

Your Supplier Shows 'Deactivated' or Sits on India's Denied Entity List. Should You Worry?

Yash Khatri

Founder, SourcingFrom

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A deactivated Indian export code (IEC) most often means the business missed its compulsory April to June annual update, and it reactivates once the update is done. The Denied Entity List is mostly firms with an unmet export obligation or unpaid demand, not a fraud or sanctions list, while suspended or cancelled is the status that calls for a stop.

Key takeaways

- Every IEC holder must update its details online each year between April and June, and a missed update deactivates the IEC.
- A firm on the Denied Entity List usually owes an export obligation or an unpaid demand, and comes off when it fulfils or pays.
- A firm on the DEL can't get new licences or benefits while listed, which can touch your price and delivery date.
- Suspended or cancelled means regulator action. Don't pay until it's explained and resolved.
- Recheck before the first payment, before the balance payment and once a year after the update window.

Usually not much, but you should ask one question. A "deactivated" Indian export code (IEC) most often means the business missed its compulsory annual update, which is due every April to June, and it reactivates as soon as the update is done. The Denied Entity List (DEL) is mostly a list of exporters who owe the government an export obligation or an unpaid demand, not a fraud blacklist.



Buyers run DGFT's free IEC lookup, see one of these words, and assume the worst. I get why. "Denied" sounds like a sanctions list. This post explains what each status really means under India's trade rules, when it matters to you, and the exact question to send. The caveat - a status is a snapshot on the day you looked, so date it and look again before you pay.

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- 01 **Every IEC holder must update its details online every year between April and June, even if nothing changed. An IEC not updated is deactivated, and reactivates once updated. (*Foreign Trade Policy 2023, para 2.05(d) and (e)*)**
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02 A firm goes on the Denied Entity List for things like an unmet export obligation, an unpaid demand or false self-certification, and comes off when it fulfils the obligation or pays. (*Foreign Trade Policy 2023, para 2.14*)

03 Anyone can see an IEC's status, DEL flag and suspension or cancellation dates for free with the IEC and the first three letters of the firm name. (*DGFT View Any IEC, DGFT IEC Module User Help File v4.1*)

What we don't know yet

- Exactly how a deactivated IEC affects an export clearance already in progress. We haven't read a rule on it, so ask your supplier how they will ship.

1. Where You'll See These Words

DGFT's View Any IEC takes the export code and at least the first three letters of the firm name. You don't need the code separately if you have the GST number, because the IEC is the same as the PAN inside it (more on that in what an Indian GST number tells you). The result shows the IEC status, a DEL flag (yes or no), and any cancelled or suspended dates (DGFT IEC Module User Help File v4.1, Feb 2026).

So there are really four things you might see. Here they are, from least to most serious.

What the lookup shows	What it usually means	What I'd do
Valid, DEL "N"	Registered exporter in good standing on this record	Carry on with the other checks
Deactivated	Annual update missed, or a scrutiny flag not answered	Ask them to update it, then look again
On the DEL	An unmet obligation or unpaid demand with DGFT	Ask what it's for and when it'll clear
Suspended or cancelled	The regulator acted against the IEC	Don't pay until it's explained and resolved

2. "Deactivated" Is Mostly Housekeeping

India requires every IEC holder to confirm its details online once a year, in the April to June window. If nothing changed, you still click confirm. Miss it, and the IEC is deactivated. Do it late, and it's reactivated ([Foreign Trade Policy 2023, para 2.05](#)).

So a deactivated IEC in July, August or September is very often an accountant who forgot. Lots of small, perfectly good makers have done it. It's the paperwork equivalent of a lapsed parking permit.

There's a second route to deactivation that matters more – DGFT can flag an IEC for scrutiny, and an unanswered flag also leads to deactivation (same para, 2.05(f)). The lookup doesn't tell you which one it was. That's why you ask.

When does it become a real signal? When it stays deactivated for weeks while the supplier keeps telling you they ship every month. An active exporter has every reason to fix it in a day or two.

3. The Denied Entity List Sounds Worse Than It Is

The name is unlucky. Under India's trade rules, a regional DGFT office can put a firm on the DEL for a few reasons – it didn't meet the export obligation on a duty-saving licence, it didn't pay an amount demanded, or it made a false self-certification. The firm comes off when it completes the obligation or pays ([Foreign Trade Policy 2023, para 2.14](#)).



The most common story, in our reading, is the first one. An exporter imported machinery or inputs duty-free on the promise of exporting a certain amount, and the exports fell short or the paperwork closing it didn't get filed. That's compliance debt, not fraud. Export-linked duty-free schemes are explained in [EOU and SEZ suppliers](#). False self-certification is the exception, and that's one worth understanding properly.

Should you care at all, then? Yes, a little, and here's why – a firm on the DEL can't get new licences or benefits under the trade policy while it's listed

(para 2.14). Its costs may be about to change, and it has an open dispute with its regulator. That can touch your price and your delivery date even if the goods are lovely.

4. Suspended Or Cancelled Is Different

These come from regulator action, not a missed form. A cancelled IEC can't be used to export, and a suspended one is in trouble until it's lifted. If you see either, don't send money until the supplier shows you it's resolved, ideally with a fresh lookup you run yourself.

Even then I'd stay fair. A cancellation date can be years old and belong to a closed chapter, and the lookup keeps the history after reinstatement. Look at the date before you decide.

5. What To Ask, Word For Word

Keep it short and neutral. Something like –

"We ran a routine IEC check on [date] and it shows [deactivated / on the DEL]. Could you tell us what it relates to and when it'll be cleared? We'll recheck before we confirm the order."

A good supplier answers in a day, usually with a bit of embarrassment and a screenshot. A vague answer, or anger at being asked, tells you more than the status did. Keep payments staged until it's cleared, which why Indian suppliers ask for full advance puts in context. Then recheck yourself, because a screenshot is the supplier's evidence and the lookup is yours.



If you're mid-order and the status changes under you, that's when hands-on help is worth it. [SourcingSync](#) can talk to the supplier and its accountant in India and get to the bottom of it.

6. Keep It In Proportion

These statuses are one input. They sit alongside the GST record, the company register and, above all, seeing the goods being made. A city office address is another weak clue on its own, as [is a city address a trader sign](#) explains. The wider set of patterns, including when a compliance flag means more, is on [supplier signals](#), and the full checklist is on [how to check a supplier yourself](#).

"Deactivated" in August is usually a forgotten form. "Denied" is usually a debt. Ask the question, date the answer, and move on.

Questions Buyers Ask

Can a supplier with a deactivated IEC still ship my order? 

The IEC is needed to export goods, so the supplier will need it active, or will need to ship through another exporter. Ask which, before the goods are ready.

Is the Denied Entity List the same as a sanctions list? 

How often should I recheck? 

The supplier says the DEL entry is a mistake. What now? 