

04.02.2026

**Dr. V. Candavelou,
Honorable Chief Secretary
Government of Goa
Porvorim, Goa**

**Subject: Representation on Operational and Commercial Challenges in
Implementation of Deposit Refund System (DRS) w.e.f. 2nd April 2026**

**Honorable Chief Secretary,
Greetings from Retailers Association of India (RAI)!**

It is my pleasure to write to you on behalf of RAI.

RAI is the unified voice of Indian retailers working with all the stakeholders for creating the right environment for the growth of the modern retail industry in India. It encourages, develops, facilitates and supports retailers to modernise and adopt best practices that will delight customers. RAI is the premier body of Retailers in India, having around 14000-member establishments, including large and small retailers in the country, representing approximately 700,000 retail stores.

RAI, representing organised and Modern retail businesses across the State of Goa, would like to place on record its views and concerns regarding the proposed implementation of the Deposit Refund System (DRS) with effect from 2nd April 2026.

RAI fully supports the Government's objective of reducing plastic pollution and promoting environmentally responsible consumption. However, based on feedback received from retailers across formats—kirana stores, supermarkets, beverage outlets, and modern trade— we foresee significant operational, financial, and compliance challenges arising from the current implementation framework and timeline.

Key Challenges Faced by Retailers

1. State-Specific Implementation

Since DRS is being implemented only in Goa, many manufacturers are hesitant to introduce Goa-specific packaging. This may result in supply shortages, restricted product availability, and loss of consumer choice at retail outlets.

2. Inflow of Non-DRS Stock

Retailers located near state borders are particularly vulnerable to inadvertent inflow of non-QR-coded stock from neighbouring states, exposing them to penalties despite lack of intent or control.

3. Working Capital Impact

The additional ₹5 deposit per unit significantly increases inventory value at retail level, especially for high-turnover beverage categories, putting pressure on cash flows and margins.

4. Stock Transition Issues

The requirement to withdraw existing stock on 31st March, re-sticker it, and reintroduce it on 1st April is practically unviable for retailers, especially small and medium stores with limited space and manpower.

5. QR Code & Sticker Reliability

Retailers will face customer dissatisfaction due to:

- QR codes not scanning
- Stickers getting damaged or falling off
- Disputes at billing and refund points

Retailers have no control over sticker quality, yet may be held accountable.

6. Risk of Penal Action

The proposed penalty of ₹25,000 per incident for any non-compliant item is extremely harsh for retailers and may lead to fear-driven business disruptions, especially during the initial phase.

7. System & Billing Readiness

Retailers' POS and accounting systems require substantial modification to accommodate DRS deposits. Many small retailers depend on third-party vendors who may not be ready by the cut-off date, risking billing paralysis.

8. Consumer Awareness Gap

In the absence of widespread public education, retailers will bear the brunt of consumer confusion, disputes, and dissatisfaction, affecting store operations and customer trust.

Our Humble Requests

In light of the above, RAI respectfully requests the Government to consider the following:

- Phased or pilot implementation of DRS before full-scale rollout
- Extended transition period with a grace window for compliance
- Temporary relaxation of penalties during the initial implementation phase
- Clear liability demarcation between manufacturers, distributors, and retailers
- State-led consumer awareness campaigns prior to enforcement
- Allowing sell-through of pre-DRS stock without penal consequences

Conclusion

Retailers are committed partners in achieving Goa's environmental goals. However, a collaborative, practical, and phased approach to DRS implementation will ensure environmental success without disrupting retail operations, livelihoods, and consumer access.

In view of the significant operational, technological, and supply-chain challenges outlined above, the Retailers Association of India (RAI) respectfully urges the Government of Goa to defer the implementation of the proposed Deposit Refund System (DRS) until after December 2026.

We request an opportunity to engage in a stakeholder consultation to discuss these issues in detail and work towards a mutually viable solution.

We thank you for your time and consideration.

Warm Regards,
For and on Behalf of Retailers Association of India,



Gautam Jain, Director – Advocacy, RAI