Tracking the Luminous Journey of Indian Art (2001–2025)

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Highlights

- IAIAI hit a record high during 2025 Q3, with a Y-o-Y return of 35%
- Q3 prices, in general, have been marked by seasonal peaks
- Average Y-o-Y return over one and two decades are 7.5% and 14% respectively
- 10-Year and 5-Year CAGR are 11% and 18% respectively

Background

This report forms part of a larger series that uses data on auction prices of the artworks of 25 leading Indian artists released every quarter by IIM-Ahmedabad in collaboration with Aura Art Development Pvt Ltd. A purpose of IAIAI is to accurately measure modern art (painting) price movements over time.

For much of the twentieth century, the global art market was difficult to analyze. Irregular sales, diverse artworks, and limited transparency made it hard for financial analysts to treat art as a measurable asset. Early studies even described art prices as volatile and unpredictable (Baumol, 1986). Over time, seminal works such as Mei and Moses (2002), and Beggs & Graddy (2009), demonstrated that art can be evaluated with a level of analytical consistency comparable to other alternative investments. For our analysis, we have relied on a hedonic pricing model, which, so far, has been around 80% accurate in its prediction of prices.

In this report, we have used data for the period 2001-2025 (Q3), which concerns 25 top Indian artists based on 12,195 auctioned artworks. "Cumulative" refers to the analysis of the complete data (2001-2025 Q3). The analysis on the latest batch (quarter) of data is the "marginal" analysis. Comparing these two gives us a sense of how the recent trends are shifting from a long-term pattern. Most factors included in our pricing models are statistically significant. In other words, their impact on prices is not just a random observation.

IAIAI Index Performance

The year 2025 witnessed a strengthening of the Indian fine art market, with the inclusion of several important transactions. M.F. Husain's *Gram Yatra* achieved ₹118 crore at Christies in March 2025[3], followed by Tyeb Mehta's *Trussed Bull*, which sold for ₹61.8 crore at Saffronart in early April. Later in the year[4], V.S. Gaitonde's 1970 untitled abstract canvas realised ₹67.08 crore[5], and F.N. Souza's *Houses in Hampstead* sold for ₹66.9 crore in October 2025[6].

In 2025 Q3, the Indian art market recorded 223 sales worth ₹724.02 crore across leading auction houses included in our index: Astaguru, Christies, Pundoles, Saffronart, Sothebys, and StoryLTD. The IAIAI index values rose from 3,084 in 2025 Q1 to 4,079 in 2025 Q2, before reaching 5,655 in 2025 Q3.
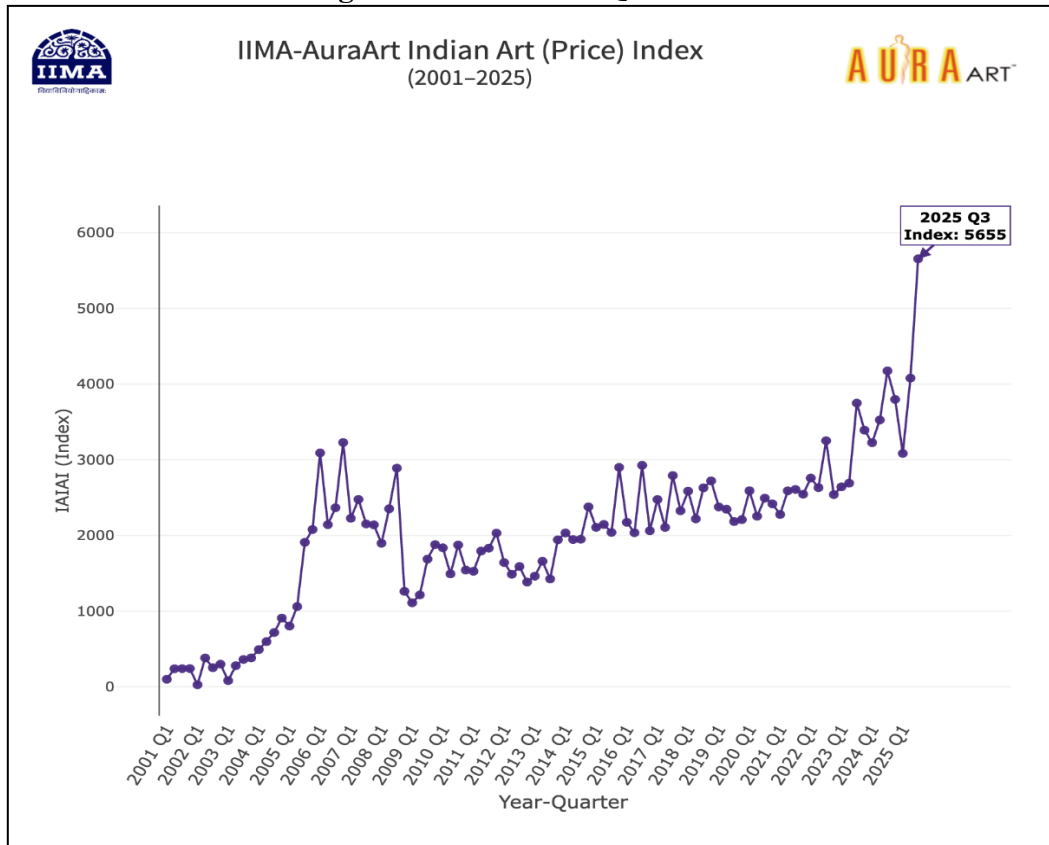
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[3] https://www.ndtv.com/world-news/mf-husain-painting-untitled-gram-yatra-sells-for-13-8-million-becomes-most-expensive-modern-indian-art-7967422

