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# Gold Loan vs Personal Loan Research Report: Which Costs Less?

At 9 of the 10 lenders that publish both, a gold loan started at a lower rate than a personal loan, and at 10 its highest rate was lower too, according to BankCreds Research's check of lenders' own websites on 8 October 2026. Borrowing ₹1 lakh for 12 months cost about ₹5,587 as a gold loan and ₹8,041 as a personal loan at typical starting rates.

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Datasets  
lender sites v1.0 · 16 lenders + lender sites  
v1.0 · 16 lenders

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## Executive summary

BankCreds Research compared the published interest rates and processing fees of 16 gold-loan lenders and 16 personal-loan lenders, read on each lender's own website, and matched the 10 lenders that publish both. Starting rates were close — a median 9.35% for gold loans against 10.07% for personal loans — but upper limits and fees were far apart. The result: at both the lowest and the highest published rates, a gold

loan cost less to borrow the same amount for the same time. A personal loan still makes sense when you have no gold to pledge or need a longer tenure.

## Key findings

Each finding is self-contained and may be quoted with attribution to BankCreds Research. Link a single finding with its anchor ([#finding-1](#), [#finding-2](#) ...).

- 1** Published gold-loan rates started at a median 9.35% across 16 lenders, against 10.07% for personal loans across 16 lenders (BankCreds Research, 8 October 2026).
- 2** The bigger difference was at the top: the median highest published rate was 15% for gold loans and 19.55% for personal loans.
- 3** Of the 10 lenders that publish both, 9 had a lower starting rate for gold loans and 10 of 10 a lower top rate; the median gap was 0.92 percentage points at the low end and 5.63 percentage points at the high end.
- 4** The widest same-lender gap was at Kotak Mahindra Bank: up to 20% for a gold loan against up to 30% for a personal loan — 10.00 percentage points apart.
- 5** Fees widen the gap: the median published maximum processing fee was 0.45% of the loan for gold loans and 2.50% for personal loans.
- 6** On ₹1 lakh repaid over 12 months, interest plus the typical fee came to about ₹5,587 as a gold loan and ₹8,041 as a personal loan at the median lowest rates — ₹2,454 less for the gold loan; at the median highest rates the gold loan cost ₹4,643 less.

- 7 On ₹3 lakh over 24 months the gold loan cost ₹8,555 less at the median lowest rates and ₹21,915 less at the median highest.
- 8 Public sector banks showed the sharpest contrast: their gold-loan ranges ran from a median 9.13% to 9.25%, while their personal loans reached a median 15.75%.
- 9 NBFCs charged the most for both loans: a median top rate of 24.13% for gold loans and 30.50% for personal loans.
- 10 Personal-loan lenders' own disclosures show what borrowers actually paid: the median of their average charged rates was 12.83%, against a median advertised starting rate of 10.07%.

