Reviews and Letters in Social Sciences

Gold Jewellery in India

Making Charges and Wastage: A Customer's Narrative Review

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ARTICLE INFO | Prepared 19th October 2026, www.esrapublications.com | Edited & Published 28th October 2026

In short. Making charges and wastage are legal and common, but the way they are quoted is often opaque. Most are a percentage of gold value, so the rupee amount rises whenever gold rises, though a Goldsmith's labour has not become dozens of times costlier. Official export norms allow far less wastage than many shops charge. Shops differ widely, so compare the full invoice, not the headline rate. This review explains the evidence; it does not claim every jeweller cheats.

1. A Short History

Before independence, gold prices stayed fairly steady under the gold standard; after 1947 they began rising with India's changing economy [3]. In 1964 gold cost about ₹63 per 10 g [1]. The government tightened control through the Gold Control Act of 1968, which stopped citizens from owning gold as bars and coins [4]. Controls pushed demand into smuggling [5]. The Act was repealed on 6 June 1990, and imports were allowed on a duty of ₹250 per 10 g [4]; official imports went from almost nothing in 1991 to over 110 tonnes in 1992 [6].

The next big change for customers was **mandatory hallmarking** in phases. It came into force in June 2021 (16 June per a government consumer-education page [27]; enforcement in 256 districts from 23 June per press reports [25]) and widened from 1 June 2022 to 20, 23 and 24 carat gold [25]. Every piece carries the BIS logo, purity and a six-digit HUID code, and only BIS-registered jewellers may sell it [7,24]. Hallmarking settled the question of *purity*. It did not regulate making charges or wastage, which remain a commercial negotiation. One commentary reports that in May 2026 import duty on gold rose from 6% to 15% [8]; because this is an opinion article, readers should verify it.

2. How Gold Prices Grew

Figure 1 shows 24-carat gold on a log scale so early years remain visible; Figure 2 shows the same data on a linear scale, where the recent surge dominates. From ₹63 to about ₹1.49 lakh per 10 g is roughly 2,300 times in 62 years [1,9]. Rupee depreciation, global demand and safe-haven buying drove much of the rise [2]. Sources differ slightly by year.

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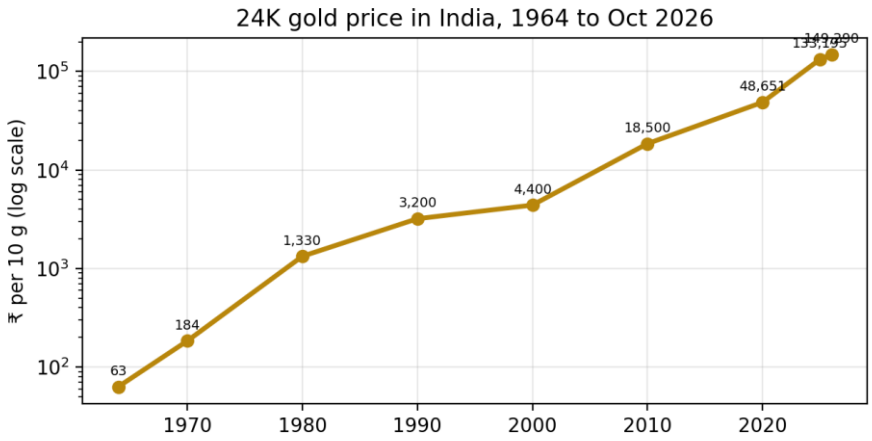


Figure 1. *24K gold, ₹ per 10 g, log scale. Sources: [1] 1964–2020; [2] end-2025; [9] 13 Oct 2026.*

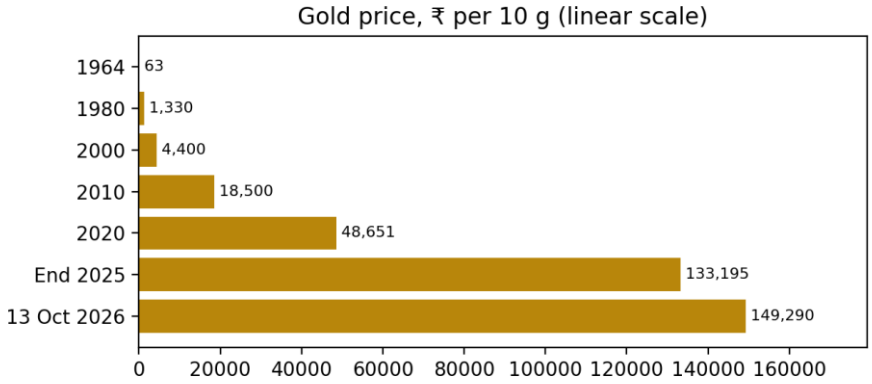


Figure 2. *The same prices on a linear scale.*

3. Making Charges: Why "Percentage" is the Problem

The making charge is the fee for converting gold into jewellery. It may be a percentage of gold value, a fixed amount, or a per-gram rate, and handmade work usually costs more than machine-made [10]. Quoted ranges are wide: 3% to 25% [11], with one major brand stating that its making charges start from 7% [12]. About 5–12% is described as reasonable for plain machine-made pieces [13] (a commercial site, not an official norm).

