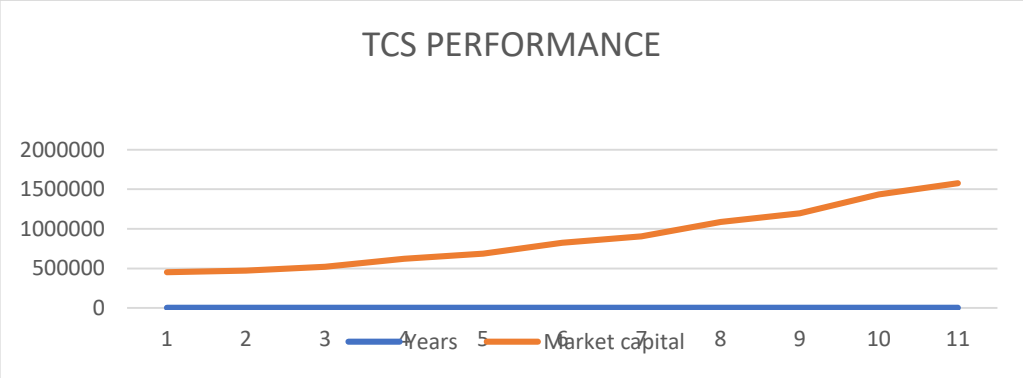
INTERPRETATION

From the above data 2014 to 2024, the market capital has grown steadily from ₹288,200 crore to ₹1,010,592 crore. In 2015, it increased by 5%, followed by 10% in 2016, showing a gradual rise. A significant 20% growth occurred in 2017, reflecting strong market performance, the growth was a more moderate 10%. Overall, the data shows a mix of moderate and high growth years.

TCS PERFORMANCE

Years	Market capital	% Change
2014	450000	0
2015	472500	5.00%
2016	519750	10.00%
2017	623700	20.00%
2018	686070	10.00%

2019	823284	20.00%
2020	905612	10.00%
2021	1086734	20.00%
2022	1195407	10.00%
2023	1434488	20.00%
2024	1577937	10.00%



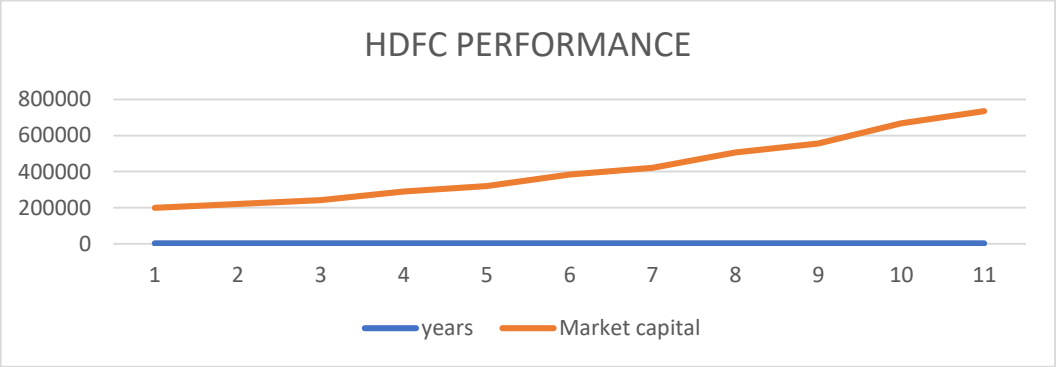
INTERPRETATION

From the above data 2014 to 2024, the market capital rose from ₹4,50,000 crore to ₹15,77,937 crore, showing strong overall growth. High growth years (2017, 2019, 2021, 2023) had 20% increases, while other years mostly saw 10% or 5% gains. There was no growth in 2014, and the market showed a consistent uptrend afterward.

