



SIP Investment 101: What You Need to Know Before Investing in SIPs

SIP is one of the most valued investment plans in India. And if you are into an investment, you probably heard of it. Currently, **sip investment** in India is one of the largest investment portfolios, and almost every prudent investor has some contribution to the SIPs.

So, if you are willing to invest in systematic investment plans, you should learn about them before you invest. Also, knowing about different investment policies will help you make an informed decision. And here, we will share everything you need to know about before you invest in the systematic investment plan.

What is a sip investment?

Knowing about a particular investment plan is essential. And so, learning about **what sip investment** is will be your first step. SIP or [Systematic Investment Plan](#) is a time-bound investment fund that allows its investors to invest regularly/ periodically and gain returns over time. **On the other hand, sip mutual fund investments** are a long-term option that offers low-risk investment by offering periodical investment modes like weekly, monthly or quarterly.

How to invest in sip?

Another vital aspect you need to know about SIP investments is how to invest in them. And if you are wondering **how to start a sip** investment, below are the steps you need to follow to begin investing in sip mutual funds.

- **Visit the website**

Today investing in sip is quite simple and convenient. Previously you had to visit the sip mutual fund company (you are willing to invest) and do all the paperwork. But now you need to visit the official website for the work. When you first time visit the website, select the new user registration to get started.

- **e-KYC**

When you visit the website, you must complete E-KYC. It is mainly an Aadhaar-based identity verification which takes less than a few minutes. Once your KYC is verified, you will receive your username and logging info via mail to enter the investment portal.

- **Read the scheme carefully-**

Online sip investment is relatively easy; you can set up your account and invest in a few minutes. But as all kinds of investments involve financial risk, you must read the scheme carefully before investing. For example, understand the payment structure, return policy, NVA application, load etc.

- **Determine payment structure (decide between PDC and NACH)**

Once you sign up for a **sip investment plan**, it is time to determine the payment structure and mode. For example, decide whether you want to contribute weekly or monthly. Also, there are two primary payment options: post-dated cheque (PDC) and NACH, an auto debit payment system.

- **Start your first SIP-**

The last and most exciting step is to start investing in your SIP. You must remember a NACH form can take 15 days to confirm, and the NPIC process also takes some time to complete. Therefore, you may need at least one month to start your sip investment in India. Also, keep your bank funds clear before the SIP date.

Things to consider while you invest in sip

Multiple factors can work as a crucial element when you plan to **invest sip** like-

Understand your financial goals- understanding your financial goals is essential before investing in SIPs.

Choose long-term plans- SIPs work as an ideal plan for long-term investments. So, it would be wise to choose long-term objectives instead of 6 months or one-year short-term plans.

Do not stop or pause sip- stopping or pausing sip payments can affect your return and other benefits.

Increase your contribution with your increased income- the best way to maximise your SIP returns is to increase your contribution and match the pace with inflation.

Conclusion

SIP, or systematic investment plan, is one of the most tried and trusted [mutual funds](#) that brings good returns with minimal risk of market volatility. But there are plenty of options for **sip investment in India**, and you must choose what fits you the best.

[PGIM India Mutual Fund: SIP through volatility](#)