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# **Navigating India's EPR Mandate for Plastic Packaging: What Every PIBO Needs to Know for FY 2025-26 & Beyond**

A Practical Guide for Producers, Importers, and Brand Owners under the Plastic Waste Management (Amendment) Rules, 2026

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## 01 Executive Summary

The Government of India has formally enacted the **Plastic Waste Management (Amendment) Rules, 2026**, effective March 2026, introducing mandatory recycled content targets and reuse obligations for all Producers, Importers and Brand Owners (PIBOs) operating in India.

FY 2025-26 marks the first compliance year with live obligations and real Environmental Compensation (EC) consequences

**Critical Update:** This is not a future obligation — FY 2025-26 targets are already live. Companies not on track face immediate Environmental Compensation liabilities.

<p><b>40% + Carry Forward rule</b></p> <p>Recycled content usage starting April 1, 2026</p>	<p><b>3 Years</b></p> <p>Carry-forward window for FY25-26 shortfalls; EC penalties applicable for any non-compliance</p>	<p><b>30 June 2026</b></p> <p>Annual return deadline for FY 2025-26</p>
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## 02 What is most important for you to know?

The 2026 amendment to the Plastic Waste Management Rules introduced three significant new obligations. Here is a precise breakdown of what has changed and what is now enforceable.

### 2A. Recycled Content Obligations

Plastic Category	What it covers	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29+
<b>Category I (Rigid)</b>	PET bottles, containers, caps	30%	40%	50%	60%
<b>Category II (Flexible)</b>	Carry bags, pouches, sachets	10%	10%	20%	20%
<b>Category III (MLP)</b>	Multi-layered plastic (e.g. chip packets)	5%	5%	10%	10%

*Note: For Category III, the recycled content % is calculated only on the weight of plastic layers, not the full composite weight.*

## 2B. Reuse Obligations for Rigid (Category I) Packaging

Packaging Sub-type	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29+
Rigid, 0.9L–4.9L	10%	15%	20%	25%
Rigid, ≥4.9L (Drinking Water)	70%	75%	80%	85%
Rigid, ≥4.9L (Other Products)	10%	10%	15%	15%

## 2C. Importer-Specific Rule

Importers cannot count recycled plastic used in imported material towards their obligation. They must purchase certificates from PIBOs who exceeded their targets via the CPCB portal.

## 2D. Carry-Forward Rule

Meeting the current-year target is not enough; previous year shortfalls must be cleared at a minimum rate of one-third per year. This is explained below through an example:

**Scenario:** A company has a 15% shortfall in FY 2025-26. In FY 2026-27, they meet the current obligation but ignore the backlog.

<b>FY 25-26</b>	Target for the year: 30%; Achieved 15% So, <b>Shortfall is 15% for the year</b>
<b>FY 26-27</b>	Requirement: Must fulfil 40% (current) + minimum 5% (backlog from previous year) Implication: If only 40% fulfilled; <b>EC will be levied on the 5% missed backlog from FY25-26</b>
<b>FY 27-28</b>	Requirement: Must fulfil 50% (current) + 5% backlog from FY 25-26 Implication: If only 50% fulfilled; <b>2nd time EC will be levied at 2X rate from the previous financial year</b>
<b>Year 3</b>	Last chance to clear remaining backlog before forfeiture.

**Insight:** Meeting your current year target is **NOT enough** if you have a backlog. The 2026 rules force simultaneous backlog recovery.

## 2D. New Packaging Norms

All plastic packaging must conform to **IS 14534:2023** and bear specific markings for recycled content (FCM-rPET-Packaging logo). Food-contact packaging requires FSSAI compliance markings.

