

★ BUSIVEST · INDIA LOAN GUIDE

# *2026 Bank Loan Comparison Sheet*

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*Every major Indian bank. Real interest rates.  
Hidden fees exposed. Negotiation scripts inside.*

BANKS	SAVINGS	PAGES
15+	₹2-5L	9



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## 01 THE STAKES

# Why this 30-page comparison matters.

*The difference between the cheapest and most expensive personal loan in India = ₹2-5 lakhs over a 5-year tenure.*

## *The real cost (₹10L loan, 5-year tenure)*

SOURCE	INTEREST	EMI	TOTAL INTEREST PAID
SBI (govt + 750 CIBIL)	10.5%	₹21,490	₹2.89 L
HDFC Bank	10.75%	₹21,615	₹2.97 L
Bajaj Finserv	13.5%	₹22,996	₹3.80 L
Kotak (lower CIBIL)	16%	₹24,318	₹4.59 L
App loans (KreditBee etc)	24%	₹28,768	₹7.26 L
App loans (worst case)	36%	₹36,131	₹11.68 L

**Cheapest vs worst app loan = ₹8.79 LAKHS difference on a ₹10L borrow. For the SAME ₹10L in your hand.**

### REALITY

"Instant approval" apps are not your friend. They're priced for desperation. A 2-day wait for a bank loan = saves you ₹5-10 lakhs over the loan tenure. The hassle is worth it.

## 02 TIER 1 BANKS

## Top-tier bank rates (CIBIL 750+).

For salaried employees with good credit, these are your cheapest options. All rates as of January 2026.

### Public Sector (often cheapest for govt employees)

BANK	RATE	PROCESSING FEE	NOTES
State Bank of India	10.5-12%	1.5% (max ₹15K)	Best for SBI salary account holders
Bank of Baroda	10.65-13%	1%	Govt employees: extra concession
Punjab National Bank	10.95-13.5%	1%	Pre-approved for many salary clients
Canara Bank	10.5-13%	1%	Negotiable for long-time customers

### Private Sector (faster processing, more competition)

BANK	RATE	PROCESSING FEE	NOTES
HDFC Bank	10.75-21%	1.5-2.5%	Pre-approved if salary account holder
ICICI Bank	11.25-22%	1-2.5%	Online instant approval available
Axis Bank	11-22%	1.5%	Better rates for premier customers
Kotak Mahindra	11.5-22%	2%	Faster TAT than HDFC/ICICI
IndusInd Bank	11.75-22%	2.5%	Aggressive on top-tier customers

**PRO TIP**

Always go to YOUR salary bank first. They have your transaction history, can pre-approve quickly, and usually match competitor offers if you push.

## 03 MID-TIER NBFCS

## *NBFCs (lower CIBIL accepted, higher rates).*

*If your CIBIL is 650-720, banks usually reject. NBFCs accept — but charge for the risk.*

NBFC	RATE	MIN CIBIL	NOTES
Bajaj Finserv	13-22%	700	Fastest TAT in industry (24 hrs)
Tata Capital	13.5-19%	700	Better for self-employed
Aditya Birla Finance	14-20%	680	Pre-approved offers in app
L&T Finance	14-20%	700	Strong for vehicle + home top-up
Mahindra Finance	15-22%	650	Rural and semi-urban focus

### *When NBFCs make sense*

- Your CIBIL is in 650-720 range and banks reject.
- You need money in 24-48 hours (banks take 5-10 days).
- You're self-employed without 2+ years ITR.
- You're in a Tier 2/3 city with limited bank presence.

#### STRATEGY

Use NBFC for short tenure (1-3 years). For longer tenures, work on CIBIL first → re-finance into a bank loan later. The 3% interest difference compounds massively over 5+ years.

## 04 AVOID

## *App loans: the financial trap.*

*"Instant ₹5 lakh in 5 minutes!" Read the fine print. The interest is 24-36% APR. You'll regret it.*

### *Common app loan providers and their REAL costs*

APP	HEADLINE RATE	ACTUAL APR (WITH FEES)
KreditBee	"From 1.02%/mo"	24-30%
EarlySalary (now Fibe)	"From 1.5%/mo"	20-28%
PaySense	"From 16%"	22-30%
MoneyTap	"From 13%"	22-26%
CASHe	"From 27% APR"	27-36%
SmartCoin	"From 1.5%/mo"	24-33%

#### THE FINE PRINT TRAP

Apps advertise monthly rates (1.5%/month sounds small) — but you must multiply by 12 for annual rate (18% min) and then add processing fee (2-4%) + GST (18% on interest) + late fees. Real APR is almost always 22-36%.

### *When app loans are okay (rare)*

- **Medical emergency** and no other option. (Borrow only what's needed.)
- **Very short term** (1-3 months). Pay back fast. Interest impact limited.
- **Building credit history** for someone with zero credit. (Better: get a secured card.)

