

India's visa suspension will have limited impact on biz

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Bengaluru: India's move to suspend visa services to Canadian citizens amid a diplomatic row is likely to have triggered concerns among technology companies, professionals and entrepreneurs. While potential new contracts could get delayed, the impact on projects that Indian IT companies are already implementing there may be limited, since Canada has not halted visa applications by Indians to Canada.

If Canada were to also stop visa applications, the implications could be more significant. On the whole though, considering the world learnt to work without travel during the Covid pandemic, visa restrictions are unlikely to severely handicap business in the short term.

Vikram Shroff, head of HR Law at Nishith Desai Associates, said the Indian government's decision implies that investors, entrepreneurs, and techies who are Canadian citizens may not be able to get visas to travel to India. "Technology talent mobility would be adversely affected between the two countries," he said. Shroff said the decision does not affect those Canadian citizens who have an existing Indian visa or OCI card. "It also does not affect Indian citizens to continue to travel to Canada including for family, business, or education purposes," he noted.

More than 600 Canadian companies have a presence in India and over 1,000 Canadian companies are pursuing business interests in India.

Indian IT companies have a sizable exposure to outsourcing work from Canadian companies. Earlier, this year, Montreal-based Bombardier roped in TCS to modernise the former's legacy systems that support its engineering, manufacturing, aftermarket services and defence activities. Last year, TCS became the new title sponsor of the TCS Toronto Waterfront Marathon that includes developing a race app in partnership with Canada Running Series (CRS) to provide an integrated digital experience. Infosys has committed to hire 8,000 Canadians by 2024 and it's well past the halfway mark. Wipro has a big contractual relationship with Canadian energy utilities company Atco to provide outsourcing solutions.

Indian IT firms have centres in Mississauga, Ontario, Montreal, Quebec, and Waterloo, all of which are premier tech talent hotspots. Canadian fund houses have invested in India's startup ecosystem. The Canada Pension Plan Investment Board (CPPIB), for instance, has invested at least Rs 1.7 lakh crore in India. It has investments in companies including Nykaa, Acko, Byju's and Zomato. Canadian fund Ontario Teachers has invested more than \$3 billion in India.

Cyrus D Mehta, managing partner of New York-based law firm Cyrus D Mehta & Partners, said, "Although India has suspended visas for Canadians, it would not be wise for Canada to block visas for Indian nationals. While countries can engage in tit for tat retaliation with diplomats, it should not extend such tit for tat to visa policy. Keeping the immigration channels open helps to diffuse tensions and improve understanding among the people of both countries."

India's apex tech body Nasscom said it is in close touch with its members in Canada and as per their feedback there are no immediate areas of concern. "Since this is an evolving situation, we will continue to engage with stakeholders to track any potential areas of impact that may need support," it said.