[4] https://indianexpress.com/article/lifestyle/art-and-culture/tyeb-mehta-trussed-bull-sold-for-61-8-crore-second-most-expensive-work-indian-art-auction-9921863/

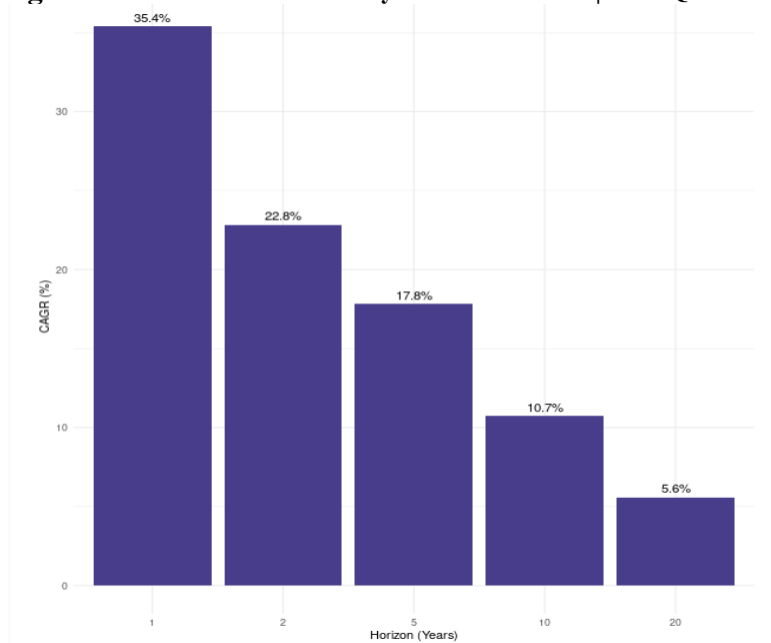[5] https://indianexpress.com/article/news-today/gaitonde-canvas-expensive-indian-artwork-10277038/

[6] https://timesofindia.indiatimes.com/city/goa/another-milestone-for-indian-art-as-saligaos-son-souza-sets-new-record/articleshow/124264990.cms

Figure 1. IAIAI 2025 Q3 Release

Source: Authors

**Figure 2. CAGR of Art Prices by Masters in India | 2025 Q3 Closing**

Source: Authors

A Look at the Most-Auctioned Artists Over 25 Years

Cumulatively, M.F. Husain with 1,523 lots[7] and F.N. Souza with 1,503 lots top the list, together contributing approximately one-quarter of all recorded lots (**Figure 3**). They are followed by Jamini Roy with 1,054 lots, S.H. Raza with 977 lots, and Ram Kumar with 830 lots. Taken together, these five artists represent almost 48% of the dataset, highlighting their sustained presence in auction catalogues and their importance to market turnover.

Across the IAIAI's dataset of 12,195 auctioned artworks, patterns in artwork volume differ significantly from patterns in price. The contrast becomes clearer when volume is compared with value (**Figure 4**).

