GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries& Commerce Department - Andhra Pradesh Circular Economy and Waste Recycling Policy {4.0} 2025-30 – Orders - Issued.

INDUSTRIES AND COMMERCE (P&I) DEPARTMENT

G.O.Ms.No.149 Dated:24-08-2025
Read

e-file No.INC02-17025/131/2025-I&I-I DOI of Director of Industries.

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ORDER:

Government of Andhra Pradesh is witnessing a surge in industrial activity alongside an equally significant rise in by-products and residual streams. Left unmanaged, these wastes place mounting pressure on treatment facilities, elevate disposal costs, and threaten environmental and public- health safeguards. To address the issue, the State has to focus on managing industrial waste in a way that is both economically productive and environmentally responsible. The aim is to shift from a "use and throw" model to a "use, recover, and reuse" system, which is globally known as a circular economy.

2. The Director of Industries, A.P. has informed vide reference cited above that the state's industrial ecosystem is supported by thriving MSME clusters, SEZs, and dedicated parks for electronics, food, apparel, and pharmaceuticals. The concentration of high-resource-consuming sectors such as thermal power, metallurgy, construction, agro-processing, packaging, and engineering presents both opportunities and challenges. These sectors generate a wide spectrum of industrial waste, ranging from fly ash and red mud to stone slurry, paper sludge, plastic scrap, and biomass residues. Through Circular Economy (CE) principles, these waste streams can be reintegrated into industrial value chains, reducing virgin resource consumption, mitigating pollution, and generating new green enterprises.

3. Government of Andhra Pradesh aims to build a statewide digital circularity ecosystem and launch a unified e-manifest portal and real-time Circular-Economy Dashboard integrating APPCB, ULBs, RTGS, and district cells to monitor waste flows, exchange permits, and display diversion metrics, enabling data-driven enforcement and transparent public reporting.

4. To position Andhra Pradesh as a pioneer in Circular Economy, where all waste streams are transformed into valuable inputs driving environmental restoration, resource efficiency, climate resilience, and sustainable economic prosperity advancing toward full circularity by 2047, in alignment with the vision of Swarna Andhra, the Director of Industries has furnished the proposal, vide reference cited above, to bring a new Circular Economy and Waste Recycling Policy, duly consulting various stake holders on the subject.

5. Government, after careful examination of the proposal, hereby introduce the New Andhra Pradesh Circular Economy and Waste Recycling Policy 4.0 2025-30. The detailed policy document is appended at Annexure-I.

6. The Andhra Pradesh Circular Economy and Waste Recycling Policy 4.0 2025-30 is valid for a period of 5 years from the date of issue of the policy or till a new Policy is announced.

7. The State Circularity Cell and the State Steering Committee will meet quarterly to review insights from the dashboard, audit reports, and district-level rankings. Based on this evidence, they will update standard operating procedures, refine incentive schemes, and enhance capacity-building programs. This iterative process will keep the policy responsive to technological advances, market shifts, and operational feedback.

8. The Director of Industries, Andhra Pradesh shall take further necessary action accordingly, in coordination with all the stakeholder departments and organizations viz, APIIC, APPCB, AP Swachcha Andhra Corporation, MA&UD and PR&RD Departments, etc.

9. This orders issued with the concurrence of Finance (FMU-I&I, Energy and 1&C) Department vide their U.O.No. FIN01-FMU0ASD(IC)/13/2025 dt:05.08.2025 (Computer No.2927724).

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ, I.A.S
SECRETARY TO GOVERNMENT

To
The Director of Industries, Andhra Pradesh, Mangalagiri.
The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, Mangalagiri, Guntur.
The MA&UD Department, A.P. Secretariat.
The TR&B Department, A.P. Secretariat.
The Energy Department, A.P. Secretariat.
The Commissioner of Handlooms and Textiles, Mangalagiri.
The Director of Mines and Geology, Ibrahimpatnam, Vijayawada.
The Managing Director, Andhra Pradesh State Financial Corporation, Tadepalli, Guntur.
The Finance Department, A.P. Secretariat.
The Social Welfare Department, A.P. Secretariat.
The Tribal Welfare Department, A.P. Secretariat.
The Revenue (CT/LA) Department, A.P. Secretariat.
The Water Resources (Reforms) Department.
The EFS&T Department, A.P. Secretariat.
The I&I Department, A.P. Secretariat.

Copy to:
The LFB&IMS Department, A.P. Secretariat.
The Accountant General, Andhra Pradesh.
The Convener, State Level Banker's Committee, R.R.AppaRao Street, Vijayawada -520001, Andhra Pradesh
The General Manager, Small Industry Development Bank of India, (SIDBI), 15, AshokMarg, CivilLines, Lucknow, UttarPradesh 226001
The Pay and Accounts Officer, Vijayawada.
All District Collectors through Director of Industries.
All Heads of Departments through Director of Industries.
All Departments of Secretariat, Velagapudi.
All Govt. Companies/Corporations through Director of

Industries, Mangalagiri.
The P.S. to Secretary to Chief Minister, Andhra Pradesh.
The P.S. to Chief Secretary to Government, Andhra Pradesh.
All Private Secretaries to the Ministers.
All General Managers, District Industries Centre in the State through the Director of Industries, Mangalagiri.
All Sections in the Department.
Sf/Sc

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SECTION OFFICER

Annexure
to G.O.Ms.No.149, Industries & Commerce (P&I) Department, dt.24.08.2025

Andhra Pradesh

Circular Economy and

Waste Recycling Policy 4.0

2025-30

Department of Industries & Commerce

Government of Andhra Pradesh

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1. Introduction

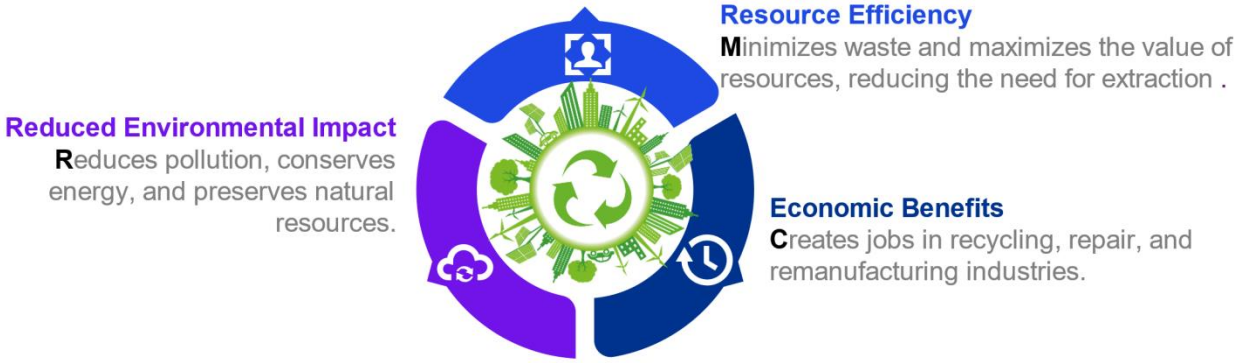
Andhra Pradesh is witnessing a surge in industrial activity alongside an equally significant rise in by-products and residual streams. Left unmanaged, these wastes place mounting pressure on treatment facilities, elevate disposal costs, and threaten environmental and public-health safeguards.

To address this, the State has to focus on managing industrial waste in a way that is both economically productive and environmentally responsible. The aim is to shift from a “use and throw” model to a “use, recover, and reuse” system, which is globally known as a circular economy.

The state’s industrial ecosystem is supported by thriving MSME clusters, SEZs, and dedicated parks for electronics, food, apparel, and pharmaceuticals. The concentration of high-resource-consuming sectors such as thermal power, metallurgy, construction, agro-processing, packaging, and engineering presents both opportunities and challenges. These sectors generate a wide spectrum of industrial waste, ranging from fly ash and red mud to stone slurry, paper sludge, plastic scrap, and biomass residues. If managed through Circular Economy (CE) principles, these waste streams can be reintegrated into industrial value chains, reducing virgin resource consumption, mitigating pollution, and generating new green enterprises.

While industrialization is a cornerstone of economic progress, it also presents critical environmental challenges. Industries are among the largest consumers of natural resources and generate substantial quantities of waste, both hazardous and non-hazardous alongside significant carbon emissions. This underscores the urgent need for a paradigm shift in industrial practices.