## 03 Penalty & Risk Explainer

### 3A. Environmental Compensation (EC) Rates

Violation Type	1 <sup>st</sup> Default	2 <sup>nd</sup> Default	3 <sup>rd</sup> Default
EPR target shortfall — Category I	₹2,900/ton	₹5,800/ton (2X)	₹8,700/ton (3X)
EPR target shortfall — Category II	₹5,000/ton	₹10,000/ton (2X)	₹15,000/ton (3X)
EPR target shortfall — Cat III & IV	₹7,900/ton	₹15,800/ton (2X)	₹23,700/ton (3X)
Annual return not filed (first 5 days)	₹5,000 flat	₹10,000 flat	₹20,000 flat
False information / misreporting	Revoked (1 yr)		

Note: EC rates from CPCB Environmental Compensation Guidelines (April 2024 update)

**3B. Does Paying the Penalty Close the Issue?** NO. Paying Environmental Compensation does NOT absolve you of the underlying EPR obligation. The shortfall is carried forward. If you fix it within the 3 year window, you get a partial refund. After 3 years, the money is forfeited and you remain non-compliant.

### 3C. EC Refund Table

When Shortfall is Addressed	EC Refund
Within 1 Year	75% returned
Within 2 Years	60% returned
Within 3 Years	40% returned
After 3 Years	0% (forfeited)

## 04 Myth vs Fact

### Myth 1

**"If I pay the EC penalty, I've settled my obligation."**

#### Fact

Payment of EC does not extinguish the EPR obligation. You still owe the recycled content/reuse compliance.

### Myth 2

**"As an MSME, I'm fully exempt from EPR."**

#### Fact

Only Micro and Small enterprises acting as Brand Owners are exempt. If you are a Producer or Importer at any scale, EPR applies to you. Medium enterprises are NOT exempt.

### Myth 3

**"I use Category I plastic but food safety rules restrict recycled content, so I'm automatically exempt."**

#### Fact

The exemption is not automatic. You must proactively submit proof of the relevant statutory restriction (FSSAI, CDSCO, etc.) on the CPCB portal in your annual return. "Difficult" or "unavailable supply" is not a valid reason.

### Myth 4

**"As an importer, I can count the recycled plastic already in my imported products."**

#### Fact

Recycled plastic in imported material does NOT count toward your obligation. You must purchase certificates from eligible domestic PIBOs via the CPCB portal.

### Myth 5

**"I have 3 years to fix my FY 2025-26 shortfall, so I can defer all action now."**

#### Fact

The 3-year window is a recovery mechanism, not a free pass. You must fulfil a minimum **of 1/3rd of the shortfall each year**. Deferring entirely triggers fresh EC penalties in each year with escalating rates for each successive default. After 3 years, the EC amount is forfeited entirely and you remain non-compliant.

## 05 Implications by Customer Type

### Large Manufacturers / Producers

- Highest compliance burden; recycled content % applies to all plastic manufactured
- Must source from CPCB-registered recyclers and maintain certificates
- Annual audit risk is high; misreporting attracts 1-year registration revocation
- **Action now:** Secure long-term supply agreements with registered recyclers

### Importers

- Cannot use recycled content in imported goods to meet obligation
- Must actively participate in the CPCB certificate market
- Risk of non-compliance is high if portal based certificate trading is not set up
- **Action now:** Register on the CPCB EPR portal; identify surplus PIBOs for certificate purchase

### Brand Owners

- Recycle content and reuse obligation applies to Category I rigid packaging (e.g., Beverage brands, FMCG containers)
- Must track sales of Category I packaging and demonstrate the percentage recycle content used and reuse obligation
- Cannot claim MSME exemption unless micro or small enterprise (Udyam-registered)
- **Action now:** Map packaging portfolio to respective plastic categories; calculate reuse and recycled content obligation

### Micro & Small Brand Owners

- Exempt from EPR obligations as Brand Owners
- Must be validly registered on Udyam portal (PAN + GST linked) to claim exemption
- Medium enterprises are NOT eligible for this exemption
- The regulation is designed so that
- Small players are protected initially
- However, as you scale, compliance hits you
- **Action now:** Verify Udyam registration status; confirm MSME classification is current