Figure 3. Artwork Counts for Top 25 Artists Over Time
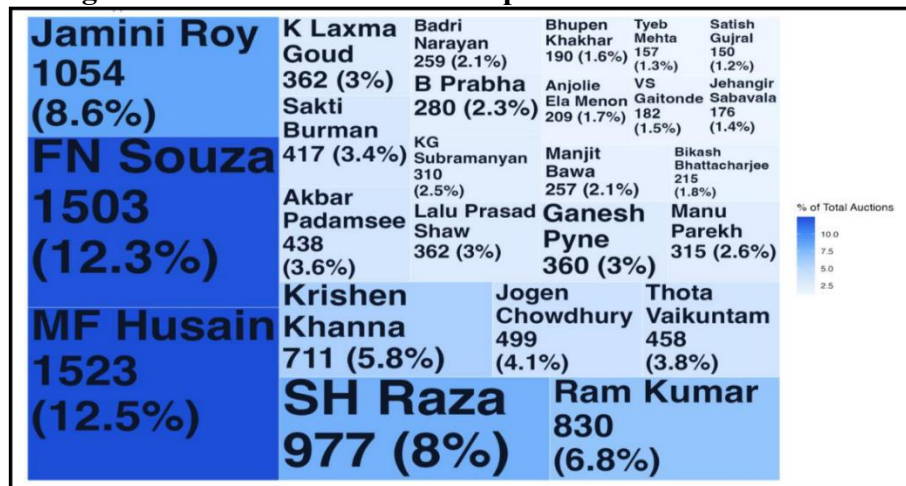
Source: Authors. Data spans 2001 Q1 through 2025 Q3.

The two highest-valued artists in the IAIAI's hedonic model, V.S. Gaitonde with 182 lots, and Tyeb Mehta with 157 lots, have mere 1.49% and 