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Reports say Suntory is in talks for a stake in Allied Blenders and Distillers

The investment would give the Japanese drinks group a local route into India’s heavily regulated spirits market.

Thursday, October 8, 2026



Suntory Global Spirits is in talks over a stake in Allied Blenders and Distillers, according to market reports cited by trade publication Refine Drinks, in a possible move that would give the Japanese drinks group a locally anchored path into India’s spirits

business.

The talks, first reported on Sept. 28, have not been confirmed by the companies. Refine Drinks said Suntory declined to comment, while Allied Blenders and Distillers, known as ABD, has not confirmed that discussions are taking place.

Even without confirmation, the reported structure of the deal has drawn attention across the drinks industry. What has been described is a stake purchase, not a full acquisition. In India, that is not a minor detail. For many international liquor companies, a minority position in a domestic producer can be a more realistic entry model than an outright takeover.

ABD is one of India's best-known spirits groups and the company behind Officer's Choice, which Refine Drinks described as the world's best-selling whisky by volume. A stake in the company could give Suntory access to local manufacturing capacity, an established distribution network, and a presence in a market that global spirits companies have targeted for years but often found difficult to navigate.

India remains one of the most closely watched growth markets in global spirits. The attraction is clear: a population of about 1.4 billion, a deep whisky-drinking culture, and a middle class that continues to expand. But the market is also known for barriers that make national scale hard to achieve, even for large multinational groups.

Alcohol sales in India are shaped by state-level excise systems, differing local rules, and restrictions that can complicate movement and distribution across state lines. The regulatory structure has also historically favored domestic producers. That creates a patchwork market in which success depends not only on brands and marketing, but also on local production, compliance, pricing approvals, and access to state-by-state distribution channels.

That is why the reported talks between Suntory and ABD matter beyond the companies involved. Across the broader beverage industry, including spirits and other alcohol categories, international groups have increasingly looked at local partnerships as a way to build scale in India. A deal of this kind could reinforce the idea that, in a market with heavy tax, regulatory, and route-to-market barriers, owning a brand is not enough.

Companies may also need a domestic operating base.

Refine Drinks argued that this logic has become clearer over the past decade as foreign drinks companies entered India with high expectations and then faced the realities of the market. In that view, a stake in a local producer is not simply a first step before a takeover. It can be the strategy itself, either because full control is harder to execute or because local alignment offers advantages that a stand-alone foreign operation may not.

For Suntory, the interest would fit a wider industry pattern of trying to deepen exposure to India without taking on all the risk of building from scratch. A local partner can offer immediate reach in manufacturing and distribution, as well as experience in dealing with India’s fragmented state-by-state alcohol systems. It can also help a global group compete at more than one price point, from mass-market products to premium brands.

For ABD, a deal with an international player could bring capital, global brand relationships, and stronger access to premiumization trends that continue to shape the spirits business in India’s cities. But no terms have been made public, and the companies have not said whether the talks will lead to an agreement.

The reported discussions also highlight how India’s market structure continues to shape corporate strategy. In many countries, a major foreign drinks company looking for growth might try to buy control of a local business or rely on imported brands and a third-party distributor. In India, the mix of excise policy, local regulation, and distribution complexity can make those models less effective. A local equity partner with production and sales infrastructure may offer a faster and more durable route.

That matters for investors and competitors because India is too large for global drinks companies to ignore, but too difficult for many of them to approach in a standard way. The market rewards scale, yet scale is often tied to local execution rather than global brand strength alone. If Suntory does move ahead with a stake in ABD, it would be another sign that international spirits groups see partnership, rather than immediate control, as the more practical way to expand there.

For now, the talks remain unconfirmed. Neither company has publicly outlined the size of any possible investment, the valuation under discussion, or whether the structure would include future options to increase ownership.