

India Two-Wheeler Loan Market By Type (New Two Wheeler, Used Two Wheeler), By Provider Type (Banks, Non-Banking Financial Companies, Original Equipment Manufacturer, Others), By Percentage of Amount Sanctioned (Less Than 50%, More Than 50%), By Tenure (Less Than 3 Years, 3 Years, More than 3 Years), By Region, Competition, Forecast & Opportunities, 2020-2030F

<https://marketpublishers.com/r/I2CE2326B733EN.html>

Date: January 2025

Pages: 82

Price: US\$ 3,500.00 (Single User License)

ID: I2CE2326B733EN

Abstracts

India Two-Wheeler Loan Market was valued at USD 8.34 Billion in 2024 and is expected to reach USD 14.89 Billion by 2030 with a CAGR of 6.78% during the forecast period. The India Two-Wheeler Loan market is primarily driven by rising disposable incomes, particularly among the growing middle class, which has led to an increased demand for affordable personal transportation. With rapid urbanization, congested public transport, and the need for quicker mobility, two-wheelers have become the preferred mode of transport for many individuals. Also, the availability of attractive loan schemes with lower interest rates and flexible repayment terms from banks and non-banking financial companies (NBFCs) has further boosted the market. Government initiatives promoting financial inclusion and easy access to credit have also made it easier for consumers to finance their two-wheeler purchases, contributing to market growth.

Key Market Drivers

Rising Economic Growth Across the Region

Rising economic growth across India is a major driver for the country's two-wheeler loan market. As a part of this, the January 2025 edition of the World Bank's Global Economic Prospects (GEP) report predicts that India's GDP will grow at a consistent rate of 6.7% in both FY26 and FY27, greatly surpassing global and regional peers. As India's economy continues to expand, more individuals are experiencing increased disposable incomes, allowing them to invest in personal transportation. With a large portion of the population in the middle-income segment, two-wheelers become an attractive and affordable option for mobility, especially in urban and semi-urban areas where traffic congestion and limited public transport are persistent challenges.

The growing economic prosperity has led to a surge in demand for affordable mobility solutions, particularly among young professionals, students, and daily commuters. Also, the increasing number of working women and entry of a larger workforce into the economy has further pushed the demand for two-wheelers as they offer convenience and flexibility. The availability of easy financing options, such as lower interest rates, flexible loan tenures, and reduced documentation, further supports the growth of the two-wheeler loan market. With more people seeking to own vehicles due to rising aspirations, government initiatives promoting financial inclusion, and an increasing number of two-wheeler dealerships offering financing, the market is expected to grow significantly. As economic conditions continue to improve, the demand for two-wheeler loans in India is likely to rise, making it a strong driver for the market.

Growing Working Population

The growing working population in India is a key driver for the two-wheeler loan market. As a part of this, according to a recent study, since 1971, India's working-age population has grown steadily, and it is expected to reach 64.4% in the next Census. As the country experiences rapid urbanization and a shift toward a more formal economy, a large and expanding workforce, especially in cities, is increasingly relying on two-wheelers for commuting. With the rising number of young professionals, students, and migrant workers entering the job market, many are looking for affordable, efficient, and flexible transportation solutions to navigate urban congestion.

Two-wheelers are particularly attractive due to their affordability, fuel efficiency, and ease of use in densely populated areas where public transportation may not be convenient. As more people join the workforce, the demand for personal mobility is growing, making two-wheelers an essential mode of transport. The availability of easy financing options, including low-interest rates, flexible loan tenures, and minimal documentation, makes it easier for individuals to purchase two-wheelers despite their

limited savings. the rise in disposable incomes, coupled with an increasing focus on work-life balance, has made owning a two-wheeler more accessible for many working individuals. As the working population continues to grow and cities expand, the demand for two-wheeler loans will remain a key factor in driving the market forward. This trend is expected to continue with the growth of India's economy and labor force.

Expansion Policies Adopted by Key Players

Expansion policies adopted by key players in the Indian two-wheeler loan market have played a significant role in driving its growth. As a part of this, as of January 2024, Suzuki Motorcycle India Pvt Ltd partnered with SMFG India Credit Co Ltd (previously Fullerton India Credit Co) to provide finance for the purchase of its two-wheelers. The two companies have signed a memorandum of understanding. Financial institutions, including banks and non-banking financial companies (NBFCs), are increasingly focusing on expanding their reach to cater to the rising demand for two-wheeler loans across the country. These institutions are strategically targeting semi-urban and rural areas, where two-wheeler ownership is becoming more popular due to limited public transportation options.