1.29% share respectively among the total auctioned artworks. Their works are relatively scarce, often tightly held and released into the market only occasionally.

Figure 4. Top 5 Expensive Art Pieces - 2025 Q3
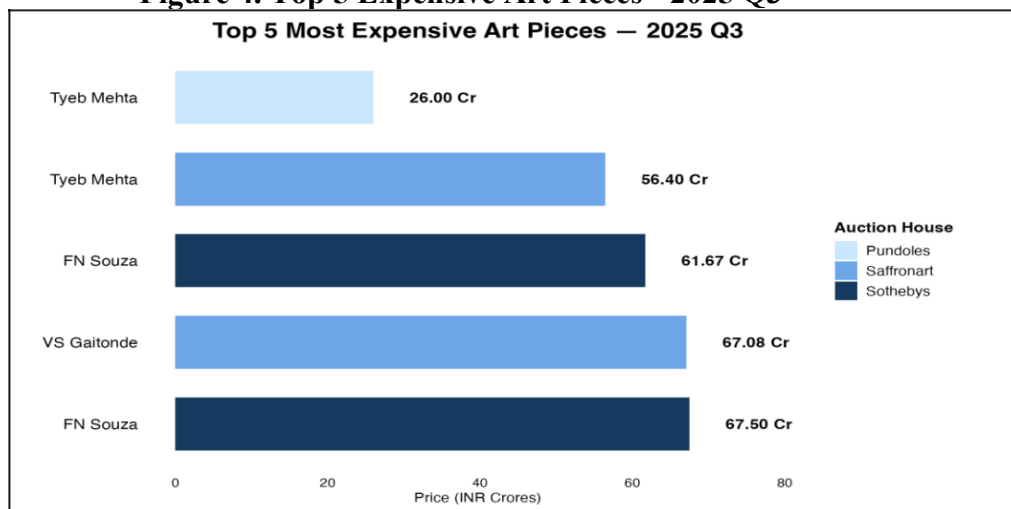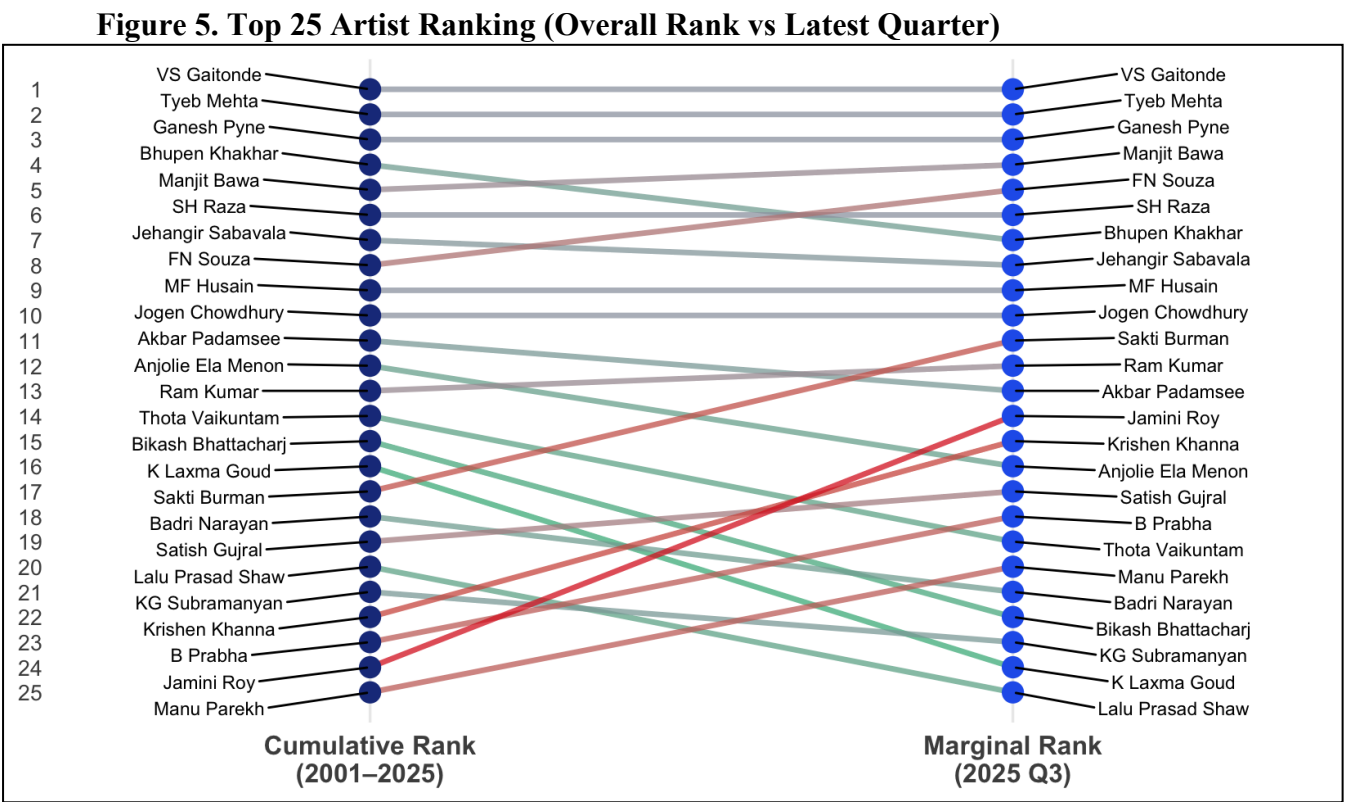

