

# Work From Home

**WFH and the impact on Corporate Real Estate**

knightfrank.co.in/research



**Mumbai HO**

Knight Frank (India) Pvt. Ltd.  
Paville House, Near Twin Towers,  
Off. Veer Savarkar Marg, Prabhadevi,  
Mumbai 400 025, India  
Tel: 022 6745 0101 / 4928 0101;

**Bengaluru**

Knight Frank (India) Pvt. Ltd.  
204 & 205, 2nd Floor, Embassy Square,  
#148 Infantry Road,  
Bengaluru 560001, India  
Tel: 080 40732600 / 22385515

**Pune**

Knight Frank (India) Pvt. Ltd.  
Unit No.701, Level 7, Pentagon Towers P4,  
Magarpatta City, Hadapsar,  
Pune 411 013, India  
Tel: 020 67491500 / 30188500;

**Chennai**

Knight Frank (India) Pvt. Ltd.  
1st Floor, Centre block, Sunny Side,  
8/17, Shafee Mohammed Road,  
Nungambakkam, Chennai 600 006, India  
Tel: 044 4296 9000

**Gurgaon**

Knight Frank (India) Pvt. Ltd.  
Office Address: 1505-1508, 15th Floor, Tower B,  
Signature Towers South City I,  
Gurgaon 122 001, India  
Tel: 0124 4782700;

**Hyderabad**

Knight Frank (India) Pvt. Ltd.  
SLN Terminus, Office No. 06-01, 5th Floor,  
Survey No. 133, Gachibowli,  
Hyderabad - 500032, India  
Tel: 040 44554141;

**Kolkata**

Knight Frank (India) Pvt. Ltd.  
PS Srijan Corporate Park  
Unit Number - 1202A, 12th Floor,  
Block - EP & GP, Plot Number - GP 2,  
Sector - V, Salt Lake, Kolkata 700 091, India  
Tel: 033 66521000

**Ahmedabad**

Knight Frank (India) Pvt. Ltd.  
Unit Nos. 407 & 408, Block 'C', The First,  
B/H Keshav Baugh Party Plot,  
Vastrapur, Ahmedabad - 380015  
Tel: 079 48940259/ 40380259



[www.knightfrank.co.in/research](http://www.knightfrank.co.in/research)

# FOREWORD



**Shishir Bajjal**

Chairman and Managing Director  
Knight Frank India Pvt Ltd

Over the last decade, even as the housing sector saw a challenging demand environment, the office segment recorded an exceptional performance. The year 2019 was a record year with a decadal high office transaction level of 60 mn sq ft across the top 8 cities in the country, with strength palpable on both consumption as well as investment demand for this segment.

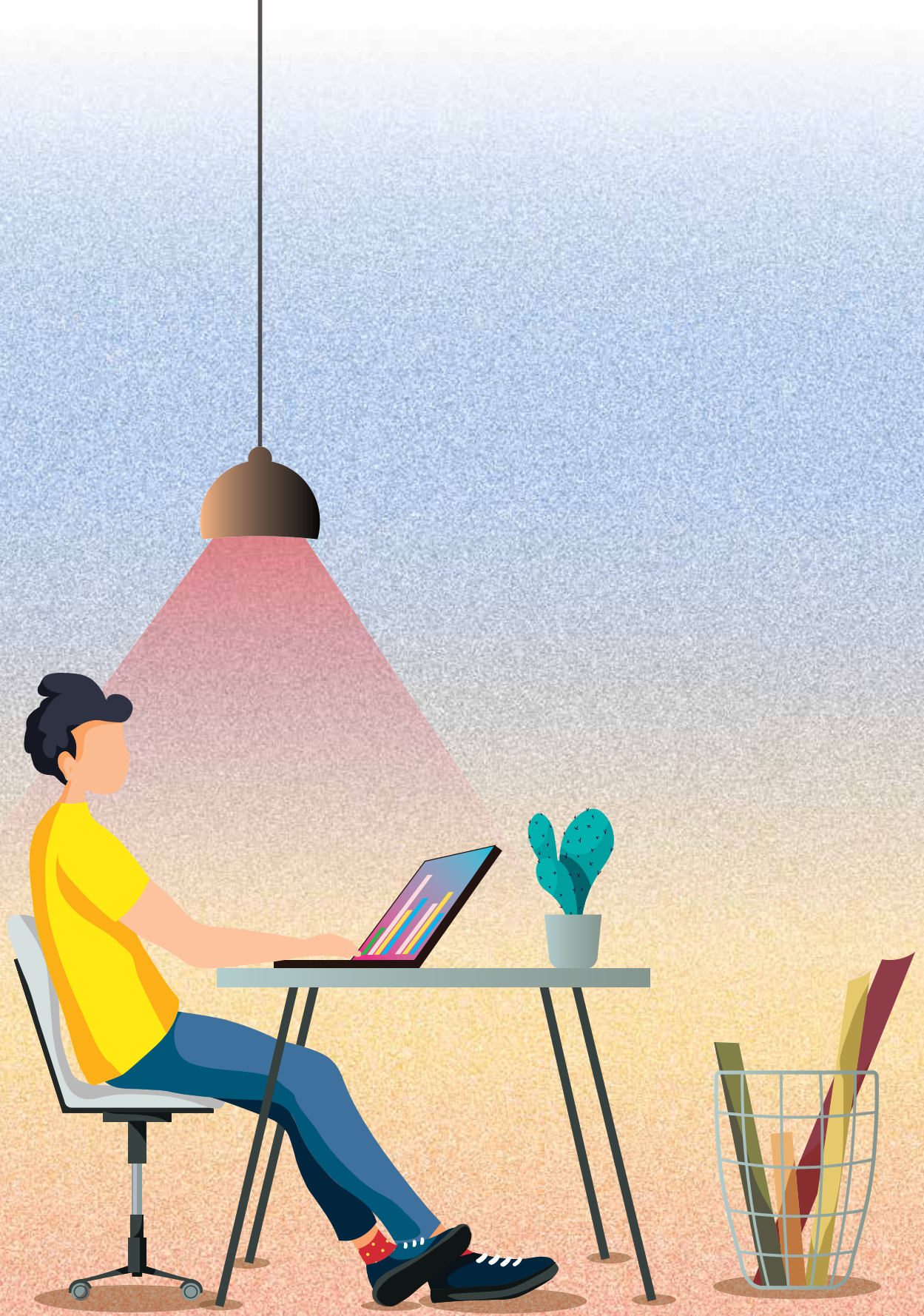
In this backdrop, a global calamity - the COVID-19 pandemic - disrupted economic activity across world markets. In India too, the onset of COVID-19 in early March 2020 brought economic activities to a grinding halt as government and people reoriented focus on lives over livelihood. After nearly five months of oscillation due to the uncertainties created by the pandemic, the focus is now better balanced between lives and livelihood.

A key learning over the last five months has been that the impact of disruptions and response measures would not stay the same when normalcy returns. And many re-settings made during the peak of crisis, whether transitory or permanent, will be tested on their overall merit. One such change from the perspective of the office property segment is the 'enforced' Work from Home (WFH) arrangement to ensure safety of the workforce. Organisations across the spectrum adapted to WFH during the initial periods of the country-wide lockdown and many are likely to

continue the same at varying degrees in the near term, until COVID-19 prevails as a primary societal concern. It is not that WFH is a new work setting, but the sheer scale of workforce that moved to this arrangement as a business continuity response makes it worthy of discussion.

Even as we see many markets resume activity levels and welcome office goers, Knight Frank took a closer look at the key considerations in the context of WFH. Our analysis - based on a large set of Information Technology companies which form the largest office occupier segment in the country - indicates that the corporate real estate (CRE) cost is around 4.3% of the operating income. After adjusting for the additional cost to be borne for setting up infrastructure for WFH, the savings yielded by WFH turns out to be very low.

Beyond the cost considerations of a WFH arrangement, our survey of IT sector employees - who are the most important influencers of workplace - highlights clear preference of working from office as the primary work setting when normalcy returns. An astounding 90% of the surveyed employees missed their office environment. Many more interesting insights are part of this seminal report which attempts to capture the most debated subject in the context of workplaces in current times. Creating this report was a fascinating experience for us and I hope you too will find it an interesting and enriching experience.





# INTRODUCTION



## *Office – Meaning and significance*

As per the Cambridge dictionary, an office is a room or a part of a building in which people work, especially sitting at tables with computers, phones, etc., usually as a part of a business or other organization. The meaning of 'office' is contextual to the times it is referred to, and with India being a Services Sector driven economy with 54% of Gross Value Added and 31% of employment<sup>1</sup>, the present day meaning of 'office' and its role assumes great significance.

---

<sup>1</sup>As of 2018, 31.45 per cent of India's employed population work in the services sector.



## *Covid-19 fallout – Office, Home and Work*

Historically, the office has always been a default setting for work and an alternative arrangement of Work From Home (WFH) has been explored only in a limited way. The present-day WFH arrangement necessitated by the Covid-19 pandemic and consequent lockdown is an ‘enforced’ Work From Home with the sole intention of protecting human life, instead of any consideration for its advantages or pitfalls. On the other hand, a prominent segment where Work From Home is explored in a big way is the gig or free-lance economy, which now accounts for 1 out of 4 workers in USA and is rapidly spreading its influence in other markets around the world.

