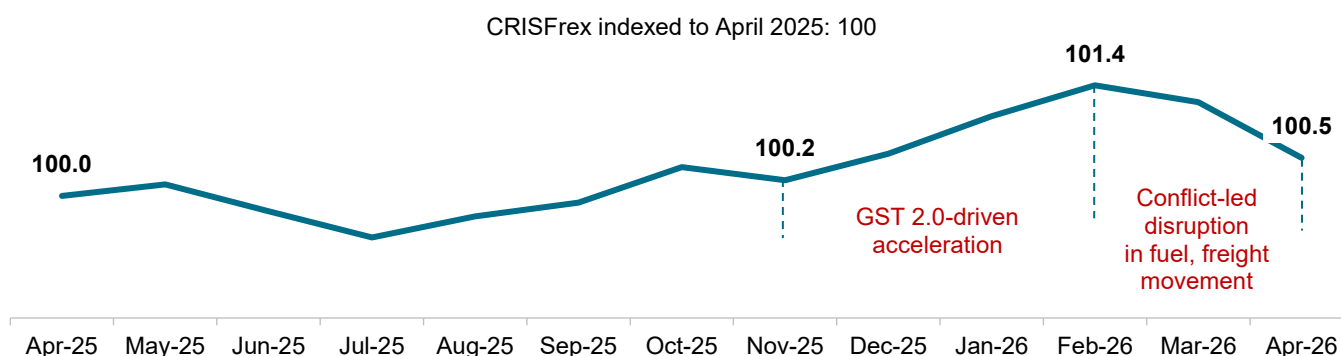


Crisil freight index dips in April

Increased fleet availability, weak cargo movement continue to weigh freight rates down

Freight rates across key trucking corridors¹ softened in April 2026, largely due to a moderation in industrial and manufacturing activity following the year-end dispatch momentum witnessed in March 2026.

Crisil Pan-India Freight Index (CRISFrex)TM dips further



Source: *Crisil Intelligence*

Lower cargo movement from manufacturing clusters and subdued freight availability across industrial value chains contributed to weaker freight realisations for transport operators.

Meanwhile, the prolonged uncertainty in global trade flows, caused by the West Asia conflict, weighed on supply chains, impacting cargo movement sentiment across the broader logistics ecosystem.

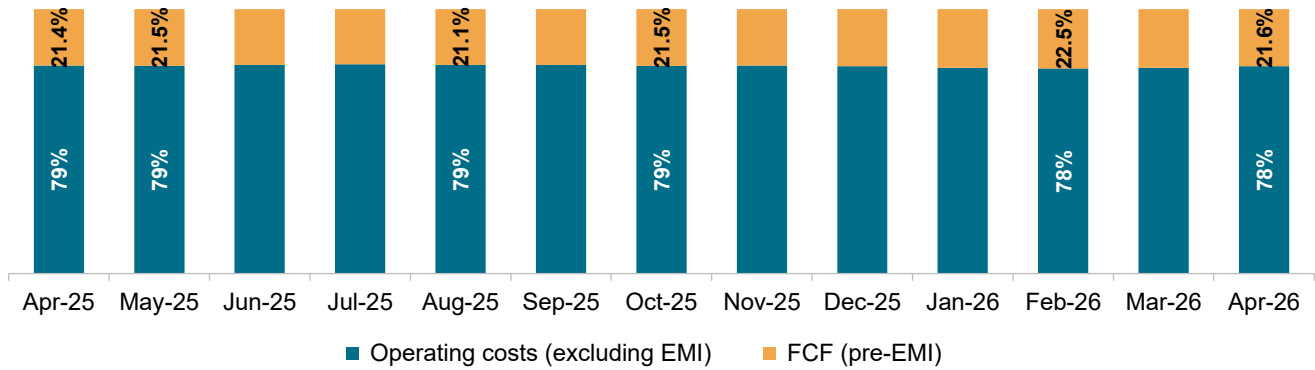
The market also witnessed a relatively high fleet availability during the period, further intensifying competitive pricing pressure across long-haul freight routes. At the same time, transport operators continued to face elevated operating cost pressures, including tyre and maintenance costs, resulting in tighter operating margins despite softer freight rates.