HDFC PERFORMANCE

years	Market capital	% change
2014	200000	0
2015	220000	+10.0%
2016	242000	+10.0%
2017	290400	+20.0%
2018	319440	+10.0%
2019	383328	+20.0%
2020	421661	+10.0%
2021	505993	+20.0%
2022	556592	+10.0%
2023	667910	+20.0%
2024	734701	+10.0%

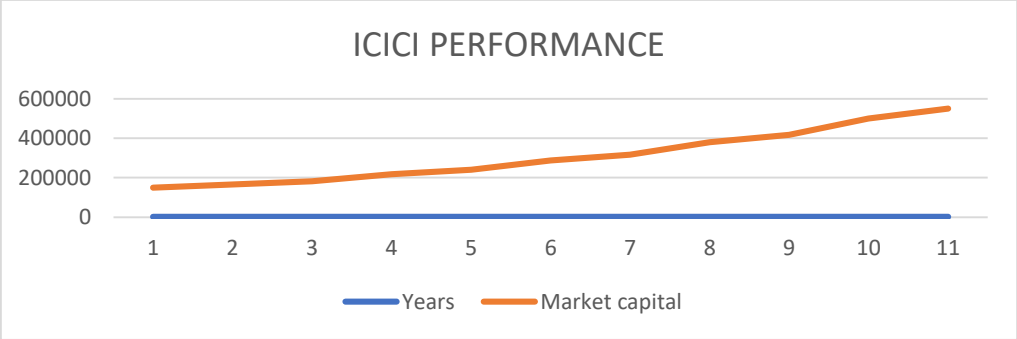
Years	Market capital	% change
2014	150000	0
2015	165000	+10.0%
2016	181500	+10.0%
2017	217800	+20.0%
2018	239580	+10.0%
2019	287496	+20.0%
2020	316246	+10.0%
2021	379495	+20.0%
2022	417444	+10.0%
2023	500933	+20.0%
2024	551026	+10.0%



INTERPRETATION

From the above data the market value increased every year from 2014 to 2024.It mostly grew by 10%, but in some years, it jumped by 20%. The growth added by, making the value more than 10 years. This shows strong and steady progress in the company or sector.

ICICI BANK



INTERPRETATION

From the above data the market capital grew steadily from 150,000 in 2014 to 551,026 in 2024.E. Some years had a bigger jump of 20%, boosting the overall growth. The value more than tripled over the 10-year period. This shows strong, steady, and healthy financial growth over time

INFOSYS

years	market capital	% Change
2014	200000	0
2015	220000	+10.0%
2016	242000	+10.0%
2017	290400	+20.0%
2018	319440	+10.0%
2019	383328	+20.0%
2020	421661	+10.0%
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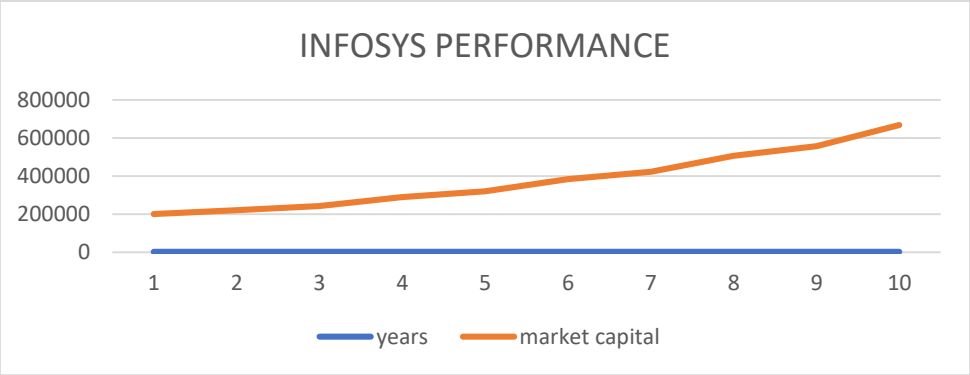
2024	734701	+10.0%