In either case, there are certain benefits associated with this alternative setting for work and these are being explored here.



### **Benefits of work from home for corporations:**

- Business continuity, in case of adverse geographical conditions relating to people movement.
- Elimination of real estate cost including rent, facilities management, electricity and security.
- Elimination of cost associated with intra-city employee transportation.
- Better access to talent in smaller towns, women in the workforce and differently abled segments.

### **Challenges of work from home for corporations:**

- Data security challenges for BPM firms, particularly in segments like BFSI and Health.
- Impact on tax incentives associated with working from office in SEZ.
- Less effective employee engagement and championing of organisation culture.
- Setting up home infrastructure for employees in the form of IT requirements.

### **Benefits of work from home for workers:**

- Removes the travel woes of densely populated urban centres
- Saves time on commute during peak office hours<sup>2</sup>
- Flexibility in attending to personal needs.

### **Challenges of work from home for workers:**

- Space constraint at home as joint family culture, small houses and paying guest accommodation settings limit scope for dedicated workspace.
- Adverse impact on employee productivity on account of distractions in a social/home environment.
- Employee privacy concerns as Business Process Management (BPM) firms employ additional surveillance including video monitoring on worker systems.

Whether it is a pandemic of the nature of Covid-19 or the rise of a gig economy, one thing is clear: the nature of our operating environment is changing and corporate workplaces must be prepared to support that change. The dimension and extent of this change will depend on a variety of factors which relate to the organisation’s business and what the workers really want.

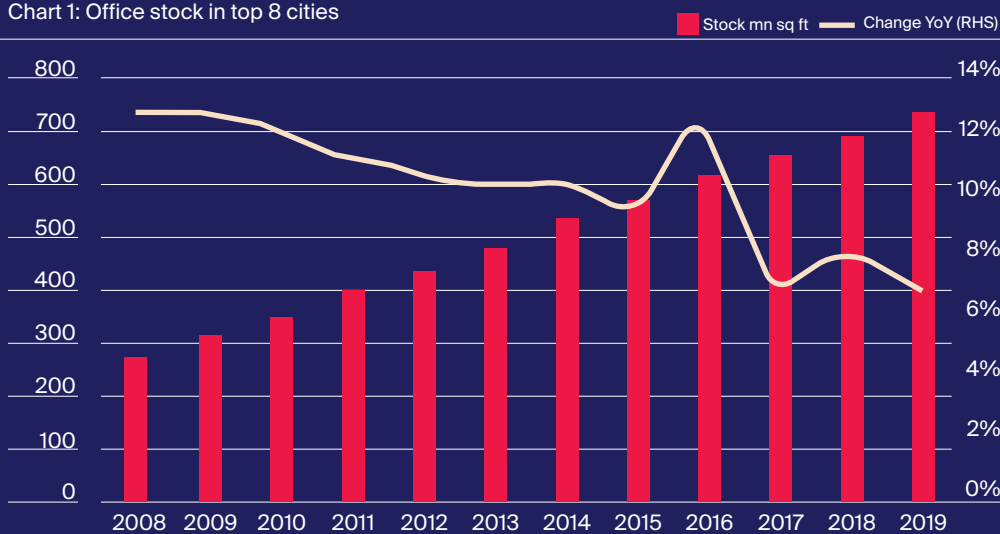
<sup>2</sup>Knight Frank India Urban Infrastructure report: Mumbai commuters spend 65% more time in congested conditions/peak hours than the average travel time taken for the same route and distance in free-flow conditions. New Delhi commuters record extra travel time of 58%.

## Key considerations and background in the context of Indian corporate real estate (CRE)

In this report, we have analysed the key stakeholder considerations to arrive at a qualified opinion on the impact of work from home on the Indian corporate real estate (CRE) segment. Considering the landscape of the Indian CRE market, the key stakeholders would be the corporate occupiers led chiefly by the Information Technology sector and the employees working in these organisations. We assess the dynamics of each of these components and key triggers for their decision making on this agenda.

### Robust India office market:

Chart 1: Office stock in top 8 cities

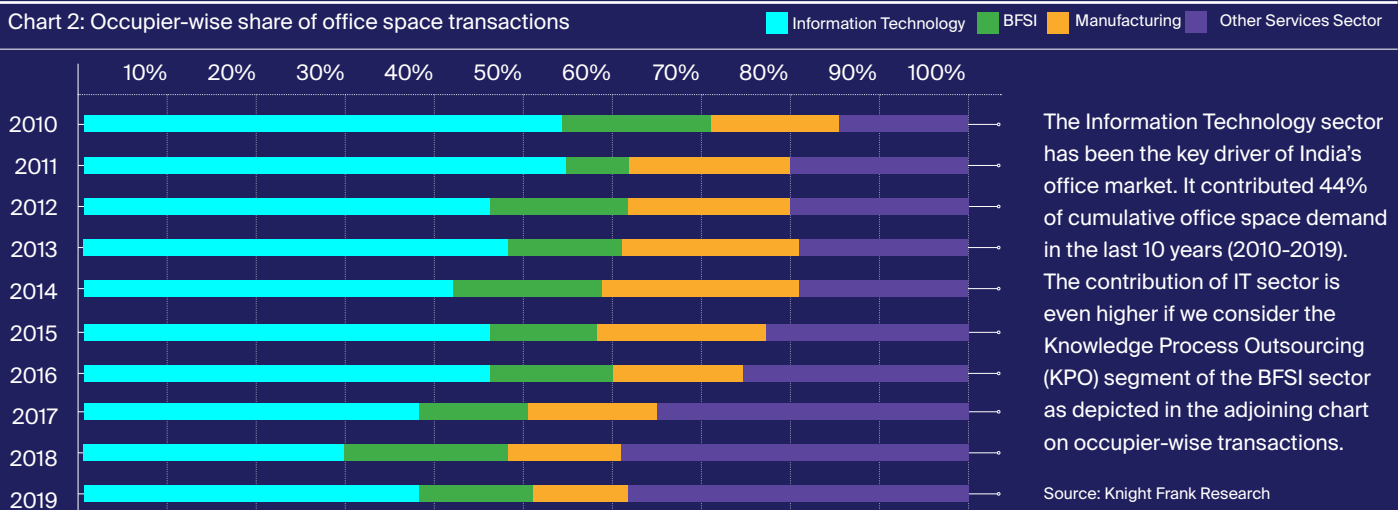


The office stock across top 8 cities stood at 758 mn sq ft in 2019 and grew at a CAGR of 9.6% between 2008 and 2019. Delhi NCR, Bengaluru and Mumbai are the larger markets and together contribute 63% of this stock. The remaining 37% is spread over Hyderabad, Pune, Chennai, Kolkata and Ahmedabad. The occupied stock of 658 mn sq ft across these top 8 cities represents a workforce of 8.22 million.

