

India court frees Nokia plant for Microsoft sale

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A passer-by talks on his mobile phone outside a Nokia store in New Delhi on October 1, 2013

An Indian court Thursday released a major plant owned by Nokia seized over a multi-billion-dollar tax row, paving the way for the Finnish firm to include the factory in the sale of its mobile business to Microsoft.

Nokia's Chennai plant in southern India is one of the Finnish giant's biggest manufacturing factories and was due to be taken onto Microsoft's books Thursday as part of the \$7.2-billion sale to the US tech giant.

"The court has accepted the company's offer of a security deposit," income [tax](#) department lawyer Mohan Parasaran told AFP, allowing Nokia to sell the plant to Microsoft.

The Delhi High Court said that Nokia could complete the transfer of the factory to Microsoft after it pays 22.5 billion rupees (\$365 million) in taxes, a sum Nokia offered earlier.

The Finnish company had asked the Delhi High Court earlier this week to lift a freeze on transfer of its assets—so it could hand over the Chennai plant

under its agreement to sell its [mobile phone](#) operations to Microsoft.

Parasaran said the ultimate tax bill faced by Nokia could amount to 211.53 billion rupees (\$3.4 billion) including "existing and anticipated tax liabilities." He did not elaborate.

The Finnish firm is among a string of multinationals facing tax problems in India, including Cadbury, Royal Dutch Shell and Vodafone.

Nokia told AFP in an email Tuesday it had not received any formal claim from Indian authorities for \$3.4 billion in back taxes, but vowed to defend itself "vigorously" against any such demand which it described as "without merit".

"Nokia has not been served with any claim beyond what it received in February," the company said. That demand totalled 20.80 billion rupees (\$340 million).

The Finnish company, which is selling its mobile phone division to focus on making network equipment, had said the plant might have to be excluded from the sale to Microsoft if the court did not release it.

The tax department told the Delhi High Court that Nokia India and Nokia Corp owed it money for alleged tax evasion stretching over seven years from 2006-2013.

A Nokia spokesman told AFP that the company was "still analysing" the court ruling and did not have any immediate comment.

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