Key players are offering attractive loan schemes, such as low-interest rates, flexible repayment options, and minimal documentation, making loans more accessible to a broader audience. Many lenders are also partnering with two-wheeler manufacturers and dealerships to provide easy in-store financing, further streamlining the purchase process for consumers. Also, digitalization has played a crucial role in the expansion strategies of key players. Financial institutions are increasingly adopting digital platforms and mobile applications for loan disbursement, application tracking, and customer support. This provides greater convenience to customers and helps financial institutions reach remote areas with minimal physical infrastructure. These expansion strategies, combined with government incentives and the growing demand for affordable mobility, are expected to propel the growth of the two-wheeler loan market, with key players continuing to innovate and adapt to the evolving market needs.

Key Market Challenges

Stringent Government Regulation

Stringent government regulations present a challenge in the Indian two-wheeler loan market, particularly concerning lending practices, interest rates, and borrower eligibility criteria. Financial institutions are required to comply with regulatory norms set by the

Reserve Bank of India (RBI) and other government agencies, which can impact loan disbursement processes and the flexibility of loan terms. For instance, caps on interest rates or limits on the amount that can be lent can restrict lenders' ability to offer competitive financing options.

Also, stricter regulations around customer verification, credit scoring, and documentation have made loan approval processes more complex. While these measures aim to protect consumers from over-indebtedness and ensure fair lending, they can also lead to delays and reduce accessibility, especially for individuals with limited credit history or those in rural areas. Also, the government's policies regarding the promotion of electric vehicles (EVs) and sustainability may also affect the demand for traditional petrol-powered two-wheelers, indirectly impacting the loan market for conventional two-wheelers. Financial institutions may face challenges adapting to shifting consumer preferences and ensuring their loan offerings remain relevant considering these regulatory changes. These factors combined make navigating the regulatory landscape a significant challenge for lenders in the two-wheeler loan market.

Intense Competition Among Key Players

Intense competition among key players is a significant challenge in the India two-wheeler loan market. As the demand for two-wheeler loans rises, many banks, non-banking financial companies (NBFCs), and even digital lending platforms are vying for market share. This competition has led to a reduction in interest rates, more flexible loan terms, and attractive promotional schemes, creating pressure on lenders to maintain profitability while offering competitive deals to customers.

However, this intense competition can also result in aggressive lending practices, with some players offering loans to high-risk borrowers or under favorable terms that may not be financially sustainable in the long term. While this approach may attract more customers in the short term, it can lead to higher default rates, creating financial strain on lenders. Also, to stay ahead in this competitive environment, key players must constantly innovate by adopting technology, offering value-added services, and improving customer experience, which increases operational costs. As the market becomes more saturated, maintaining customer loyalty and standing out from the competition will become more challenging for both new entrants and established players in the two-wheeler loan market.

Key Market Trends

Rising Adoption of Online Platform

The rising adoption of online platforms is a major trend in India's two-wheeler loan market. With increasing internet penetration and smartphone usage, consumers are increasingly turning to digital platforms to apply for and manage their two-wheeler loans. Online platforms provide the convenience of browsing loan options, comparing interest rates, and completing the loan application process from the comfort of home, making it easier for customers, particularly in tier 2 and tier 3 cities, to access financing.

Lenders are embracing digitalization by offering seamless, user-friendly online loan applications, quick approval processes, and digital documentation. Also, fintech companies and digital lending platforms are gaining traction, providing faster and more flexible loan options, often with minimal paperwork. This shift towards online platforms has also improved transparency in the loan process, with customers able to track their loan status, repayment schedules, and account details in real-time. Also, the rise of e-commerce and digital marketplaces where two-wheelers are sold has further accelerated online loan adoption. As customers increasingly prefer digital experiences for ease, speed, and convenience, the trend toward online loan applications in India's two-wheeler market is expected to continue growing, transforming the way consumers access vehicle financing.