Source: Knight Frank Research

### Dominance of the Information Technology sector

Chart 2: Occupier-wise share of office space transactions



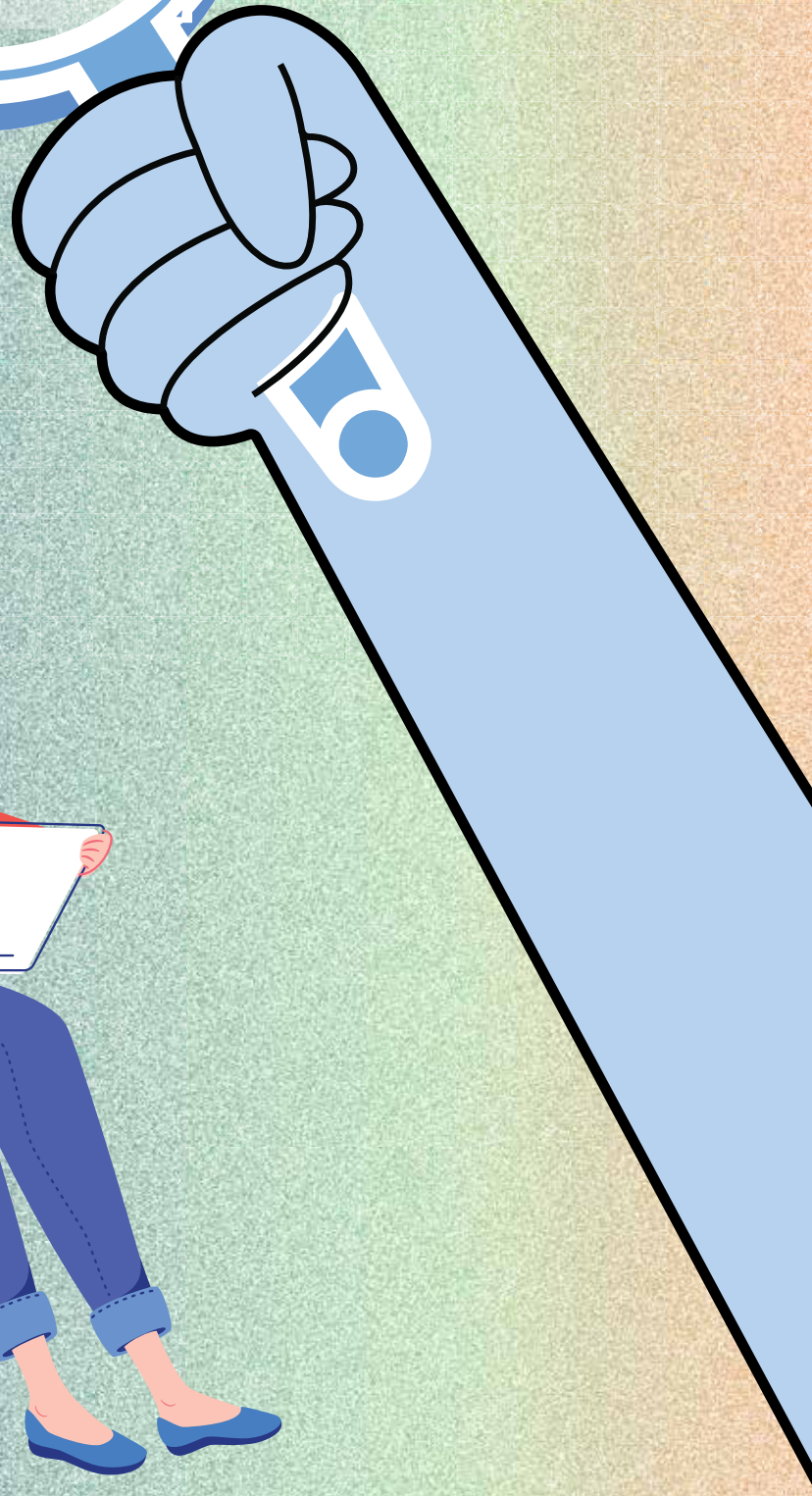
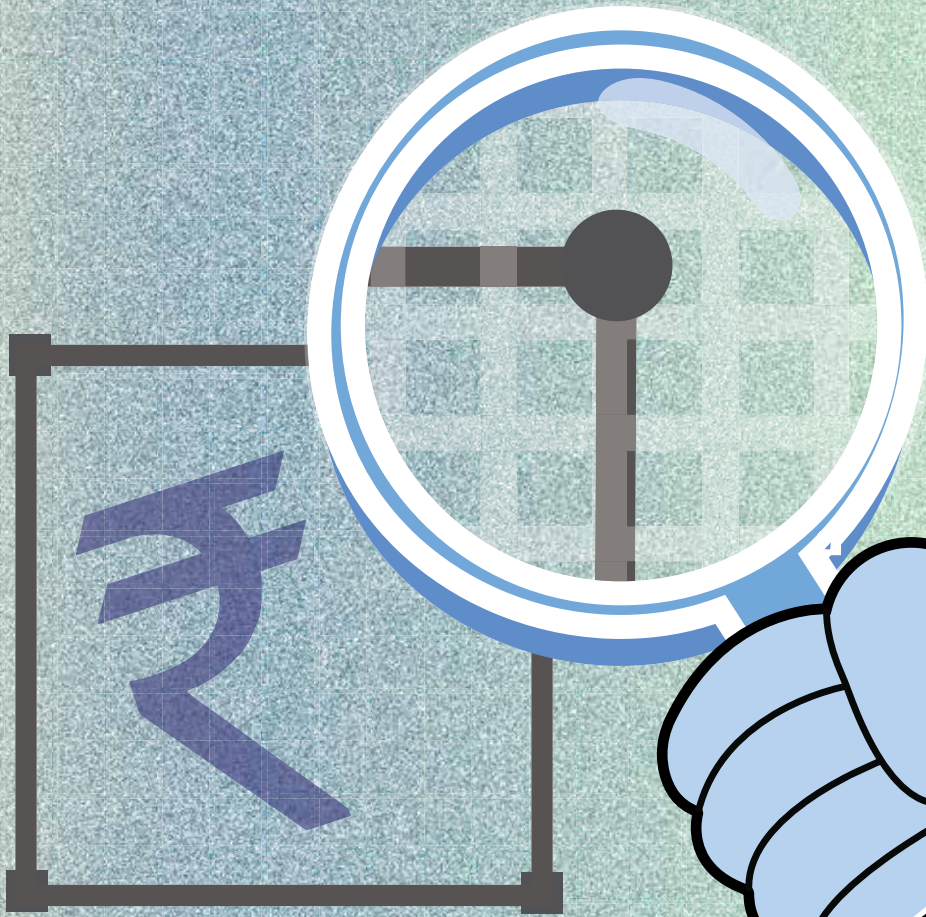
The Information Technology sector has been the key driver of India's office market. It contributed 44% of cumulative office space demand in the last 10 years (2010-2019). The contribution of IT sector is even higher if we consider the Knowledge Process Outsourcing (KPO) segment of the BFSI sector as depicted in the adjoining chart on occupier-wise transactions.

Source: Knight Frank Research

### Sectoral linkage of the Information Technology sector

Besides the impact on the country's Corporate Real Estate market, the IT sector also plays a prominent role in the corollary economic activities that it generates. Studies<sup>3</sup> have indicated that industries like real estate, training, recruitment, transport and tourism are directly influenced by the Information Technology and IT enabled Services (IT and ITeS) industry. It is also believed that one job in the IT sector creates 8 indirect jobs in the economy.

<sup>3</sup>Identifying the High Linked Sectors for India: An Application of Import-Adjusted Domestic Input-Output Matrix Report







# **C O S T   D I M E N S I O N   O F W O R K   F R O M   H O M E**



While the present-day Work From Home arrangement is enforced in the light of the Covid-19 outbreak, a longer-term choice will depend on cost consideration of the occupier's business. We take a closer look at a key occupier group – the Indian IT sector's business dynamics, revenue model and cost structure to understand what fundamental changes are required on this account.



# USD 181

Indian IT industry revenues stood at USD 181 billion in FY19



# USD 350

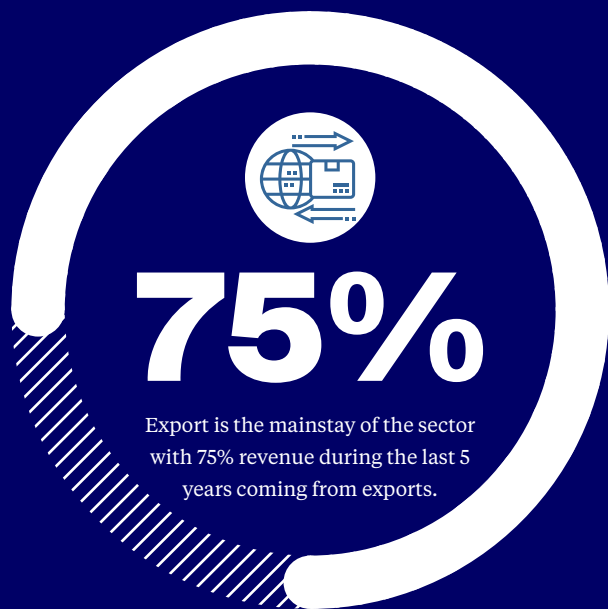
The revenue of the IT sector in 2025 <sup>4</sup>

IT sector has recorded a CAGR of 8.1% during FY15 – FY19

# 8.1%

The revenue of the sector is expected to grow to USD 350 billion by 2025, which is a CAGR of 11.6% over the next 6 years

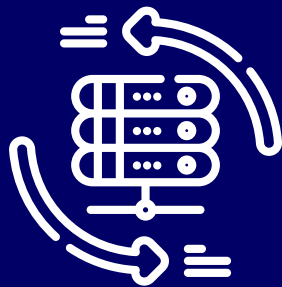
# 11.6%





# 55%

India is the leading sourcing destination of the world with a share of 55% in FY18.



# 1000

Indian IT companies have set up over 1,000 global delivery centres in about 80 countries across the world



