

Power of Compounding :: Do Long Term planning of your investment

Senario: 1 You have invested Rs. 1,00,000/- one time in a Market Linked Product for Long term. Total Investment is Rs. 1,00,000/-

Senario 2: You are contributing Rs. 10,000/- p.m. in a market linked product for long term. Total Investment is Rs. 1,20,000/- p.a.

Year	5	10	15	20	25	30	35
Lump sum Investment	Rs.1,00,000	Rs.1,00,000	Rs.1,00,000	Rs.1,00,000	Rs.1,00,000	Rs.1,00,000	Rs.1,00,000
Rate (Annual compounding)	15%	15%	15%	15%	15%	15%	15%
FV	Rs.2,01,136	Rs.4,04,556	Rs.8,13,706	Rs.16,36,654	Rs.32,91,895	Rs.66,21,177	Rs.1,33,17,552
Return (in Times)	2.0	4.0	8.1	16.4	32.9	66.2	133.2

Monthly SIP Considered				ROI Considered (CAGR)			
10,000				15%			
Year	5	10	15	20	25	30	35
SIP Permonth	Rs.10,000	Rs.10,000	Rs.10,000	Rs.10,000	Rs.10,000	Rs.10,000	Rs.10,000
Your total Investment	Rs.6,00,000	Rs.12,00,000	Rs.18,00,000	Rs.24,00,000	Rs.30,00,000	Rs.36,00,000	Rs.42,00,000
Rate (Annual compounding)	15%	15%	15%	15%	15%	15%	15%
FV	Rs.8,73,421	Rs.26,30,182	Rs.61,63,656	Rs.1,32,70,734	Rs.2,75,65,608	Rs.5,63,17,704	Rs.11,41,48,440
Return (in Times)	1.5	2.2	3.4	5.5	9.2	15.6	27.2