Rising Sales of Electric Vehicles

The rising sales of electric vehicles (EVs) are a notable trend in India's two-wheeler loan market. As of July 8, 2024, India had seen a 16% increase in EV registrations in the first half of 2024, with 8,42,396 registered compared to 7,23,492 during the same period in 2023. This upward trend not only demonstrates the country's dedication to sustainable transportation, but it also represents rising consumer confidence and market readiness for greener options on Indian roadways. With growing environmental awareness, government incentives, and technological advancements, electric two-wheelers are gaining popularity as an eco-friendly and cost-efficient alternative to traditional petrol-powered bikes. As the demand for EVs increases, consumers are seeking affordable financing options to make these vehicles more accessible.

Lenders are responding by offering tailored loan products for electric two-wheelers, with competitive interest rates, lower down payments, and flexible repayment terms to encourage adoption. Also, the government's push to promote electric mobility through subsidies, tax exemptions, and infrastructure development has further stimulated consumer interest in electric two-wheelers, creating a new market segment for two-

wheeler loans. This trend is also supported by rising fuel prices and concerns over the long-term sustainability of fossil fuels, making electric vehicles a more attractive option. As more consumers choose electric bikes for their lower operating costs, reduced maintenance, and environmental benefits, the two-wheeler loan market is likely to see continued growth in financing electric vehicles. This shift reflects a broader transformation in India's transportation ecosystem, with electric mobility gaining momentum as a key driver in the two-wheeler market.

Flexible Financing Option

Flexible financing options are emerging as a key trend in India's two-wheeler loan market. As consumer demand for affordable and convenient mobility solutions rises, lenders are increasingly offering loan products that cater to varying financial capabilities. These flexible financing options include lower down payments, extended repayment tenures, and customized interest rates, making it easier for a wide range of customers to afford two-wheelers.

Also, some lenders are providing schemes with flexible EMI (equated monthly installments) options, allowing borrowers to adjust payments based on their financial situation. Special offers such as zero down payment loans and pre-approved loans have also become popular, providing quicker access to financing. This trend is particularly appealing to young professionals, students, and low-income groups who are seeking affordable ways to own a two-wheeler. Also, digital lending platforms are playing a key role in offering these flexible financing options, making the loan application process more accessible and streamlined. As more consumers turn to online platforms to compare loan terms and apply for financing, the availability of flexible, customized loan products is driving the growth of the two-wheeler loan market in India, making it easier for individuals from diverse financial backgrounds to own their own vehicles.

Segmental Insights

Type Insights

New Two-Wheeler dominated the India Two-Wheeler Loan market, driven by increasing demand for affordable, fuel-efficient, and stylish vehicles. As the middle class expands and disposable incomes rise, more consumers are opting for brand-new two-wheelers, seeking the latest models with enhanced features and technology. Financial institutions are capitalizing on this trend by offering attractive loan products for new vehicle

purchases, with lower down payments and flexible repayment terms. Also, the availability of easy financing options, coupled with the growing preference for personal mobility, has boosted the sales of new two-wheelers, making them the dominant segment in the loan market.

Regional Insights

The North region dominated the India Two-Wheeler Loan market, primarily due to its large urban population, rapid economic growth, and increasing demand for personal mobility. Cities like Delhi, Chandigarh, and Jaipur are witnessing higher two-wheeler sales driven by rising disposable incomes, traffic congestion, and limited public transport options. The growing middle class, particularly among younger consumers and professionals, contributes to the demand for two-wheelers, further boosting the loan market. Also, the presence of a high number of financial institutions offering easy loan schemes and flexible repayment terms has solidified the North region's position as the market leader.

Key Market Players

HDFC Bank Ltd

ICICI Bank

Kotak Mahindra Prime Limited

Axis Bank Limited

Bajaj Finance Limited

Tata Capital Limited

Hero Fincorp

Muthoot Capital Services Limited

Standard Chartered Bank

IDFC FIRST Bank Ltd

Report Scope:

In this report, the India Two-Wheeler Loan Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

India Two-Wheeler Loan Market, By Type:

New Two-Wheeler

Used Two-Wheeler

India Two-Wheeler Loan Market, By Provider Type:

Banks

Non-Banking Financial Companies

Original Equipment Manufacturer

Others

India Two-Wheeler Loan Market, By Percentage of Amount Sanctioned:

Less Than 50%

More Than 50%

India Two-Wheeler Loan Market, By Tenure:

Less Than 3 Years

3 Years

More than 3 Years

India Two-Wheeler Loan Market, By Region:

North

South

East

West

Competitive Landscape

Company Profiles: Detailed analysis of the major companies presents in the India Two-Wheeler Loan Market.

