

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA
UNSTARRED QUESTION NO. 2305
TO BE ANSWERED ON MONDAY, 01st AUGUST 2022
SRĀVANA 10, 1944 (SAKA)

Tax on Cannabis

2305. SHRI K. MURALEEDHARAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any plan to legalise cannabis and tax it like alcohol and tobacco as after all, India earned a whopping Rs. 1.75 lakh crore in 2019-20 from taxes on alcohol and Indian exchequer collects more than Rs. 53,000 crore each year from tobacco products; and
- (b) if so, the details thereof and if not, the reasons therefor?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHOUDHARY)**

- (a) There are currently no such plans to legalize and tax cannabis as alcohol and tobacco for recreational purposes
- (b) Considering the potential of drug abuse and dependence disorder cannabis has been scheduled as the narcotic drug under the international drug convention namely UN Single Convention on Narcotic Drugs 1961. India is party to the said convention that prohibits the use of Cannabis for recreational purpose. Consequently, Cannabis is defined as narcotic drug under Narcotic Drugs and Psychotropic Substances Act 1985, which prohibits its operation except for medical or scientific purposes. As per the latest survey report namely Magnitude of Substance Use in India, 2019, Cannabis is one of the most commonly abused substances in India. About 2.8% of the population (3.1 crore individuals) have been reported for abusing any cannabis product and about 0.25% (one in eleven cannabis users) suffer from cannabis dependence.