

India has demanded \$601 million in taxes and penalties from Samsung.

The amount represents a significant portion of Samsung's profits in India, which reached \$955 million last year. The company is active in the electronics and smartphone market and has the right to appeal this decision in tax tribunals or courts.

The investigation began in 2023 when the company's network received a warning about the misclassification of equipment. According to Reuters, the issue concerns components for mobile towers supplied to billionaire Mukesh Ambani's Reliance Jio. Instead of paying a 10-20% duty, Samsung claimed the parts were exempt from taxes.

The company tried to convince tax authorities to drop the investigation, arguing that similar classifications had previously been accepted without objection. However, in a January 8 ruling, customs authorities rejected these arguments. Commissioner Sonal Bajaj stated that Samsung knowingly provided false documents.

As a result, the company must pay ₹44.6 billion (\$520 million) in unpaid taxes, along with a 100% penalty. Additionally, fines totaling \$81 million have been imposed on seven top executives of the Indian division, including Vice President Sung Beam Hong and CFO Dong Won Chu.

In an official statement, Samsung noted that the dispute concerns the interpretation of customs classification of goods and that the company complies with Indian laws. Lawyers are currently evaluating possible defense options.