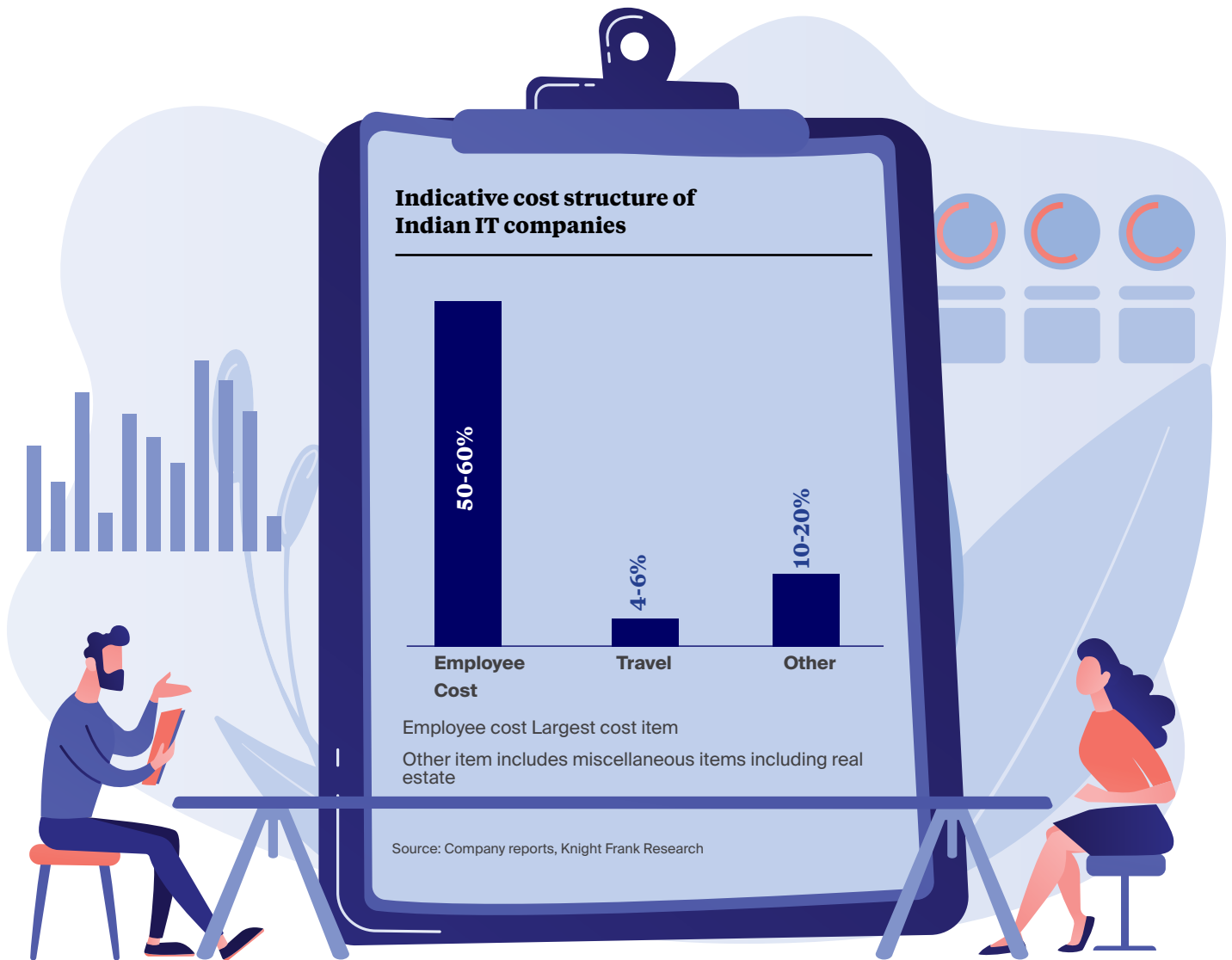
# 4.1 MN

IT sector employs 4.1 million people as on FY19, which translates into per employee revenue of USD 44,146



### *Cost structure of the Information Technology sector*

While the product spread of Information Technology business predominantly includes software service development and business process management (BPM), new age technologies like artificial intelligence, robotics and digital are fast growing segments. Considering the nature of this services business, the key cost component is the human capital and the fact remains that it is a manpower intensive business. Accordingly, in terms of the cost structure of an IT company, employee cost forms the single largest cost component. The following table represents an indicative cost structure of Indian IT companies.



As can be seen from the chart on cost break-up of Indian IT companies, the employee cost (50-60% of operating income) forms the single largest component, followed by cost related to travel to client locations (4-6%). Other items (10-20%) include sub-contracting, communication, legal and insurance besides real estate costs. A closer look at the real estate cost will provide a clearer picture on this aspect.

## Detailed real estate cost dynamics of Indian IT companies

Chart: Real estate cost dynamics of Indian IT companies

	Large	Mid	Small	Total
Operating Income segment (INR crore)	Over 10,000	1,000 to 10,000	Up to 1,000	All
No of companies	5	27	87	119
Operating Income (INR crore)	3,56,512	94,308	19,035	4,69,856
No of Employee	9,15,546	1,96,417	51,642	11,63,605
Net Profit (INR crore)	65,068	5,737	1,254	72,060
Office space estimate (sq ft) @ 80/employee	7,32,43,680	1,57,13,360	41,31,360	9,30,88,400
Real estate Opex estimate (INR crore)	15,821	3,394	892	20,107
Real estate opex as % of Operating Income	4.40%	3.60%	4.70%	4.30%

Source: Capitaline, Company reports, Knight Frank Research

Note: Real estate operating expense (real estate opex) is the recurring cost associated with the office premises. It is estimated based on our understanding of costs related to property rent, facilities management, electricity, security, common area maintenance, amortised capital expenditure, water charges, HVAC and DG, intra-city transport, etc. In terms of the cost dynamics of individual companies, a variety of factors including scale of business, service/product mix, legacy of assets/real estate could be at play. Therefore, we have taken a set of listed IT companies, to analyse the make-up of real estate cost. Collectively, these 119 companies represent 37% of the industry operating income and 28% of the employee base.

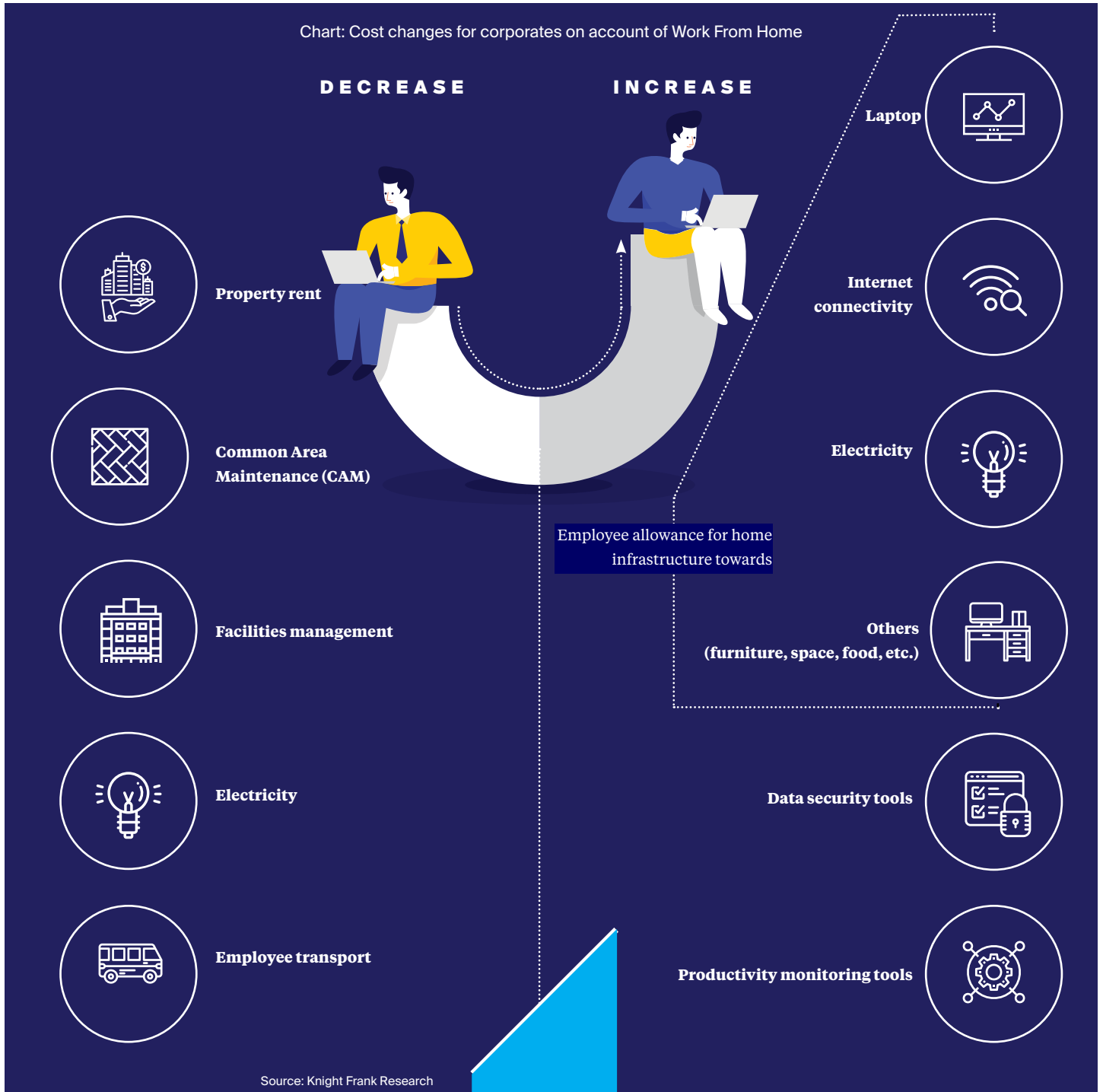
We have created three categories of IT companies viz. large, medium and small, basis the scale of business as measured by their operating income. Considering that the cost relating to real estate is a small component of the business, detailed information on this account is seldom available. Hence, with our understanding related to the property rent, facilities management, electricity, security, etc we have arrived at the real estate operating expense (real estate opex) for these companies.

### Key takeaways from our analysis:

- The Indian IT industry spends 4.3% of its operating income annually towards real estate operating expense.
- Smaller IT companies spend 4.7% on real estate, followed by large IT companies at 4.4% and mid-sized IT companies at 3.6%.
- Office space rent paid by IT companies constitutes 0.5% to 2% and the remaining is cost incurred towards managing these premises/facilities, which includes items like facilities management, electricity and security.