## Key statistics

SAVED ON ₹1 LAKH FOR 12 MONTHS

**₹2,454**

gold loan vs personal loan, median lowest rates

GOLD LOAN, MEDIAN LOWEST RATE

**9.35%**

16 lenders

PERSONAL LOAN, MEDIAN LOWEST RATE

**10.07%**

16 lenders

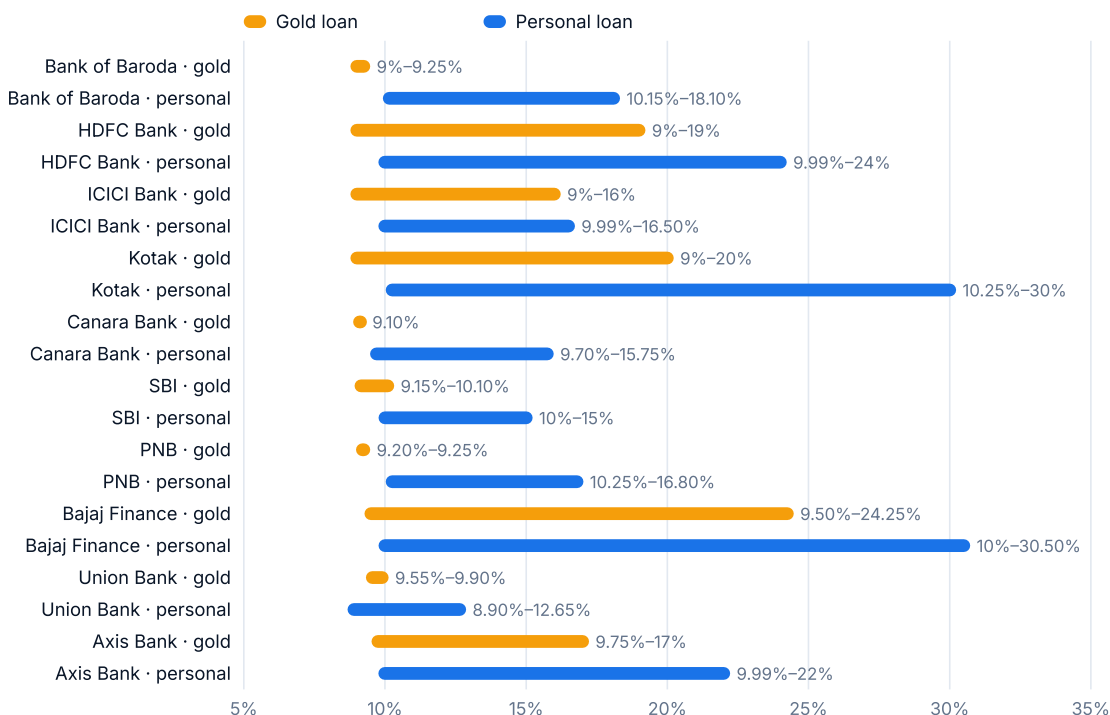
GOLD LOAN CHEAPER AT THE TOP

**10 of 10**

lenders offering both

## Gold loan vs personal loan rates at the same lenders

Published rate ranges for both loans at the 10 lenders in both BankCreds snapshots, read on the lenders' own sites.



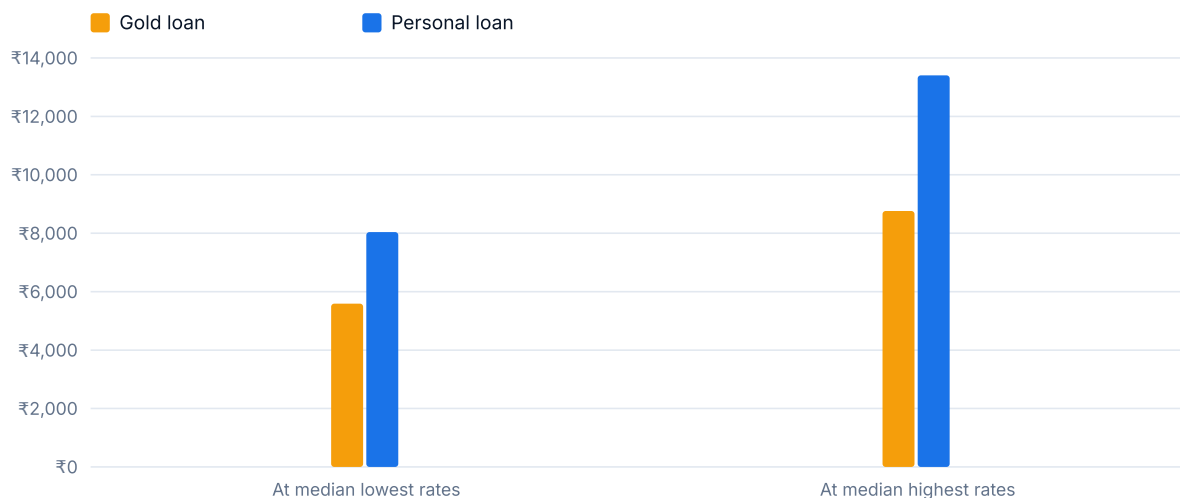
Source: BankCreds Research, lenders' own published rates · bankcreds.com/research

## Why a gold loan usually costs less

A gold loan is secured: the lender holds your gold, and RBI caps the loan at a share of the gold's value. If you do not repay, the lender can recover the money by selling the pledged gold after giving notice. A personal loan has no security, so the lender prices in the risk of not being repaid. That is why the two loans start at similar rates — 9.35% and 10.07% — but the personal loan's upper limit runs much higher: the top rate is where lenders price borrowers they see as risky.