The proportionality gap. Take the same 10 g of 22K jewellery with a fixed 12% making charge. Using 22K average prices [2] and the 13 October 2026 rate of ₹13,685 per gram [9], the charge rose from about ₹484 in 2000 to about ₹16,422 now (author's calculation). That is roughly 34 times, purely because gold rose. A goldsmith's labour almost certainly did not grow 34 times, although no verified labour-cost index was found, so this is reasoning, not proof. A flat per-gram making fee would track real labour cost far better, and it is the fairest question to ask a jeweller.

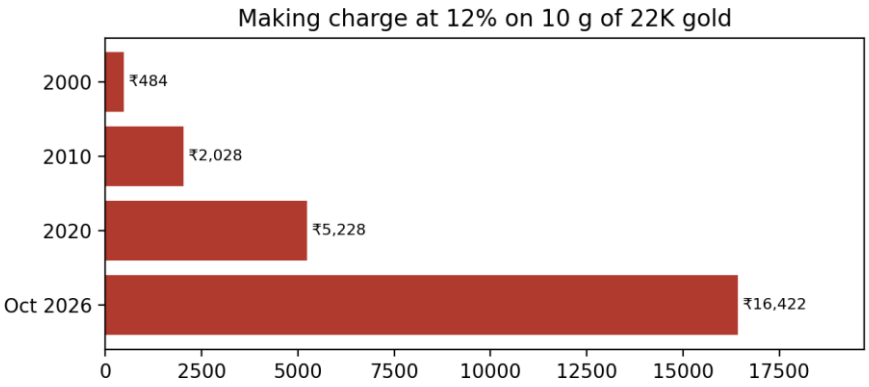


Figure 3. *Making charge at 12% on 10 g of 22K gold (calculation from* [2] *and* [9]).

4. Wastage: What is Real, What is Charged

Wastage is gold lost as filings and dust during manufacture. Traditionally, handwork lost more [14]. Modern machine work loses much less, and goldsmiths collect or retrieve most of the dust [15]. The best official benchmark found is the set of government export norms, which allow wastage of 2.25% for handcrafted plain gold jewellery and 0.90% for mechanised jewellery [16]. These come from DGFT Public Notice 45/2024-25 (4 February 2025), which superseded an earlier notice; the jewellery export council says it surveyed 160 exporters and manufacturers before the limits were settled [16][23]. One jeweller states that genuine loss in a well-run workshop is 0.5–2% [17]. Yet CaratLane's manufacturing head says wastage charges at traditional jewellers typically vary from 3% to 35% [15].

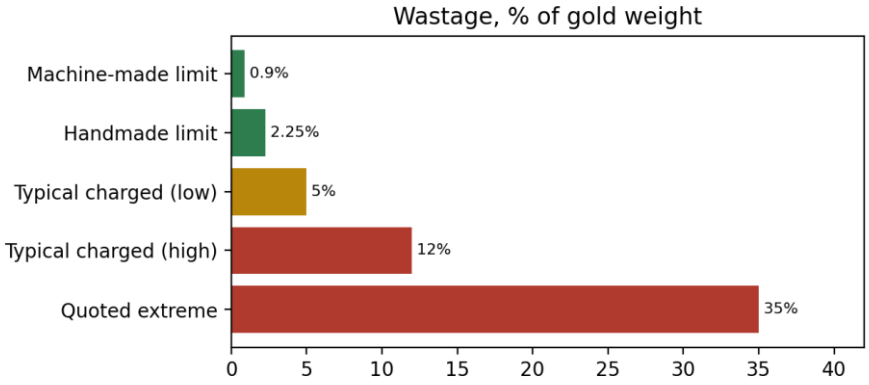


Figure 4. Wastage limits [16] *against charged ranges* [15], [17] *and* [18].

The comparison is imperfect: export norms govern manufacturers, not retail pricing, and recovered scrap offsets real loss. Even so, a wastage line of 10–15% on a machine-made chain is difficult to justify as material loss and is better read as extra margin. Wastage is also often shifted between the "wastage" and "making" lines, so compare the combined figure [18].

