

## **Does a Rs 100 crore for your Child excite you?**

For me, yes. So this is what I visualize- my child, wealthier than my dreams.

I know it won't be easy for me to touch the 100-crore mark in my lifetime, even if I commit a reasonably hefty amount as monthly SIPs in mutual funds. For SIPs to help you create wealth, time is the most significant factor, and unfortunately, I have already spent a considerable part of my life not being disciplined, especially when it comes to financial habits. But if my child can own a Rs 100 crore in his or her lifetime, and can achieve the feat of becoming a Billionaire, isn't that a dream worthy enough to chase?

I do accept it will require me to commit a large sum of money every month, which may lead to cutting down on my current lifestyle. Does it sound like a way to heaven without committing any sin- and hence, unrealistic?

May be not. What if I say a Rs 3000 monthly SIP at a 12% compounding could be worth more than Rs 100 crore by the time my child is 68 Years.

“68 Years! That is crazy!”

Well yes, 68 Years. So what? Do I have a more accessible and quicker, guaranteed alternative for me to give my child Rs 100 crore by that time? Not really. Mark my words; I am actually talking about an easier and legitimate alternative- and I've done the math on this.

For me, the Rs 100 crore feat looks super exciting even at 68 years, and that too with a mere SIP of Rs 3000 per month. This magical number is worth a dream, and the way to reach heaven can't be simpler. It doesn't even demand the toughest of financial discipline. It calls for discipline only to the extent of continuing the SIP till the age of 68 Years. So once my child attains the age of 18 Years, and he or she is no longer a minor, and later once he or she starts earning, the only piece of advice on personal finance I may give him or her is to continue this SIP.

However, this journey may not be as smooth as it sounds. There may be years of extremely low or negative returns. Similarly, there is no guarantee that markets will generate a 12% CAGR for the next 6-7 decades. However, in the last 42 years, Indian markets have generated a CAGR of more than 15%. So I'm willing to bet and hope here.

Now everything in life has a price, and the price to 'earn' the return you want is the volatility in the asset class, and more so, the conviction and this minor discipline that goes along. As human beings, we unconsciously look for shortcuts in whatever we do, so it can't be any different here.

By the way, a shorter route in terms of the time needed to reach Rs 100 crore is to add a SIP Top Up of a mere Rs 500 every year. This one action will reduce the timeline by 7 years !!

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