However, certain commodity-linked segments demonstrated relatively strong freight movement trends during the month. Auto-carriers and agri-products witnessed improved freight activity, supported by relatively healthy demand patterns and seasonal cargo movement. Consequently, freight rates within these segments remained resilient against the broader softness observed across the road freight market.

¹ CRISIL regularly tracks 32 key freight route-combinations connecting major industrial, consumption, logistics and port cities such as NCR, Mumbai, Bengaluru, Chennai, Kolkata, Hyderabad and Ahmedabad, collectively representing an estimated 60–70% of organized road freight movement in India.

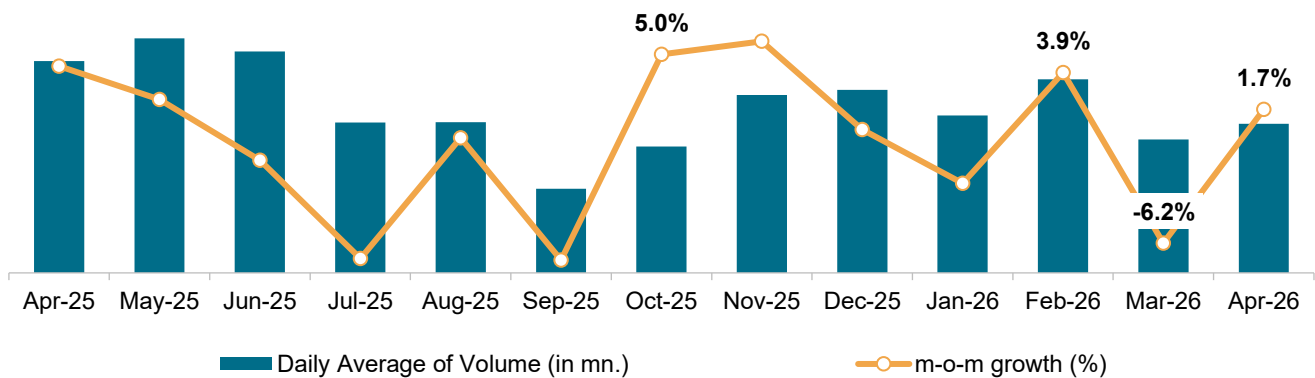
Transporter cost structure and profitability margins

Over the past couple of months, declining freight rates for most commodities and rising operating costs have impacted transporters' free cash flow (FCF; before equated monthly instalment, or EMI).



Source: Crisil Intelligence

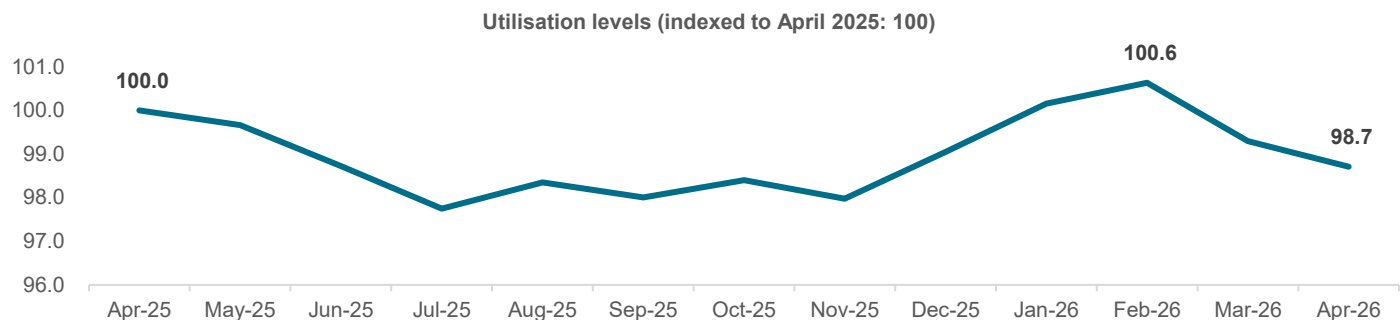
FASTag daily volume trend



Source: Reserve Bank of India, Crisil Intelligence

FASTag daily transaction volumes moderated during monsoon, reflecting seasonal softness in freight movement and lower road logistics activity across key corridors. The third quarter of fiscal 2026 and the beginning of the fourth quarter saw a gradual recovery in volume. The recovery was aided by improved cargo movement, festive demand and consumption-led activity following the rollout of goods and services tax (GST) 2.0. However, freight movement indicators moderated from February amid the escalating West Asia conflict and resulting pressure on global supply chains and industrial activity. Consequently, March witnessed a sharper decline in daily FASTag transaction volumes, with April showing a marginal sequential recovery, although activity levels continued to remain subdued compared with earlier peak periods.

