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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CWP-37662-2025

Date of Decision:04.05.2026

HARPREET SINGH SANDHU**-PETITIONER****V/S**

**THE PUNJAB STATE POWER CORPORATION LIMITED AND
OTHERS**

-RESPONDENTS**CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI**

Present: Mr. J.S.Jaidka, Advocate,
for the petitioner.

Mr. Gurnoor Singh Sethi, Advocate,
for respondents no.1 to 8.

Mr. Sahil R. Bakshi, AAG, Punjab.

KULDEEP TIWARI, J. (Oral)

1. The instant writ petition under Article 226/227 of the Constitution of India, has been mainly directed against the order dated 29.01.2025 (Annexure P-7), vide which, a recovery of Rs.2,23,600/- per month, on account of penal rent from the salary of the petitioner, has been ordered.

2. The petitioner was working on the post of Additional Superintending Engineer with the Punjab State Power Corporation Limited, at Ludhiana. As a consequence, he was allotted a government accommodation, vide a communication dated 11.11.2020. Thereafter, he was transferred to Bhikhiwind Division, on 06.07.2022. In terms of Rule

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10 of the Punjab Government Houses (General Pool) Allotment Rules, 1983 (hereinafter referred to as the 'Rules of 1983'), an employee, in the event of transfer to another station, can retain an allotted government house for a period of two months, or up to the date of occupation of house at new station or posting, whichever is earlier. Accordingly, the petitioner moved the authorities with a request to allow him to retain the house in question on normal rate, post his retirement, as his children were studying in Class XII and X, which was acceded to. Likewise, he was granted further extensions, and he was allowed to retain the house in question up to 07.03.2023. However, despite expiration of the deadline, he did not vacate the accommodation. In such circumstances, it was resolved to recover the amount of penal rent, i.e. double the market rent, as per the prescribed slab, and proportionate deductions, in this regard, were even started from his salary. Thereafter, he vacated the house on 25.04.2025, and also paid penal rent up to January, 2025. Since the petitioner did not vacate the house beyond one year from the date of deemed cancellation, in terms of the Rule 10 (*supra*), therefore, the authorities have made him liable to pay double the market rent w.e.f. 07.09.2023.

3. Aggrieved against the order (*supra*), the petitioner beseeches indulgences of this Court on the ground of equity. Further, had he been put to knowledge about making payment of double the prevailing market rent, would be recovered, he would not have continued to occupy the house in question, as he was under the impression that only a penal rent



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was required to be paid which was affordable to him. Consequent upon acquiring knowledge regarding the condition of payment of double the prevailing market rent, which is beyond his financial capacity, through an order dated 29.01.2025, the petitioner vacated the house on 25.04.2025. In essence, the grievance of the petitioner is with regard to imposition of double the market rent, and that too retrospectively. Therefore, the primary issue which arises for consideration of this Court is, as to whether, the petitioner is liable to pay double the market rent and that too with retrospective effect or not?

4. Upon considering the chronology of events, as narrated above, this Court was of the *prima facie* view that the petitioner has not only blatantly flouted the conditions of allotment, but also his service conditions, therefore, before this Court could proceed to answer the above posed query, this court deemed imperative to ask the authority concerned, as to what, departmental action has been taken against the petitioner in accordance with law, or they have only chosen to saddle him with a penalty in the form of rent double of the prevailing market rent. Therefore, vide order dated 03.02.2026, a *mandamus* was passed upon the Chairman-cum-Managing Director, Punjab State Power Corporation Limited, to file his personal affidavit, delineating, as to whether, the misconduct of the petitioner is required to be dealt with by initiating any departmental action. If the answer is in affirmative, then why, to date, no action has been taken against him.

5. In deference to the aforesaid direction, an affidavit dated

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23.02.2026, was filed in the Court on 24.02.2026. Learned counsel for the respondents no.1 to 8, while referring to the contents of the affidavit (*supra*), demonstrates before this Court that not only a show cause notice was issued to the petitioner in respect of his misconduct, but also a fact finding inquiry has also been initiated against other officials/officers involved in the matter of house allotment.

6. Today, learned counsel for the petitioner, has raised three arguments before this Court; (i) that as per Rule 10 of the Rules of 1983, there is an obligation upon an employee, that the final last pay certificate shall be issued only, if the Drawing and Disbursing Officer concerned, certifies the vacation of the house at earlier station of posting of employee; (ii) reiterating his earlier argument, he submits that the petitioner was happily paying the earlier penal rent as fixed by the authority concerned. Had he been aware that he was being forced to pay double of the prevailing market rent, that too from the retrospective date, he would have vacated the house immediately. Due to his lack of knowledge, he retained the house with him, after deemed cancellation. Additionally, the penal rent was regularly deducted from his salary; (iii) by referring to Annexure P-5, he submits that the responsibility lies with the Head of the House Allotment Committee, for imposing adequate penalty as per the Rules in vogue. And on account of their failure to impose penalty at the relevant time, the petitioner cannot be asked to pay the penal rent, retrospectively.

7. Before this Court embark upon the lengthy submissions, as



made by learned counsel for the petitioner, it is imperative to have glimpse upon the proviso attached with the table prescribed in Rule 10 of the Rules of 1983.

“Provided further that such employee shall be issued provisional Last Pay Certificate for the period of five months, and after this stipulated period of five months, final Last Pay Certificate shall be issued only if Drawing and Disbursing Officer concerned certifies the vacation of the house at earlier station of posting of employee, or the concerned employee submits the self-declaration regarding vacation of house at the earlier station of his posting.”

8. Undoubtedly, the above proviso not only imposes an obligation upon the Drawing and Disbursing Officer concerned to certify the vacation of the house for the issuance of the Last Pay Certificate, but also, requires that the employee concerned, shall submit a self-declaration regarding the vacation of the house at the earlier station of his posting. In the instant case, the petitioner cannot be permitted to take the benefit of this proviso on account of his misconduct in not vacating the house, despite it being deemed to have been cancelled.

9. The second submissions, as made by learned counsel for the petitioner, is that, as to whether, retrospective penal rent can be made recovered from the petitioner or not? The petitioner appears to be under the impression that he could continue to occupy the government accommodation un-authorisedly, merely by paying the previously fixed penal rent, which he had been paying happily. However, such a presumption on his part cannot create any legal impediment for the authority concerned in taking effective measures to have the house vacated. It is nowhere the legal argument of learned counsel for the



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petitioner, that the authority concerned, has no power to recover the penal rent that too, at double the prevailing market rate. Therefore, this argument is also rejected.

10. Last but not the least, that the authority concerned ought to have passed the impugned order at an earlier point of time, and therefore, no retrospective penal rent should now be recovered from the petitioner. Undoubtedly, there has been some dereliction on the part of the authority concerned, for which the respondent-Power Corporation, has proposed action against the delinquent officers. However, this does not create any legal impediment, nor does it confer any legal right upon the petitioner to retain possession of the house even after its deemed cancellation.

11. Therefore, finding no merit in the instant petition, same is hereby, **dismissed**.

12. All pending application(s), if any, also stand **disposed** of accordingly.

May 04, 2026
dharamvir

(KULDEEP TIWARI)
JUDGE

Whether speaking/reasoned.	:	Yes/No
Whether Reportable.	:	Yes/No