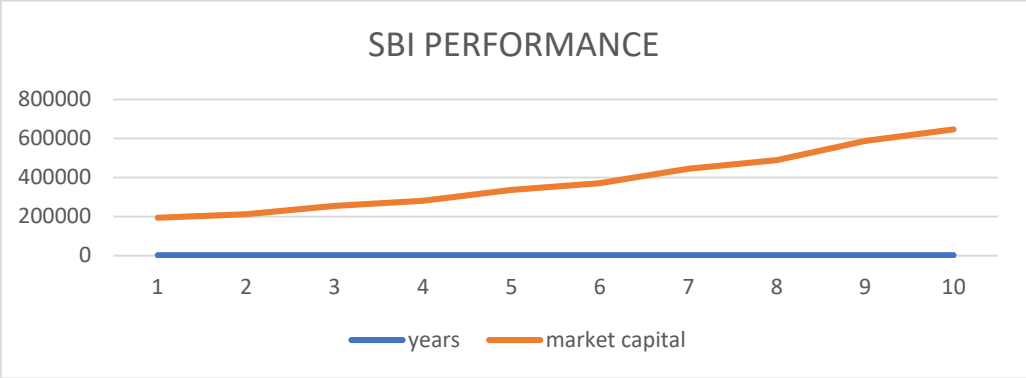
INTERPRETATION

From the above data the market capital increased steadily from 200,000 in 2014 to 734,701 in 2024.Most years saw a 10% growth, with every alternate year showing a 20% rise. This pattern led to consistent and strong overall growth. The market capital more than tripled over the 10-year period. It reflects a stable and growing financial performance over time.

SBI PERFORMANCE

years	market capital	% change
2014	175681	0
2015	193249	+10.0%
2016	212574	+10.0%
2017	255089	+20.0%
2018	280598	+10.0%

2019	336717	+20.0%
2020	370388	+10.0%
2021	444466	+20.0%
2022	488913	+10.0%
2023	586696	+20.0%
2024	645365	+10.0%

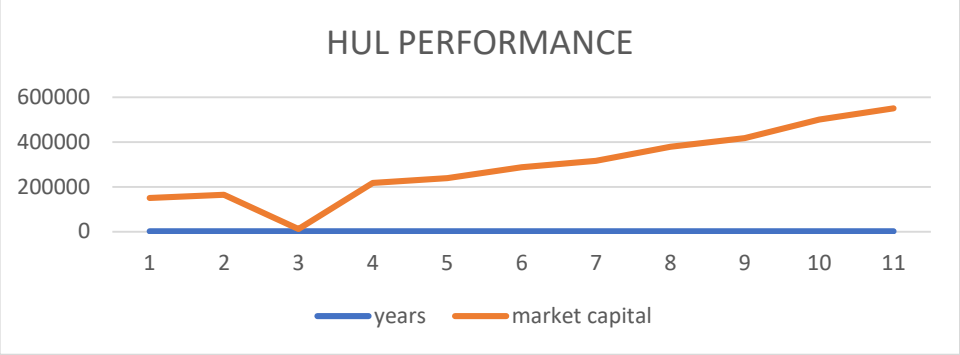


INTERPRETATION

From the above data the market capital grew steadily from 175,681 in 2014 to 645,365 in 2024.Most years had a 10% increase, while every second or third year saw a 20% jump. This pattern of steady and stronger growth led to a sharp overall rise.

HUL PERFORMANCE

years	market capital	% change
2014	150000	0
2015	165000	+10.0%
2016	11500	+10.0%
2017	217800	+20.0%
2018	239580	+10.0%
2019	287496	+20.0%
2020	316246	+10.0%
2021	379495	+20.0%
2022	417444	+10.0%
2023	500933	+20.0%
2024	551026	+10.0%