## Changes in real estate cost dynamics on account of Work From Home

Post the enforced Work From Home arrangement created by the Covid-19 pandemic, voluntary longer term adoption will depend on a large set of considerations, which would be both quantitative and qualitative. From the quantitative (cost) aspect, the following are the considerations.



A host of costs related to office premises like rent, common area maintenance (CAM), internal facilities management, electricity, security, and employee transport are eliminated when the Work From Home model is voluntarily taken up. However, additional cost towards employee's home infrastructure including laptop, internet connectivity and electricity may have to be borne by the employer. Further, considering the activities move out of the enterprise's physical boundaries, cost towards data security and productivity monitoring tools will also have to be incurred by the employer. Depending on the proportion of employees that are moved to a Work From Home arrangement, this cost incidence of INR 5,000 – 10,000 per month per employee will play out and ultimately determine the net cost savings.

## Net cost savings from a 50% work from home arrangement

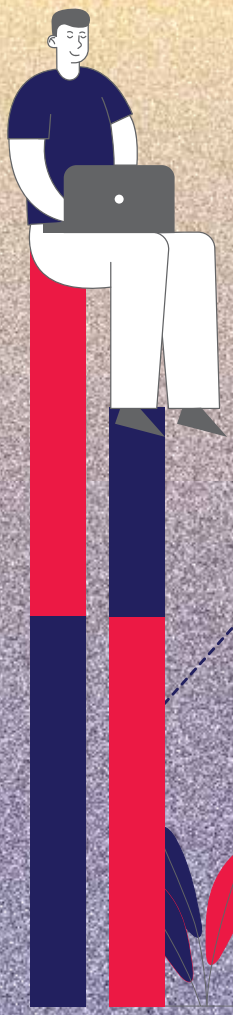
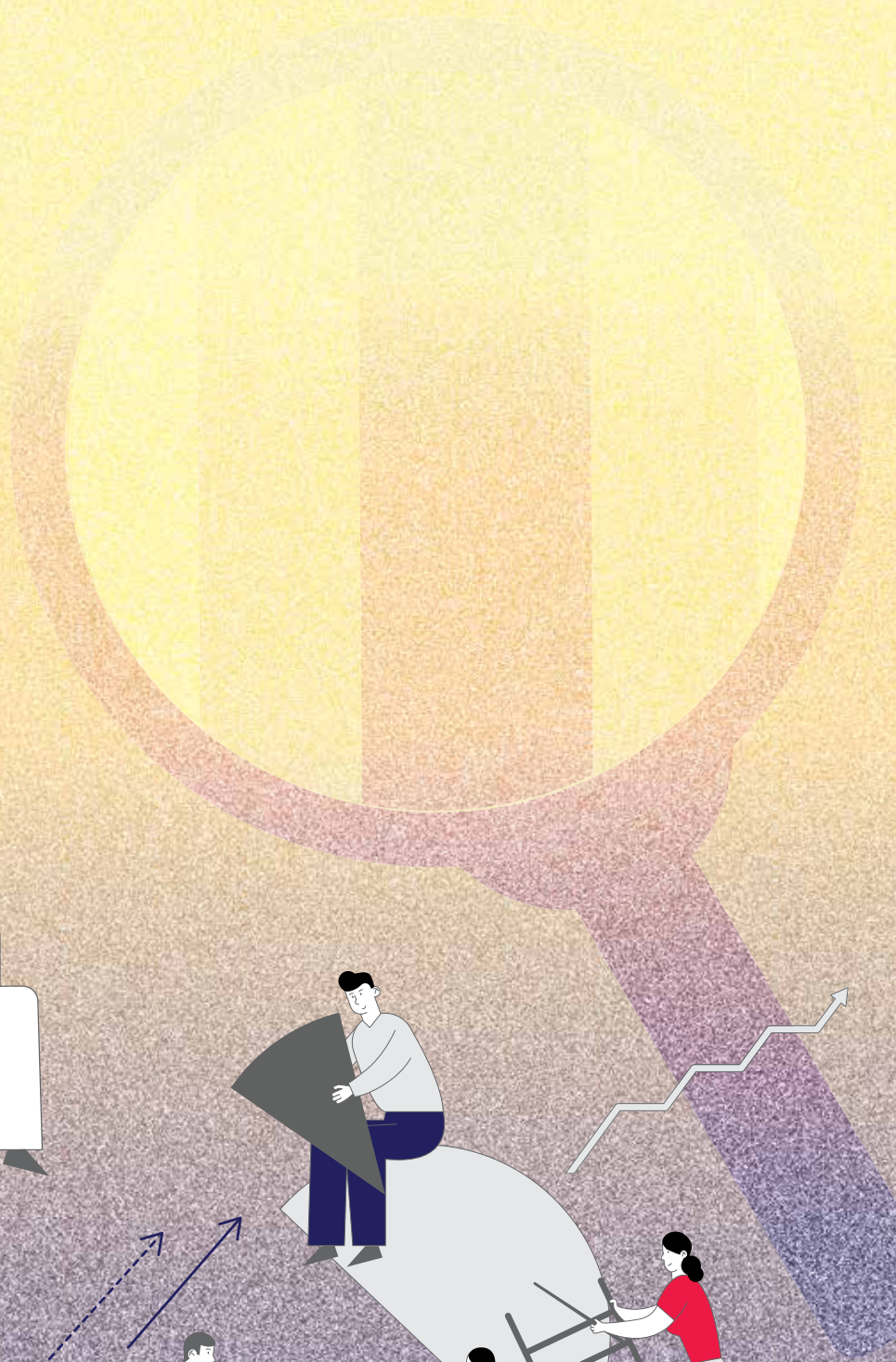
Chart: Real estate cost dynamics of Indian IT companies

		Large	Mid	Small	Total
Operating income segment (INR crore)		Over 10,000	1,000 to 10,000	Up to 1,000	All
No of companies		5	27	87	119
<b>Operating Income (INR crore)</b>	<b>A</b>	<b>3,56,512</b>	<b>94,308</b>	<b>19,035</b>	<b>4,69,856</b>
<b>Costs towards work from office:</b>					
No of Employee - At Office (50%)		4,57,773	98,209	25,821	5,81,803
Office space estimate (sq ft) @ 80/employee		3,66,21,840	78,56,680	20,65,680	4,65,44,200
<b>Real estate opex estimate (INR crore)</b>	<b>B</b>	<b>7,910</b>	<b>1,697</b>	<b>446</b>	<b>10,054</b>
<b>Costs towards work from home:</b>					
No of Employee - At Home (50%)		4,57,773	98,209	25,821	5,81,803
<b>Work From Home related costs</b>	<b>C</b>	<b>5,493</b>	<b>1,179</b>	<b>310</b>	<b>6,982</b>
<b>Earlier: Real estate opex estimate (INR crore)</b>	<b>D</b>	<b>15,821</b>	<b>3,394</b>	<b>892</b>	<b>20,107</b>
<b>Now: Combined cost (INR crore)</b>	<b>E= B+C</b>	<b>13,404</b>	<b>2,876</b>	<b>756</b>	<b>17,035</b>
<b>Cost savings (INR crore)</b>	<b>F= D-E</b>	<b>2,417</b>	<b>518</b>	<b>136</b>	<b>3,072</b>
<b>Net savings as % of Operating Income</b>	<b>F/A</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>

Source: Capitaline, Company reports, Knight Frank Research

### Our analysis with a consideration for 50% employees working from home yields the following observations:

- Net cost savings with a 50% Work From Home arrangement stands at around 1% for IT companies. Further, there is not much variation across large, mid or small segment of companies.
- Cost saving on account of lower CRE footprint is largely lost on additional cost towards ensuring an effective Work From Home arrangement.
- While business continuity planning (BCP) stands as a reasonable argument in favor of a Work From Home model, cost saving does not.
- In case of large IT companies with owned premises and campus developments, the cost saving will be even lesser compared to companies operating from leased premises.





