



Press Release
29.04.2022

Directorate of Enforcement (ED) has seized Rs.5551.27 Crore of M/s Xiaomi Technology India Private Limited under the provisions of Foreign Exchange Management Act,1999. Xiaomi India is wholly owned subsidiary of China based Xiaomi group. This amount of Rs. 5551.27 Crore lying in the bank accounts of the company has been seized by the ED. ED had initiated investigation in connection with the illegal remittances made by the company in the month of February this year.

The Company started its operations in India in the year 2014 and started remitting the money from the year 2015. The Company has remitted foreign currency equivalent to INR 5551.27 Crore to three foreign based entities which include one Xiaomi group entity in the guise of Royalty. Such huge amounts in the name of Royalties were remitted on the instructions of their Chinese parent group entities. The amount remitted to other two US based unrelated entities were also for the ultimate benefit of the Xiaomi group entities.

The Xiaomi India is a trader and distributor of mobile phones in India under the brand name of MI. The Xiaomi India procures the completely manufactured mobile sets and other products from the manufacturers in India. The Xiaomi India has not availed any service from the three foreign based entities to whom such amounts have been transferred. Under the cover of various unrelated documentary façade created amongst the group entities, the company remitted this amount in guise of Royalty abroad which constitute violation of Section 4 of the FEMA. The Company also provided misleading information to the banks while remitting the money abroad.
