

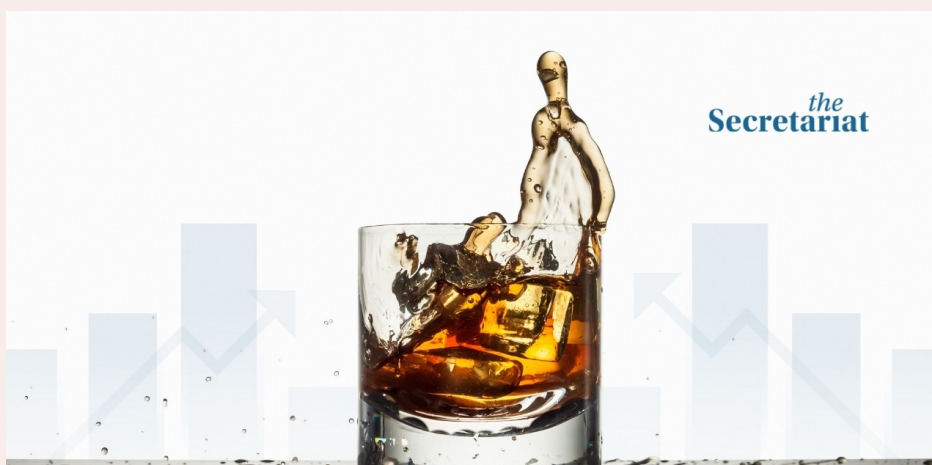
To Raise A Toast Or Not: Why India's Paradoxical Liquor Policy Is Leading To Confusion

Lacking a uniform policy, India's alcohol habits walk a clumsy gait. While some states set the legal age to take the first sip as high as 25 years, dry state Gujarat allows alcohol sales in GIFT City to boost revenue. But where do other states stand?



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“**T**o do or not to do”—that is the moot question Indian policymakers face when it comes to framing policies related to alcohol. While alcohol consumption in the country is considered a taboo and often attached with social stigma, about 24 per cent of Indians enjoy their drink.

States and other regulatory authorities have been trying to put several restrictions around alcohol drinking—not only is it hazardous for health, but in India, it often affects the social and family dynamics.

The result? Legal age for drinking alcohol varies from state to state, spanning from 18-25 years.

There is a catch. States that allow drinking of alcohol are forced to take the moral route to ensure drinking is not encouraged, they are also cautious of not losing the moolah a “nice drink” brings along.

After all, prior to 2017, when marathon meetings were held under late Finance Minister Arun Jaitley on goods and services tax (GST) guidelines, the state governments were adamant not to allow inclusion of alcohol under the one nation one tax frame. The idea was simple—not to lose a sizeable revenue chunk they earn in the form of excise duty from the sale of alcohol.

The excise duties earned from alcohol and petroleum are among the most critical revenue sources for state governments. While revenue earned by states

through the sale of alcohol varies, on average, the all-India share of excise duty on account of liquor policy was a tad less than 14 per cent in 2024-25.

Not just that. Allowing alcohol consumption is also linked to tourism and investments, mainly foreign, as it is directly related to ease of living.

Small wonder, Gujarat, despite being a dry state, has allowed consumption of alcohol at its marquee GIFT City. In Bihar, which is going to the polls in November, lifting of prohibition has become a key agenda on which the election is being fought. The state banned alcohol consumption in 2016.

Clearly, varying liquor laws in Indian states are teetering between ancient ideals and modern realities. But this is leading to confusion and illegal activities.

When Are You Legally Old Enough For Your First Drink?

While an Indian adult touching 18 years of age is eligible to cast their vote, and legally women can marry at that age and men at 21, regulatory norms related to alcohol drinking are rather complex.

The legal drinking age in the national capital is 25 years, and there have been repeated demands for lowering of this age during the earlier tenures of Sheila Dikshit-led Congress government and Arvind Kejriwal-led Aam Aadmi Party government.

Several states and union territories like Delhi, Punjab, Haryana, Chandigarh, Meghalaya, and Maharashtra (for hard liquor) impose the alcohol

consumption age to 25 years.

As many as 19 states and union territories permit alcohol consumption from the age of 21. Another seven, including Himachal Pradesh, Rajasthan, and Sikkim, legalise drinking at the age of 18 years. States that do not allow the consumption of alcohol are Gujarat, Bihar, Nagaland, Lakshadweep, and parts of Manipur.

Despite this, a survey by the Community Against Drunken Driving (CADD) in Delhi revealed that alcohol consumption begins alarmingly early. Around 17 per cent of respondents had their first drink between the ages of 13-15, and over 37 per cent began drinking by 18.

An executive of a top liquor company, on condition of anonymity, said that the current excise laws of several states are “archaic”, and the country should have a uniform policy for all states and Union Territories. The issue has come into focus once again as the Delhi Government is likely to announce its new liquor policy next month.

“The Central Government has no legislative jurisdiction over alcohol, and no Central ministry. At best, they can intervene only through an advisory role. In its absence, we have to take it up with the State Governments with an elevated drinking age to bring it down to 18 years or 21 years,” stated Vinod Giri, the Director General of Brewers Association of India.

According to [data portal Statista](#), about 12 billion litres of alcoholic beverages were consumed in the

country in 2024.

Alcobeve Makers In India

Even as confusion over alcohol drinking continues, Made In India liquor brands are now making a mark—be it in whiskey, gin, or even wines.

In fact, alcohol beverage-makers are set for another spirited year. As per CRISIL, revenue is forecast to rise 8–10 per cent to Rs. 5.3 lakh crore in FY26, powered by a steady demand and a 13 per cent compound annual growth rate (CAGR) over the course of three fiscal years.

Another [study conducted by Markets and Data](#) noted that states have complete control over the alcohol beverage supply chain, from production and distribution through registration and retail, through their excise regulations. “These policies undergo frequent and sporadic modifications, which causes uncertainty and makes it difficult for manufacturers and distillers to plan their investments,” the study said.

With states setting their own rules and revenues on the line, a uniform policy is overdue. Consistency on a national level is essential for clarity, compliance, and a more balanced economic spirit. And until this is resolved, India’s drinking habits will continue to face an incessant hangover.

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