## What borrowing costs: gold loan vs personal loan

Interest on equal monthly instalments plus the median published processing fee (gold 0.45%, personal 2.50%), at each loan's median lowest and median highest published rates.



Source: BankCreds Research, lenders' own published rates - bankcreds.com/research

## When a personal loan can still make sense

A gold loan needs gold to pledge, and it is short: the median maximum tenure among the lenders we checked was 18 months. A personal loan needs no collateral and can run for up to 108 months, which keeps each instalment smaller. If gold prices fall during a gold loan, the lender can ask you to repay part of it or add more gold; a personal loan carries no such risk. And if the gold has family value you cannot bear to lose, an unsecured loan avoids putting it at stake. Compare the total cost — interest plus fees — for the tenure you actually need, not just the headline rate.

## Read the rate type before you compare

Not every published figure is a current offer. HDFC Bank, ICICI Bank and CSB Bank publish the range of rates they actually charged in a past quarter; Muthoot Finance and Manappuram Finance publish an effective rate that applies only if you pay interest on time; and Punjab National Bank, Bank of Baroda, Canara Bank and Union Bank of India publish a benchmark plus a spread that we add up. The lender table marks each

one. Personal-loan figures are the lenders' published ranges; a separate disclosure shows the average rate they actually charged.

## Data tables

### Same lender, two loans: published interest rates (% a year)

| Lender               | Type         | Gold loan         | Personal loan   | Personal minus gold: lowest | Personal minus gold: highest |
|----------------------|--------------|-------------------|-----------------|-----------------------------|------------------------------|
| Bank of Baroda       | PSU bank     | 9% – 9.25% [D]    | 10.15% – 18.10% | +1.15                       | +8.85                        |
| HDFC Bank            | Private bank | 9% – 19% [R]      | 9.99% – 24%     | +0.99                       | +5.00                        |
| ICICI Bank           | Private bank | 9% – 16% [R]      | 9.99% – 16.50%  | +0.99                       | +0.50                        |
| Kotak Mahindra Bank  | Private bank | 9% – 20%          | 10.25% – 30%    | +1.25                       | +10.00                       |
| Canara Bank          | PSU bank     | 9.10% [D]         | 9.70% – 15.75%  | +0.60                       | +6.65                        |
| State Bank of India  | PSU bank     | 9.15% – 10.10%    | 10% – 15%       | +0.85                       | +4.90                        |
| Punjab National Bank | PSU bank     | 9.20% – 9.25% [D] | 10.25% – 16.80% | +1.05                       | +7.55                        |
| Bajaj Finance        | NBFC         | 9.50% – 24.25%    | 10% – 30.50%    | +0.50                       | +6.25                        |
| Union Bank of India  | PSU bank     | 9.55% – 9.90% [D] | 8.90% – 12.65%  | -0.65                       | +2.75                        |
| Axis Bank            | Private bank | 9.75% – 17%       | 9.99% – 22%     | +0.24                       | +5.00                        |

Gaps in percentage points; positive = the personal loan is dearer. Gold-loan flags: R = range actually charged in a past quarter, E = effective rate after a prompt-payment rebate, D = benchmark + spread added by us from the lender's own figures.

## What borrowing costs: interest plus processing fee (₹)

| Loan               | Rates used                                 | Gold loan | Personal loan | Gold loan costs less by |
|--------------------|--------------------------------------------|-----------|---------------|-------------------------|
| ₹1 lakh, 12 months | median lowest: gold 9.35%, personal 10.07% | ₹5,587    | ₹8,041        | ₹2,454                  |
| ₹1 lakh, 12 months | median highest: gold 15%, personal 19.55%  | ₹8,760    | ₹13,403       | ₹4,643                  |
| ₹3 lakh, 24 months | median lowest: gold 9.35%, personal 10.07% | ₹31,438   | ₹39,993       | ₹8,555                  |
| ₹3 lakh, 24 months | median highest: gold 15%, personal 19.55%  | ₹50,454   | ₹72,369       | ₹21,915                 |

Interest on equal monthly instalments plus the median published maximum processing fee (gold 0.45%, personal 2.50%), before GST. A gold loan also needs gold to pledge and is usually shorter: the median maximum tenure is 18 months, against up to 108 months for personal loans.

