Business Loan Documentation Checklist

Business loans get held up far more often over paperwork than over the underlying creditworthiness of the company. The core set almost every lender asks for includes proof that the business actually exists and has been running for a reasonable period — registration certificates, GST filings, and similar — along with KYC documents for whoever is signing as promoter or director. Beyond that, it's the financials that carry the real weight: the last two to three years of ITRs, audited or provisional financial statements, and recent bank statements that show cash flow actually matches what's on paper.

Where a lot of applications stumble is in the gap between what's declared and what the bank statements show. If turnover on paper doesn't reasonably match the credits flowing through the account, that's almost guaranteed to trigger a query, and resolving it after submission takes far longer than getting the numbers reconciled beforehand. Collateral documents, when the loan requires security, add another layer — property papers, valuation reports, and title verification all need to be in order well before the file goes to the credit team.

Different lenders and different loan types ask for slightly different add-ons — a manufacturing unit might need machinery invoices, while a trading business might be asked for stock statements or debtor ageing reports. Having a clear folder ready before starting the application, rather than gathering documents reactively as the lender asks, is usually the single biggest factor in how fast a business loan actually gets approved.