TRACARTA RESEARCH · AIRLINE GST IN INDIA

The credit corporate India leaves with the airlines

Indian companies spend up to ₹65,000 crore a year on air travel. Up to ₹3,800 crore of that is GST credit they are entitled to claim. This report sizes the pool, maps where it leaks, and sets out what finance leaders can do before the next deadline.

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Corporate air spend	Credit at stake
₹65,000 cr	**₹3,800 cr**
up to this much spent by Indian companies on air travel each year	up to this much airline GST credit claimable every year
Rates since 22 Sep 2025	Market growth
5% / 18%	**~10%**
on economy and premium cabins; the mix now matters more	a year: corporate travel set to roughly double by FY2030

Every business ticket carries GST that the company can usually claim back. Across corporate India, that credit adds up to thousands of crores a year. A large share of it never reaches the books.

The reason is not that finance teams don't know the credit exists. It's that claiming it depends on thousands of small things going right: the traveller quoting the company's GSTIN, the airline issuing the invoice to the correct registration, the invoice reaching finance, the airline reporting it in its returns, and the claim being made before the deadline.

Each step is simple. Together, across dozens of airlines, many GSTINs and tens of thousands of tickets, they become a job that **nobody in the finance function owns**.

> **The credit is a legal entitlement. Losing it is a process failure, not a tax outcome.**

Sizing the credit

We estimate corporate air spend in India at ₹50,000–65,000 crore a year. After allowing for the share of fares that attracts GST, the cabin mix, and travel that is not eligible, the claimable credit comes to roughly ₹2,500–3,800 crore every year.

Exhibit 1

From air spend to claimable credit

Annual estimates, ₹ crore. Ranges reflect uncertainty in spend and cabin mix.

Corporate air spend All business air travel	₹50,000–65,000
Taxable value Share of fare attracting GST	₹40,000–52,000
GST paid At the prevailing cabin mix	₹2,800–4,200
Claimable credit Eligible business travel	₹2,500–3,800

Source: TraCarta estimates based on industry data. See methodology.

Our client work suggests that many companies claim well under the full amount they are entitled to. Even a modest gap, applied to a pool of this size, leaves a very large sum with the airlines each year.

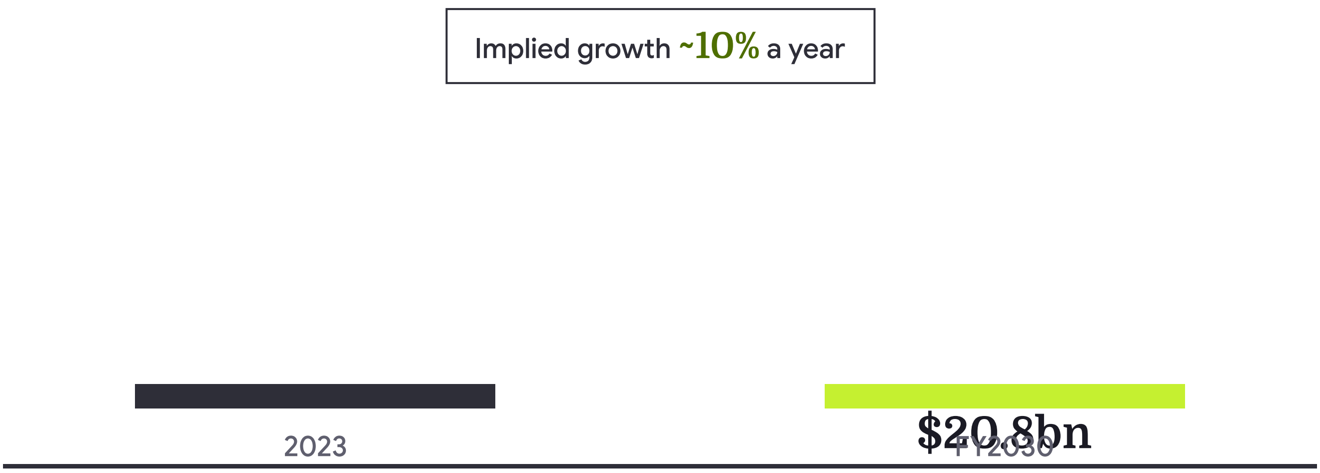
A growing market

The pool is growing. Deloitte estimates Indian corporate travel at $10.6 billion in 2023, doubling to $20.8 billion by FY2030. Domestic air traffic reached 1,677.4 lakh passengers in FY2026, up 1.4%, even as ICRA revised its outlook on Indian aviation to negative in March 2026.

Exhibit 2

Corporate travel in India is set to roughly double

Estimated corporate travel spend, US$ billion.



Source: Deloitte estimates as cited; growth rate calculated by TraCarta.

More travel means more tickets, more invoices and more places for credit to go missing. Without a better process, the unclaimed amount grows with the market.

The new rate split

Since 22 September 2025, GST on air travel is 5% for economy and 18% for premium cabins. For finance teams, the cabin mix now has a large effect on how much credit is at stake. A premium ticket carries more than three times the GST of an economy ticket of the same value.

Exhibit 3 · Try it

How cabin mix changes the credit at stake

GST on ₹1 crore of taxable air spend, by share of premium travel.

Economy

5%

₹5 lakh of GST on every ₹1 crore of taxable fares

Business and premium economy

18%

₹18 lakh of GST on every ₹1 crore of taxable fares

Share of spend on premium cabins

20%

Blended GST rate

7.6%

GST per ₹1 crore of fares

₹7.6 L

vs all-economy

1.5×

Illustrative calculation on taxable value. Eligibility depends on the purpose of travel and applicable rules.