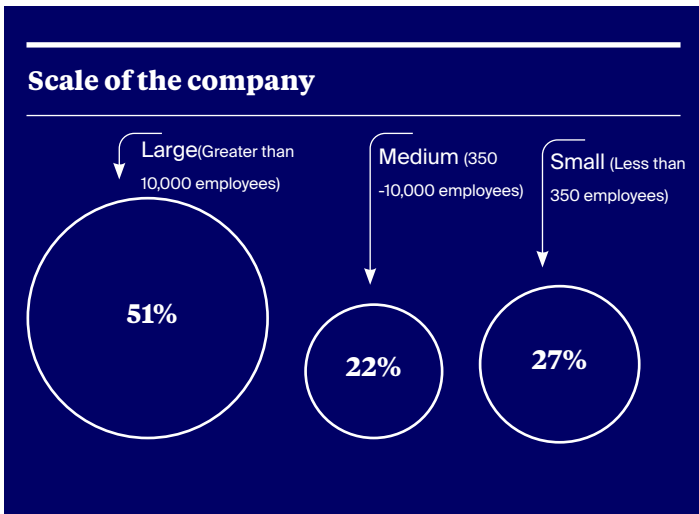
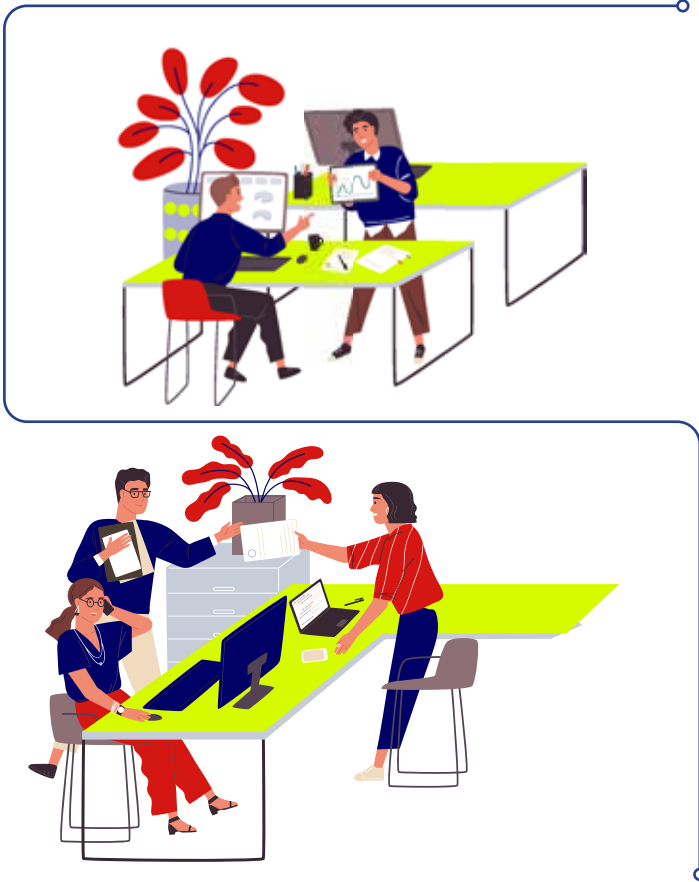


# **EMPLOYEE INSIGHT DIMENSION OF WORK FROM HOME**

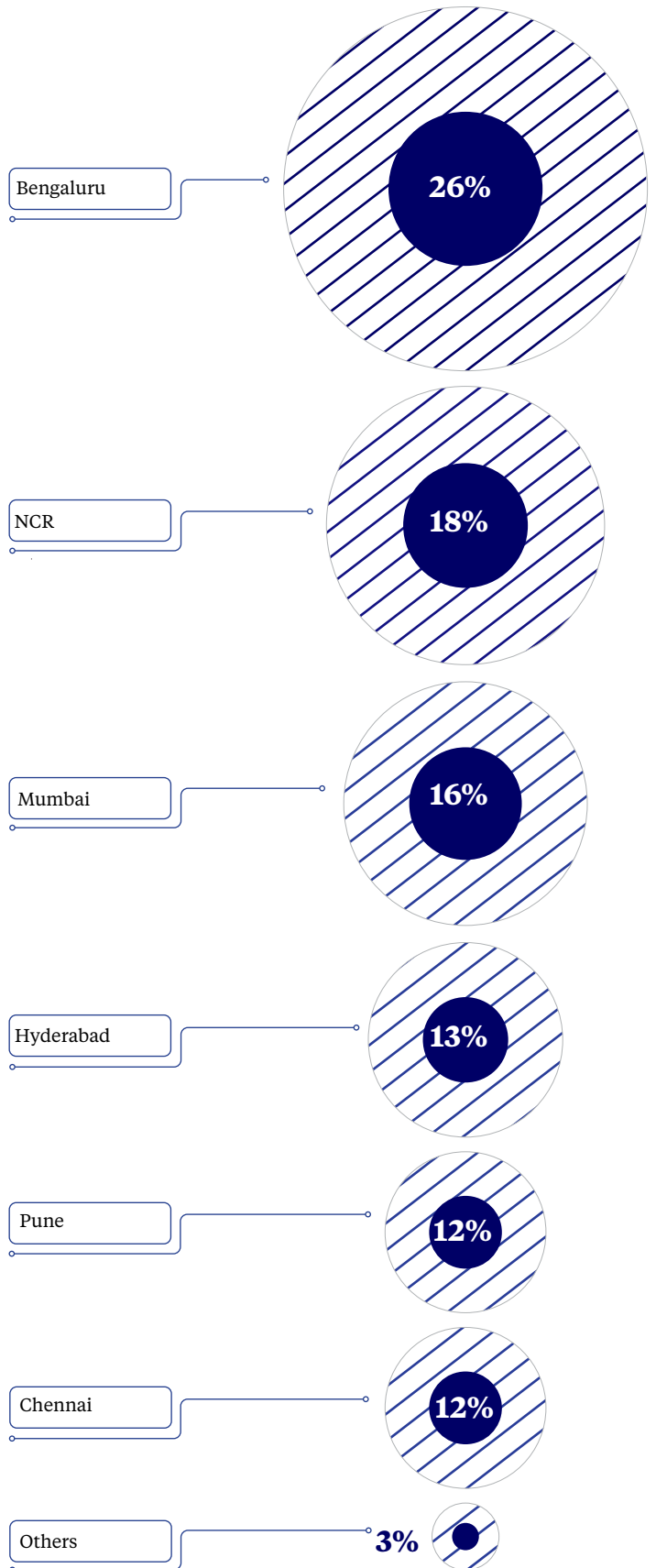


Employees are the most important influencers to the corporate decision of either operating from office or allowing employees to work from home. Feasibility of the concept of Work From Home as an alternative to working from offices for a specific period (as in the current case that has arisen due to the Covid-19 pandemic) or as a long-term measure will depend on the willingness and comfort, provided it does not hamper their productivity and work performance.

Considering the significance of 4.1 million IT sector employees and their influence in decision making, Knight Frank has conducted an extensive survey with 1600 employees of Information Technology (IT) & Information Technology enabled Services (ITeS) companies in India to understand their proclivity towards Work From Home. Interesting insights have emerged from the survey which was administered online to employees across experience levels, locations, domain areas & scale of companies.



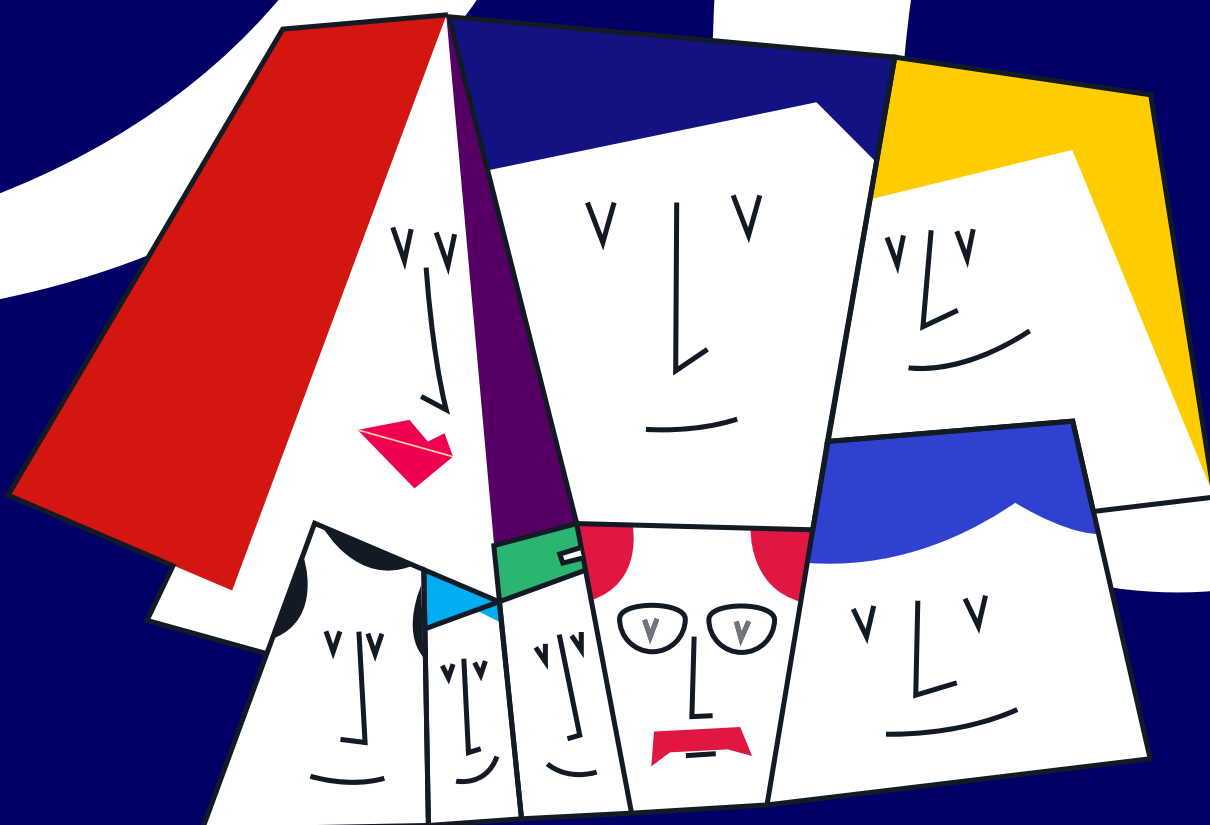
### Location



\* Others include locations such as Jaipur, Bhubaneswar, Cochin, Chandigarh & Nagpur

