Changes in H-1B norms give sleepless nights to IT Inc

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WITH THE NEW US IMMIGRATION AND INNOVATION ACT, INDIAN SOFTWARE COMPANIES FEEL THERE COULD BE HIGHER REJECTION RATES THAT COULD IMPACT BUSINESS

The new US Immigration and Innovation Act, designed to substantially increase the cap on H-1B visas, has Indian IT majors worried. While the Act (known as the I-Squared Act) will help IT firms globally, Indian software companies feel there could be higher rejection rates that could impact business.

The Immigration and Innovation Act has sought for adjusting the cap of H-1B visas based on demand. The lower limit is at 115,000 and capped at the 300,000 mark. As of now, there is a cap of 65,000 on the number of H-1B visas provided by the US government, with Indian IT companies like Tata Consultancy Services, HCL, Infosys and Wipro being some of the key recipients. Several IT firms that *FE* spoke to said that higher rejections may become a reality once the Act comes into play and will result in other countries cornering these visas.

As seen in the recent past, Indian IT services companies operating in the US have faced anti-outsourcing measures with regard to H-1B like doubling of the fees, in 2010, or the rise in rejection rates of visa applications in 2011 and 2012. Nasscom president Som Mittal told *FE*, "There are several positive provisions in the Bill but there is always a tendency to put certain restrictive clauses." Mittal said that despite the positive intent of the proposed Bill, there are other interest groups in the US that could put Indian IT companies at a disadvantaged position. Recently, US Senator Charles Grassley had sought to deny H-1B visas to foreign firms operating in the US, which seemed to rely heavily on expatriates rather than hiring local Americans.

The $76-billion Indian IT-BPO export segment generates close to 60% of its revenue from the US. Indian IT firms have often been on the receiving end while applying for H-1B visas with the criticism that they were taking away tech jobs in the US and are slapped with discriminatory legal regulations.