

Financial Recovery & Goal Planning Document

2026–2027 Plan

Prepared for: Personal Financial Recovery
Period: February 2026 – January 2027
Created: January 7, 2026

Current Financial Snapshot

Item	Amount (₹)
Monthly Net Income	1,09,000
Debit Card EMI (8 months remaining)	18,000
Axis Ready Credit OD Balance	2,45,505
Overdue Liability	3,484
Total OD Liability	2,48,989
Current Account Balance	-2,45,505
Overdue	3,484
Effective Available	7,778
Monthly Interest Cost (current)	~3,096
Implied Annual Interest Rate	~15–16%

Strategy Overview

- Phase 1: Debt Elimination (Feb – Jul 2026)**
Close the ₹2.48L Axis Ready Credit overdraft in 6 months using a disciplined monthly surplus allocation.
- Phase 2: Emergency Fund (Aug – Oct 2026)**
Build a 3-month emergency reserve (₹1.35–1.50L) to protect against income disruption.
- Phase 3: Goal Saving (Nov 2026 – Dec 2027)**
Start simultaneous saving for Bangalore land (2027) and wedding (next 24 months).

Phase 1: Overdraft Closure Plan (Feb – Jul 2026)

Monthly Budget Rules

Category	Amount (₹)
Income	1,09,000
Less: EMI (debit card)	(18,000)
Less: Lifestyle Cap	(45,000)
Available for OD Payment	46,000

Lifestyle breakdown (₹45,000/month):

- Food & groceries: 15,000
- Rent/accommodation: 15,000
- Transport/fuel: 5,000
- Utilities & subscriptions: 3,000
- Phone/internet: 1,500
- Miscellaneous: 5,500

Month-by-Month Payoff Schedule

Note: Interest is calculated on daily outstanding balance at ~1.24% per month (15–16% per year). Actual figures may vary by ±2% based on exact payment timing.

Mon th	Start OD Balance (₹)	Est. Interes t (₹)	Payment to OD (₹)	End OD Balance (₹)	Interest Paid YTD (₹)
Feb 2026	2,48,989	3,083	46,000	2,06,072	3,083
Mar 2026	2,06,072	2,552	46,000	1,62,624	5,635
Apr 2026	1,62,624	2,014	46,000	1,18,638	7,649
May 2026	1,18,638	1,469	46,000	74,108	9,118
Jun 2026	74,108	918	46,000	29,025	10,036
Jul 2026	29,025	359	46,000	0	10,395

Key insight: Total interest cost ~₹10.4k if you stick to the ₹46k/month payment. Delaying closure costs roughly ₹300/month extra, so urgency is justified.

Critical Actions for Feb 1 (Salary Day)

1. **Pay overdue immediately:** Transfer ₹3,484 to clear the "overdue liability" first.
2. **Set lifestyle cap:** Move exactly ₹45,000 into a separate checking account or spend wallet (UPI/card dedicated to lifestyle only).
3. **Pay OD principal:** Transfer remaining balance after EMI (₹46,000) to the OD on the same day salary is credited.
4. **Set reminders:** Mark the 1st of every month to repeat this sequence.

Why Speed Matters

- Every day the OD sits, it costs ~₹39/day in interest (₹3,096 ÷ 30).
- Paying weekly (₹11.5k chunks) instead of once per month saves ~₹150–200 in monthly interest.
- If you hold lifestyle to ₹40k instead of ₹45k, you can pay ₹51k/month and close OD in 5 months instead.

Phase 2: Emergency Fund (Aug – Oct 2026)

Target: Build ₹1,35,000 (3 months of essential expenses).

Once OD is cleared (Jul end), redirect the same ₹46,000 monthly payment into an **emergency reserve** instead of lifestyle upgrades.

Where to Park Emergency Fund

- **High-yield savings account** (3.5–4% p.a., instant access): ICICI/HDFC/Axis savings account
- **Liquid funds** (4.5–5% p.a., 1-day liquidity): Nippon Liquid Fund, Aditya Birla Liquid Fund
- **Fixed Deposit** (5–6% p.a., 6-month tenor): Axis Bank FD or RBL Bank for 5.5%+

Keep at least ₹50k in a transaction account (checking/savings) so you're never forced to use the OD again if an emergency pops up.

Phase 3: Goal Saving (Nov 2026 – Dec 2027)

Goal Timeline

Goal	Target Month	Estimated Amount (₹)	Purpose
Bangalore Land Purchase	May–Jun 2027	25–40L	Down payment + land cost
Wedding	Dec 2027–Jun 2028	15–25L	Venue, catering, events
Site Development	Jun 2027 onwards	3–5L	Boundary, legal, utilities

Monthly Allocation (from Aug 2026 onwards, once OD is zero)

After OD is cleared and emergency fund reaches ₹1.35L, allocate the ₹46k/month surplus as:

Category	Amount (₹)
Emergency fund top-up	5,000
Land fund (Bangalore 2027)	25,000
Wedding fund (2027–28)	10,000
Additional lifestyle buffer	6,000

Starting point for land fund: Nov 2026 (4 months of ₹25k = ₹1L by Feb 2027)

Starting point for wedding fund: Nov 2026 (ongoing, 14 months by Dec 2027 = ₹1.4L)

EMI Timeline & Income Release

Milestone	Date	Impact
Current EMI period	Jan 2026 – Aug 2026	₹18,000/month committed
EMI ends	Sep 2026	₹18,000/month freed up
Additional monthly capacity	Sep onwards	₹18k can redirect to land + wedding funds

By Sep 2026, your monthly surplus increases from ₹46k to ~₹64k (if lifestyle stays ₹45k), dramatically accelerating land/wedding savings.