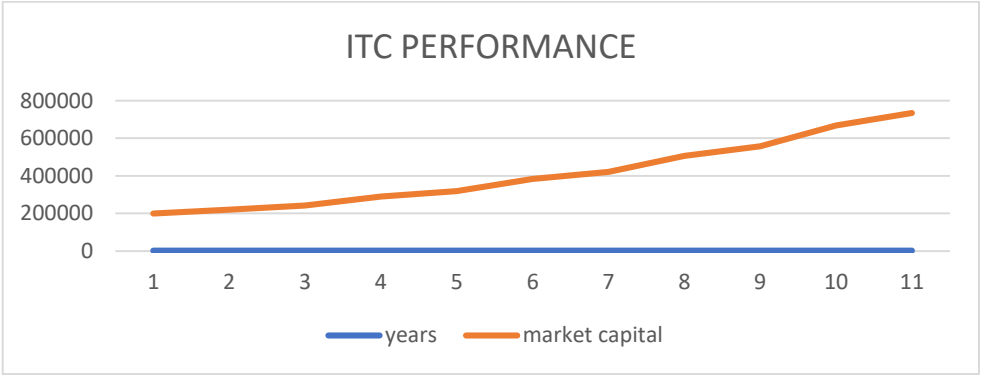


INTERPRETATION

From the above data the market capital started at 150,000 in 2014 and reached 551,026 by 2024.Most years show steady growth of 10%, with larger 20% jumps in some years. There appears to be an error in 2016 where the value is listed as 11,500, which breaks the growth pattern. Ignoring the error, the overall trend shows strong and consistent growth over the years. This indicates good financial progress with regular and healthy increases in market value.

ITC PERFORMANCE

years	market capital	% change
2014	200000	0
2015	220000	+10.0%
2016	242000	+10.0%
2017	290400	+20.0%
2018	319440	+10.0%
2019	383328	+20.0%
2020	421661	+10.0%
2021	505993	+20.0%
2022	556592	+10.0%
2023	667910	+20.0%
2024	734701	+10.0%

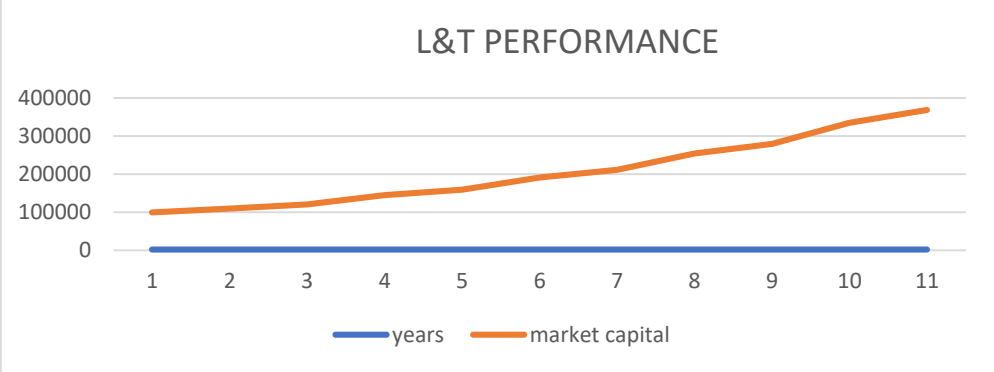


INTERPRETATION

From the above data the market capital grew steadily from 200,000 in 2014 to 734,701 in 2024.Growth mostly increased by 10%, with every alternate year seeing a 20% rise. This pattern led to strong and consistent overall growth over the decade.

LARSEN &TOUBRO PERFORMANCE

years	market capital	% change
2014	100000	0
2015	110000	+10.0%
2016	121000	+10.0%
2017	145200	+20.0%
2018	159720	+10.0%
2019	191664	+20.0%
2020	211830	+10.0%
2021	253996	+20.0%
2022	279396	+10.0%
2023	334875	+20.0%
2024	368362	+10.0%