Source: Authors. Data spans 2001 Q1 through 2025 Q3.

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[7] A "lot" refers to a single unit offered for sale at an auction. It may consist of one artwork, or, in some cases, a grouped set of works sold together under one catalogue number.

Shift in Artist Rankings Over Time

We base artist ranking on the price premium paid by the market (**Figure 5**). These rankings are independent of other attributes of art pieces that may also lead to price differentials. In other words, it compares the price premium between artists if they, otherwise, produce art of a constant quality (e.g., size, medium, base, etc). In 2025 Q3, the marginal artist rankings generated by the IAIAI hedonic model continue to align closely with the long-term hierarchy observed across 2001-2025. V.S. Gaitonde, Tyeb Mehta, and Ganesh Pyne remain consistently positioned at the top. The latest-quarter results show notable upward movement for Manjit Bawa and F.N. Souza.

Figure 5. Top 25 Artist Ranking (Overall Rank vs Latest Quarter)

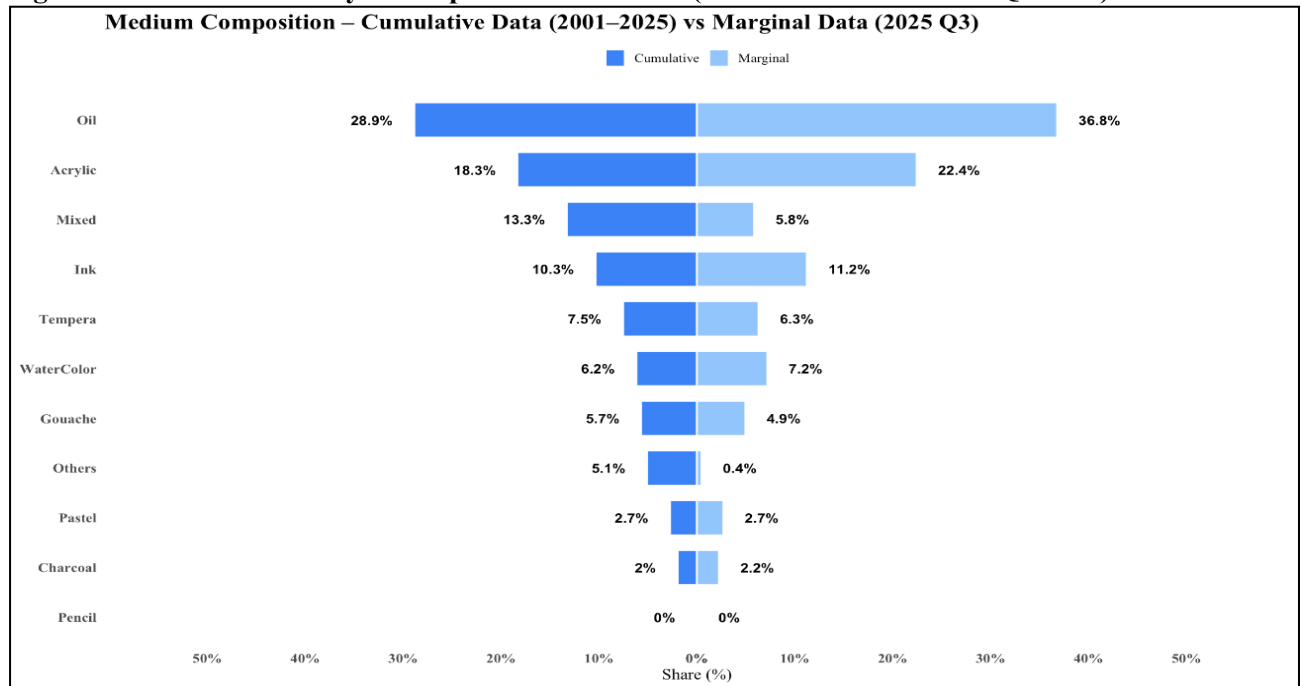*Source:* Authors. Data spans 2001 Q1 through 2025 Q3.

Trends in Art Medium Composition Over Time

A comparison of cumulative medium patterns (2001-2025) with the marginal picture for 2025 Q3 shows how the market's material choices have shifted over time (**Figure 6**). In the cumulative sample, Oil holds the largest share at 28.9%, and Acrylic, with 18.3% retains a strong position as well. The most visible movement appears in Mixed Media. Its cumulative share is substantial, but the marginal data shows an even sharper rise, adding 7.5 percentage points. This suggests that mixed-material works are becoming increasingly prominent. Several smaller mediums like Gouache, Tempera, Pastel, Charcoal, and Pencil show modest cumulative shares but gain slightly more presence in the marginal data. While these categories remain small, the marginal uptick reflects a broader spread of artistic materials in recent auctions.

IAIAI Framework

The IAIAI uses a hedonic pricing framework by controlling for artwork-specific attributes such as artist identity, medium, size, period of creation, and other measurable characteristics. By doing so, the model isolates price movements independent of variations in the types of artworks entering the market (Das & Sethi, 2022). This enables the Art Price Index to function as a Constant-Quality Art Price Index, capturing underlying value trends rather than shifts in quality composition.

Figure 6. Art Media used by the Top 25 Indian Artists (Overall Rank vs Latest Quarter)

Medium Composition – Cumulative Data (2001–2025) vs Marginal Data (2025 Q3)

Medium	Cumulative	Marginal
Oil	28.9%	36.8%
Acrylic	18.3%	22.4%
Mixed	13.3%	5.8%
Ink	10.3%	11.2%
Tempera	7.5%	6.3%
WaterColor	6.2%	7.2%
Gouache	5.7%	4.9%
Others	5.1%	0.4%
Pastel	2.7%	2.7%
Charcoal	2%	2.2%
Pencil	0%	0%

Source: Authors. Data spans 2001 Q1 through 2025 Q3.

IAIAI Application

The IAIAI captures the long-term price appreciation of Indian fine art created by the top 25 prolific artists, offering a broad perspective on how asset values have evolved. Most artworks do not generate income streams and rely entirely on capital gains for financial returns. IAIAI features an annual (average Y-o-Y) return of 14% during the past two decades.

In this regard, the IAIAI can serve as a practical proxy for the discount rate in art valuation exercises, especially when estimating the opportunity cost of holding art in the Indian context. The intent behind developing the Art Index is to empower artists by enabling them to compare the appreciation of their artworks against broader market trends. Artists can use it to assess the economic value of their pieces relative to top performers, fostering more informed and transparent pricing within the community.

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