

India offers help to Samsung chief over court appearance

April 5 2014, by Penelope Macrae



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

India will help Samsung in "whatever way" it can to avoid the South Korean company's chairman being forced to appear in an Indian court over a payment dispute, a top government official said Saturday.

India fears its country's investment reputation could be further tarnished

after the Supreme Court ordered Lee Kun-Hee, South Korea's richest man, to appear before a suburban New Delhi trial court within six weeks to answer fraud accusations over the \$1.4-million dispute.

Government officials have been meeting senior executives of the consumer electronics firm to discuss how to ensure Lee does not have to appear personally in court, Amitabh Kant, industrial policy secretary, told AFP.

"Whatever way the government can help and protect Samsung we will be very happy to do," Kant said.

South Korea is a large investor in India through carmaker Hyundai, Samsung and other companies.

Kant called Samsung's dispute with New Delhi-based JCE Consultancy an "isolated case" and added the government is anxious to ensure the row does not "affect the investment climate in India in any way".

In a statement after the Supreme Court decision, Samsung said Lee had no connection with the case, which the company declared was related to a "multi-million dollar fraud" against a Samsung unit in Dubai.



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

The case comes as India heads into a general election Monday that the right-wing Bharatiya Janata Party (BJP), perceived as more business friendly than the ruling left-leaning Congress, is tipped to win.

India's investment climate has been marred by a string of corruption scandals and bureaucratic red tape that has delayed projects.

South Korean steel heavyweight Posco's \$12-billion steel project—India's biggest foreign investment—has become emblematic of

problems facing overseas investors.

The project has yet to leave the drawing board since being announced in 2005, delayed by environmental, regulatory and land acquisition hurdles.

New Delhi fears Seoul might direct future investment to other Asian nations as a result of its Indian difficulties, officials say.

Indian courts have a history of summoning top executives over alleged offences because of their overall responsibility for company operations.

But Kant said the Supreme Court decision allows the Samsung chairman to seek exemption from appearing in court and to allow a representative to appear instead.

"He can either appear in court and seek bail or seek exemption from appearing," Kant said.

The trial court had issued an arrest warrant against Lee for not appearing before it but the Supreme Court said the warrant would not be exercised for six weeks.

JCE Consultancy in 2005 filed a case alleging Samsung Electronics "cheated" the Indian company out of \$1.4 million by failing to pay a bill.

Samsung and Lee, worth some \$11.2 billion, according to Forbes, were named in the case and face allegations of cheating, fraud and criminal conspiracy.

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