## Median published rates by lender type (% a year)

| Lender type         | Gold: lowest | Personal: lowest | Gold: highest | Personal: highest |
|---------------------|--------------|------------------|---------------|-------------------|
| Public sector banks | 9.13%        | 10%              | 9.25%         | 15.75%            |
| Private banks       | 9.38%        | 10.12%           | 16.50%        | 21.50%            |
| NBFCs               | 9.66%        | 10.50%           | 24.13%        | 30.50%            |

## Methodology

**Data.** Gold-loan and personal-loan rates, fees and terms were read on each lender's own website (gold-loan dataset version 1.0, personal-loan dataset version 1.0).

**Matching.** A lender is compared with itself only when it publishes both products.

**Medians** are taken across lenders; a lender that publishes only a starting rate is left out of upper-limit statistics. **Cost.** Interest on equal monthly instalments at the stated rate, plus the median published maximum processing fee for each product, before GST.

Full standards: BankCreds research methodology.

## Data sources

- Lenders' own websites — gold-loan and personal-loan product, interest-rate and charges pages of each lender listed, read on 8 October 2026 (page and date recorded per lender).
- Lenders' quarterly disclosures of interest rates actually charged on personal loans.

## Limitations

- Published ranges are not personal offers: your rate depends on your credit profile, loan size and, for gold loans, the gold's purity and loan-to-value.
- Some gold-loan figures are past-quarter or rebate-dependent rates; they are marked and not identical to a current card rate.
- Fees use the median published maximum; many lenders charge less, and GST is extra.
- A gold loan requires pledged gold and usually runs for a shorter tenure, so the two products are not interchangeable for every borrower.

## Frequently asked questions

### Is a gold loan cheaper than a personal loan?

Usually, yes. On 8 October 2026 gold loans started at a median 9.35% against 10.07% for personal loans, and topped out at a median 15% against 19.55%. Fees were lower too.

### How much do I save with a gold loan on ₹1 lakh?

Repaid over 12 months, interest plus a typical fee came to about ₹5,587 as a gold loan and ₹8,041 as a personal loan at the median lowest published rates — about ₹2,454 less.

### Which banks offer both gold loans and personal loans?

BankCreds Research compared 10 lenders that publish both: Bank of Baroda, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Canara Bank, State Bank of India, Punjab National Bank, Bajaj Finance, Union Bank of India and Axis Bank. The gold loan started lower at 9 of them.

### When should I choose a personal loan over a gold loan?

When you have no gold to pledge, need a longer tenure than most gold loans allow, or do not want to risk the lender asking for more gold if prices fall.

## Cite this research

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#### REFERENCE (APA STYLE)

BankCreds Research & Data Team. (2026). Gold Loan vs Personal Loan India: Cost Research Report. BankCreds. <https://bankcreds.com/research/gold-loan/gold-loan-vs-personal-loan-india/>

#### SOURCE LINE

Source: BankCreds Research, lenders' own published rates – "Gold Loan vs Personal Loan India: Cost Research Report" (updated 25 October 2026), <https://bankcreds.com/research/gold-loan/gold-loan-vs-personal-loan-india/>

#### HTML LINK

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<a href="https://bankcreds.com/research/gold-loan/gold-loan-vs-personal-loan-india/">Gold Loan vs Personal Loan India: Cost Research Report – BankCreds Research</a>
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**Version history.** Report v1.0 (2026-10-09): First publication (lender snapshots of 8 October 2026). · lender sites dataset v1.0 (2026-10-08): First release: 17 lenders (16 with rates), as of 2026-10-08. · lender sites dataset v1.0 (2026-10-08): First release: 16 lenders (16 with rates), as of 2026-10-08.

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