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Indian Inspectors Quarantine 18,000 Diageo Liquor Boxes Over Missing Food-Grade Plastic Mark

Officials said bottles at a United Spirits plant lacked the required recycled PET symbol, freezing stock valued at $1.6 million.

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Indian food safety inspectors have immobilized around 18,000 boxes of Diageo whisky and vodka at a United Spirits plant in Bengaluru, in an action that government documents valued at about $1.6 million when finished product and plastic packaging

material are counted together.

The affected stock was inspected last week at the southern India facility operated by United Spirits, Diageo's listed Indian unit. According to government memorandums cited by Reuters, officials from the Food Safety and Standards Authority of India, or FSSAI, found that certain small plastic bottles used for spirits carried the standard PET symbol but did not display the separate mark required for food-grade recycled PET.

That missing symbol was the basis for the action, the documents said. Indian officials treated the issue as a food safety, labeling and misbranding concern and moved to seize or quarantine the stock in the interest of public health.

Diageo India confirmed that regulators had acted against part of its inventory, but it described the products as being in quarantine rather than permanently seized. In a statement reported by Reuters, United Spirits said some bottles "have been quarantined by authorities until further direction." The company added that the containers had been sourced from a recycler approved by FSSAI and that mandatory testing had been carried out by suppliers. It also said its products were safe for consumption and denied that consumers faced a health risk.

FSSAI did not publish a response or an accessible public statement on the case, and Reuters said the regulator did not answer its questions.

The action centered on plastic bottles of roughly 180 milliliters, a common size in India's spirits market. Large-format Diageo bottles are mostly sold in glass, but smaller packs in plastic are widely used for retail sales in many states, especially in the mass-market whisky segment.

More than six brands were affected, according to the government memorandums. They included DSP Black Deluxe Whisky, VAT 69 blended Scotch whisky and Smirnoff Zesty Lime Triple Distilled Flavoured Vodka. The documents did not specify what share of the $1.6 million total was tied to finished alcoholic beverages and what share reflected packaging material, leaving open how much saleable stock has been directly disrupted.

The Bengaluru case adds a new financial dimension to a wider regulatory offensive by FSSAI against alcohol producers and other consumer goods companies over compliance, ingredient declarations and labeling. In recent days, the agency has also moved against some Diageo whisky brands over how they described maturation and flavoring, part of a broader push that has unsettled India’s $40 billion alcohol industry.

That campaign has reached both international and domestic players in India’s Indian Made Foreign Liquor market, or IMFL, which includes locally produced spirits modeled on global categories such as whisky, rum and vodka. For large producers, the stakes are high because India is one of the world’s biggest spirits markets by volume and one of the most important growth markets for premiumization.

Diageo has often highlighted India as a key long-term market. The company has called it its “consumer market of the decade,” and reported about $3 billion in revenue there in the year through March 2026. Through United Spirits, it is one of the two main foreign-backed forces in the country’s liquor business, alongside Pernod Ricard of France.

The current dispute turns on a technical but important part of India’s packaging rules. PET, or polyethylene terephthalate, is a common plastic used in beverage containers. When recycled PET is used in food and drink packaging, Indian rules require markings that identify the material as recycled and suitable for food contact. Inspectors said the bottles they checked showed only that they were PET bottles, not that they were made from approved food-grade recycled PET.

That distinction matters because regulators use the marking to trace compliance through the packaging supply chain. In the government view, a missing symbol can create doubt about whether the bottle meets food-contact standards, even when a manufacturer says the packaging came from an approved recycler and has passed required tests.

For Diageo, the immediate problem is operational as well as regulatory. A quarantine on nearly 18,000 boxes can hold up supply in a market where small-format bottles are an important route to consumers. It can also create costs tied to storage, compliance reviews, relabeling or repackaging, and possible legal follow-up if authorities decide the

breach goes beyond a documentation problem.

The case also lands at a sensitive time for spirits companies in India. FSSAI has recently challenged how some whiskies describe age, maturation and the use of flavoring. Reuters reported days earlier that the regulator had barred two Diageo whisky brands over what it said were misleading declarations related to maturation and artificial flavoring. The agency also warned the company over claims that one of its leading whiskies was “matured in American oak casks” when, according to the regulator’s position cited by Reuters, most of the product had not actually been matured.

Taken together, the moves suggest that Indian regulators are now examining not only what is inside a bottle but also how the bottle itself is sourced, marked and presented to consumers. That is a broader compliance challenge for the industry because it reaches across product formulation, advertising language, packaging procurement and plant-level controls.

In Bengaluru, the practical next step will depend on what instructions FSSAI issues to United Spirits. Diageo says it is engaging with the regulator and maintaining that its bottles were procured through an authorized recycling chain. Until that process is resolved, the affected cases remain out of circulation at the plant, with no public indication yet of when or under what conditions they could be released.