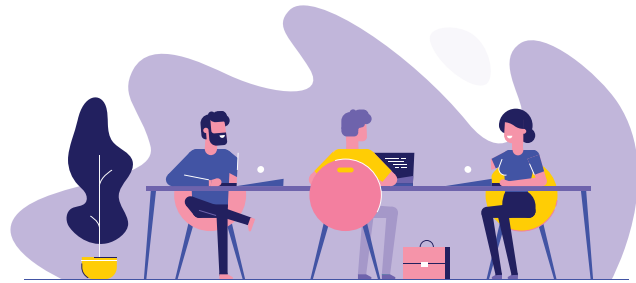
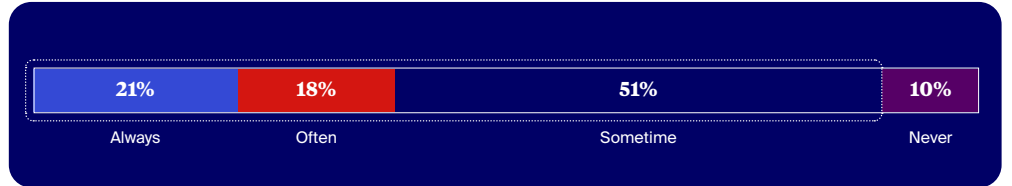
**90 percent  
of IT/ITES  
Employees miss  
their Office  
environment**

In spite of being conscious of the advantages of Work From Home, nearly 90 percent of IT/ITES employees have opined that they miss their office environment. Our survey shows that employees across the major cities are missing the office environment.

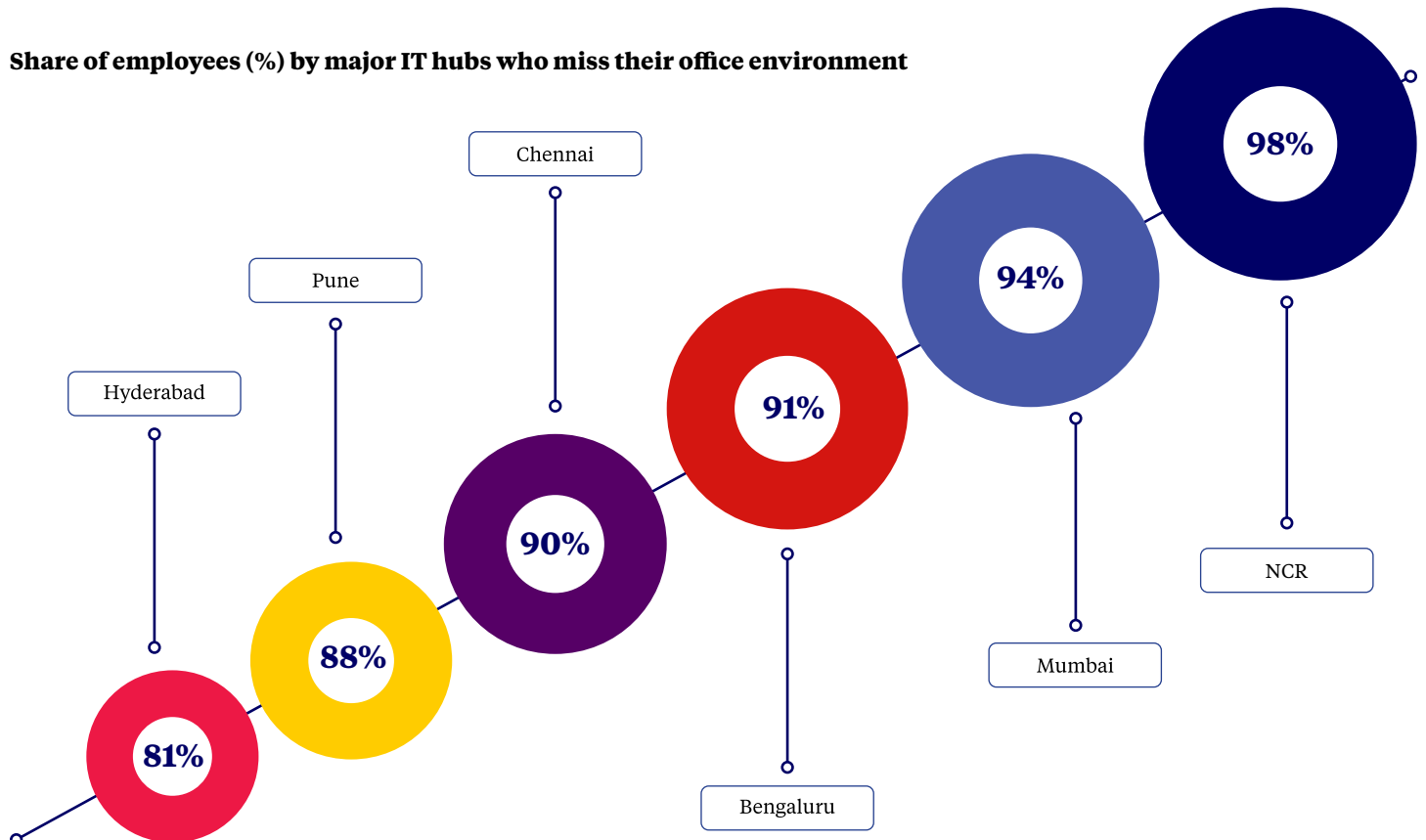




**Frequency at which IT/ITeS employees miss being in office while working from home due to the Covid-19 pandemic**



**Share of employees (%) by major IT hubs who miss their office environment**



## Office related aspects missed by employees

Personal as well as professional face to face discussions have clearly surfaced as the prominent aspect missed by IT/ITeS employees while working from home during the Covid-19 pandemic. As discussions which are currently conducted with colleagues on networking platforms are virtual and largely restricted to work related aspects, this demonstrates the psychological needs of employees to interact with colleagues beyond work. Ease of communicating ideas in person and team outings are other aspects which are missed by employees while working from home. Survey respondents also highlighted on job learning from colleagues and office amenities like subsidised food and gymnasium that they are missing while WFH.



### Office related aspects missed by Employees while currently Working from Home

DISCUSSION BEYOND SCOPE OF WORK

53%

EASE OF COMMUNICTAING IDEAS FACE TO FACE

49%

TEAM OUTINGS LEADING TO EASING OF WORK PRESSURE

49%

WORK RELATED DISCUSSIONS IN PERSON

44%

ON THE JOB LEARNING FROM COLLEAGUES

39%

FACILITIES SUCH AS FREE/SUBSIDIZED FOOD

23%

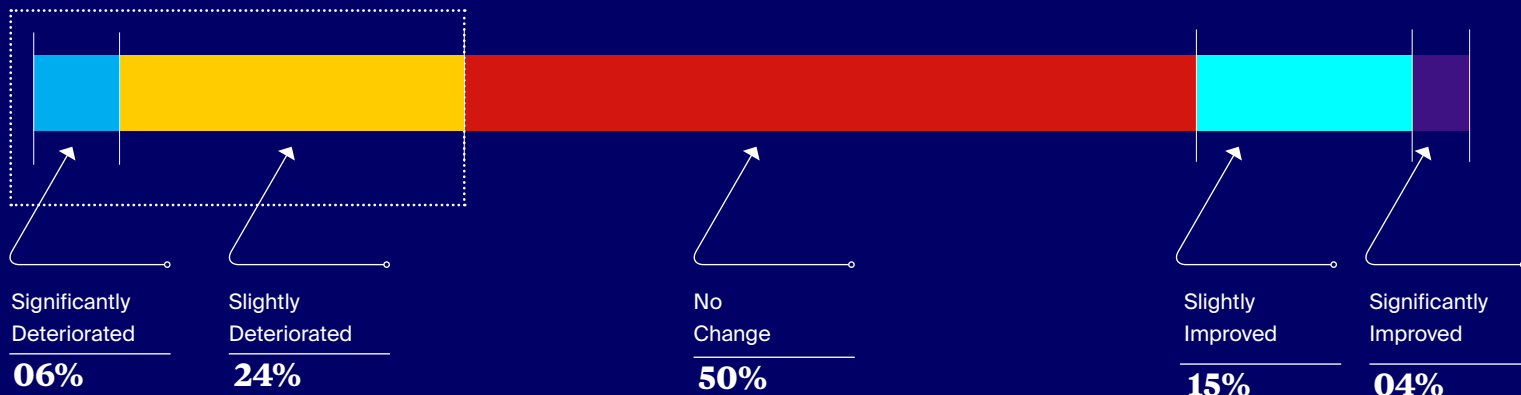
AMENITIES SUCH AS GYMS, SWIMMING POOLS ETC.