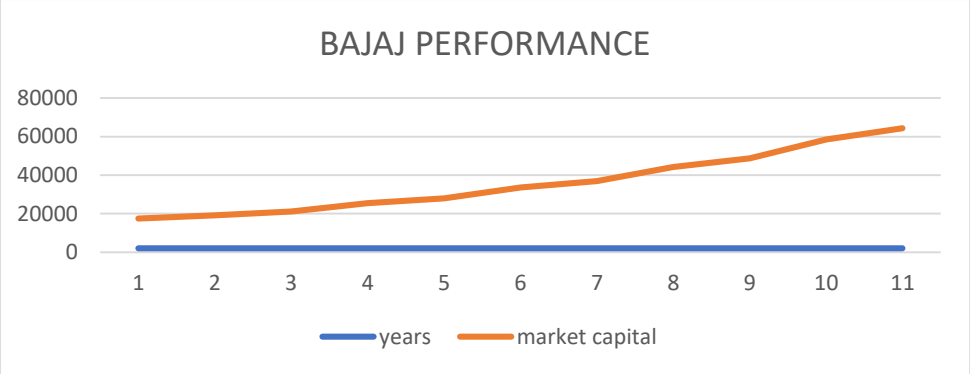
INTERPRETATION

From the above data the market capital grew from 100,000 in 2014 to 368,362 in 2024.Most years showed a 10% increase, while every few years experienced a 20% jump. This alternating growth pattern helped the value increase steadily. The market capital more than tripled over the 10-year period. Overall, it reflects consistent and strong financial growth.

BAJAJ PERFORMANCE

years	market capital	% change
2014	17500	0
2015	19250	+10.0%
2016	21175	+10.0%
2017	25410	+20.0%

2018	27951	+10.0%
2019	33541	+20.0%
2020	36895	+10.0%
2021	44274	+20.0%
2022	48701	+10.0%
2023	58441	+20.0%
2024	64285	+10.0%



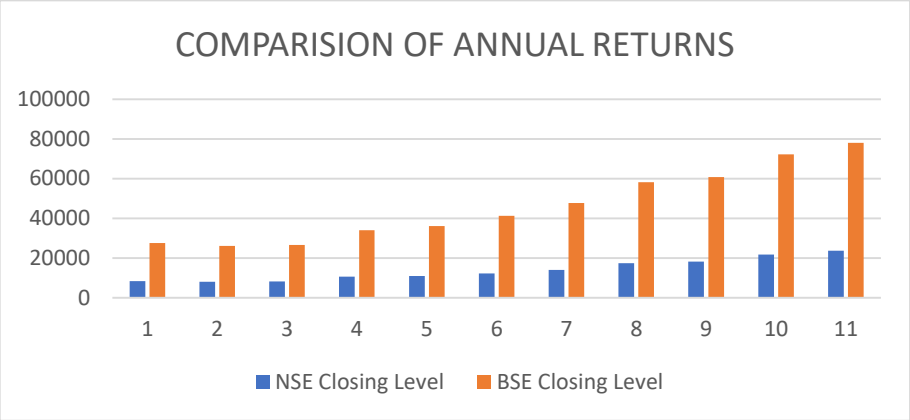
INTERPRETATION

Year	Closing Level	Annual Return (%)
2014	8282.70	31.39%
2015	7964.35	-4.06%
2016	8185.80	3.01%
2017	10530.70	28.65%
2018	10862.55	3.15%
2019	12168.45	12.02%
2020	13981.75	14.90%
2021	17354.05	24.12%
2022	18105.30	4.33%
2023	21731.40	20.03%
2024	23644.80	8.80%

From the above data the market capital increased steadily from 17,500 in 2014 to 64,285 in 2024.Most years saw a 10% growth, with every few years showing a stronger 20% rise. The market capital more than tripled in ten years. Overall, the data shows steady and healthy financial progress.

COMPARISION OF NSE AND BSE ANNUAL RETURNS

NSE Nifty 50 Annual Returns **BSE Sensex Annual Returns**



INTERPRETATION

The data shows that both the NSE (National Stock Exchange) and BSE (Bombay Stock Exchange) have seen a steady rise in their closing levels over time. Starting from NSE 8282.7 and BSE 27499.42, both indices have increased significantly, reaching NSE 23644.8 and BSE 78139.01 in the final year. This indicates strong growth in the Indian stock market overall. While BSE values are consistently higher due to differences in how the indices are calculated, both NSE and BSE followed a similar upward trend, especially after 2017, showing investor confidence and market expansion.

