

UP readies to become chip hub

STATE GOVERNMENT ROLLS OUT INCENTIVES TO ATTRACT ₹3,000 CR SEMICONDUCTOR INVESTMENTS

SUDHIR CHOWDHARY

UTTAR PRADESH HAS identified semiconductors as a cornerstone of its future industrial growth and made the sector a clear strategic priority. The state has rolled out focused policies to strengthen electronics, system design and manufacturing, with the aim of building the entire value chain within the state—from design and fabrication to testing. Working in sync with the Centre's India Semiconductor Mission, the state is focusing on land availability, infrastructure, fast-track approvals and access to skilled talent. Existing electronics manufacturing clusters in Noida and Greater Noida give the state a natural edge in attracting semiconductor investments.

Earlier this month, the state cabinet approved a set of targeted incentives for semiconductor companies willing to commit capital investments of ₹3,000 crore or more in the state. The policy framework, aimed at bolstering manufacturing and high-technology production, includes interest subsidies, employee cost support, 10-year GST exemptions, power tariff reliefs, and workforce-linked incentives—all designed to reduce operating costs and improve long-term project viability.

"A major milestone is the upcoming OSAT unit by HCL and Foxconn in the Yamuna Expressway Industrial Development Authority area," said Anurag Yadav, principal secretary, IT & electronics. "As the semiconductor ecosystem expands, the Yamuna



FROM BLUEPRINT TO EXECUTION

- The new incentive package is designed to provide stability and ease of operations for investors
- These include interest sops, employee cost support, GST exemptions, power tariff reliefs
- State is positioning Lucknow, Varanasi, Prayagraj and Kanpur (along with Noida) as key IT hubs

Expressway region is emerging as a new employment hub, with the project expected to create large-scale jobs across engineering, technical, production, quality control and management roles," he told FE.

Yadav feels the new incentive package goes well beyond financial support. "Time-bound approvals through a single-window system, availability of ready-to-use industrial land and strong supply-chain connectivity further differentiate UP

from competing states. The state's large domestic market and its position as the gateway to North India make it an attractive destination.

Beyond semiconductors, the state is steadily transitioning towards a technology and innovation-led economy. For GCCs and data centre companies, it offers a supportive policy framework, reliable power supply, high-speed connectivity and access to a large talent pool. Under the IT and ITES policy, GCCs are being encour-

ANURAG YADAV, PRINCIPAL SECRETARY, IT & ELECTRONICS, UP

UP is moving beyond its traditional industrial identity to build a strong profile as a knowledge economy



SUNIL GUPTA, CO-FOUNDER, CEO & MD, YOTTA DATA SERVICES

The state has positioned itself as an attractive destination for data centre development



solutions for millions worldwide."

Sunil Gupta, co-founder, CEO & MD, Yotta Data Services, said, the strong incentives around capital support, power availability, land facilitation, and streamlined administrative processes give long-term investors the confidence to commit at scale. "Our decision to build Yotta Data Centre Park in Greater Noida was to leverage this ecosystem. The region offers excellent proximity to the NCR demand corridor, robust power and fibre infrastructure, and the ability to scale hyperscale, AI-ready facilities efficiently. Equally important was the proactive support from the UP government, which ensured speed, predictability, and alignment with our long-term growth plans," he added.

Yadav revealed that Noida and Greater Noida are the state's leading technology and electronics hubs, anchoring strong growth in semiconductors, electronics manufacturing and GCC investments.

Lucknow is being positioned as an emerging AI and IT centre, with recent investments by global players such as IBM and Genpact opening new offices in the city, reflecting growing industry confidence to look beyond Noida for high-quality talent and scalable operations. Kanpur is being repositioned as a hub for advanced manufacturing and innovation-led industries, while Varanasi and Prayagraj are being promoted for knowledge-based services and startup ecosystems. "This multi-city strategy ensures balanced and inclusive growth," he added.