Where the credit leaks

A ticket has to pass six checkpoints before its GST becomes credit in the books. In our experience, the largest losses happen before finance even sees the invoice: at booking, when the company's GSTIN isn't given, and on the airline's portal, where invoices simply wait.

Exhibit 4

Share of unclaimed credit, by where it leaks

Percentage of unclaimed airline credit, typical pattern.

GSTIN not given at booking	34%
Left on the airline portal	22%
Wrong GSTIN or state	18%
Books and returns disagree	11%
Airline files late or wrongly	9%
Deadline passes	6%

Source: TraCarta view of patterns across client work. Illustrative; to be replaced with measured data.

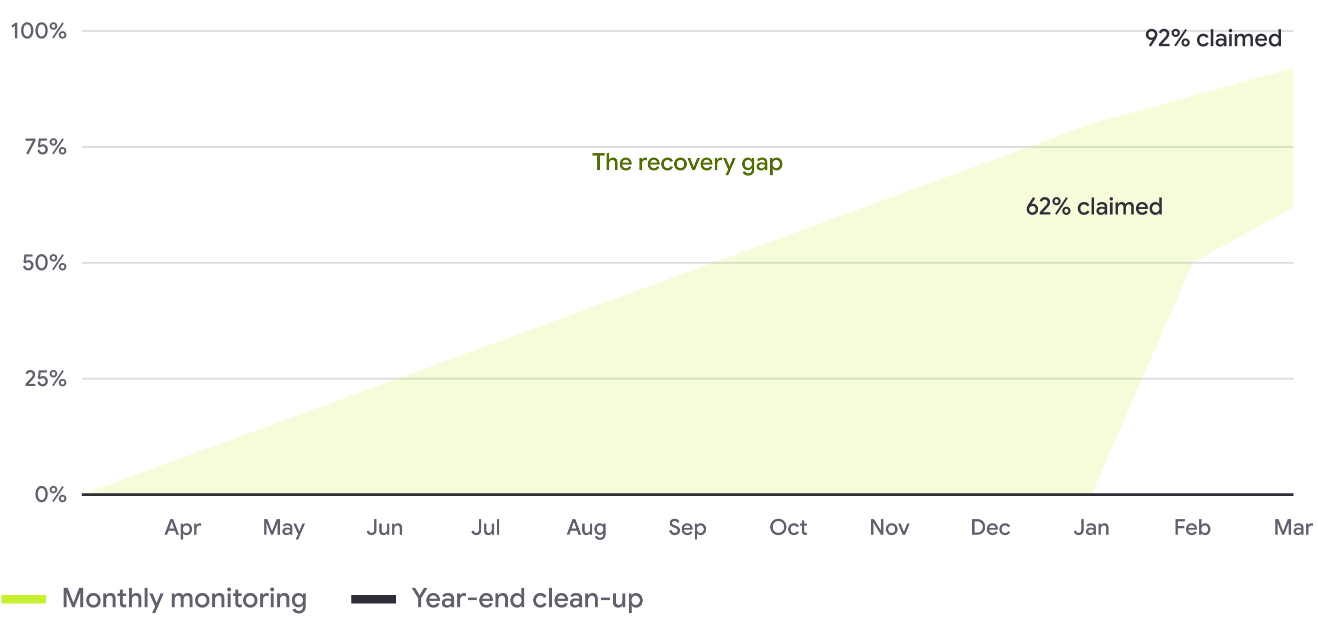
Why year-end clean-ups miss it

Most companies look at airline credit once a year, close to the deadline. By then, invoices are harder to get corrected, airlines have closed periods, and some tickets have fallen outside the time limit. The clean-up recovers some credit, but late and incompletely.

Exhibit 5

Monthly monitoring recovers more, and sooner

Cumulative share of eligible credit claimed through the year.



Illustrative model, not client data.

Moving from an annual exercise to monthly monitoring changes the result in two ways: credit is claimed in the right period, and problems are fixed while airlines can still correct them.

Five actions for CFOs

01 **Put a number on it**

Measure credit claimed against credit available, by GSTIN and airline. Most companies have never seen this number.

02 **Fix the GSTIN at booking**

Make the company GSTIN mandatory in every booking channel. It prevents the largest single source of loss.

03 **Collect directly from airlines**

Don't rely on agency reports. Pull invoices from airline portals for every registration.

04 **Match every month**

Reconcile invoices to GSTR-2B monthly, and follow up with airlines while corrections are still possible.

05 **Give it an owner**

Recovery fails when it belongs to everyone. Assign it, inside the team or to a specialist firm, and measure the result.

Methodology and sources

How we sized the pool

Corporate air spend is estimated from industry data on corporate travel and domestic traffic. Claimable credit applies the share of fare that attracts GST, a range of cabin mixes at 5% and 18%, and an allowance for travel that is not eligible. Ranges are rounded.

Sources

- Deloitte, corporate travel in India: $10.6bn (2023), $20.8bn (FY2030)

- Domestic air traffic, FY2026: 1,677.4 lakh passengers (+1.4%)
- ICRA, outlook on Indian aviation revised to negative, March 2026
- GST rates on air travel effective 22 September 2025
- TraCarta client work, 2018–2026, for leakage patterns

[Add full citations and links before publishing.]

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With contributions from the Airline ITC Recovery practice. Contact: hello@tracarta.com

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General information only, not tax advice.