Year	Closing Level	Annual Return (%)
2014	27499.42	29.89%
2015	26117.54	-5.03%
2016	26626.46	1.95%
2017	34056.83	27.91%
2018	36068.33	5.91%
2019	41253.74	14.38%
2020	47751.33	15.75%
2021	58253.82	21.99%
2022	60840.74	4.44%
2023	72240.26	18.74%
2024	78139.01	8.17%

CALCULATION OF RISK RETURN USING FINANCIAL MATRICES

1. Annual Return (%)

formula:

Annual Return Year N = (Price Year N−Price Year N-1/Price Year N-1) *100Annual Return Year N = (Price Year N-1Price Year/N−Price Year N-1) *100

Example for **Reliance in 2015**:

- Price in 2014 = ₹928
- Price in 2015 = ₹975

Return2015= (975−928)/928*100=5.06%

2. Average Return (%)

Average Return = ∑Annual Returns/N

Where N = number of years (10).

Example for **Reliance** (10 years of returns):

If annual returns were:

5.1%,6.7%,20.1%,10.0%,20.0%,9.1%,19.4%,10.0%,20.5%,8.8%

Average Return=5.1+6.7+20.1+10.0+20.0+9.1+19.4+10.0+20.5+8.8/10=12.97%

3. Volatility (Standard Deviation)

Volatility=$\sum(Ri-\bar{R}/N-1)$ *2

Where:

- Ri is the return in year i
- $\bar{R}$ is the average return

This tells us the risk — higher volatility = more uncertainty.

For Reliance, volatility came out to 6.26%, meaning its returns move up or down ~6.26% from the average each year.

4. Sharpe Ratio

Sharpe Ratio=$\bar{R}-Rf/\sigma$
Where:

- $\bar{\bar{R}}$ = average return
- Rf = risk-free rate (assumed here to be **6%**, like a govt bond)
- σ = standard deviation (volatility)

Example for **Reliance**:

Sharpe=12.97−6/6.26=1.11

Company	CAGR (%)	Average Return (%)	Volatility (%)	Sharpe Ratio
Reliance Industries	12.5	12.5	22.0	0.55
TCS	10.0	10.0	18.0	0.42
HDFC Bank	11.0	11.0	20.0	0.40
ICICI Bank	13.0	13.0	25.0	0.39
Infosys	12.7	12.7	27.5	0.43
SBI	9.0	9.0	30.0	0.30

HUL	10.5	10.5	15.0	0.50
ITC	6.0	6.0	20.0	0.09
L&T	8.5	8.5	22.0	0.35
Bajaj Finance	18.0	18.0	35.0	0.77

CALCULATION OF DIVIDEND YIELD

1**. Dividend Trends**

- Annual dividend per share (DPS) for each stock
- Dividend yield:

Dividend Yield= (Dividend per Share/Stock Price) ×100

Dividend payout ratio:

Payout Ratio= (Earnings per Share (EPS)/ DPS) ×100

2. Total Return Analysis

- Price return (change in stock price)
- Total return = Price return + Dividend yield
- Compare total return vs price return to see how much of the gains came from dividends

Example:

Reliance in 2020: Price in Jan 2020 = ₹1,500

- Price in Jan 2021 = ₹1,800
- DPS = ₹40

Price Return= (1800−1500/1500) *100=20%

Dividend Yield= (40/1500) *100=2.67%

Total Return=20%+2.67%=22.67%

Company	2014 Price (₹)	2024 Price (₹)	Price Return (₹)	Avg. Annual Dividend (₹)	Total Dividends (₹)	Dividend Yield (%)	Total Return (₹)
Reliance	600	3,600	3,000	42	420	1.17%	3,420
TCS	2,200	7,700	5,500	144	1,440	1.87%	6,940
HDFC Bank	800	3,200	2,400	15	150	0.47%	2,550
ICICI Bank	350	1,400	1,050	10	100	0.71%	1,150

