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कर्मचारी भविष्य निधि संगठन  
**Employees' Provident Fund Organisation**  
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No. PFD/5/15/2018/Guidelines for renewal of lease agreement

Dated:

To

1. All Additional CPFC (Zones)
2. Director, PDUNASS
3. All RPFCs Regional Offices/ZTI

14 JUN 2018

**Subject: – Timely actions for renewal of lease agreement in respect of offices functioning from rented premises.**

Sir/Madam,

It has been observed that proposals for renewal of lease agreements as well as for enhancement of lease rentals are being received in head office on most occasions after the expiry of the lease agreement. In some instances proposals have been received even 8-9 years after expiry of the lease agreement.

2. It has also come to notice that Fair Rent-Certificates are being obtained where building owners are not agreeing to the standard escalation of 15% after 5 years and proposals are being sent with recommendations of payment of enhanced rent with retrospective effect.

3. It may be appreciated that processing such proposals involving delay and non-standard escalation, particularly with retrospective effect, are difficult and not acceptable.

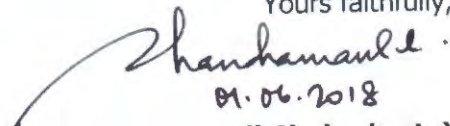
4. With a view to streamline the process of renewal of lease agreements and enhancement of lease rentals the following guidelines are being prescribed:

- (i) Lease agreement for offices functioning from rental premises should be regularly reviewed and matter should be taken up with building owners for renewal at least 6 (six) months in advance of the expiry of the agreement.
- (ii) The proposal for renewal of the lease agreement should be sent to Head Office immediately after consultation/negotiation with the building owners but not later than 3 (three) months before the expiry of the lease agreement.
- (iii) In case the building owner is demanding rent escalation beyond the standard enhancement of 15% after 5 years even after negotiation, the matter may be referred to Head Office with full justification and recommendation. **Fair Rent-Certificate should be obtained only after in principle approval of Head Office.** FRC should not be applied for with CPWD or any other competent agency without clearance from Head Office. Enhancement of lease of rentals should

always be prospective and proposals with retrospective lease enhancement will not be entertained.

- (iv) The proposals for renewal of lease agreement forwarded to Head Office should contain the following :
- (a) Copy of the existing lease agreement
  - (b) Consent of Building owners for renewal of lease agreement with conditions mutually agreed upon.
  - (c) Fair Rent-Certificate obtained after approval from Head office, if applicable.
  - (d) Recommendation of Zonal Office.
3. All Offices may review the existing lease agreements and forward proposals as per the guidelines mentioned above. Lease agreements should be executed within one month of approval from head office.

Yours faithfully,



01.06.2018

**(Chandramauli Chakraborty)**  
**Additional Central P.F. Commissioner (PFD)**