This involves minimizing waste generation, maximizing resource efficiency, and reintegrating waste into the production cycle through reuse, recycling, and recovery. By embedding circularity into industrial operations, the state can not only mitigate environmental impacts but also unlock new economic opportunities, enhance competitiveness, and build resilience against resource scarcity. This policy also aligns with India’s long-term commitment to achieve Net Zero emissions by 2070 and the national vision of Viksit Bharat @2047. Through industrial waste circularity, Andhra Pradesh seeks to reduce its industrial carbon footprint, improve resource efficiency, and position itself as a frontrunner in green economic development.



2. Need for a Circular Economy and Waste Recycling Policy

2.1 Drive Circular Economy in Andhra Pradesh

To secure a long-term competitive edge, Andhra Pradesh must strive to become a national innovation hub for circular manufacturing. By piloting zero-waste value chains linking ports, agro-zones, and industrial clusters, the State will demonstrate how waste streams can be captured, reused, and reprocessed into high-value products, rather than landfilled or exported.

2.2 Formalize the Waste-Management Sector

Today's waste-handling in Andhra Pradesh is fragmented and largely informal, with low accountability and efficiency. This policy will institutionalize the sector through clear licensing, digital manifests, and dedicated collection networks, transforming truck-by-truck hand-to-hand transfers into an organized, auditable ecosystem that secures livelihoods and ensures no resource slips through the cracks.

2.3 Overcome Social & Market Barriers

Recycling and waste-segregation are still stigmatized as low-status work, and many markets fail to reward secondary materials. The policy addresses this by reframing recycling as dignified green employment, introducing awards and "Green Credits" to recognize excellence, and by creating guaranteed offtake and pricing mechanisms that give recovered materials a reliable market.

2.4 Strengthen Regulatory & Capacity Imperatives

Codified rules for every waste stream from e-waste to end-of-life vehicles will clarify duties and close loopholes. Sector-specific handling guidelines and a certified "Green Workforce" will ensure best practices on the ground. Together, these measures equip regulators and recyclers with the training and standards needed to enforce diversion targets, safe disposal, and co-processing requirements.

2.5 Enable Technology-Enabled Transparency

A unified digital portal, backed by GPS/IoT tracking and real-time dashboards, will connect generators, transporters, processors, and regulators. This smart-tracking backbone not only deters illegal dumping but also provides live data on diversion rates, material flows, and compliance, empowering data-driven policy adjustments and strengthening public trust.

3. Policy Vision

"To position Andhra Pradesh as a pioneer in Circular Economy, where all waste streams are transformed into valuable inputs driving environmental restoration, resource efficiency, climate resilience, and sustainable economic prosperity advancing toward full circularity by 2047, in alignment with the vision of Swarna Andhra."

4. Unique Features of the Policy

01	India's First Holistic CE and Waste Recycling Policy	1. First state to launch single, unified framework, covering NITI Aayog's 11 priority industrial waste streams 2. Policy customized to local requirements (animal-husbandry and fisheries)
02	Pioneering Dual-Tier Infrastructure Model	1. Integrate large-scale Circular Economy Clusters with standalone Collection/Processing Centers 2. Infrastructure and planning to guarantee equitable access to processing facilities
03	First-of-Its-Kind Industrial Symbiosis Mandate	1. Circularity achieved through Industrial Symbiosis: "Waste of one, is a resource for another" 2. Formalise by-product exchange agreements among co-located firms 3. Lifecycle monitoring: KPIs for both waste and recycled waste.
04	Dedicated Task Force & State Circularity Cell (SCC)	1. Dedicate task force at state level with specialized Circular Economy cells within each DIC 2. Map local waste flows, tailor rollout strategies for new recycling units 3. Star certification to industries; District ranking framework to highlight success stories
05	Interactive Circular Economy Dashboard	1. Portal integrated with RTGS to provide comprehensive view on circularity. 2. Technology to visualize waste-diversion rates, recovery volumes, and energy-from-waste 3. ULB to notify CE Areas in Masterplan; Recycling units with dedicated power tariff category

4.1. India's First Holistic CE and Waste Recycling Policy

Andhra Pradesh is a pioneering Indian state to adopt a single, unified circular economy and waste recycling policy focused on all Eleven industrial waste streams identified by NITI Aayog, including plastics, e-waste, used oil, ELVs, batteries, textiles, tyres, C&D waste, RDF, biomass, and metals. Moreover, Andhra Pradesh has further localized the policy by incorporating state-relevant sectors such as animal husbandry and fisheries waste, ensuring the policy reflects the unique industrial, geographic, and resource conditions of the state.

4.2. Pioneering Dual-Tier Infrastructure Model

The policy introduces a forward-looking dual-tier infrastructure model that balances centralized and decentralized infrastructure planning. It provides for the establishment of large-scale Circular Economy Parks in industrial corridors, which will host advanced processing, recycling, and co-processing units with access to shared utilities and logistics. Simultaneously, it supports the development of standalone collection and processing centers in other districts, especially where industrial clustering is limited. This approach ensures equitable access to waste processing and circular services across the state, allowing both high-volume clusters and smaller geographies to participate in and benefit from the circular economy transition.

4.3. First-of-Its-Kind Industrial Symbiosis Mandate

This policy makes industrial symbiosis a central mechanism for driving circularity at the cluster level. For the first time in India, industries located within the same estate or zone will be encouraged and, in some cases, mandated to enter into by-product exchange agreements, where outputs from one unit are repurposed as inputs for another. This not only reduces raw material and energy consumption but also minimizes waste sent to landfills. The policy further promotes lifecycle monitoring, requiring industries to track key performance indicators (KPIs) on both waste generated, and waste recycled, creating a measurable accountability framework around symbiosis.

4.4. Dedicated State Circularity Cell (SCC)

To institutionalize circularity governance, the policy provides for the establishment of a State Circularity Cell (SCC) within the Andhra Pradesh Pollution Control Board and the Industries Department. This cell will serve as the nodal unit for implementing the policy, coordinating between departments, monitoring compliance, and issuing guidelines. It will be complemented by District Circular Economy Facilitation Units embedded within each District Industries Centre (DIC). These local units will map industrial waste flows, identify gaps in infrastructure, assist new recycling enterprises, and support the rollout of incentives and certification schemes.

4.5. Interactive Circular Economy Dashboard

The policy is supported by a comprehensive Circular Economy Performance Dashboard that will be integrated with Andhra Pradesh's Real-Time Governance System (RTGS). This digital platform will track industrial waste flows, diversion rates, material recovery, energy-from-waste volumes, and circularity compliance in real time. Data will be accessible to regulators, industries, and the public to enhance transparency and accountability. Moreover, Urban Local Bodies (ULBs) will be mandated to notify Circular Economy Zones in their land use masterplans, and a dedicated electricity tariff category will be introduced for recycling units to improve their long-term financial viability. The dashboard and associated digital tools will ensure the policy remains evidence-based and outcome-oriented.

5. Policy Features to Promote Industries

5.1. Green Star Rating Certification for Industries

Andhra Pradesh will introduce a pioneering 1 to 5-star certification scheme that publicly recognizes companies based on their circular-economy performance. Each star level corresponds to progressively higher waste-diversion and resource-recovery benchmarks. Rated firms will receive fast-track environmental permits, streamlined regulatory clearances, and exclusive branding rights (use of the "Green Star" logo) to showcase their leadership. By aligning reputational benefits with tangible incentives, this scheme drives voluntary over-achievement and sets a new national standard for industrial sustainability. The Green Star Rating initiative by the Andhra Pradesh Pollution Control Board (APPCB) will be the first of its kind in India. It is designed as a non-financial incentive, aiming to reduce the burden on the public exchequer while recognizing industries that actively promote circular economy (CE) practices. To ensure transparency, the rating database will be made publicly accessible. In order to advance this initiative through a comprehensive and integrated approach, APPCB and the Andhra Pradesh Industrial Infrastructure Corporation (APIIC) will sign a Memorandum of Understanding (MoU).

5.2. Single-Window Green Clearance Portal

To eliminate procedural delays and cut transaction costs, all circular-economy-related approvals, consent to establish/operate, and utility connections will be managed through the State Circularity Cell within the State's single-window portal. Investors and existing units can track application status in real time, receive automated reminders, and benefit from predefined service-level timelines. This one-stop digital gateway dramatically reduces lead times, improves investor confidence, and signals Andhra Pradesh's commitment to business-friendly, green industrial growth.

