
UP the 'Ideal Choice'

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Separately, the Tata Group is due to set up an OSAT facility in Assam. The group's semiconductor chip fabrication unit, meanwhile, is due to come up in Gujarat, with the western state also attracting CG Power's OSAT facility, Micron's packaging unit and most recently the Kaynes Semicon investment.

Experts are of the view that UP is the "ideal choice" for HCL and Foxconn to establish operations.

"UP government incentives, including substantial capital and interest subsidies, along with land and infrastructure support, make it a highly attractive desti-

nation for OSAT investments," said Prabhu Ram, vice president at CyberMedia Research, who believes the state is "well-positioned to become a leading hub for semiconductor manufacturing".

At the inaugural session of Semicon India 2024 on Wednesday, UP Chief Minister Yogi Adityanath said that mobile manufacturing units located in his state are now producing over 55 % of mobiles and over half of all mobile components made in India.

The HCL Group-Foxconn JV is still awaiting approval from the India Semiconductor Mission, ISM.

"ISM asked both the companies

to submit a technology document or technical agreement for OSAT which both the partners are currently working on," said a source.

"Once they submit it, the approval should come in within two or three weeks. ISM has said that this document is more a formality that has to be submitted but that the approval will come," the person added.

Earlier in January, HCL Group and Foxconn had announced their JV to set up an OSAT unit in the country. At the time, sources had said that the total investment in the unit could be between \$100 million and \$150 million. Foxconn's tie-up with HCL came less than a year after it withdrew from its \$19.5 billion JV with Vedanta to make semiconductors in India.