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H-1B extension rejections rob Indian IT firms of visa power

Six Indian companies accounted for nearly two-thirds of visa rejections among the top 30 companies.

By [Ayan Pramanik](#), [Priyanka Sangani](#), ET Bureau | Last Updated: Mar 08, 2019, 08:33 AM IST

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BENGALURU: Tata Consultancy Services, Cognizant and **Infosys** have seen the maximum rejections of requests for extension of H-1B visas during 2018 as the Trump administration tightened procedures, a move that is seen to have favoured American technology firms.

India's top IT services companies Infosys and TCS were among the most affected. Bengaluru-based Infosys saw 2,042 rejections, followed by TCS at 1,744. The numbers were put out by the Centre for

H-1B visas, which are used by the majority of technology professionals, are initially given for three years with the option of an extension for a similar term.

Immigration Studies, a US think tank, after an analysis of the H-1B data.

Cognizant, which is headquartered in the US but has the majority of its workforce in India, saw 3,548 rejections during the year — the highest for any company.

Six Indian companies — TCS, Infosys, **Wipro**, Cognizant, and the US arms of Tech Mahindra and HCL Technologies — accounted for nearly two-thirds of the rejections among the top 30 companies, the think tank said after analysing data put out by the US Citizenship and Immigration Services (USCIS).

The six firms got just 16%, or 2,145, H-1B work permits, less than the 2,399 visas that Amazon bagged in 2018.

H-1B visas, which are used by the majority of technology professionals, are initially given for three years with the option of an extension for a similar term.

The major US-based firms, such as **Microsoft**, Amazon and Apple, increased their H-1B workforce during the year, while net reductions were imposed on the big Indian firms, such as Cognizant, Tata and Infosys, the Centre for Immigration Studies said in its study that was put out on March 6.

TCS, Infosys, Wipro and Cognizant declined to comment. HCL Technologies could not comment immediately.

'Could Impact Growth of Businesses'

Experts are of the view that "increased scrutiny or adjudicatory standards" for Indian IT companies could impact the growth of businesses, especially at a time when these firms have drastically reduced fresh H-1B work petitions.

Shivendra Singh, head of global trade development at the National Association of Software

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and Services Companies (Nasscom), said: "There are data points that say there is a skill shortage in the US. If there is a challenge to the process of bridging the gap, then it is going to impact the competitiveness of the economy. That is something we have been highlighting for some time."


Advantage US Cos

Six Indian firms (TCS, Infosys, Wipro, Cognizant, and US arms of Tech M and HCL Tech) together saw **rejection of 8,742 extension requests in 2018**

Cognizant, TCS, Infosys and Wipro together saw **7,933** rejections

Top 30 tech firms, including Indian IT firms, saw **13,177** rejections

Nasscom says this could impact bridging of talent gap in US



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In January, the US introduced a new rule effective April that will include work visa petitions of US advanced degree holders for the lottery of the first 65,000 H-1B visas. This would favour US companies looking for Indian talent over Indian IT services companies that largely employ those holding a bachelor's degree.

An April 2018 study by the National Foundation for American Policy, a US think tank, said Amazon, Microsoft, Intel and Google were among the top 10 employers cornering H-1B visas in 2017. These companies, which typically pay higher salaries than Indian firms, attract more high-skilled talent.

In contrast, the top seven Indian IT services firms saw a drop in visas to 8,468 in 2017 from 14,792 in 2015. Indian firms had complained last year about the increased rejection of their visa applications.

However, legal experts say that with Indian IT companies being the largest users of H-1B visas, it follows that the increase in (overall) rejections will result in an increase in absolute numbers for Indian companies.

"I do not think it is targeted at certain companies or any nation," said Poorvi Chothani, managing partner, LawQuest, a global immigration and employment firm. "The USCIS in October 2017 had instructed its officers to conduct the same level of review for extension of non-immigration visas as for new petitions, and the rejections could have gone up because of this," said Chothani.

She also pointed out that some of the rejections may be influenced by the current administration's 'Buy American, Hire American' diktat. But she conceded "that it is hard to determine".

This trend of Washington favouring American companies is not new, according to outsourcing industry experts.

"Protectionism happens without making any policy changes to favour their own companies. This slant is not unusual. This has happened under President (Barack) Obama, not just under (Donald) Trump," said Sid Pai, founder of Siana Capital, who has led outsourcing deals of over \$20 billion. "It is not just in the US, even Singapore and Australia have this slant to support their own companies and interests."