5.3. Circular Innovation Platform

Hosted by the Andhra Pradesh Innovation Society, this platform will foster collaboration among startups, academia, and established industry players to accelerate breakthrough circular-economy solutions. Through targeted R&D grants, statewide hackathons, and an annual "Andhra Circular Economy Awards," the platform will surface scalable pilots such as advanced recycling technologies or waste-to-chemical processes and fast-track their commercialization. By linking public funding, technical mentorship, and market access, the initiative ensures that home-grown innovations translate into real-world impact.

5.4. Comprehensive Capacity-Building Ecosystem

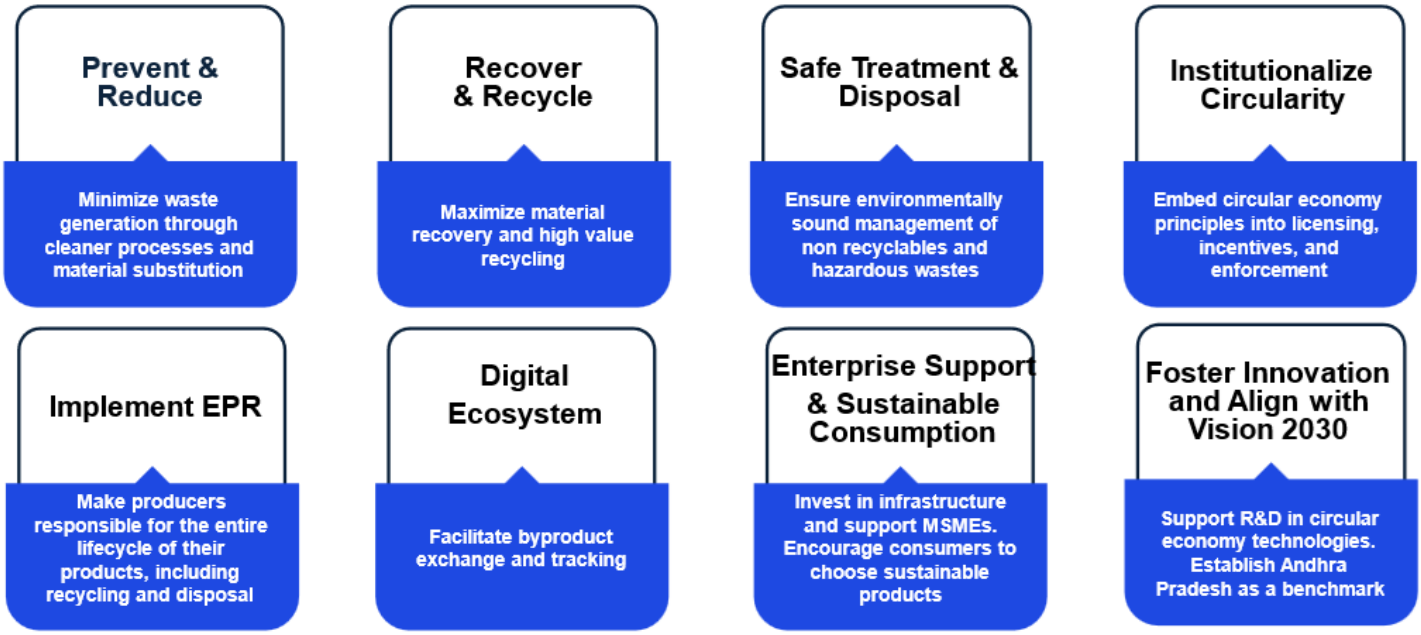
Recognizing that people are the engine of circular transition, the policy mandates the creation of a multi-layered training network. This includes 1) Regional Training Academies offering certified courses in material-recovery operations, digital compliance, and symbiosis coordination; 2) Self-Help Group Upskilling programs to formalize women's collectives and waste-picker cooperatives; and 3) Centres of Excellence & Knowledge Hubs that curate best-practice guides, host expert clinics, and disseminate sector-specific toolkits. Together, these initiatives equip regulators, operators, and managers with the skills and standards needed to scale circular practices across all industrial clusters.

5.5. Embedding Circular Economy in Corporate Social Responsibility

Industries may voluntarily design CSR projects such as resource-recovery and waste-minimization initiatives that also qualify for tradable Green Credits under the Ministry of Environment's Green Credit Programme (established under the Environment (Protection) Act, 1986), thereby achieving both CSR compliance and market-based environmental incentives. By granting a defined multiplier to CSR spending on approved circular-economy

initiatives, companies gain a powerful financial incentive to fund community recycling centers, pilot upcycling ventures, or support SHG-based material-collection enterprises. This approach transforms circularity from a compliance obligation into a core element of corporate citizenship, broadening social impact and private-sector engagement.

6. Objectives of the Policy



6.1. Prevent and Reduce Industrial Waste

Government of Andhra Pradesh will encourage all red-category and high-impact industries to adopt cleaner-production standards, optimize raw-material use, and substitute non-recyclable inputs with recoverable alternatives, thereby cutting per-unit waste volumes.

6.2. Recover and Recycle By-Products

The government will establish Material Recovery & Recycling Centres (MRRCs) and mandate co-processing pathways so that the majority of industrial by-products, including fly ash, slag, and spent solvents, are reintroduced into manufacturing supply chains.

6.3. Ensure Safe Treatment and Disposal

Through upgraded Treatment-Storage-Disposal Facilities (TSDFs) licensed by APPCB, Andhra Pradesh will guarantee that all non-recyclable and hazardous residues are managed in full compliance with national environmental norms, eliminating any unlined landfilling.

6.4. Institutionalize Circularity Across Departments

Circular-economy criteria will be built into every Consent to Establish and Consent to Operate issued by APPCB, and incentives such as fee waivers and priority clearances will be aligned with circular-economy milestones tracked by the State Circularity Cell.

6.5. Implement Extended Producer Responsibility

Under AP's EPR framework, producers of plastics, e-waste, batteries, and used oil must register with APPCB, submit annual take-back plans, and achieve recycling and reuse targets, ensuring manufacturers themselves fund the end-of-life management of their products.

6.6. Build a Statewide Digital Circularity Ecosystem

Andhra Pradesh will launch a unified e-manifest portal and real-time Circular-Economy Dashboard integrating APPCB, ULBs, RTGS, and district cells to monitor waste flows, exchange permits, and display diversion metrics, enabling data-driven enforcement and transparent public reporting.

6.7. Support Enterprises and Promote Green Consumption

Through targeted cluster grants and green-procurement guidelines in partnership with CII-AP and APIIC, the State will lower barriers for MSMEs and major manufacturers to invest in circular technologies, while running "Choose Green AP" campaigns to boost market demand for products made with recovered materials.

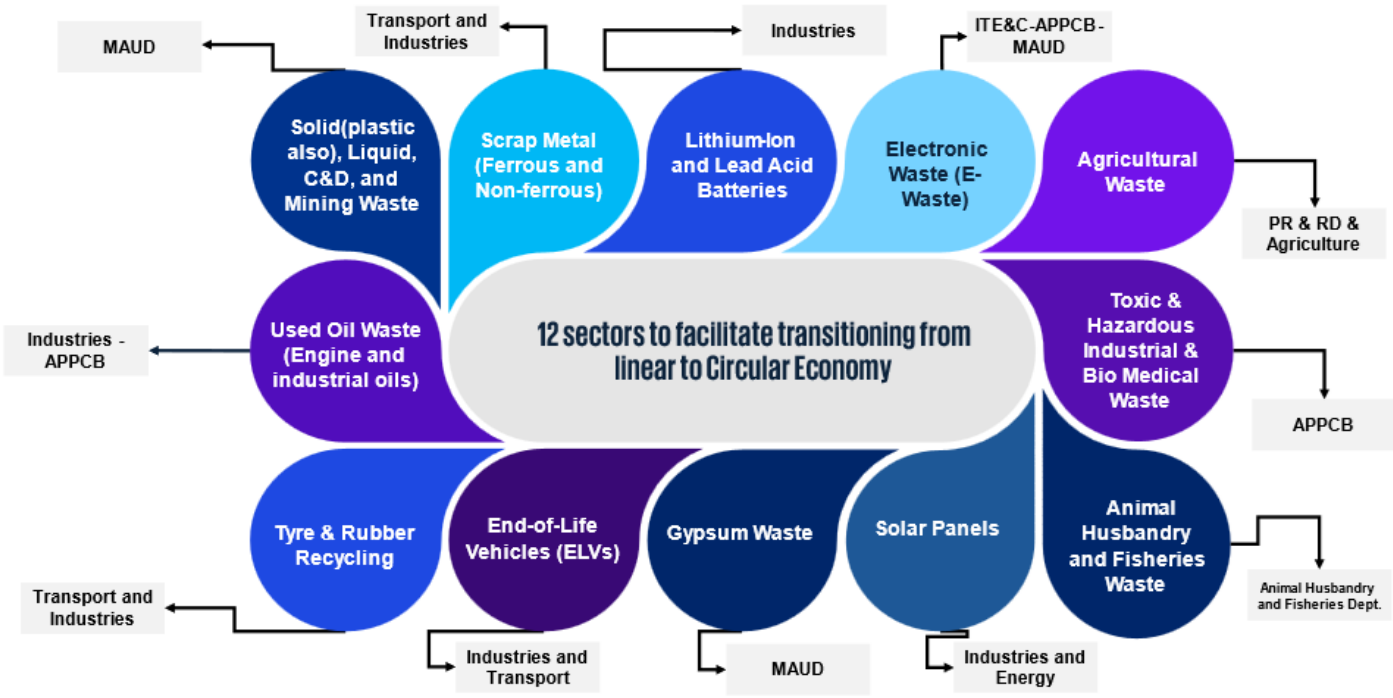
6.8. Foster Innovation and Position AP as a 2030 Benchmark