Bangalore Land Purchase Costs (2027)

Budget breakdown (example: 1.5L property value)

Item	Approx. %	Cost (₹)
Land price	100%	15,00,000
Stamp duty (Karnataka 2026)	3–5%	45,000–75,000
Registration + charges	1–2%	15,000–30,000
Legal/survey fee	0.5%	7,500
Title search & verification	0.5%	7,500
Total transaction cost	~5–7%	75,000–1,05,000

Strategy

Do not commit to land "purchase" until:

1. OD is fully cleared (by Jul 2026).
2. Emergency fund is built (by Oct 2026).
3. Land fund has at least 20% of target down payment.
4. You've inspected the property, verified ownership, and confirmed no legal disputes.

Most Bangalore/Karnataka land transactions allow 30–90 days from booking to registration, so planning in May–Jun 2027 gives you time to gather cash during Feb–May.

Monthly Checklist

Every Salary Day (1st of month)

- ☐ Check OD balance in Axis app (compare to schedule above)
- ☐ Verify salary credit (₹1,09,000)
- ☐ Pay any overdue amount immediately
- ☐ Transfer ₹45,000 to lifestyle wallet/account
- ☐ Transfer ₹46,000 (or applicable surplus) to OD within 2 hours of salary
- ☐ Confirm both transfers cleared by end of day

Every Week (or fortnightly)

- ☐ Review spending: has lifestyle stayed \leq ₹45,000 so far?
- ☐ Check any unplanned debits/charges to the OD account
- ☐ If extra cash is left, consider extra OD payment to reduce principal faster

End of Month

- ☐ Record actual OD balance (from Axis app) and compare to schedule
- ☐ Note any variance (interest rates, unusual charges)
- ☐ Update this document with actual numbers
- ☐ Adjust next month's plan if variance is $>$ ₹5,000

Quarterly (Mar 31, Jun 30, Sep 30, Dec 31)

- ☐ Review all three goals: OD, emergency fund, land/wedding
- ☐ Adjust lifestyle cap if income changed or large expense is planned
- ☐ Check if EMI has any prepayment option (ask your credit card issuer)

Actual Performance Tracker (Update Monthly)

Copy this section and fill in actual numbers each month. Compare "Planned" vs "Actual" to see if you're on track.

Mon th	Planned OD End (₹)	Actual OD End (₹)	Varia nce (₹)	Interes t Paid (₹)	Lifestyl e Spent (₹)	No tes
Feb 2026	2,06,072					
Mar 2026	1,62,624					
Apr 2026	1,18,638					
May 2026	74,108					
Jun 2026	29,025					
Jul 2026	0					
Aug 2026	0					
Sep 2026	0					
Oct 2026	0					
Nov 2026	0					
Dec 2026	0					
Jan 2027	0					

Critical Warnings

▮ Do NOT do this

- **Don't skip the OD payment** on the 1st of the month. One missed payment triggers a late fee + interest jump.
- **Don't increase lifestyle spending** until OD is 100% cleared. ₹45k is already a healthy spend; resist the urge to "reward yourself."
- **Don't take a personal loan to pay OD.** Loans at 10–13% are cheaper, but mixing debt streams makes it harder to track progress.
- **Don't use credit cards** for OD-like behavior (carrying balances). Credit card interest is often 24–36% p.a.
- **Don't invest in stocks/mutual funds** until OD is closed. A 15–16% guaranteed "return" from OD payoff beats almost any risky investment.

▮ Do this

- **Automate the payment:** Set up a standing instruction (SI) with Axis to move ₹46k from salary account to OD on the 2nd of each month (1 day after salary).
- **Keep a buffer:** Always maintain ₹25k–₹50k in the transaction account so monthly interest auto-debit never fails.
- **Track OD daily:** Check the Axis app once a week to confirm outstanding is falling as expected.
- **Celebrate milestones:** When OD crosses below ₹1.5L (Mar end), ₹75k (Jun end), you'll feel the progress—use that momentum.

Assumptions & Disclaimers

1. **Income stability:** This plan assumes ₹1,09,000 net monthly income continues without interruption. If income reduces or job changes, revise immediately.
2. **Interest rate:** Axis OD interest is assumed at ~15–16% p.a. (1.24% monthly), based on your ₹3,096 monthly deduction. Actual rate may vary ±0.5–1% depending on your salary and linked balances.
3. **No new debt:** Plan assumes no new personal loans, credit card balances, or additional OD draws during Feb–Jul 2026.
4. **No major shocks:** Plan does not budget for medical emergencies, job loss, or major home repairs. Once OD is cleared, prioritize emergency fund.
5. **Land prices:** Bangalore land prices are assumed stable. Actual land may be cheaper/costlier; adjust fund targets accordingly.
6. **Wedding budget:** Estimated at ₹15–25L based on typical Bangalore wedding. Actual cost depends on guest count, venue, and style.

Contact & Support

Bank contacts (Axis):

- Customer care: 1860-500-5555
- Ready Credit/OD queries: Visit branch or call 1860-505-4444
- Prepayment inquiry: Confirm if debit card EMI allows prepayment without penalty

Next review: March 31, 2026 (end of first month)

Last updated: January 7, 2026
Next update due: February 28, 2026