



THE NEW INDIAN EXPRESS

H-1B policy reforms might favour Indian professionals and businesses

This heightened demand for skilled workers from India is expected to create more opportunities for aspiring applicants.



[Uma Kannan](#)

Updated on:

05 Jan 2025, 12:29 pm

BENGALURU: With the introduction of reforms to the H-1B visa program, tech professionals in India hope it will benefit them in the long run. On January 17, the reforms will take effect and present significant advantages for these techies. According to the US Citizenship and Immigration Services, H-1B specialty occupations include fields such as architecture, engineering, mathematics, physical sciences, social sciences, medicine and health, education, business specialties, accounting, law, theology, and the arts.

Somdutta Singh, investor with Karma holdings and a serial entrepreneur, says one of the most notable changes is the increased flexibility for US employers to hire global talent, which is particularly beneficial given that Indians accounted for a staggering 72.3% of H-1B visas issued in 2023.

This heightened demand for skilled workers from India is expected to create more opportunities for aspiring applicants. “Moreover, the introduction of self-sponsorship for entrepreneurs marks a transformative shift; Indian innovators can now establish their businesses in the US without needing to first secure employment with another company. This reform not only fosters entrepreneurship but also enhances the potential for job creation and economic growth in both countries,” Singh, who is also the founder and CEO of Assiduous said.

The streamlined application process aims to reduce bureaucratic hurdles, making it easier for applicants to navigate the complexities of securing a visa. The proposed merit-based distribution system, which could eliminate the per-country cap on H-1B visas, may further reduce wait times and improve the chances of obtaining permanent residency for Indian applicants. However, there are potential downsides to consider. Singh says while a merit-based system may seem advantageous, it could lead to increased competition among highly skilled workers globally, making it more challenging for individual Indian applicants. Although entrepreneurs can self-sponsor their visas, initial limitations such as an 18-month validity period may pose challenges in establishing long-term business operations.

A double-edged sword

Climatetech startup Respirer Living Sciences' founder and CEO Ronak Sutaria, says one cannot be a startup founder on a H-1B nor one can hold a controlling stake in a company. In his LinkedIn post, he said, "If you are truly entrepreneurial, this visa won't allow you to grow quickly. H-1B visa holders have to leave the country within 60 days of their last day of employment. Layoffs in the US happen at a day's notice (5 pm same day), even if you are employed for several years in the firm."

"Both fresh and H-1B transfer applications are expensive. Typical costs involved are about \$9,500 per application. This is non-trivial fees and can limit the kind of roles that are available to eligible candidates," he said. However, he pointed out that for fresh engineering graduates, this visa has been a good entry point. Most iconic CEOs like Elon Musk, Satya Nadella, Sundar Pichai and others having started off their journeys via this visa.

"There are 85,000 H-1B visas issued each year, of which nearly 72% are issued to Indians. Just the visa fees are a billion dollar industry, of which Indian labour contributes substantially. While the US still continues to offer the best possible access to high-risk capital and is certainly the most meritocratic country in the world with the best work-culture, there is merit in rethinking if over 50,000 highly qualified Indian engineers need to keep applying for H-1B each year," he said.

New Delhi-based autonomous policy research institute, Research and Information System for Developing Countries (RIS), says India is well entrenched in the services sector in the US, but there is inordinately high reliance on H-1B visa as a tool for service delivery.

"Service delivery business model is changing rapidly, so the provision of servicers from BPOs etc. stationed in India may not benefit as much from the time-zone advantage any longer. India may like to increase its focus on professional services and maintenance, repair and overhaul (MROs) services, and similar other service sub-sectors," it says.

H-1B cap a limiting factor

At present, the annual statutory cap is 65,000 visas. Macquarie Research reveals that with 2.7% (3,871 visas), Amazon got the highest sponsorship for FY24 (from October 2023 to September 2024). Cognizant comes second with 2,873 visas. Indian IT services companies TCS, Infosys, Wipro and HCLTech sponsored 1% (1,452 visas), 1.8% (2,504), 0.4% (609) and 0.9% (1,266), respectively.

The report says over 61,000 firms accounted for 79.6% of the visas. It also points out that Indian IT services firms require H-1B visas as not all positions can be filled by hiring locally in the US. With the current changes in the visa programme, the minimum annual salary of visa holders may go up from \$60,000 to \$1,20,000.

Macquarie Research says proposals such as a flat wage floor that is very high is impractical as the H-1B visa is used for a range of skills and roles. It is also used across multiple industries and the range of pay will need to be broad. It also says the US is a very large country with significant differences in cost of living and that all companies cannot afford to pay the same wages for the same role.

For major Indian IT firms such as TCS, Infosys and Wipro, which heavily rely on H-1B to recruit talent from India, these visa reforms facilitate easier access to skilled professionals. Experts opine that as companies adapt to the new regulations, there may be an encouraging shift towards increasing local hiring in the US, enabling Indian firms to build a more robust presence while addressing local needs. However, challenges remain.

“Navigating the new rules may require significant investment in legal and compliance resources. Additionally, uncertainty regarding future policy changes poses a risk; the political landscape can dramatically impact immigration policies, which may deter some companies from making long-term strategic decisions about their workforce composition. Despite reforms, the cap on H-1B visas remains a limiting factor that could affect operational capabilities for companies,” Singh said.

While the policy reforms offer numerous opportunities for Indian professionals and businesses alike, they also present challenges that must be navigated carefully within an evolving political climate.

Source: <https://www.newindianexpress.com/explainers/2025/Jan/05/h-1b-policy-reforms-might-favour-indian-professionals-and-businesses>