

## 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)	<b>2.0</b>	<b>4.0</b>	<b>8.1</b>	<b>16.4</b>	<b>32.9</b>	<b>66.2</b>	<b>133.2</b>

Monthly SIP Considered	10,000							ROI Considered (CAGR)	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	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	Rs.42,00,000	Rs.42,00,000
Rate (Annual compounding)	15%	15%	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	Rs.11,41,48,440	Rs.11,41,48,440
Return (in Times)	<b>1.5</b>	<b>2.2</b>	<b>3.4</b>	<b>5.5</b>	<b>9.2</b>	<b>15.6</b>	<b>27.2</b>	<b>27.2</b>	<b>27.2</b>