Andhra Pradesh will seed R&D grants, test-bed facilities, and an annual "AP Circular Economy Innovation Awards" to accelerate home-grown solutions. By 2030, the State aims to achieve net-zero landfill status in all industrial clusters and serve as India's reference model for industrial circularity.

7. Waste Sectors and Concerned Departments

The policy identifies twelve priority waste sectors ranging from solid, liquid, construction & demolition, and mining waste to industry-specific by-products such as scrap metal, end-of-life vehicles, tyres, batteries (lithium-ion and lead-acid), electronic waste, agricultural residues,

gypsum, solar panels, used oils, and toxic/biomedical wastes, plus animal husbandry and fisheries waste to ensure no major industrial output is overlooked.



Roles and responsibilities of each department shall be clearly mapped to defined objectives for every waste stream, ensuring coordinated action across all agencies; a Departmental Effort Rating mechanism shall be instituted to evaluate performance, incentivize collaboration, and drive cumulative, measurable change.

8. Focused Industries and their Waste Streams

The policy groups Andhra Pradesh's industrial by-products into twelve priority sectors, ranging from energy, metals, chemicals, textiles, and food processing to electronics, tyres, construction, animal husbandry, automotive, and distilleries, each assigned to the department best equipped for its regulation and circular management. By clustering wastes into these defined streams, the State can deploy targeted infrastructure, harmonize permitting and Extended Producer Responsibility obligations, and align incentives and technical support to the specific needs of each sector. This sector-based approach ensures no major waste stream is overlooked and creates clear ownership, streamlined governance, and customized circular-economy pathways across Andhra Pradesh. All government departments shall be aligned to systematically track assigned waste streams, with performance monitored against the extent of circularity introduced in their

respective activities; a rating framework shall assess departmental efforts to promote resource recovery, reuse, and waste minimization.

9. Circular Economy Framework- Key Interventions

Andhra Pradesh's Circular Economy Framework integrates seven strategic interventions to transform industrial sustainability. It formalizes the waste value chain with clear protocols and tariffs, while promoting innovation through training and grants. A digital backbone with GPS tracking and real-time dashboards ensures transparency and enforcement. Circular design and green procurement are embedded into product lifecycles, supported by dedicated infrastructure and fiscal incentives. The Circular Champion District Index and plug-and-play parks position Andhra Pradesh as a national leader in circular economy.

9.1. Establishing a Formal Industrial Waste Value Chain

3. Aggregation & Waste Exchange

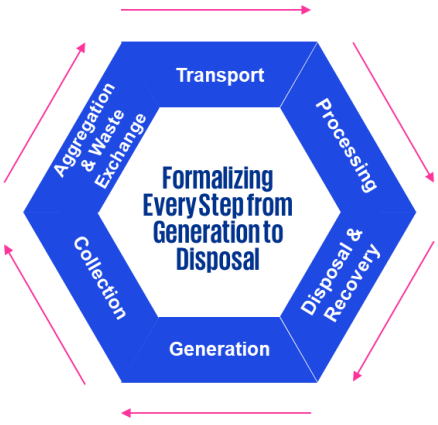
- **Cluster-Level Aggregation Centers**: Local hubs where small generators deposit sorted waste.
- **Quality Control & Weighbridges**: Ensure correct segregation and accurate weight recording.

2. Collection

- **Formalizing formal/informal Collection Agents**: ULB/RLB Authorized agencies with GPS-enabled vehicles.
- **Scheduled Pick-Ups**: Factory-wise frequency based on waste volume/type.

1. Generation

- **Waste Audit & Segregation at Source**: Mandatory color-coded bins, real-time generation logs.
- **On-site Pre-Treatment**: Filtration, neutralization, shredding to reduce volume/hazard.



Formalization of recyclers, aggregators & transporters through a dedicated power tariff category

4. Transport

- **Regulated Transporters**: APPCB-permitted carriers following HAZMAT protocols.
- **Digital Manifests**: E-manifests with GPS tracking, chain-of-custody visibility.

5. Processing

- **Material Recovery & Recycling Centers (MRRCs)**: Mechanical, chemical, biological processing lines
- **Pre-Processing:** Sorting, shredding and dewatering of waste streams, plus decontamination to homogenize feedstock for downstream MRRC treatment.

6. Disposal & Recovery

- **Engineered Landfills**: Multi-layer liners, leachate collection, gas-capture systems.
- **Secure Containment**: For asbestos, PCB oils, non-recyclable hazardous residues.
- **Waste Recovery Systems** (Waste Heat Recovery Boiler, Treated Wastewater (STP, ETP, etc.)

The Government of Andhra Pradesh will embed circularity into industrial waste management through a transparent and accountable system that transforms waste into productive inputs while advancing environmental and social sustainability. The framework will set clear protocols for every stage of the waste lifecycle, from segregation and pre-treatment at the point of generation, to regulated collection by licensed agents, aggregation at certified centers, and processing at authorized recovery facilities.

Digital traceability will be ensured through GPS tracking and e-manifests, while scientifically sound disposal methods will minimize environmental risks. Resource efficiency will be enhanced by reintegrating recovered materials back into production cycles.

A core intervention under this policy is the formalization of the waste value chain, including the integration of informal waste workers into formal roles through safety training, standardized operating procedures, and economic incentives. Embedding these processes within legal, infrastructural, and technological frameworks will unlock new market opportunities, foster industrial symbiosis, and drive sustainable growth across sectors.

9.2. Capacity Building Initiatives

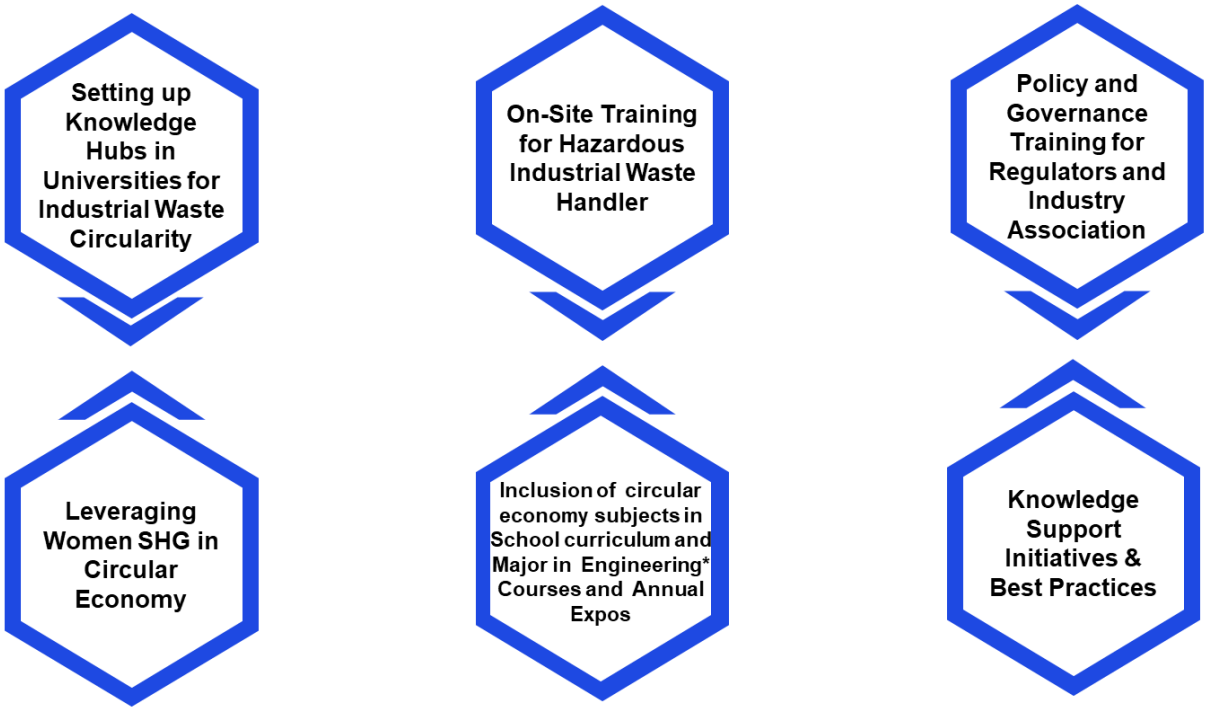
Capacity building and entrepreneurial support are foundational pillars for realizing the principles of a circular economy in Andhra Pradesh. As industries transition from linear to regenerative models, the need for skilled professionals, informed regulators, and innovative enterprises becomes critical. Circular economy practices require new competencies ranging

