



# news flash

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## VALIDITY OF INDUSTRIAL LICENSE FOR DEFENCE SECTOR

The Department of Industrial Policy and Promotion (“**DIPP**”) has recently issued a press note (“**Press Note**”), to extend the initial validity period of an Industrial License (“**IL**”) granted in respect of the Defence Sector in India.

On 27 April 2015 the DIPP had issued Press Note 5 wherein the initial validity of the IL was set as 7 years, extendable up to 10 years.

Pursuant to the issue of the Press Note, the initial validity of an IL for the Defence Sector will now be 15 years, extendable up to 18 years. The benefit of this liberalisation will be available to existing, as well as future license holders, provided that if a license has already expired, the license holder will have to apply afresh under the revised regime.

### CONCLUSION

This is another step taken by the Government of India keeping in mind the long gestation period in case of defence contracts and to facilitate the ease of doing business in India.

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For further clarification and details on the above, you may write to the Exchange Control team comprising of among others Mr. Vaishakh Kapadia (Partner) at [vkapadia@almtlegal.com](mailto:vkapadia@almtlegal.com), Ms. Aditi Tralshawala (Associate) at [atralshawala@almtlegal.com](mailto:atralshawala@almtlegal.com) and Ms. Shatakshi Komal (Paralegal) at [skomal@almtlegal.com](mailto:skomal@almtlegal.com).