

Indian IT shares take hit from Trump's \$100,000 fee for work visas

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Shares in Indian IT services companies fell yesterday after US President Donald Trump sharply raised the application fee for H-1B visas, threatening disruption for a sector that has been one of the country's biggest business successes.

The Nifty IT index closed down 3 per cent in Mumbai, with Tata Consultancy Services, one of India's largest outsourcers, falling by the same amount. Rival Infosys closed 2.6 per cent lower, Wipro dropped 2.2 per cent and HCLTech slipped 1.9 per cent.

Trump on Friday ordered the imposition of a \$100,000 fee on skilled foreign worker visas. The move is set to affect a programme heavily used by India's technology services industry, which has \$283bn in annual revenues, in sending staff to work in the US. Indian citizens account for more than 70 per cent of H-1B visa holders in the US.

"This sudden fee hike has sparked confusion and panic among tech companies and international workers," said Devarsh Vakil, head of prime research at HDFC Securities in Mumbai. "Costs of deploying Indian professionals to US client sites for new projects will surge, making on-site assignments less financially viable for many companies."

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Critics of the programme, including Trump, argue that H-1B visas allow tech groups to undercut American workers by hiring cheaper Indian staff. Others in favour of the visas, such as Tesla chief and Trump donor Elon Musk, credit them with supporting US technology dominance.

The president's announcement prompted travel disruption over the weekend as many Indian professionals rushed to return to the US or cancel holidays. The White House later clarified that the new rules would apply only to fresh applications from the next visa lottery in February, not to existing H-1B holders.

Both Indian and US companies are among the largest users of the visa. TCS is the second-biggest corporate sponsor of H-1B petitions, while thousands of employees at Amazon, Microsoft and Apple also use the programme.

The measure is likely to deepen tensions between Washington and New Delhi. Trump has already imposed a 50 per cent tariff on Indian goods, citing the country's trade in Russian oil.

TCS, Infosys, HCLTech and Wipro did not respond to requests for comment. Nasscom, the Indian IT and tech industry trade body, said the decision would disrupt "business continuity for onshore projects which may require adjustments".

Analysts at Mumbai-based financial services group Motilal Oswal said Indian outsourcers had steadily expanded US recruiting after Trump's previous term, where he had cracked down on foreign workers.

About one-fifth of the industry's staff is based in the US, its largest market. Between 20 and 30 per cent of these are on H-1B visas, representing about 3 to 5 per cent of a typical company's workforce, according to their estimates.