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India’s Food Regulator Revokes Order on United Spirits Rum at Baramati Plant

The reversal covers McDowell’s No. 1 Celebration Matured XXX Rum, but broader disputes over flavoring and labels remain unresolved.

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India’s food safety regulator has withdrawn an order that had affected sales of one rum made by United Spirits at its Baramati plant in Maharashtra, giving the Diageo-controlled company limited regulatory relief in a dispute over labeling and flavor use.

United Spirits said in a regulatory filing on Wednesday that the Food Safety and Standards Authority of India, or FSSAI, issued an order dated Aug. 17 revoking its earlier June 29 action as it applied to one product manufactured at the Baramati unit. The company said it received the revocation order on Aug. 18 at about 12:40 p.m. local time.

The product covered by the reversal is McDowell’s No. 1 Celebration Matured XXX Rum, according to the company’s filing and earlier statements by the regulator. The company did not disclose any effect on sales, production, or inventories, and the revocation applies only to that product and that plant.

The development narrows, but does not end, a broader regulatory issue that has drawn in several alcohol makers in India. On June 29, FSSAI issued notices to multiple manufacturing units operated by United Spirits, Associated Alcohols and Breweries Ltd., and INBREW Beverages. The regulator raised concerns about the use of added flavors that, in its view, mimic the natural profile of standardized alcoholic drinks.

United Spirits challenged the June 29 order before the Bombay High Court through a writ petition filed on Aug. 1. The company argued that the product labels cited by the regulator complied with India’s legal and regulatory requirements and were in line with long-standing industry practice.

In its latest filing, United Spirits said the revocation followed engagement with the regulator. The company also said its public disclosure came after a delay because it needed more time to verify facts and information with multiple internal stakeholders.

The dispute has centered on how alcoholic beverages are described and whether certain flavoring practices are permitted under India’s food rules. On July 10, FSSAI said it had issued notices to alcohol manufacturers over the alleged unauthorized use of added flavors and over non-compliance involving age-related claims. The regulator later clarified that it was not banning flavoring substances in general. Instead, it said its

concern was the addition of flavors that reproduce or imitate the natural profile of products such as rum in rum or whisky in whisky.

That clarification became an important part of the industry's response, because companies had argued that the regulator's earlier communication created uncertainty for products already in the market. United Spirits, in particular, said the labeling declarations on the affected products were fully compliant.

The Baramati facility had been specifically identified by FSSAI in earlier statements. That plant manufactures McDowell's No. 1 Rum. The regulator had also named a United Spirits facility in Madhya Pradesh that produces Antiquity Blue Whisky and Royal Challenge Whisky, along with facilities linked to INBREW Beverages and Associated Alcohols and Breweries.

Those related cases remain part of the broader backdrop. On Aug. 6, the Indore bench of the Madhya Pradesh High Court stayed the FSSAI order against Associated Alcohols and Breweries in a case involving allegations that flavors had been added to mimic a product's natural profile. FSSAI had also identified INBREW products including Bagpiper Deluxe Whisky and Old Cask Deluxe XXX Rum, as well as Central Province Whisky and contract manufacturing of McDowell's No. 1 Celebration Matured XXX Rum at certain facilities.

United Spirits is India's largest spirits maker and is controlled by Britain's Diageo. Any regulatory action involving its large national brands is closely watched by the beverage industry, distributors, and retailers. Even so, the company's latest filing suggests the immediate relief is narrow. It addresses one order, one product, and one manufacturing location, rather than the wider questions raised by the regulator's campaign.

The case also shows the role that courts and direct company-regulator engagement are playing as India's alcohol sector responds to tighter scrutiny. Companies have moved quickly to challenge or seek clarification on notices they say could disrupt long-established product descriptions and formulation practices. Regulators, for their part, have emphasized that the issue is not the general use of flavoring substances, but whether those additives create the impression of a product's inherent character in ways that may conflict with food standards.

For now, United Spirits has secured a reversal on the Baramati order tied to McDowell’s No. 1 Celebration Matured XXX Rum. Beyond that, the company has not provided further detail on whether it expects additional regulatory relief in other cases, or whether the revocation will alter its legal strategy in the Bombay High Court.