from waste valorization and eco-design to digital traceability and lifecycle thinking that are not yet mainstream. By investing in training programs, knowledge hubs, and startup incubation, the state can bridge this skills gap and foster a culture of innovation.

9.2.1 Industrial-focused Upskilling and Capacity Building

Industrial-focused upskilling and capacity building equip workers and enterprises with the technical skills, regulatory understanding, and innovative capabilities needed to meet evolving standards. Well-designed training programs enable industries to adopt new technologies, comply with regulations, and improve productivity. They also cultivate a culture of continuous learning, supporting adaptation to policy shifts such as green transitions, circular economy objectives, and certification requirements. By closing skill gaps and developing sector-specific expertise, capacity building becomes a key driver of industrial growth and sustainable development.

9.2.2 Government-Led Capacity Building Initiatives



Provision of 'Green Passport' for students linking CE learning and participation;

The policy prioritizes capacity building and upskilling of government stakeholders and departments to ensure effective implementation of circular economy principles. It aims to equip policymakers, regulatory authorities, and enforcement bodies with specialized expertise in waste management technologies, resource efficiency, extended producer responsibility (EPR), and life-cycle assessment. Policymakers, regulatory authorities, and enforcement bodies need specialized knowledge in areas such as waste management technologies, resource efficiency, extended producer responsibility (EPR), and lifecycle assessment.

Through focused training and skill development, officials can better design, monitor, and enforce circular economy frameworks, ensuring industries comply with regulations and targets. Upskilling helps departments adopt data-driven decision-making, inter-departmental coordination, and stakeholder engagement strategies. It also fosters the ability to identify sector-specific opportunities for circularity, facilitate public-private partnerships, and promote innovation and green financing mechanisms. Without continuous capacity enhancement, government agencies risk policy gaps, ineffective implementation, and missed opportunities for sustainable industrial growth and environmental benefits.

9.2.3 Support for Startups, Entrepreneurs, and Technology Providers

The support system to foster a vibrant ecosystem for startups, entrepreneurs, and technology providers, especially within the critical domain of the circular economy, is designed to accelerate the transition from a linear "take-make-dispose" model to a regenerative circular approach, particularly in managing industrial waste. By embracing circular economy principles such as resource optimization, waste reduction, and value retention, we aim to transform industrial by-products into valuable resources, minimize environmental impact, and create new economic opportunities. The following approach provides comprehensive assistance to drive innovation and implementation of circular solutions across various sectors.

A. Co-funding & Incubation

I. **Co-funding support for industrial waste processing and recycling startups**: The State will provide financial assistance to startups that develop and implement solutions for the efficient processing and recycling of all types of waste. This support aims to reduce the financial risks typically associated with early-stage innovation in the waste management sector. Funding may cover technology development, pilot projects, and market deployment to accelerate scalable solutions. Priority will be given to initiatives that demonstrate measurable environmental benefits and the potential for replication across industrial clusters.

II. **Technology incubation and acceleration through Swachh Andhra Corporation**, The Circular Economy Policy will actively leverage the forward-looking **AP Innovation & Startup Policy 2024–29**, along with the expertise and resources of the **Swachh Andhra Corporation**, to foster innovation in waste management and resource recovery. Strategic partnerships with academic institutions, research organizations, and industry leaders will play a critical role in supporting startups by providing access to mentorship, technical expertise, infrastructure such as laboratories and pilot plants, and market linkages. These collaborations will enable startups to refine their technologies, validate their business models, and scale their operations effectively. By aligning with existing innovation frameworks and building a robust support ecosystem, the policy aims to de-risk early-stage development and accelerate the growth of circular economy enterprises across the state.

B. Support for GI tagging, e-market linkage, and government procurement preferences

The policy aims to stimulate demand and create an enabling market ecosystem for products originating from circular economy practices, especially those manufactured using recycled industrial waste. This will be achieved by fostering market access, offering preferential conditions, and introducing supportive measures that enhance their competitiveness and consumer acceptance.

I. **Recycled products will be onboarded onto Government e-marketplaces:** Recycled products, particularly those manufactured using content derived from industrial waste, will receive priority for inclusion on government e-marketplaces. This measure will expand market access for producers of recycled goods, stimulate demand for secondary raw materials, and encourage industries to integrate recycled inputs into their production processes. Participating enterprises must meet applicable quality, safety, and certification standards to ensure that recycled products achieve parity with their virgin-material counterparts. The initiative aims to strengthen circular economy value chains, reduce landfill dependency, and support national sustainability commitments.

II. **Preferential Procurement for Products with Minimum Recycled Industrial Waste Content:** Products that contain at least a defined minimum percentage of recycled industrial waste shall receive preferential consideration in government procurement processes. Such preference may take the form of price advantages, reservation of specific tenders, or streamlined bidding procedures. This measure aims to incentivize the use of recycled materials, strengthen market demand for secondary raw materials, and promote resource efficiency in industrial production. Eligible products must comply with all applicable quality, safety, and certification standards to ensure performance equivalent to non-recycled alternatives. The policy will also encourage suppliers to invest in sustainable manufacturing practices and contribute to the State's circular economy objectives.

III. **Amendment of the General Financial Rules (GFR):** The General Financial Rules will be amended to incorporate the preferential procurement policies for products containing recycled industrial waste. This amendment will provide the necessary legal

and regulatory foundation to institutionalize support for recycled products and ensure their consistent application across all relevant government entities. Embedding these provisions within the GFR will align procurement practices with the State's circular economy objectives, promote uniform compliance, and prevent policy dilution over time. The revised rules will also establish clear definitions, eligibility criteria, and implementation mechanisms, ensuring transparency, accountability, and measurable impact in driving sustainable procurement.

C. State Circular Economy Innovation Platform

I. **Technology Repository:** A comprehensive database of circular economy technologies, focusing on industrial waste management, recycling, and resource recovery, will be developed. This repository will serve as a valuable resource for startups, entrepreneurs, researchers, and industries looking for innovative solutions or seeking to understand the state-of-the-art in circular practices. The following will be the platforms under this repository:

a. **Startup & Innovator Directory:** A continuously updated directory profiling startups, innovators, and solution providers operating within the circular economy domain. Each listing will include company overviews, areas of expertise, key projects, and contact information. This directory will serve as a matchmaking tool, connecting innovators with potential partners, investors, and industrial clients, thereby strengthening the innovation pipeline in waste management and resource efficiency.

b. **Recyclers Network Map:** An interactive, geo-referenced map of Andhra Pradesh supported by a detailed directory of recycling facilities and material recovery networks, with emphasis on operators handling industrial waste streams. This tool will enable industries to identify local recycling partners, optimize material flow, and design efficient reverse-logistics chains. By improving spatial visibility and operational connectivity it will help reduce transportation costs, lower carbon footprints, and close material loops within industrial clusters.

c. **Research & Funding Opportunities:** A centralized platform for publishing and promoting research grants, funding programs, innovation challenges, and collaborative project calls relevant to the circular economy. It will connect innovators, academic institutions, and enterprises with targeted financial and institutional support, reducing barriers to experimentation and scaling of viable solutions. This hub will also facilitate partnerships between technology developers, investors, and government agencies to accelerate commercialization pathways..

d. **Ratan Tata Innovation Hub:** A strategic partnership with the Ratan Tata Innovation Hub to leverage its national and international network, sectoral expertise, and resources for fostering industrial innovation. This linkage will provide local innovators with access to advanced R&D facilities, mentorship programs, and global market exposure, enabling Andhra Pradesh to position itself as a leader in industrial circular economy innovation.

