vinetur

India’s food regulator says Diageo’s Royal Challenge label misleads whisky buyers.

A confidential notice says a major portion of the blend is non-matured spirit, despite front-label claims of American oak casks.

Tuesday, August 11, 2026



India’s food safety regulator has challenged a key aging claim on Royal Challenge, one of Diageo’s biggest whisky brands in the country, saying the label could mislead consumers because most of the spirit in the bottle had not been matured in wood,

according to a confidential government notice reviewed by Reuters.

The notice, dated July 20, was sent by the Food Safety and Standards Authority of India, or FSSAI, to United Spirits, Diageo's Indian unit. It says the brand's statement that the whisky is "matured in American oak casks" does not match the composition described elsewhere on the product, where grain neutral spirit appears as the second ingredient after demineralized water.

In the regulator's view, that makes the front-label claim misleading. The notice says a "major portion" of the alcohol is non-matured spirit and that the complete alcohol content is not matured in wood casks as the label suggests. It also says that any age or maturation claim for a blended spirit should reflect the youngest spirit used in the mix, not the oldest component.

The dispute goes to the center of how Royal Challenge is presented to drinkers in India. Diageo says the brand sells more than 4.5 million nine-liter cases a year in the country, equal to more than 40.5 million liters. The company describes it as part of the mid-prestige price segment. The source cited for that figure does not specify the year to which the sales volume refers, and no comparable prior figure has been published that would allow a direct measure of the possible commercial effect.

The case is important not only because of Royal Challenge's size, but because the wording under challenge speaks directly to value. In whisky, references to cask maturation often support both pricing and brand positioning. A regulatory objection to that language can raise broader questions about labeling standards, consumer expectations and the way Indian spirits are marketed across states.

The FSSAI has not published the July 20 notice. Reuters reported that it reviewed the document, but the regulator has not publicly detailed how much of the blend it considers matured, how much it considers non-matured, or how many bottles or inventory lots may be affected. The authority also did not respond to Reuters questions on the maturation issue.

United Spirits said it remains committed to quality standards and is in discussions with the regulator over labeling. In a statement to stock exchanges this week, the company said it did not expect financial consequences from the matter and was monitoring developments closely.

The warning on Royal Challenge comes alongside a broader regulatory action that has already affected sales in one of India’s states. The FSSAI said this month that it had prohibited the sale in Madhya Pradesh of Royal Challenge and Antiquity Blue, both linked to Diageo, as well as Bagpiper Deluxe Whisky and Old Cask Deluxe XXX Rum, which are tied to Inbrew. That action was tied to allegations that some products used artificial flavoring, including whisky and rum flavoring substances, instead of relying on proper aging and ingredients. Companies in the sector have said they comply with Indian law.

The July 20 notice adds a second line of regulatory criticism. In addition to questioning the “matured in American oak casks” wording, the notice says the use of the term “Scotch” on the label is vague and does not clearly describe what kind of Scotch component is used in the blend. The agency said the company should state what “Scotch” is being used.

The product label itself appears to be central to the regulator’s case. On the front, Royal Challenge is described as “a rich blend of Indian grain spirit & imported scotches, matured in American oak casks.” On the back, the label lists demineralized water, grain neutral spirit and Scotch, and states that the product contains permitted natural color and added nature-identical whisky flavoring substances.

That contrast appears to be what prompted the regulator’s objection. By the FSSAI’s reading, the ingredient list suggests that the bottle contains a blend in which a significant share of the alcohol has not been matured in oak, even though the front label gives a broader impression of barrel aging. The notice argues that this gap is material because it could affect how a consumer understands the product.

The dispute is unfolding as Indian authorities step up scrutiny of labeling and formulation claims across the food and beverage market. Reuters said the crackdown has reached liquor makers, energy drink companies and food producers as regulators

press for tighter compliance and more exact descriptions on packaging. In the alcohol industry, that pressure comes in a market worth about $40 billion and governed by a mix of national standards and state-level controls.

India’s spirits market is also unusually fragmented because every state sets its own rules on distribution, pricing and retail. That means a regulatory challenge in one part of the country can be narrow in immediate effect but wider in significance for branding and compliance. In Uttar Pradesh, for example, a 375-milliliter bottle of Royal Challenge sells for 360 rupees, or about $3.80 at the exchange rate cited by Reuters. Price points like that help explain why volume brands such as Royal Challenge matter so much to large producers.

So far, the public record remains incomplete. The FSSAI has not said what share of the spirit in Royal Challenge it believes has actually been matured. It has not disclosed whether the issue affects all production or only specific batches. It has not said whether the company will be asked to change the label, reformulate the blend, withdraw inventory, or take some other corrective step. It has also not released a timeline for a final decision.

For Diageo, the immediate task is likely to be regulatory rather than legal or financial. United Spirits has said it is actively engaging with the FSSAI. That response suggests the company is trying to settle the matter through clarification or label changes while avoiding a larger disruption to one of its highest-volume brands in India.

For the market, the issue is likely to be watched closely because it touches a common tension in spirits labeling: the difference between a product’s broad marketing story and the exact composition inside the bottle. In Royal Challenge’s case, that tension now sits in a formal notice from the country’s food safety authority, aimed at a brand that sells more than 40.5 million liters a year in one of the world’s largest alcohol markets.