5. Worked Bill Example (Calculator Method)

The interactive calculator on the online version applies the steps below. Gold value is net weight × rate; wastage is a percentage of weight (priced at the gold rate); making is added; GST of 3% applies to the total of these, which is the CBEC/CBIC FAQ position whether or not making is shown separately [22][28]; some commercial sources instead report 5% on separately billed making charges [29], so the shop's basis should be asked; the hallmarking fee, ₹75 per article since 14 September 2026 (raised from

₹45; paid by jewellers per article, not by weight, and passed on at the shop's discretion), is added [26]. The benchmark column replaces the shop's wastage with the government export norm [16] and leaves the making charge unchanged, since no official limit exists for it.

Example: 10 g, 22K, rate ₹13,685 per gram, making 12%, shop wastage 8%, handcrafted plain benchmark 2.25%.

Line	Shop bill	At benchmark
Gold value (10 g × ₹13,685)	₹1,36,850	₹1,36,850
Wastage (8% *vs* 2.25%)	₹10,948	₹3,079
Making charge (12%)	₹16,422	₹16,422
Hallmark fee	₹75	₹75
GST at 3%	₹4,927	₹4,691
Total payable	**₹1,69,222**	**₹1,61,117**

Result: wastage above the benchmark adds about ₹8,105 including GST. Ask the jeweller to justify or waive it. Indicative only; real bills vary.

6. Customer Checklist

1. **Ask for an itemised bill**: net weight, purity, rate per gram, making, wastage, hallmark fee and GST [18]. Standard pricing is gold value plus making, hallmark fee (₹75 per article from 14 Sep 2026) [26] and 3% GST on the total (the CBEC/CBIC FAQ position) [22,28]. If a shop adds 5% on a separately billed making charge, ask for the legal basis, because some commercial sources report that practice [29]. BIS says the bill should carry the hallmarked-article details for any complaint [24].
2. **Prefer "no wastage" or a flat per-gram making charge**, and compare shops on total invoice value [18].
3. **Check the BIS logo, carat and HUID**; verify the HUID with "Verify HUID" in the BIS Care app [24].
4. **Remember that making and wastage are not recovered on resale** [13]; ask about buyback deductions in writing [18].
5. **For investment, consider coins**, which carry far lower charges (as low as 3% at one brand) [12].
6. **Report misleading hallmarks or billing** to BIS [21]. Unhallmarked pieces can be tested at a BIS centre (₹200 for up to 4 articles) [25].

7. Balanced Conclusion

Hallmarking has made purity trustworthy [7,21]. The remaining unfairness is mostly about price opacity: percentage charges that balloon with gold, and wastage quoted well above what official norms

and modern machines suggest. Some jewellers already bill with no separate wastage and clear itemisation [12,17]. Informed customers can push the market in that direction.

Limits: *No official cap on retail making or wastage charges, no verified goldsmith-wage index, and no official survey of how many customers are overcharged were found. Most retail price ranges come from commercial blogs, which may have a sales interest and price data differ by a few percent across sources. Prices change daily; verify with your jeweller. This document is not legal or financial advice.*

Declarations

Article Title: *Gold Jewelry in India: Making Charges and Wastage: A Customer's Narrative Review*

Conflict of Interest

The author declares that there is no conflict of interest associated with this manuscript. The author has no financial, commercial or personal relationships that could have inappropriately influenced the preparation or presentation of this review.

Funding Statement

No specific grant, financial assistance or external funding was received from any public, commercial, or not-for-profit funding agency for the preparation of this review.

Ethical Approval

Ethical approval was not required for this narrative review because it is based on general consumer information, published literature and publicly available information concerning gold jewelry pricing practices in India. No human participants, personal records or confidential customer information were involved.

Informed Consent

Not applicable. This article does not involve human participants or identifiable personal data.

Data Availability Statement

No new experimental datasets were generated or analyzed for this review. The discussion is based on publicly available information, relevant literature and general consumer-oriented analysis. **Use of Artificial Intelligence (AI) Tools**

Artificial intelligence (AI)-assisted tools were used to support the organization, development, language refinement and presentation of the manuscript. The author is responsible for reviewing and verifying the content, ensuring the accuracy of factual statements and calculations, checking the reliability of cited sources, and maintaining the ethical integrity of the final manuscript. AI tools are not listed as authors and do not bear responsibility for the published work.

Author Contributions

The author was responsible for the conceptualization, development, review, interpretation and final approval of the manuscript, with AI-assisted support for organization and presentation where applicable.

Author Note

This narrative review examines the consumer perspective on gold jewelry purchases in India, with particular emphasis on making charges, wastage charges, gold purity, hallmarking, pricing transparency and the factors that influence the final price paid by customers. It aims to improve consumer awareness and support informed purchasing decisions by explaining how different jewelry pricing practices can affect the overall cost and value of a purchase.

AI-assisted tools were used in preparing and refining the manuscript. The article is intended for general educational and consumer-awareness purposes and does not constitute personalized financial, investment or legal advice.

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