Available Customizations:

India Two-Wheeler Loan Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

Contents

1. INTRODUCTION

- 1.1. Product Overview
- 1.2. Key Highlights of the Report
- 1.3. Market Coverage
- 1.4. Market Segments Covered
- 1.5. Research Tenure Considered

2. RESEARCH METHODOLOGY

- 2.1. Methodology Landscape
- 2.2. Objective of the Study
- 2.3. Baseline Methodology
- 2.4. Formulation of the Scope
- 2.5. Assumptions and Limitations
- 2.6. Sources of Research
- 2.7. Approach for the Market Study
- 2.8. Methodology Followed for Calculation of Market Size & Market Shares
- 2.9. Forecasting Methodology

3. EXECUTIVE SUMMARY

- 3.1. Market Overview
- 3.2. Market Forecast
- 3.3. Key Regions
- 3.4. Key Segments

4. VOICE OF CUSTOMER

- 4.1. Factors Influencing Purchase Decision
- 4.2. Brand Awareness
- 4.3. Source of Information

5. INDIA TWO-WHEELER LOAN MARKET OUTLOOK

- 5.1. Market Size & Forecast
 - 5.1.1. By Value

5.2. Market Share & Forecast

5.2.1. By Type Market Share Analysis (New Two-Wheeler, Used Two-Wheeler)

5.2.2. By Provider Type Market Share Analysis (Banks, Non-Banking Financial Companies, Original Equipment Manufacturer, Others)

5.2.3. By Percentage of Amount Sanctioned Market Share Analysis (Less Than 50%, More Than 50%)

5.2.4. By Tenure Market Share Analysis (Less Than 3 Years, 3 Years, more than 3 Years)

5.2.5. By Regional Market Share Analysis

5.2.5.1. North Market Share Analysis

5.2.5.2. South Market Share Analysis

5.2.5.3. East Market Share Analysis

5.2.5.4. West Market Share Analysis

5.2.6. By Top 5 Companies Market Share Analysis, Others (2024)

5.3. India Two-Wheeler Loan Market Mapping & Opportunity Assessment

5.3.1. By Type Market Mapping & Opportunity Assessment

5.3.2. By Provider Type Market Mapping & Opportunity Assessment

5.3.3. By Percentage of Amount Sanctioned Market Mapping & Opportunity Assessment

5.3.4. By Tenure Market Mapping & Opportunity Assessment

5.3.5. By Region Market Mapping & Opportunity Assessment

6. INDIA NEW TWO WHEELER LOAN MARKET OUTLOOK

6.1. Market Size & Forecast

6.1.1. By Value

6.2. Market Share & Forecast

6.2.1. By Provider Type Market Share Analysis (Banks, Non-Banking Financial Companies, Original Equipment Manufacturer, Others)

6.2.2. By Percentage of Amount Sanctioned Market Share Analysis

6.2.3. By Tenure Market Share Analysis

6.2.4. By Region Market Share Analysis

7. INDIA USED TWO-WHEELER LOAN MARKET OUTLOOK

7.1. Market Size & Forecast

7.1.1. By Value

7.2. Market Share & Forecast

7.2.1. By Provider Type Market Share Analysis (Banks, Non-Banking Financial

Companies, Original Equipment Manufacturer, Others)