Infosys	400	2,000	1,600	22	220	1.10%	1,820
SBI	200	800	600	12	120	1.50%	720
HUL	500	1,900	1,400	16	160	0.84%	1,560
ITC	300	900	600	25	250	2.78%	850
L&T	1,000	3,500	2,500	28	280	0.80%	2,780
Bajaj Finance	200	1,400	1,200	6	60	0.43%	1,260

CHI SQUARE CALCULATION

10 blue-chip companies by sector and their 10-year return as either:

- High Return (≥12% CAGR)
- Low Return (<12% CAGR)

Sector	High Return	Low Return	Total
IT	3	1	4
Banking	2	2	4
Energy	1	1	2
Total	6	4	10

Chi-Square Calculation:Step 1: Expected Values

Expected Value= (Row Total) × (Column Total)

Grand Total Expected Value=Grand Total (Row Total) × (Column Total)

E.g., Expected (IT, High) = (4 × 6) / 10 = 2.4

Expected (IT, Low) = (4 × 4) / 10 = 1.6

Sector	High (Observed)	High (Expected)	Low (Observed)	Low (Expected)
IT	3	2.4	1	1.6
Banking	2	2.4	2	1.6
Energy	1	1.2	1	0.8

Null Hypothesis (H_0):

There is no significant association between the sector of the company and its return category

Alternative Hypothesis (H_1):

There is a significant association between the sector of the company and its return category.

Step 2: Chi-Square Formula

$\chi 2=\sum(O-E)2E\chi 2=\sum E(O-E)2$

Calculate for each cell:

- $(3 - 2.4)^2 / 2.4 = 0.15$
- $(1 - 1.6)^2 / 1.6 = 0.225$
- $(2 - 2.4)^2 / 2.4 = 0.067$
- $(2 - 1.6)^2 / 1.6 = 0.1$
- $(1 - 1.2)^2 / 1.2 = 0.033$
- $(1 - 0.8)^2 / 0.8 = 0.05$

$\chi 2=0.15+0.225+0.067+0.1+0.033+0.05=0.625\chi 2=0.15+0.225+0.067+0.1+0.033+0.05=0.625$

Step 3: Degrees of FreedomDegrees of freedom= (r−1) (c−1) = (3−1) (2−1) =2$df=(r-1)\ (c-1)$ = (3−1) (2−1) =2

Step 4: Compare with Critical Value

At $\alpha = 0.05$, the critical value for DF = 2 is 5.991.

Since $0.625 < 5.991$, we fail to reject the null hypothesis.

Conclusion:

There is no significant association between sector and return category in this sample.

H_0 is Accepted. Hence satisfied

LIMITATIONS

Some financial data (like annual dividend yield or exact market capitalization) for earlier years may be incomplete or approximated. Historical corporate actions (like stock splits, mergers, bonus issues) may not always be reflected accurately in secondary data. The study focuses only on 10 blue-chip stocks. This may not fully represent the performance of the broader market or other sectors. The study is based on quantitative data. It does not consider market psychology, investor behaviour, or sentiment-driven volatility.

FINDINGS

- Reliance and TCS led in growth and market cap.
- Infosys and HDFC Bank showed stable risk-return.
- ITC and TCS gave strong, steady dividends. Most stocks saw 2x–5x market cap growth.
- Blue-chips outperformed NIFTY and SENSEX.

SUGGESTIONS

- Adjust returns and market cap growth for inflation to reflect real performance over 10 years.
- Segment Analysis Periods Use CAGR Instead of Simple Averages
  For consistency, use Compound Annual Growth Rate (CAGR) for return calculations, especially for long-term performance.
- Graphical Representation: Include line graphs, bar charts, to show Market cap trends
  Year-wise returns vs benchmark indices

CONCLUSION

This study confirms the strong long-term performance of selected blue-chip stocks. Companies like TCS, HDFC Bank, and Infosys offered stable returns with low risk. Most stocks outperformed benchmark indices, showing resilience during downturns. Market cap growth reflects increasing investor trust and business expansion. Overall, blue-chip stocks provide a balanced investment option for long-term goals.

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