

# Car credit order

## OUR LEGAL REPORTER

If you think your car financier is taking you for a ride and are contemplating legal action, don't hit the brakes on your EMIs before going to court.

Calcutta High Court said on Tuesday that a car owner who wasn't paying his or her EMIs regularly had no right to sue the financier even if the complaint was a genuine one.

"Civil courts will not help vehicle owners who have failed to pay their instalments in accordance with their agreements with the financial companies," the court said in a ruling on a loan dispute involving GE Capital Transportation Financial Service Ltd.

The company had appealed against an injunction

on seizing vehicles from 21 loan customers who had defaulted on repayment.

The division bench of Justice B. Bhattacharya and Justice T.K. Dutt asked the defaulters to clear their dues within a week to be eligible for a fresh hearing.

Two of the vehicle owners, Samar Koley and Debdas Mallik, were fined Rs 34,000 each for making false allegations. Both had claimed that the finance company had forced them to sign blank documents.

The judges said courts should not entertain cases filed by "defaulters" and issue injunction orders against the financial companies.

A judge of the seventh city civil court had issued the in-

junction against GE Capital.

"It has become the practice of many vehicle owners not to pay the instalments and obtain stay orders when the financial companies serve notices to them and threaten to seize their vehicles. It ensures that they do not have to pay instalments till the cases are disposed of. This judgment will force errant vehicle owners to pay their instalments before going to court," said Phiroze Eduljee, counsel for GE Finance.

The court also gave financial companies the licence to seize vehicles from defaulters if the loan agreements contained such a clause. "It does not amount to violating the Right to Property Act," the court added.