

India 'seeks to avert summons for Samsung boss': reports

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Lee Kun-Hee (centre), former Samsung Group chairman, leaves after his trial at the Seoul High Court in Seoul on August 14, 2009

India's government is scrambling to prevent the boss of South Korea's Samsung Electronics from being forced to appear in an Indian court on criminal charges over a \$1.4-million payment dispute, reports said Friday.

The Supreme Court ordered Lee Kun-Hee, South Korea's richest man, to appear in a local court within six weeks to answer fraud and other [criminal charges](#) stemming from the dispute or face arrest if he steps onto Indian soil.

New Delhi-based JCE Consultancy alleges Samsung "cheated" the Indian company out of \$1.4 million by failing to pay a bill dating from a 2001-02 transaction and names Lee as among the accused.

The case has been dragging through India's notoriously slow legal system since it was initially filed in 2005.

The Indian government fears the legal case against Samsung could aggravate bilateral commercial ties already strained by delays involving a giant South Korean steel project in India.

"It (the situation) is very unfortunate in our view. Samsung is a major player in India and we want them to continue to expand and invest in the country," Amitabh Kant, secretary in India's industrial policy department, told the Economic Times newspaper.

The external affairs and commerce ministries are discussing ways to resolve the matter amicably by approaching the Supreme Court with alternative options, the media reports said, quoting senior government officials.



A customer tries out a Samsung Galaxy S5 smartphone at a mobile phone shop in Seoul on March 27, 2014

"The Supreme Court order may have an adverse impact on India's manufacturing and investment climate. We will explore how best we can ensure that India's investment climate is not affected," Kant added said.

The government fears the summons to Lee, who has an estimated net worth of \$11.2 billion, could prove another blow to South Korean giant Posco's steel project in the impoverished eastern state of Orissa, the reports said.

The \$12-billion Posco project—the biggest foreign investment in India—has become emblematic of difficulties facing overseas companies in starting up businesses in India.

The project has yet to start work since being announced nine years ago, after being dogged by environmental, regulatory and land acquisition issues.

The Business Standard newspaper quoted a senior unnamed Indian government official as saying Seoul has "threatened to stop all investments coming into India".



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the Seoul High Court in Seoul on August 14, 2009

Samsung said in a statement Wednesday that Lee had no connection with the case, which the company said involved a "multi-million dollar fraud scheme" perpetrated against a Dubai subsidiary.

In its ruling, the Supreme Court made no comment on the merits of the case.

Indian courts have a history of summoning top executives who are deemed responsible for alleged offences because of their seniority in their firms.

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