7.2.2. By Percentage of Amount Sanctioned Market Share Analysis

7.2.3. By Tenure Market Share Analysis

7.2.4. By Region Market Share Analysis

8. MARKET DYNAMICS

8.1. Drivers

8.2. Challenges

9. MARKET TRENDS & DEVELOPMENTS

10. SWOT ANALYSIS

10.1. Strength

10.2. Weakness

10.3. Opportunity

10.4. Threat

11. POLICY & REGULATORY LANDSCAPE

12. INDIA ECONOMIC PROFILE

13. COMPETITIVE LANDSCAPE

13.1. Company Profiles

13.1.1. HDFC Bank Ltd

13.1.1.1. Company Details

13.1.1.2. Products & Services

13.1.1.3. Financials (As Per Availability)

13.1.1.4. Key Market Focus & Geographical Presence

13.1.1.5. Recent Developments

13.1.1.6. Key Management Personnel

13.1.2. ICICI Bank

13.1.2.1. Company Details

13.1.2.2. Products & Services

13.1.2.3. Financials (As Per Availability)

13.1.2.4. Key Market Focus & Geographical Presence

13.1.2.5. Recent Developments

- 13.1.2.6. Key Management Personnel
- 13.1.3. Kotak Mahindra Prime Limited
 - 13.1.3.1. Company Details
 - 13.1.3.2. Products & Services
 - 13.1.3.3. Financials (As Per Availability)
 - 13.1.3.4. Key Market Focus & Geographical Presence
 - 13.1.3.5. Recent Developments
 - 13.1.3.6. Key Management Personnel
- 13.1.4. Axis Bank Limited
 - 13.1.4.1. Company Details
 - 13.1.4.2. Products & Services
 - 13.1.4.3. Financials (As Per Availability)
 - 13.1.4.4. Key Market Focus & Geographical Presence
 - 13.1.4.5. Recent Developments
 - 13.1.4.6. Key Management Personnel
- 13.1.5. Bajaj Finance Limited
 - 13.1.5.1. Company Details
 - 13.1.5.2. Products & Services
 - 13.1.5.3. Financials (As Per Availability)
 - 13.1.5.4. Key Market Focus & Geographical Presence
 - 13.1.5.5. Recent Developments
 - 13.1.5.6. Key Management Personnel
- 13.1.6. Tata Capital Limited
 - 13.1.6.1. Company Details
 - 13.1.6.2. Products & Services
 - 13.1.6.3. Financials (As Per Availability)
 - 13.1.6.4. Key Market Focus & Geographical Presence
 - 13.1.6.5. Recent Developments
 - 13.1.6.6. Key Management Personnel
- 13.1.7. Hero Fincorp
 - 13.1.7.1. Company Details
 - 13.1.7.2. Products & Services
 - 13.1.7.3. Financials (As Per Availability)
 - 13.1.7.4. Key Market Focus & Geographical Presence
 - 13.1.7.5. Recent Developments
 - 13.1.7.6. Key Management Personnel
- 13.1.8. Muthoot Capital Services Limited
 - 13.1.8.1. Company Details
 - 13.1.8.2. Products & Services

- 13.1.8.3. Financials (As Per Availability)
- 13.1.8.4. Key Market Focus & Geographical Presence
- 13.1.8.5. Recent Developments
- 13.1.8.6. Key Management Personnel
- 13.1.9. Standard Chartered Bank
 - 13.1.9.1. Company Details
 - 13.1.9.2. Products & Services
 - 13.1.9.3. Financials (As Per Availability)
 - 13.1.9.4. Key Market Focus & Geographical Presence
 - 13.1.9.5. Recent Developments
 - 13.1.9.6. Key Management Personnel
- 13.1.10. IDFC FIRST Bank Ltd
 - 13.1.10.1. Company Details
 - 13.1.10.2. Products & Services
 - 13.1.10.3. Financials (As Per Availability)
 - 13.1.10.4. Key Market Focus & Geographical Presence
 - 13.1.10.5. Recent Developments
 - 13.1.10.6. Key Management Personnel

14. STRATEGIC RECOMMENDATIONS

- 14.1. Key Focus Areas
- 14.2. Target Type
- 14.3. Target Provider Type

15. ABOUT US & DISCLAIMER

I would like to order

Product name: India Two-Wheeler Loan Market By Type (New Two Wheeler, Used Two Wheeler), By Provider Type (Banks, Non-Banking Financial Companies, Original Equipment Manufacturer, Others), By Percentage of Amount Sanctioned (Less Than 50%, More Than 50%), By Tenure (Less Than 3 Years, 3 Years, More than 3 Years), By Region, Competition, Forecast & Opportunities, 2020-2030F

Product link: <https://marketpublishers.com/r/l2CE2326B733EN.html>

Price: US\$ 3,500.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/l2CE2326B733EN.html>