

India raids second Chinese mobile company this month

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A man speaks on his mobile phone in front of a shop selling Oppo phones in Noida, outskirts of New Delhi, India, Thursday, June 18, 2020. Indian investigators have raided an Indian subsidiary of Chinese smartphone maker Oppo, accusing it of evading customs duties totaling 43.9 billion rupees (\$551 million), the government said Wednesday. Credit: AP Photo/Altaf Qadri

Indian investigators have raided an Indian subsidiary of Chinese smartphone maker Oppo, accusing it of evading customs duties totaling 43.9 billion rupees (\$551 million), the government said Wednesday.

The Enforcement Directorate, India's financial crime investigation agency, said it sent a notice to the [company](#) seeking recovery of the money.

Oppo India, a subsidiary of China's Guangdong Oppo Mobile Telecommunications Corp. Ltd, is the second Chinese mobile company to be searched by the directorate this month.

The actions underscore the tough scrutiny of Chinese companies following a Himalayan border standoff between the armies of the two nuclear-armed neighbors that began in 2020. Twenty Indian and four Chinese soldiers have been killed in the standoff.

Citing [security concerns](#), India has also banned more than 300 Chinese mobile apps and has tightened rules on Chinese investment in India.

Oppo India is engaged in manufacturing, assembling, wholesaling and distributing mobile handsets and accessories in India.

In a statement, the directorate accused Oppo India of using ineligible duty exemptions totaling 2.9 billion rupees (\$377 million) and improperly accounting for royalty and license fees. It said a large amount of money had been remitted to China to avoid payment of taxes in India.

A spokesperson for Oppo India could not immediately be reached for comment. Chinese Foreign Ministry spokesperson Zhao Lijian said in Beijing earlier this month that the Chinese government requires Chinese businesses doing business abroad to abide by local laws and regulations and supports the companies' efforts to safeguard their rights and

interests.

"We hope India will conduct investigations and [law enforcement](#) in accordance with the law, and provide a fair, just and non-discriminatory business environment for Chinese enterprises' investment and operation in India," Zhao said.

Indian investigators said last Thursday they searched dozens of offices of Chinese-owned Vivo Mobile India Private Limited as part of an investigation focusing on allegations of money laundering by the smartphone maker.

India's Enforcement Directorate said it seized 119 [bank accounts](#) with 4.65 billion rupees (\$58.76 million), 2 kilograms (4.4 pounds) of gold bars and 7.3 million rupees (\$92,405) in cash during the raids of the company owned by China's BBK Electronics.

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