### *When they DESTROY you*

- **Rolling balances.** App lets you "renew" — interest compounds at 36%.

- Multiple apps simultaneously. They report to CIBIL — your score dies.
- Long tenures (12+ months). The interest math becomes ruinous.

05

NEGOTIATION

# *The 5 negotiation moves that work in India.*

*Posted rates are starting points. Banks have 1-2.5% room. Most never ask. Don't be most.*

## **MOVE 1: GET 3 PRE-APPROVALS IN PARALLEL**

Walk into branches of 3 banks (or apply online). Get 3 pre-approval letters with rates. Show them to each other. "HDFC offered me 10.75%. Can you match?" SBI will often go to 10.5% to win you.

## **MOVE 2: USE YOUR SALARY ACCOUNT LEVERAGE**

Your salary bank has 6 months of your transaction data. They can see you're stable. They want to keep you. "I've been with you 4 years. Help me see how we can make this work."

## **MOVE 3: ASK FOR PROCESSING FEE WAIVER**

Processing fee is 1-2.5% of loan amount. On ₹10L loan = ₹15,000-25,000. Banks have ~50% waiver authority. Just ask: "Can you waive the processing fee?" If no, ask for half. Often granted.

## **MOVE 4: NEGOTIATE PREPAYMENT TERMS**

Floating rate loans: prepayment is free by RBI rules. BUT fixed rate loans charge 2-4% prepayment fee. Ask for fixed-rate loan WITHOUT prepayment penalty. Banks sometimes grant if you push.

## **MOVE 5: ASK FOR 0.5% REDUCTION IN EXCHANGE FOR AUTOPAY**

Banks LOVE autopay (lower default risk). Some have a "preferred customer rate" if you enable autopay from same bank's savings account. Ask: "If I autopay from this bank, can you reduce by 0.5%?"

After getting your loan, wait 6 months. Then approach 2-3 other banks for "balance transfer". They'll quote 0.5-1.5% lower to steal you. Now go back to your current bank: "I have a transfer offer at X%. Will you match?" Often they do. You saved without switching.

06

DOCUMENTS

# *The checklist that gets you approved fast.*

*Missing one document = 5-7 day delay. Print this. Tick before you walk in.*

## FOR SALARIED EMPLOYEES

- PAN Card (mandatory — original + photocopy)

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- Aadhaar Card (linked to mobile)

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- Passport-size photographs (2)

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- Latest 3 months salary slips

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- Latest 6 months bank statements (salary account)

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- Form 16 OR last 2 years ITR

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- Offer letter (if new job, < 6 months)

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- Address proof (electricity bill, rent agreement)

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- Existing loan statements (if any)

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- Cancelled cheque (for EMI mandate)

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## FOR SELF-EMPLOYED

- PAN Card

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- Aadhaar

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- 2 years ITR + computation of income

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- 2 years P&L statement + balance sheet (CA-signed)

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- 6 months bank statement (business)

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- Business registration (GST cert, MSME cert, etc.)

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- Office address proof

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- Photo of business premises (some banks require)

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#### **SPEED HACK**

Scan everything to PDF before going to branch. Email it to the relationship manager ahead of time. Walk in to sign — they've already pre-checked. Cuts approval time by 60-70%.

07

QUICK DECISION TREE

# *Which loan should you take?*

*5 questions. Find your best option.*

## Q1: WHAT'S YOUR CIBIL?

- **750+** → Public sector banks (SBI, BOB) or top private (HDFC, ICICI) at 10.5-12%
- **700-749** → Private banks + Bajaj Finserv at 12-15%
- **650-699** → NBFCs (Tata Capital, ABFL) at 14-18%
- **< 650** → Fix CIBIL first. Don't borrow now. Read our CIBIL Boost Checklist.

## Q2: ARE YOU SALARIED OR SELF-EMPLOYED?

- **Salaried (₹50K+/mo)** → Salary account bank first. Plus 2 others for comparison.
- **Self-employed** → Banks need 2 years ITR. Skip to NBFCs if newer.

## Q3: HOW FAST DO YOU NEED IT?

- **5-10 days okay** → Banks (cheapest)
- **1-2 days** → Bajaj Finserv, Tata Capital (mid-cost)
- **Same day** → Personal loan apps (most expensive — avoid if possible)

## Q4: WHAT'S THE TENURE?

- **< 12 months** → Even app loans are tolerable (less interest accrued)
- **12-36 months** → Bank or top NBFC. Don't use apps.
- **> 36 months** → Bank only. 1% rate difference = ₹50K+ over tenure.

## Q5: DO YOU HAVE COLLATERAL?

- **Yes** → Loan against property (LAP) at 9-11% — cheapest large-amount option
- **Yes (gold)** → Gold loan at 8-15% — fastest secured option

- **No** → Personal loan (above)

# *You now know more than 95% of borrowers.*

*The 30 minutes you spent reading this just saved you potentially ₹2-5 lakhs. That's a ₹1L/hour ROI.*

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