

# NASSCOM asks govt to relax E-visa norms on expats: Sources

Published on Thu, Feb 11, 2010 at 22:20 | Updated at Thu, Feb 11, 2010 at 22:44 | Source : CNBC-TV18



On the last day of the NASSCOM summit, the industry body seems to be lobbying for its people. Sources say that it has revolted against the government's decision to regulate entry of foreign expats into India.

Sources say NASSCOM feels that the government should issue sectoral regulations, which is the IT industry should have different kind of regulations when compared to other sectors such as auto, aviation etc. NASSCOM has told the government, sources say, that given 10% of the work force comes from foreign expats, the move would be extremely detrimental to the overall revenue pattern of the IT industry.

Earlier CNBC-TV18 had reported that India Inc would soon face a serious manpower crunch thanks to new norms on employment visas to foreign nationals. One major point of concern is the longer visa renewal process.

*CNBC-TV18's Sajeet Manghat reports in detail on the new norms.*

- E-visa process longer
- E-visa renewal takes 20 - 45 days versus 5 days earlier
- Companies unclear on criteria for approval or denial
- Worry about Labour Ministry's lack of understanding of business dynamics
- Longer process to hamper ops in short term

## *Visas for Domain Experts*

- Could be classified as semi-skilled

## *Visa Regulations in India*

- Comprehensive employment visa regulations in Sep
- Clear guidelines for biz & employment visas
- Issued for 1% of workforce or max 20 employees

## **NEW VISA CURBS**

Labour Ministry Nod:

Needed for hiring over 20 foreigners

Relaxed in December for power & steel sectors

Not to be issued for unskilled, semi-skilled workers

In an interview earlier with CNBC-TV18, Vikram Shroff of Nishith Desai Associates said the new visa norms have caught India Inc by surprise.

*Below is a verbatim transcript of the interview. Also watch the video.*

**Q: What is the new restriction why are companies talking about it right now, what is change in the last couple of months, why is it now so difficult?**

A: There are two sets of restrictions that have come about in force over the last few months. One, in terms of the clarification from the government that foreigners who want to come to India for execution of projects will only be able to come on an employment visa and along with that or in terms of a parallel change was in terms of bringing out these restrictions in who can apply and obtain an employment visa. It is now being clarified that only those who are highly skilled and professionals are eligible to apply for employment visas.

**Q: How is this any different from the visa regulations that we have in other countries for instance the Highly Skilled Migrant Programme (HSMP) scheme in the UK? We are not talking about unskilled workers. We are talking about skilled and professionals that actually have to go through this process. Unskilled workers, the government has clearly said that they are not allowed as part of the new regulation?**

A: That's correct. Till date there weren't these clarifications. What has come out now is a restriction in terms of numbers – 1% or up to 20 foreigners coming for execution of projects. These are new and this is not something that was planned earlier and has caught India Inc by surprise.

**Q: Which are the sectors that are feeling the pinch because we understand that steel and power are the two sectors that have been impacted by this and that is the reason why the government has relax that cap instead of 20 expat they can hire 40 and we understand that that could be relaxed even further but outside of these two sectors where are you hearing complaints coming in from?**

A: I believe the IT sector is a one major sector that's going to be facing a problem because of these visa restrictions. There is also a possible retail sector that could be facing some of these restrictions. I think these are the two sectors other than power and steel that could be impacted because of these new restrictions.

**Q: Will these complaints in a sense has there been any redressal that's been sort with the government? Are there any negotiations that been planned, any consultation process that's going on or is it just minimal at this point in time the impact that you are talking about?**

A: I think the impact is going to be significant. We are talking of so many multinational companies having operations in India over the years suddenly will have to restructure their work force because they weren't aware of these restrictions coming into force. The government has not allowed them any time in terms of restructuring their operations. These restrictions are applicable as of date without allowing them that additional period to restructure. So that's a concern for multinational companies having operations in India.