

India seizes \$725m from China's Xiaomi over 'illegal' remittances

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Anti-China sentiment has grown in India, sparking calls for consumer boycotts of Chinese products like electronics giant Xiaomi.

India seized \$725 million from the local bank accounts of Xiaomi after a probe found the Chinese smartphone giant unlawfully sent money abroad

in the guise of royalty payments, authorities said Saturday.

India's financial crime investigations agency began investigating the company in February and said it seized the money from the firm's local arm after discovering it had made remittances to three foreign-based entities.

"Such huge amounts in the name of royalties were remitted on the instructions of their Chinese parent group entities," the Enforcement Directorate said in a statement.

Xiaomi India has denied the allegations, saying late Saturday that its "operations are firmly compliant with local laws and regulations".

"We believe our [royalty payments](#) and statements to the bank are all legit and truthful," Xiaomi India tweeted.

"We are committed to working closely with the government authorities to clarify any misunderstandings."

The firm's India office was raided in December in a separate investigation over alleged income tax evasion.

Other Chinese smartphone makers including Huawei also had their Indian offices searched at the time.

Relations between New Delhi and Beijing have been at a low ebb since a deadly Himalayan border clash between soldiers from both countries in 2020.

In the aftermath, India's home ministry banned hundreds of mobile applications of Chinese origin, including the popular social media platform Tiktok.

The government justified the bans on the apps as safeguarding against threats to India's sovereignty.

Anti-China sentiment has grown in India since the fatal 2020 troop clash, sparking calls for consumer boycotts of Chinese goods.

China continues to be a key economic partner for India, with more than \$125 billion in bilateral trade last year according to media reports.

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