### Food, Pharma & Regulated Sector PIBOs

- May be eligible for case-by-case exemptions where FSSAI, CDSCO or CIB restrict recycled content
- **Exemption is NOT automatic;** it must be explicitly claimed in your annual return with a specific regulatory citation
- "Supply is unavailable" or "It is technically difficult" are not valid grounds for exemption
- Reuse of rigid packaging for food contact applications is subject to FSSAI regulations
- **Action now:** Engage your legal/regulatory team to document applicable statutory restrictions; prepare exemption submissions for CPCB portal

## 06 What You Need to Do Now: Action Checklist

- ✓ Register on CPCB's Centralized EPR Portal (if not already done)
- ✓ Determine your EPR category (Producer / Importer / Brand Owner) and sub-category of plastic packaging (Cat I, II, III)
- ✓ Calculate your FY 2025-26 recycled content obligation and reuse obligation
- ✓ Procure recycled plastic from CPCB-registered recyclers and obtain certificates
- ✓ If you're an importer and cannot use recycled material in-product, purchase EPR certificates from surplus PIBOs / recyclers on the CPCB portal
- ✓ Prepare your Annual Return for submission latest by 30 June'26 (to be submitted every financial year)
- ✓ Conduct an internal audit to identify any shortfall before the return deadline

*Tip: If you have a shortfall in FY 2025-26 for food-contact packaging, you may carry it forward, but you must still fulfil a minimum 1/3rd each year. Do not defer entirely.*

### How Go Rewise Can Help You Navigate?

#### Your Integrated EPR Compliance & rPET Partner

Meeting your EPR obligations under the 2026 Amendment Rules requires more than registering on the CPCB portal, it demands a reliable supply of certified recycled plastic, audit-ready documentation, and a partner who understands India's evolving regulatory landscape. Go Rewise provides exactly that.



#### Unmatched scale & capacity

- ✓ Pan-India Manufacturing Excellence with 40,000+ Tonnes rPET Capacity; expansion plan targeting 70,000 tonnes capacity by end of 2026
- ✓ Supply security with 350+ supplier partners ensures consistent feedstock supply and optimized logistics
- ✓ Responsible manufacturing practices such as zero discharge facility, use of solar energy across plants



#### Long-Term Certification Security

- ✓ Zero risk of supply disruption due to comprehensive, long-term regulatory approvals including EFSA, USFDA, and FSSAI.
- ✓ End to End EPR compliance partner; currently delivering verified EPR credits to 40+ PIBOs from 19+ states



#### Technology Leadership

- ✓ Only plant in India featuring the European Sorema washing line, ensuring the cleanest flakes ready for processing.
- ✓ Super-clean recycling process removes residual chemicals & impurities, guaranteeing final resin safety for food contact.
- ✓ Stable IV options including 0.8 IV and 0.84 IV to meet diverse packaging strength and flexibility requirements.



#### Uncompromising Quality

- ✓ Independent quality labs for both washed flakes and rPET resin; every batch is tested to ensure consistent quality.
- ✓ Advanced lab infrastructure ensuring only the highest level of food grade is passed.
- ✓ Conformity to all food-grade tests including Challenge Test, Migration Test and Extraction Test

### Next Actions

- Schedule discovery call
- We understand your requirements
- Build ongoing partnership

### Contact Information

#### Go Rewise Partnership Team

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### Sources & Regulatory References:

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- Plastic Waste Management (Amendment) Rules, 2022 — MoEF&CC notification dated February 16, 2022
- Guidelines for Assessment of Environmental Compensation for
- Violation of PWM Rules, 2016 — CPCB, September 2022 (updated April 2024)
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- FAQs on EPR Portal Registration - CPCB Centralized EPR Portal ([eprplastic.cpcb.gov.in](http://eprplastic.cpcb.gov.in))
- MSME Classification — Ministry of MSME, Udyam Registration criteria

*This advisory is prepared for informational and client guidance purposes only. It does not constitute legal advice. Clients are advised to engage qualified environmental compliance counsel for entity-specific obligations.*