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Two Indian Liquor Makers Sue Food Regulator Over Flavoring Rules

The cases challenge FSSAI’s position that spirits using added rum or whisky flavoring cannot be sold simply as rum or whisky.

Thursday, August 6, 2026



Two Indian liquor makers have gone to court against the country’s food regulator in a dispute over how rum and whisky can be flavored and labeled, widening a regulatory fight that could force some products to be reformulated or sold under different names.

United Spirits, the Diageo-controlled spirits company, filed a writ petition in the Bombay High Court on Aug. 1 challenging an order from the Food Safety and Standards Authority of India, or FSSAI, tied to McDowell's No. 1 Rum made at its Baramati plant. Associated Alcohol & Breweries filed a separate challenge on July 31 in the Madhya Pradesh High Court over a notice affecting Central Province Whisky and contract manufacturing of McDowell's No. 1 Celebration Matured XXX Rum, according to reports published Aug. 5 by Economic Times-PTI and The Times of India.

The cases do not amount to court rulings, and no judgment has been issued on the underlying regulatory question. The immediate dispute is over whether producers may add flavors that reproduce the standard taste and aroma of the spirit itself, such as rum flavor in rum or whisky flavor in whisky, and still sell the product as rum or whisky under Indian food rules.

In a regulatory filing, United Spirits said it had challenged FSSAI's June 29 order concerning the sale of one product made at its Baramati unit. The company said the regulator's objection was based on labeling and that, after taking legal advice, it believes the declarations on the labels comply with India's current legal and regulatory framework and reflect long-standing industry practice.

United Spirits also said the order had not, so far, caused any material operational or financial impact. The company did not disclose sales, inventory or production volumes affected by the case.

Associated Alcohol & Breweries' petition was filed before the Madhya Pradesh High Court after the regulator issued its notice. According to the published reports, the case was scheduled for a hearing before the Indore bench.

The litigation follows a broader enforcement move by FSSAI against alcohol makers. On July 10, the regulator said it had issued notices to alcoholic beverage manufacturers for alleged violations of the Food Safety and Standards (Alcoholic Beverages) Regulations, 2018, including what it described as the unauthorized use of added flavors and non-compliance with age-related claims. At that stage, the regulator did not publicly identify the companies or plants involved.

FSSAI later clarified its position and named several units. It said a notice had been issued to United Spirits' Baramati plant, which makes McDowell's No. 1 Rum. It also named a United Spirits plant in Madhya Pradesh that produces Antiquity Blue Whisky and Royal Challenge Whisky, as well as an INBREW Beverages unit in Madhya Pradesh for Bagpiper Deluxe Whisky and Old Cask Deluxe XXX Rum. Associated Alcohol & Breweries was identified in connection with Central Province Whisky and its contract manufacturing of McDowell's No. 1 Celebration Matured XXX Rum.

The regulator has said there is no general ban on flavoring substances in alcoholic beverages. Its position, however, is that manufacturers cannot add the flavor of the standardized beverage itself and continue to market the product as if its character came naturally from the production process. In public statements, FSSAI said the taste and aroma of rum and whisky should come from the ingredients used and from fermentation, distillation and aging.

According to the regulator, inspections found cases in which neutral alcohol with little inherent character was used and flavoring agents were then added to reproduce the expected profile of rum or whisky. FSSAI said products made that way should instead be labeled as "rum-flavored spirit" or "whisky-flavored spirit," rather than sold simply as rum or whisky. It also said the products tested had been classified as "substandard" under the Food Safety and Standards Act.

That interpretation matters in a market where established brands rely on familiar labels and category names. If the regulator's reading of the rules is upheld, some products now sold as rum or whisky could face changes in formulation, label language or both. That could affect how producers position lower-priced and mass-market spirits, including products made through contract manufacturing arrangements.

For United Spirits, the court filing adds a legal front to a regulatory issue that has already drawn attention because of the company's size in India's spirits market and its link to Diageo, the British multinational drinks group. The Baramati case, as described by the company, centers on one product. But the public comments from FSSAI make clear that the regulator sees the issue as broader than a single label.

Associated Alcohol & Breweries' case suggests the dispute is not limited to one producer or one manufacturing site. The company's challenge also points to the complexity of Indian spirits production, where contract manufacturing is common and a single regulatory interpretation can affect both brand owners and outside bottlers.

Industry groups have also entered the discussion. The Confederation of Indian Alcoholic Beverage Companies and the International Spirits & Wines Association of India have taken up the matter with FSSAI, according to the published reports, as manufacturers seek clarity on how the regulations should be applied.

The court challenges now place that debate before two high courts at the same time, one in Mumbai and one in Madhya Pradesh, while the regulator continues to defend its position that flavoring cannot be used to recreate the natural profile of a standardized spirit and still be presented to consumers as ordinary rum or whisky.