H-1B visa denials at all-time high

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Denial of work visas to employees of India's largest IT services exporters has risen to an alltime high, according to data sourced from a US-based research foundation.

The country's big four software services exporters — Tata Consultancy Services, Infosys, HCL Technologies and Wipro — have seen around half of their work visa applications rejected in the past year as the Donald Trump administration pushed for more employment and higher wages for American workers.

The visa denial rate for TCS has gone up from 6% in FY15 to 37% during the first quarter of FY19 (October-December 2018), according to a report by the National Foundation for American Policy (NFAP). NFAP sourced data from the US Citizenship and Immigration Services (USCIS) that follows a October-September financial year.

The denial percentage for Infosys has gone up to a whopping 57% in the first quarter of FY19 from 2% in FY15 while the number for HCL has increased to 43% from 2% in FY15.

VISA RE.	JECTIONS	
Company (FY15 Oct '14-Sep '1	FY19 (5) (Oct-Dec '18)
Wipro	7%	62%
Infosys	2%	57%
HCL Amer	ica 2%	43%
TCS	6%	37 %
		Source: NFAP
Year	H-1B Denials(%)	H-1B approved after RFE (%)
FY 2015	4.3 _{BCCL}	83.7 2019. ALL RIGHTS RESERVED.
FY 2019 (Q	1-3) 16.1	62.7

Spike in RFEs

In the case of Wipro, it has shot up to 62% from 7% in FY15, data from NFAP showed.

"The numbers have shot through the roof," said Shivendra Singh, vice president of the global trade department at industry body Nasscom. The high (denial) rates and request for evidence (RFE) are impacting the ability of Indian companies to service clients in the key US market besides making it more expensive, he added.

TCS, Wipro, Infosys and HCL Tech declined comment on the issue.

Nasscom's Singh said the industry grouping has been arguing strongly for the US to streamline the process so that "(Indian) IT companies continue to make the US economy more competitive by working with more than 75% of Fortune 500 companies, majority being American companies".

New data released by USCIS also shows a spike in RFEs and visa denials. The petitions approved with RFEs for the first three quarters of fiscal 2019 was at 62.7% with an initial denial rate of 16.1%, a result of President Trump's Buy American, Hire American executive order. In fiscal 2015, approval with RFEs was as high as 83.2%.

Rajiv S Khanna, managing attorney at law firm Immigration.com, said, "Rate of denials have gone up across the board in all legal immigration cases, especially (relating to) H-1B visas. The government has created an environment where the responses for the RFEs have increased from 30-50 pages to 600-1,000 pages for an H-1B case. It has increased its own burden of processing cases and that's why cases are taking much longer to process than they used to."

In April this year, Infosys said the rising attrition in its ranks was partially due to the sharp decline in H-1B visa approvals and said it had to come up with a "new value proposition" to help retain employees.

Infosys' attrition had climbed to more than 18% on a standalone annualised basis at the end of March 2019, compared with 16.6% in the same period last year.

Chief operating officer UB Pravin Rao said the company was seeing higher employee losses in the three-five year experience bracket in India and the two-three year experience bracket in the US for whom "the value proposition in the past has been onsite opportunities", he had said.

The Trump administration's executive order which seeks to create more employment and higher wages for American workers has resulted in increased scrutiny on non-immigrant visa applications and a far higher rate of denial, industry experts said.

Even the percentage of L-1 applications approved after an RFE has dropped from 53% in 2015 to 50.7% in 2019. The L-1 is an intra-company transfer visa.

Last month, a group of US lawmakers expressed their concern over the rising RFEs and visa denials, saying it was leading to the tech industry in Toronto growing faster than in Silicon Valley or Washington.