



All India Transporters' Welfare Association
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CIRCULAR

Date: 18th May 2026

To,
All Users of Goods Transport Agencies / Transport Services,
Trade, Industry & Commerce Associations across India

Subject: Global War-Driven Fuel Price Escalation — Effective 20th May 2026

Dear Sir / Madam,

Greetings from **All India Transporters Welfare Association (AITWA)**.

We write to you with a sense of urgency, and with the deepest respect for the long-standing and valued partnership between the transport sector and the trade/industry it serves across the length and breadth of our Nation.

1. Background — A Disruption Beyond Normal Industry Cycles

Following the AITWA General Meeting held on 16th May 2026, we wish to draw your kind attention to the significant and enhanced cost pressures being faced by the road transport industry — pressures that are entirely externally driven and outside the control of any stakeholder in the domestic supply chain.

It is important to note that diesel prices in India had remained broadly stable over the past several years, and the transport industry had accordingly maintained its freight rates with basic revisions from time to time. The current situation is, however, fundamentally different in both its nature and origin.

The **sharp increase in diesel prices**, effective 15th May 2026, is a direct consequence of the **deteriorating global geopolitical situation**, specifically:

- The ongoing global war situation and its severe disruption to international energy markets and trade routes;
- The effective closure / restriction of the Strait of Hormuz, sharply constraining crude oil supplies to world markets;
- Consequent pressure on the Indian Rupee against major currencies, significantly increasing the landed cost of crude imports

It is necessary to highlight certain other factors which are also driving operating cost for fleet owners due to the disruptions:

- Shortage of diesel at pumps, caused due to industrial customers buying from retail, are delaying truck operations significantly escalating manpower & running cost



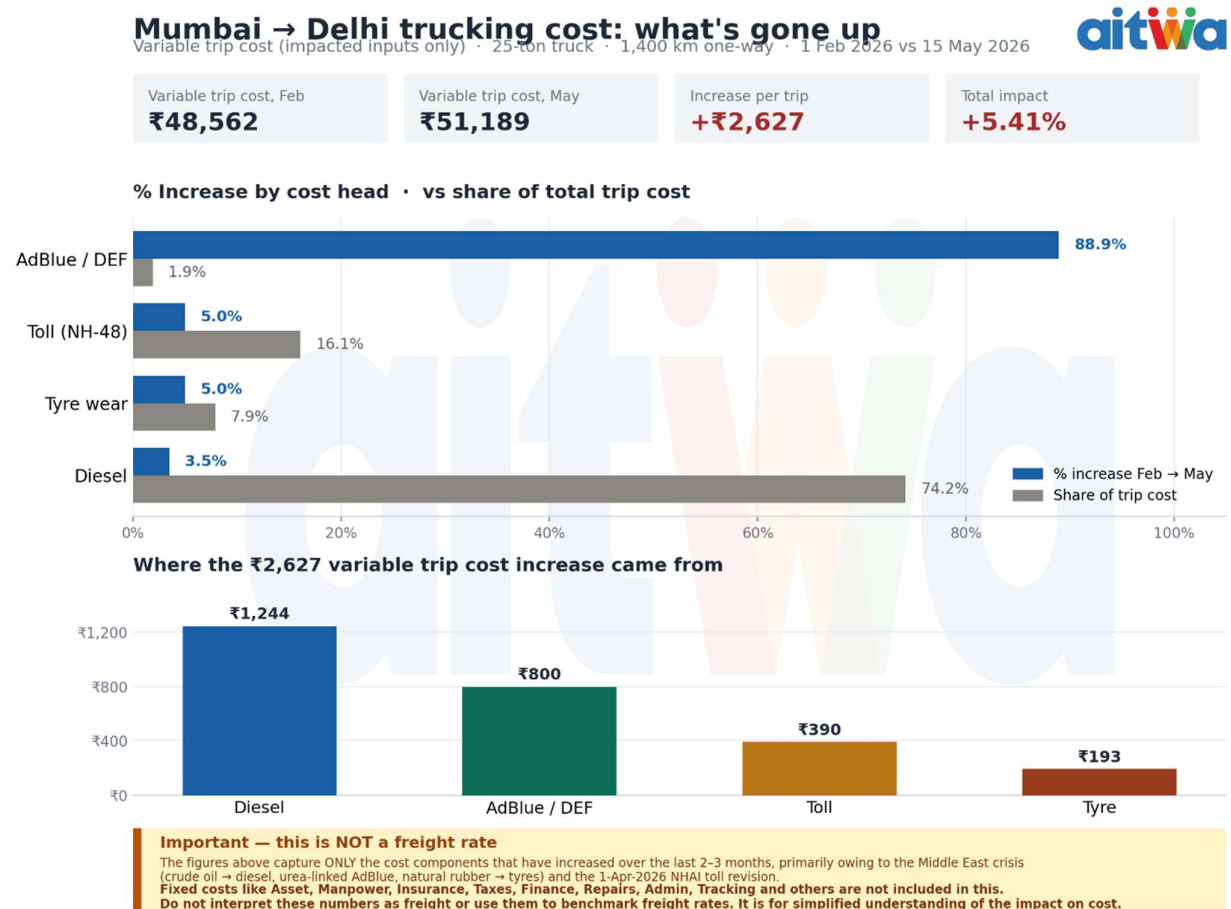
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- Cascading increases in associated transport input costs — including Diesel Exhaust Fluid (DEF/AdBlue) by almost 100% in last 2 months
- Tyre contribute a significant % of the operating cost and their prices have increased almost 5% in the last 2 months itself
- Toll charges, though directly not linked to the crisis, but were increased on 1st April across the country