Trend in fleet utilisation levels



Source: Crisil Intelligence

Fleet utilisation levels witnessed a gradual moderation through the initial part of fiscal 2026, reflecting softer freight demand, subdued industrial activity and elevated fleet availability across key trucking corridors. However, utilisation trends improved in the third quarter of the fiscal following the roll-out of GST 2.0 in September 2025, which supported consumption-linked activity and freight movement across manufacturing and trade-driven sectors. The recovery further strengthened in the fourth quarter, supported by seasonal demand pickup and improved cargo dispatches across select commodity segments.

However, the West Asia conflict and resulting uncertainty around fuel supply chains contributed to operational disruptions in certain regions, including instances of precautionary fleet idling and localised concerns around diesel availability. Despite the recovery observed during the January-February period, utilisation levels softened again entering April 2026, indicating persistent unevenness in freight demand across the road logistics ecosystem.

Potential impact of diesel price hike

The West Asia conflict is exerting upward pressure on crude oil prices, which could eventually translate into higher domestic diesel prices in India, although retail prices have remained stable so far. Given fuel costs account for nearly 50–60% of transporter operating expenses, any increase in diesel prices can materially impact fleet profitability, operating cash flows and repayment capacity. For every INR 5/litre increase in diesel prices, freight rate revisions of ~2.5%–2.8% may be required to maintain baseline transporter margins and preserve free cash flows. Any increase lower than the required pass-through threshold could begin exerting pressure on transporter free cash flows, particularly for small and mid-sized fleet operators operating on structurally thin margins, thereby potentially impacting commercial vehicle purchase sentiments as well.

In practice, however, freight rate pass-throughs are likely to remain asymmetric in a weak freight environment. Bargaining power constraints, excess capacity and fragmented demand may delay or dilute freight rate revisions, especially for smaller operators. Any concurrent increase in other operating cost components such as driver wages, toll expenses, maintenance and tyre costs could further elevate the freight rate revisions required across the sector.

CRISFrex™ and FCF signals

Freight rate trends across key commodity segments remained mixed, reflecting uneven freight demand and elevated fleet availability across the road logistics ecosystem. While select commodity categories demonstrated relatively stable freight movement, overall CRISFrex™ indicators witnessed marginal softening in April 2026.

In parallel, FCF (pre-EMI) trends remained under pressure due to softer freight realisations, alongside elevated fuel, tyre and maintenance costs, constraining transporter profitability and operating cash flow resilience.

Methodology

We incorporated the views of 100-150 transporters to understand freight dynamics and operational aspects such as the number of trips taken and key cost heads (fuel, driver, toll, tyre and maintenance).

The exercise is conducted on a closed sample of 159 route-commodity combinations, spanning 32 routes, 11 commodity types and five truck platforms with differing load bodies, depending on the commodity carried.

Our analysis provides an aggregated view of the data collected to arrive at a holistic picture of the overall trucking scenario in India.

About Crisil Intelligence (formerly Market Intelligence & Analytics)

Crisil Intelligence is a leading provider of research, consulting, risk solutions and advanced data analytics, serving clients across government, private and public enterprises. We leverage our expertise in data-driven insights and strong benchmarking capabilities to help clients navigate complex external ecosystems, identify opportunities and mitigate risks. By combining cutting-edge analytics, machine learning and AI capabilities with deep industry knowledge, we empower our clients to make informed decisions, drive business growth and build resilient capacities.

For more information, visit Intelligence.Crisil.com

About Crisil

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Large and highly respected firms partner with us for the most reliable opinions on risk in India, and for uncovering powerful insights and turning risks into opportunities globally. We are integral to multiplying their opportunities and success.

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Founded in 1987 as India's first credit rating agency, our expertise today extends across businesses: Crisil Ratings, Crisil Intelligence, Crisil Coalition Greenwich and Crisil Integral IQ.

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