D. Annual "Andhra Circular Economy Innovation Awards"

The State will institute the Annual Andhra Circular Economy Innovation Awards as a flagship initiative to promote innovation, recognize excellence, and accelerate the adoption of circular economy practices across sectors. Anchored by a dedicated R&D facility established in Public-Private Partnership (PPP) mode, the program will focus on developing and scaling solutions that enable circularity in industrial and non-industrial domains. Startups will play an active role in shaping standards and advancing commercially viable innovations, ensuring that solutions are both impactful and replicable.

I. **Eligible Participants:** The awards will be open to startups, micro, small, and medium enterprises (MSMEs), research institutions, and industrial units. This inclusive scope ensures that transformative ideas from all sectors and scales receive recognition and that diverse innovations contribute to the State's circular economy ecosystem**.**

II. **Best Waste-to-Product Innovation:** This category will honor solutions that transform industrial or other waste streams into valuable, marketable products, demonstrating measurable environmental benefits and economic viability. Recognized projects may

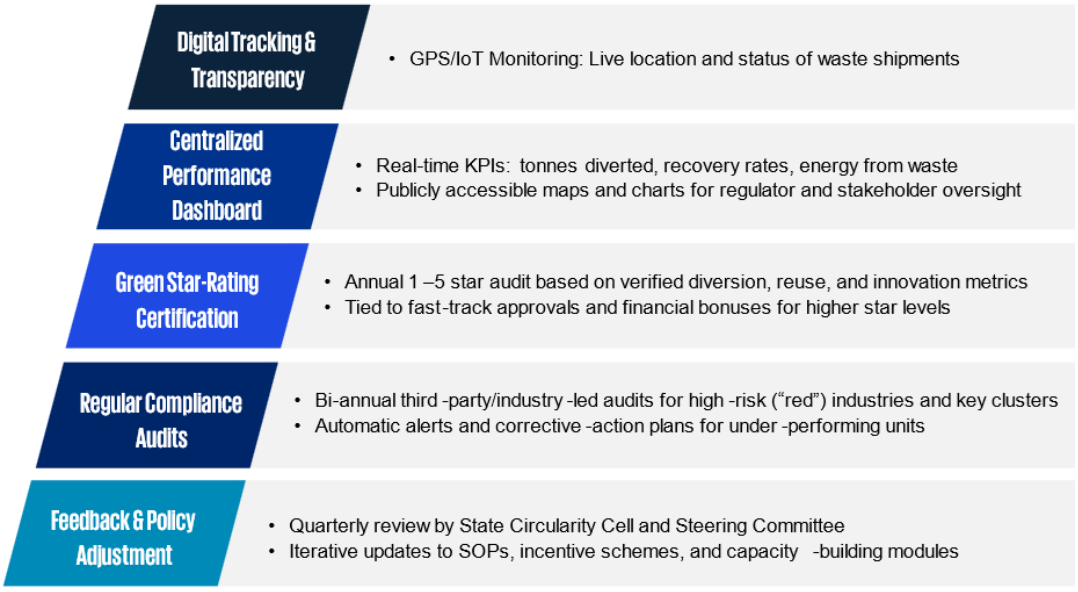
include upcycling technologies, material substitution strategies, or innovative product designs that extend material life cycles.

III. **Best Circular Business Model:** This award will recognize enterprises that have successfully implemented sustainable circular business models, embedding resource efficiency and waste minimization across their value chains. Eligible models may include product-as-a-service systems, repair and refurbishment programs, reuse-based supply chains, or fully closed-loop manufacturing approaches.

IV. **Best Industrial Waste Valorization Technology:** This category will acknowledge technological breakthroughs that maximize the recovery and value of industrial waste, converting it into high-value products, renewable energy, or alternative raw materials. Assessment will focus on technical performance, cost efficiency, and potential for scaling across industrial clusters.

V. **Best Academic-Industry Collaboration:** This award will celebrate successful partnerships between academic institutions and industrial players that have delivered significant advancements in circular economy research, development, and implementation. Winning collaborations will demonstrate effective translation of research into commercial applications and measurable contributions to sustainability targets.

9.3. Digital Monitoring & Evaluation



The policy establishes a multi-layered digital monitoring framework that ensures transparency, accountability, and continuous improvement across the circular economy ecosystem.

9.3.1. Digital Tracking & Transparency

All waste shipments will be recorded through mandatory electronic manifests (e-manifests) linked to GPS and IoT-enabled transport vehicles. Real-time data on route, cargo type, and status will be transmitted to the State Circular Economy Portal, ensuring full end-to-end traceability. This system will deter illegal dumping, provide immediate alerts when deviations occur, and empower regulators to take timely corrective action.

9.3.2. Centralized Performance Dashboard

A state-level Circular Economy Portal will aggregate live key performance indicators, including tonnes diverted from landfills, material recovery rates, and energy-from-waste volumes. These indicators will be displayed through publicly accessible maps, charts, and rankings, enabling regulators, industry associations, and citizens to monitor performance at district, cluster, and facility levels. The dashboard will serve as a decision-support tool for evidence-based planning and targeted interventions.

9.3.3. Green Star-Rating Certification

An annual independent audit will assess industries on verified diversion rates, reuse practices, and innovation metrics, awarding ratings from one to five stars. Higher star ratings will confer benefits such as expedited regulatory clearances, partial fee rebates, and formal public recognition. The certification system will create healthy competition and incentivize continuous improvement in circular performance.

9.3.4. Regular Compliance Audits

Third-party inspections will be conducted, with a focus on red-category industries and high-impact industrial clusters. Automated alerts will be generated for missed waste pickups, unreported material flows, and safety or environmental breaches. Facilities with persistent non-compliance will be placed under mandatory corrective action plans with defined timelines for remediation.

9.3.5. Feedback & Policy Adjustment

The State Circularity Cell and the State Steering Committee will meet quarterly to review insights from the dashboard, audit reports, and district-level rankings. Based on this

evidence, they will update standard operating procedures, refine incentive schemes, and enhance capacity-building programs. This iterative process will keep the policy responsive to technological advances, market shifts, and operational feedback.

9.4. Sustainable Design and Green Procurement

9.4.1. Embed Circular Economy in Design

The policy aims to achieve that all government and industrial infrastructure projects in Andhra Pradesh integrate circular economy design principles to eliminate waste at its source. Material-selection guidelines will prohibit the use of non-recyclable inputs, ensuring that every component can be recovered or safely biodegraded at the end of its life cycle. Designs will follow a modular architecture that facilitates easy disassembly, repair, and future upgrades, enabling longer product lifespans and improved resource efficiency.

9.4.2. Green Procurement Incentives

Andhra Pradesh will leverage its purchasing power to create guaranteed markets for recycled-content goods. Under the Government's Public Procurement Policy, 10% of the procurement budget shall be reserved for products containing at least 20% certified recycled materials, with State Finance Rules amended to enable this carve-out. All green-procured goods shall comply with clear quality and testing requirements to ensure performance, durability, and environmental integrity. Departments shall prioritize

Embed Circular Economy in Design

- **Material Selection**: Avoid raw materials that cannot be recycled. GoAP departments to implement in government infrastructure.
- **Modular Architecture:** Ensure products are easy to disassemble and upgrade
- **Eco-Design Incentive**: Additional capex subsidy of 10% for utilizing advanced eco-design equipment. Industrial body, which will be part of evaluation committee, to comment of the technological superiority.

Green Procurement Incentives

- **Recycled Content Preference**: GoAP Public procurement to prioritize products with ≥ 20% certified recycled materials. Set aside 10% of procurement spending on this kind of purchase.
- GFR rules to be modified accordingly to allow a certain % of procurement of goods with recycled content.
- **Supplier Accountability:** Require take-back or EPR commitments from vendors. APPCB to ensure registration of industries under EPR.

procurement strategies mandating a minimum of 10 percent of inputs from the recycled market.

Vendors must demonstrate take-back or EPR commitments as a condition of registration with APPCB. These requirements will be embedded into tender evaluations with defined compliance timelines, ensuring sustainable design translates into real-world demand for recovered materials and closes the loop between production, consumption, and recycling.

9.5. District Ranking

Top-performing districts can be awarded annually at state-level sustainability summits.