These are circumstances of a global nature that no domestic freight contract could have anticipated, and they fall well outside the scope of normal annual cost escalation mechanisms. Further diesel price increases are anticipated in the coming period, making it essential to put in place a structured, transparent, and predictable framework to address fuel cost volatility — rather than resort to repeated ad hoc revisions & negotiations.

Below chart is shared to explain the impact of the changes and justify the increase sought :





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2. Introduction of AITWA Indhan Factor (AIF) — Effective 20th May 2026

In order to address the volatility of fuel costs in a transparent, structured, and equitable manner — and to spare both transporters and their clients the uncertainty of repeated unplanned revisions — AITWA is initiating an **AITWA Indhan Factor (AIF)**, effective **20th May 2026**, on the following basis:

Scenario	Applicable AITWA Indhan Factor (AIF)
For every ₹1 increase in diesel price per litre over the base rate prevailing on 14th May 2026	1% increase in freight rates

Any further revisions necessitated by subsequent increases in diesel prices shall be applied on the same basis, providing a consistent and predictable framework for all parties.

3. Nature and Scope of the AITWA Indhan Factor

We wish to emphasise that the AIF is **strictly limited to recovering the increase in fuel costs** arising from the current global situation. It is not a revision of base freight rates, nor does it seek to generate any additional commercial margin for transporters. This is purely a cost-recovery mechanism, and it shall remain directly linked to — and shall move in proportion with — prevailing diesel price levels. Should diesel prices moderate, the AIF shall be adjusted accordingly.

4. Our Earnest Request to Trade and Industry

AITWA sincerely appreciates the pressures that trade and industry also face in these challenging times. We do not bring this matter to you lightly. However, the road transport sector — which forms the backbone of India's supply chains and serves every corner of the nation — is today facing an existential cost pressure that cannot be absorbed any further.

We therefore respectfully and firmly request all users of goods transport and transport services to:

- Kindly acknowledge and accept the AITWA Indhan Factor (AIF) as outlined above in your freight payments and contracts, effective 20th May 2026;
- Recognise this as an extraordinary cost adjustment driven by global factors, separate from the normal contractual annual revision cycle;
- Engage promptly with your respective transport service providers to operationalise this arrangement without delay;
- Continue to extend your valued support to the transport sector as we collectively navigate this period of global uncertainty.



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AITWA remains committed to serving the transport needs of Indian trade and commerce with dedication and professionalism. We remain available for any discussion, clarification, or dialogue you may wish to initiate in this regard and shall be happy to engage with your associations, committees, management teams, or logistics officials at the earliest convenience.

We thank you for your understanding and cooperation, and trust that together we shall navigate this difficult period in the best interests of the national economy.

Yours sincerely,

On behalf of **All India Transporters Welfare Association (AITWA)**

A handwritten signature in black ink, appearing to read 'Abhishek A Gupta', is written over a light blue rectangular background.

Abhishek A Gupta

General Secretary

Note: This circular is issued following the AITWA General Meeting of 16th May 2026. Member transporters are requested to circulate this to their respective clients and freight users.

