

Case Study: How Priya's SIP Can Multiply Over Time — With and Without Step-Up

Client Background

Client Name: Priya Sharma

Age: 30

Profession: HR Manager in a large IT company

Monthly Income: ₹95,000

Existing Investments: ₹3 lakh (unstructured)

Goals & Concerns:

- Wants to understand the power of SIP over long periods
 - Curious how her wealth changes if she increases SIP every year
 - Wants a simple wealth-creation projection (no specific target)
 - Prefers an example that compares **SIP**, **Step-Up %**, and **Step-Up Amount** together
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Purpose of Using the Calculator

Priya's MFD uses the **SIP + Step-Up SIP Ready Reckoner** to help her see:

- How a standard SIP grows across **multiple timeframes**
- How does her wealth increase if she chooses a **Yearly Step-Up %**
- How does a **fixed Step-Up amount** every year compare
- How much difference small yearly changes can make over **10–30 years**

This combined view helps Priya select a starting SIP today and understand the true benefit of increasing it regularly.

Scenario – SIP Growth vs Step-Up Growth

Purpose:

To show Priya the **three possible growth paths** from the **same starting SIP**, across **five timeframes**, using **one combined calculation set**.

Assumptions Entered in Calculator

Monthly SIP Amount	10000	₹
SIP Period (In Yrs)	10 15 20 25 30	Yrs
Assumed Rate Of Return:	12	%
Step - Up % Every Year	10	%
Step - Up Amount Every Year	2000	₹

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<input checked="" type="checkbox"/>	Priya Sharma	
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Calculator Output

SIP Proposal For Priya Sharma	
Monthly SIP Amount	₹ 10,000
Step-Up % Every Year	10.00 %
Step-Up Amount Every Year	₹ 2,000
Assumed Rate of Return	12.00 %



Period	10,000 Monthly SIP		10,000 Monthly SIP + 10% Annual Step-Up SIP		10,000 Monthly SIP + 2,000 Annual Step-Up SIP	
	Amount Invested	Expected Future Value	Amount Invested	Expected Future Value	Amount Invested	Expected Future Value
10 Year	12,00,000	22,40,000	19,12,000	32,69,000	22,80,000	38,47,000
15 Year	18,00,000	47,59,000	38,13,000	82,75,000	43,20,000	95,00,000
20 Year	24,00,000	91,99,000	68,73,000	1,86,31,000	69,60,000	2,02,74,000
25 Year	30,00,000	1,70,22,000	1,18,02,000	3,93,55,000	1,02,00,000	4,00,73,000
30 Year	36,00,000	3,08,10,000	1,97,39,000	7,98,58,000	1,40,40,000	7,57,76,000

*The chart is for illustration purposes only. Figures are approximate and have been rounded off to nearest 1000 . The returns assumed above are as per your request. These are neither indicative nor guaranteed returns.

Interpretation & Recommendation

1. Regular SIP: The Foundation

A simple ₹10,000/month SIP grows to nearly **₹3.08 crore** in 30 years.
This proves that **time + discipline = long-term wealth**.

2. 10% Step-Up SIP: The Accelerator

A small annual increase aligned with salary hikes creates the highest impact:

- 30-year corpus jumps from **₹2.99 crore** → **₹7.98 crore**
- Nearly **2.5× higher wealth** without drastically increasing financial burden

This is ideal for clients with growing incomes.

3. ₹2,000/year Step-Up: The Balanced Middle Path

Even a modest increase each year significantly boosts wealth:

- Grows to **₹7.57 crore** in 30 years
 - A comfortable approach for those who prefer fixed increments
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Takeaway for Priya

“Priya, your wealth does not depend only on how much you invest today — it depends on how consistently you increase it.

- Keeping SIP constant works well.
- Increasing SIP by ₹2,000 each year works *much better*.
- Increasing SIP by 10% each year creates *extraordinary* long-term compounding.

Choosing a Step-Up strategy ensures your investments keep pace with your income, giving you far greater financial independence over time.”

End Disclaimer

This example is a fictional illustration created solely for educational purposes to demonstrate the SIP + Step-Up SIP Ready Reckoner. Future values depend on market conditions and actual returns. Mutual fund investments are subject to market risks. Please read all scheme-related documents carefully before investing and consult your financial advisor for personalised guidance.