**MRRCs: Material Recovery and Recycling Centres, TSDF: Treatment, Storage, and Disposal Facility*

Andhra Pradesh will introduce the Circular Champion District Index (CCDI) to drive local ownership of the circular economy transition. This will assess and compare performance across defined circular economy and waste management indicators. The State shall confer the annual district-level award on 2nd October, with additional national holidays such as Independence Day and Republic Day earmarked for themed awards recognizing excellence in specific focus areas. Each year, every district will be evaluated on six weighted pillars:

9.5.1. Infrastructure

Robust physical systems form the foundation of an effective circular economy. This pillar measures the proportion of industrial zones equipped with fully operational Material Recovery & Recycling Centres (MRRCs), authorized Treatment, Storage and Disposal Facilities (TSDFs), and officially notified recycling hubs. High-performing districts demonstrate comprehensive geographic coverage that ensures facilities are accessible to

all major industrial clusters, maintain reliable operational uptime in line with environmental and safety standards, and possess the capacity to process the full spectrum of waste types generated within the district, including hazardous, electronic, and construction and demolition waste.

9.5.2. Digital Compliance

Data-driven oversight is essential for transparent and accountable waste management. This pillar evaluates the extent of industry registration and active participation on the State's e-Manifest portal, supported by the accurate and timely submission of waste-generation, diversion, and disposal data. District performance is further assessed by the proportion of transporters equipped with GPS devices and IoT-enabled sensors for route and load monitoring, the ability of district authorities to access and act on real-time data for enforcement and analytics, and the presence of end-to-end traceability in waste flows from generation to recovery or disposal.

9.5.3. Local Initiatives

Strong district-level leadership in circular projects is a driver of innovation and resilience. This pillar measures the conception, funding, and execution of initiatives such as aggregation centres, pilot industrial symbiosis clusters, SME-led recycling hubs, and waste-to-resource programmes. Scoring reflects the scale and replication potential of these projects, the depth of collaboration between industries, urban local bodies, academic institutions, and community organisations, and measurable impacts in the form of increased material recovery rates, job creation, and reductions in unmanaged waste.

9.5.4. Recycling Performance

Material recovery outcomes reveal the operational strength of district-level circular systems. This pillar analyses the quantity of industrial waste recycled per capita and per industrial cluster, adjusted for production volumes and waste composition. Districts that consistently divert at least 75 percent of generated waste to authorised recovery or recycling facilities, show sustained year-on-year improvements in recovery rates across all major waste streams, and maintain robust market linkages to enable closed-loop flows of recovered materials are considered top performers. Such districts not only demonstrate technical efficiency but also exhibit strong governance practices, proactive industry engagement, and the ability to adapt systems in response to evolving waste profiles. Their

performance serves as a benchmark for replication, inspiring other regions to accelerate circular integration and achieve comparable levels of material recovery excellence.

9.5.5. Skill Development

A skilled and adaptable workforce underpins every aspect of the circular economy. This pillar examines the reach and impact of training in areas such as MRRC operations, hazardous-waste handling, digital compliance, and production best practices. Higher scores are awarded to districts with significant numbers of workers certified under Green Workforce programmes, those with established training academies or vocational hubs offering regular capacity-building programmes, and those that actively include self-help groups, women's collectives, and youth in targeted upskilling initiatives.

9.5.6. Public Engagement

Broad-based public participation ensures that circular economy goals are embraced and sustained at the community level. This pillar reviews the frequency, diversity, and thematic scope of awareness campaigns, stakeholder workshops, school programmes, and community clean-up drives. Performance reflects not only the range of stakeholders engaged including businesses, civil society, and local bodies, but also demonstrable behavioural change, such as increased segregation at source or the establishment of community-driven collection systems attributable to these outreach efforts

9.6. Circular Economy Clusters

Andhra Pradesh has identified five regional thematic clusters, across the three economic corridors, to drive economies of scale in waste aggregation, efficient by-product transformation, and industry acceleration. Each cluster will be equipped with common recycling infrastructure, dedicated processing zones, shared utilities, warehousing, and training centers:

A. **Anantapur-SSS District**: Focused on cement, limestone, solar panels, and mining residues
B. **Kurnool-Kadapa:** Centered on iron-ore and barite waste valorization
C. **Visakhapatnam-Vizianagaram**: Serving steel, petrochemical refineries, fertilizer, ship repair, and pharmaceutical by-products

D. **Krishna-Godavari** (covering Kakinada, Eluru, Vijayawada, Guntur, Prakasam): Integrating fisheries offal, edible-oil refinery sludges, granite and mining debris, co-processing in cement kilns, and waste-to-energy facilities

E. **Sri City-Tirupati:** Hosting electronics dismantling, auto-component shredding, tyre recycling, and pharma waste recovery

Regional thematic clusters have been identified, across 3 Economic Corridors to be drive efficiency and viability through economies of scale. Align these clusters with Ratan Tata Innovation Hub, to drive solutions to ground level issues

Objectives

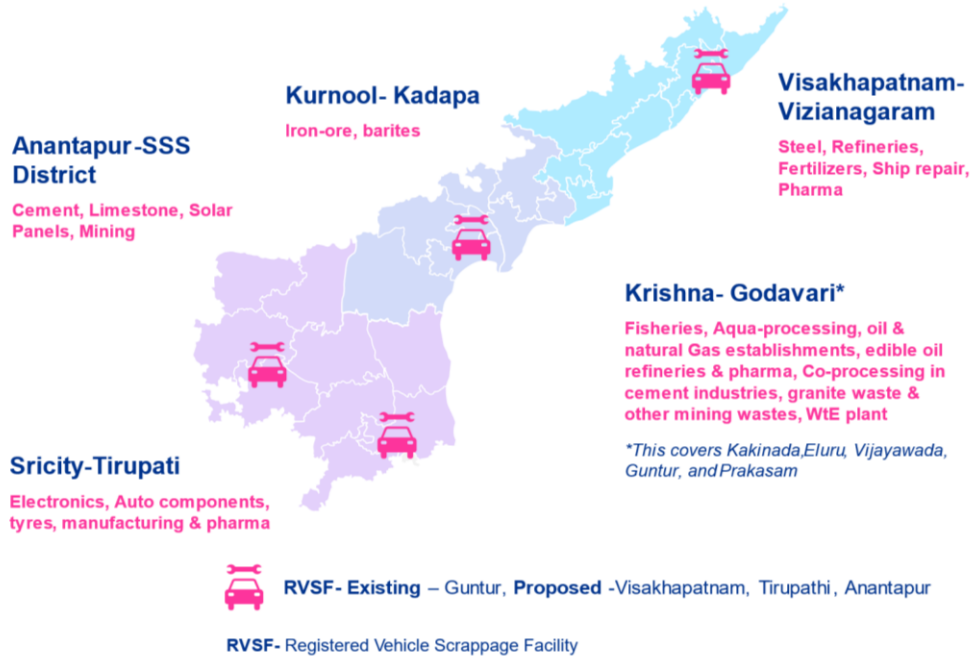
1. Waste aggregation
2. Efficient transformation
3. Industry acceleration

Components of Cluster

1. Common recycling infrastructure
2. Processing zones
3. Common Utilities
4. Warehousing
5. Training centers

Circular Economy Parks (2)

1. North Coastal
2. Rayalaseema



In addition to these clusters, two larger Circular Economy Parks (**North Coastal and Rayalaseema**) will offer advanced common treatment, and reverse-logistics hubs. The core components of the Circular Economy Parks will include:

I. **Reverse-Logistics Hub**: Each park will feature a centralised hub equipped with consolidation yards, de-loading bays, and high-capacity weighbridges to manage inbound waste and dispatch outbound recyclates efficiently. This will streamline material flows, reduce handling times, and lower transportation costs for participating enterprises.

II. **Common Recycling & Treatment Facilities**: Shared processing infrastructure will include Material Recovery and Recycling Centres, solvent-recovery units, and waste-to-energy boilers. Operated on a pay-per-use model, these facilities will make

advanced treatment capacity accessible to industries of all sizes, ensuring efficient resource recovery and safe waste management.

III. **Plug-and-Play Utilities**: Enterprises will have immediate access to pre-installed utilities such as steam loops, effluent-treatment plants, compressed air systems, and high-capacity power and data lines. This ready-to-connect model will reduce set-up times and capital expenditure for new and expanding businesses.

IV. **Innovation & Test-Bed Zone**: Dedicated pilot lines and demonstration cells will be established to support the testing and scale-up of emerging circular-economy technologies. Managed in partnership with the AP Innovation Society, this zone will enable rapid prototyping, validation, and commercialisation of innovative solutions.

V. **Business Incubation & Mentorship Center**: Start-ups and SMEs will benefit from co-working spaces, technical mentoring, seed-fund access, and regulatory guidance. This centre will act as a launchpad for enterprises seeking to innovate within the circular-economy sector, fostering entrepreneurship and industry diversification.

VI. **Warehousing & Storage**: Secure covered yards, bulk silos, and temperature-controlled sheds will provide safe storage for sorted recyclates, intermediate feedstocks, and finished secondary raw materials. This will safeguard quality, prevent contamination, and ensure market readiness of recovered materials.

VII. **Training & Certification Wing**: An on-site green-workforce academy will deliver certified courses in waste auditing, hazardous-materials handling, digital-compliance protocols, and circular-economy best practices. This will build a skilled labour pool capable of operating advanced recovery and recycling facilities effectively.

9.7. Fiscal Incentives for Industry

9.7.1. Land on Lease

To help decrease the upfront capital and to help attract investments in large scale, the government is proposing to allot the land in lease mode with the following terms:

I. **Land-Lease Tenure**

a. **Initial Term:** 33-year lease, with option to extend the lease for two subsequent 10-year periods

b. **Buy-Out Option**: After 3 years of continuous operation, lessees may purchase the land at a concessional rate:

i. Early Bird (first 50 units): INR 30 lakhs/acre for the first 50 units

ii. INR 50 lakhs/acre for the next 50 units.
iii. All other terms as per APIIC land allotment rules.

c. **Earmarked Sites:** APIIC will reserve plots within Industrial estates to setup circular economy units.
d. Other State government entities, Urban Local bodies (ULBs), can also follow this lease model while allotting units

II. **Lease Rates**
   a. **Early-Bird Incentive:** First 50 units to pay 5 percent of the circle rate as annual lease rent.
   b. **Standard Rate:** Subsequent units pay 10 percent of the circle rate
   c. **Competitive Proposals:** Further rent reductions may be approved by the SIPC & SIPB for projects demonstrating high innovation or impact.

III. **Land Use:** Upfront sale model for land allotment shall not be available for circular economy clusters/parks/individual units. Title transfer through sale will be allowed only after the commencement of commercial operations, in accordance with the project approval. The land must be used exclusively for circular economy purposes throughout the lease period and any subsequent ownership. Any non-compliance will attract penalties and may lead to repossession of the land by the State.

IV. **Annual Rent Escalation**
   a. **Fixed Increase:** Lease rent will be escalated by 5 percent year on year, providing predictability for budgeting

V. **Monitoring & Oversight**
   a. **State Circularity Cell:** Responsible for tracking early bird units, operational continuity, land-buy-out completion, rent payments, and circular-economy performance metrics.

9.7.2. Fiscal Incentive structure for MSMEs

To ensure Micro, Small and Medium enterprises, can participate fully in the circular-economy transition, Andhra Pradesh will offer a package of incentives capped at 75 percent of fixed-capital investment.

I. **Investment Subsidy**
   a. **Early Bird (first 50 units)**: 40 percent of fixed-capital investment (FCI).

b. For **Special Category (*women/ BC/SC/ST/ minority/ special-abled/ Transgender)***: 45 percent of FCI for micro & small enterprises; 40 percent for medium enterprises

c. **For Single-Use Plastic (SUP) Alternative Manufacturers:** Andhra Pradesh will reimburse up to 75 percent of fixed-capital investment (FCI), for new units manufacturing bioplastic and compostable-packaging products and other alternatives to single-use plastics.

d. **Transition to Bio-Degradable Plastics:** Existing plastic-manufacturing units that retrofit lines to manufacture certified bio-degradable polymers will receive a 60 percent of Fixed-capital investment (FCI) subsidy. The subsidy is released only after the new product line achieves at least 50 percent of its turnover from bio-degradable resins within one year, aligning financial support with demonstrated market success.

e. **Maximum Subsidy:** INR 1 crore for micro, INR 6 crore for small, and INR 10 crore for medium enterprises

f. **Disbursement Window:** Subsidies released over 2 years for micro, 3 years for small, and 4 years for medium units.

II. **Power Subsidy**

a. **New Tariff Category:** A separate electricity tariff shall be notified for all eligible units covered under the dedicated circular economy activities.

b. **Power Subsidy:** Until a separate tariff category is notified and applied, these MSMEs will be eligible for a INR 3/unit reimbursement on power tariff (for the first 50 early bird units) and a INR 1.5/unit for all other units. This subsidy will be available for a period of 5 years from operation. This subsidy will be capped at 5 lakhs per annum for micro, 10 lakhs for small, and 15 lakhs for medium units, over 5 years.

c. **Electricity Duty Exemption:** 100 percent exemption for 5 years

III. **Water Subsidy**

a. **Concessional Rate:** Water supplied at INR 40 per kiloliter for all eligible MSMEs

IV. **Net SGST Rebate**

a. **Full Waiver:** 100 percent of Net SGST for 5 years, capped at 20 percent of annual turnover

V. **Skill Development Assistance**

a. **Training Grant:** 50 percent reimbursement of training costs, up to INR 7 lakhs per enterprise

VI. **Stamp-Duty & Transfer-Duty Reimbursement**

a. **Full Reimbursement:** 100 percent of applicable stamp duty and land-transfer fees

VII. **Road-Tax Waiver for vehicles plying waste for treatment**

a. **Electric Vehicles**: Applicable as per the Andhra Pradesh Sustainable Electric Mobility Policy 2024-29

VIII. **All incentives for MSMEs will be capped at 75% of their FCI**

These combined incentives significantly reduce MSMEs' initial and operating costs, fast-track project viability, and catalyze broad-based participation in Andhra Pradesh's circular-economy ecosystem.

9.7.3. Fiscal Incentive structure for Large Projects

To attract and de-risk substantial capital deployment in Andhra Pradesh's circular-economy infrastructure, the policy offers attractive incentives for Large Projects (INR 125 to 500 Crores)

I. **Investment Subsidy**

a. 30 percent of FCI, capped at INR 150 crore, with standard investment period is three years. The incentive will be disbursed over a three-year period.

II. **Logistics Subsidy:** 50 percent reimbursement of inbound logistics costs, up to INR 2 crore per annum, for 3 years, to support reverse-logistics and waste aggregation across long-haul routes.

III. **Power Subsidy**

a. **New Tariff Category:** A separate electricity tariff shall be notified for all eligible units covered under the dedicated circular economy activities.

b. **Power Subsidy:** Until a separate tariff category is notified and applied, these units will be eligible for an INR 1.5/unit reimbursement. This subsidy will be available for a period of 5 years from operation. This subsidy will be capped at 25 lakhs per annum, over 5 years.

c. 100 percent exemption from electricity duty for five years.

IV. **Water Subsidy:** Concessional bulk water supply at INR 40 per kiloliter.

V. **Net State GST Reimbursement:** 100 percent refund of Net SGST for five years, annually capped at 20 percent of annual turnover.

By combining these benefits, Andhra Pradesh ensures that large-scale circular-economy projects such as Centralized Recycling Parks, co-processing facilities, and advanced recovery hubs can achieve competitive operating costs and faster payback, catalyzing the State's transition to a resource-efficient industrial model.

9.7.4. Tailor-Made Incentives for Mega Projects:

Mega projects (> INR 500 crore FCI) may be provided tailor made incentives over and above the incentives provided under this policy, subject to government approvals.

9.7.5. Special Incentives for Startups:

I. Circular-Economy Start-Ups

To cultivate home-grown innovation, the State will provide grants of up to INR 30 lakh for proof-of-concept development and up to INR 60 lakh for prototyping and market entry. Start-ups must be approved under the DPIIT and assessed by the State Circularity Cell, ensuring funding flows to high-impact projects. The startups can be facilitated through the AP Innovation and Startup Policy 2024-29, in consultations with the State circularity Cell.

10. Institutional Mechanism for incentive approvals

10.1. Commissioner of Industries will facilitate all investments in manufacturing

10.2. APIIC will facilitate all land allotments in this possession.

10.3. This policy will be valid for a period of 5 years from the date of notification of this policy or till a new policy is announced.

10.4. Investor can refer to guidelines document notified by Industries & Commerce Department, vide G.O.M.s.No.28, dated 25.02.2025, for procedures for applying incentives under this policy and all other conditions for claiming incentives.

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SECRETARY TO GOVERNMENT