21%



30 percent of employees reported deterioration in their productivity and work performance while working from home. The operating constraints of WFH has adversely impacted employee productivity. It is to be noted that this drop in productivity is inspite of the job insecurity and abnormal circumstances due to COVID 19, that we are going through. Considering that the IT sector is manpower intensive with employee cost accounting 50-60% of operating income, productivity loss is a big concern.

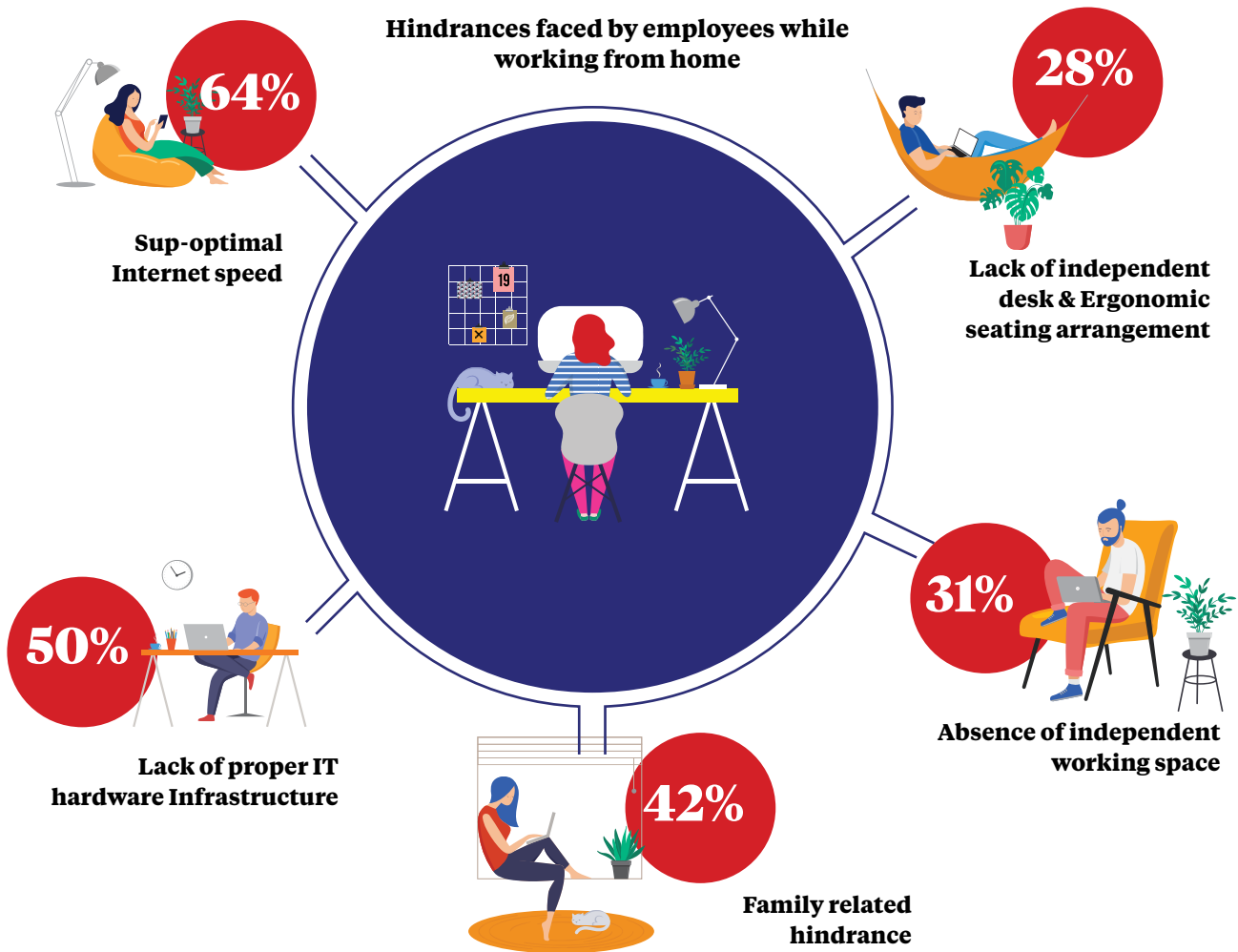
**Nature of impact on employee productivity & work performance during Work From Home imposed due to Covid-19**





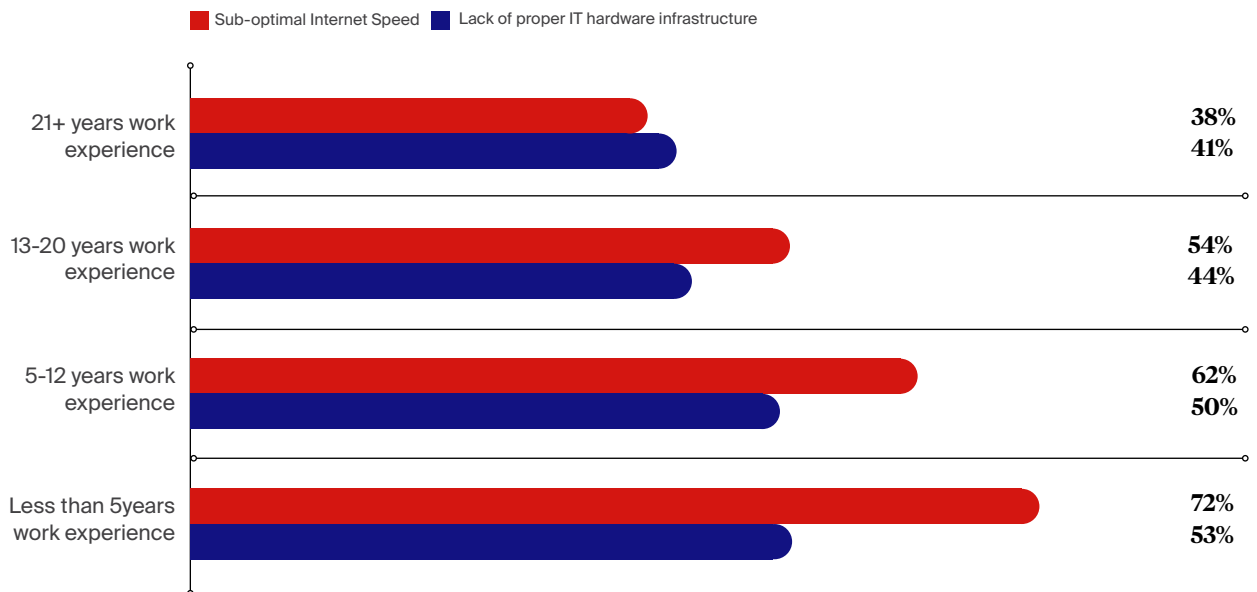
## **Hindrances faced by IT/ITeS employees to Work From Home**

The major hindrances faced by IT/ITeS employees while working from home mainly pertain to technology related infrastructure.



A greater percentage of junior employees are hindered due to IT infrastructure related challenges, compared to senior employees. This is not surprising given that the junior employees would be having relatively weaker IT infrastructure at home.

**Percentage of employees facing technology infrastructure related hindrances**

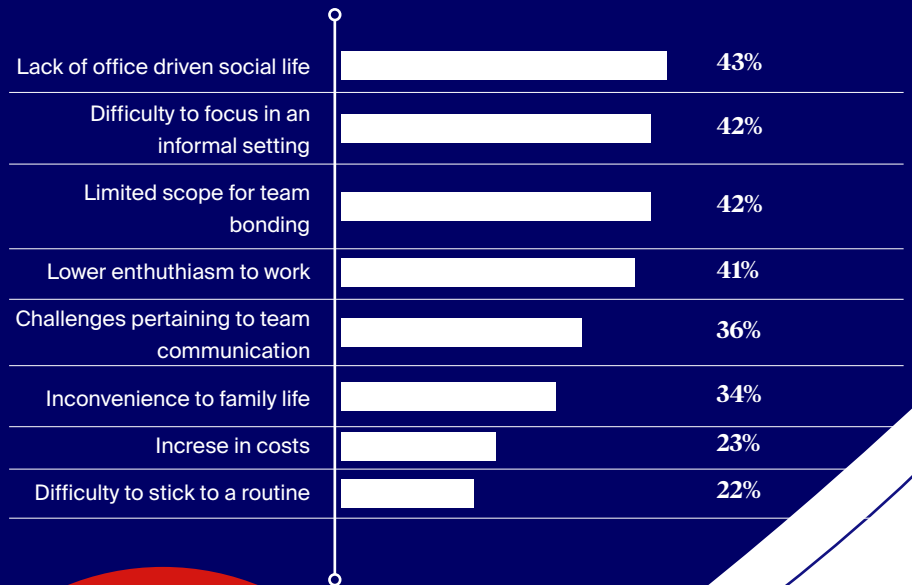




## Disadvantages of Work From Home

The major disadvantages perceived by IT/ITeS employees are directly or indirectly linked to the absence of an office environment. Interestingly most employees are missing office driven social life. This aspect highlights that the office is perceived by the employees as not just place of work but also a place for social interaction and team bonding. Another aspect highlighted is that employees are finding effective team communication difficult while WFH. Moreover, employees are finding it difficult to focus in an informal setting at home and have highlighted inconvenience to family life as a cause of concern.

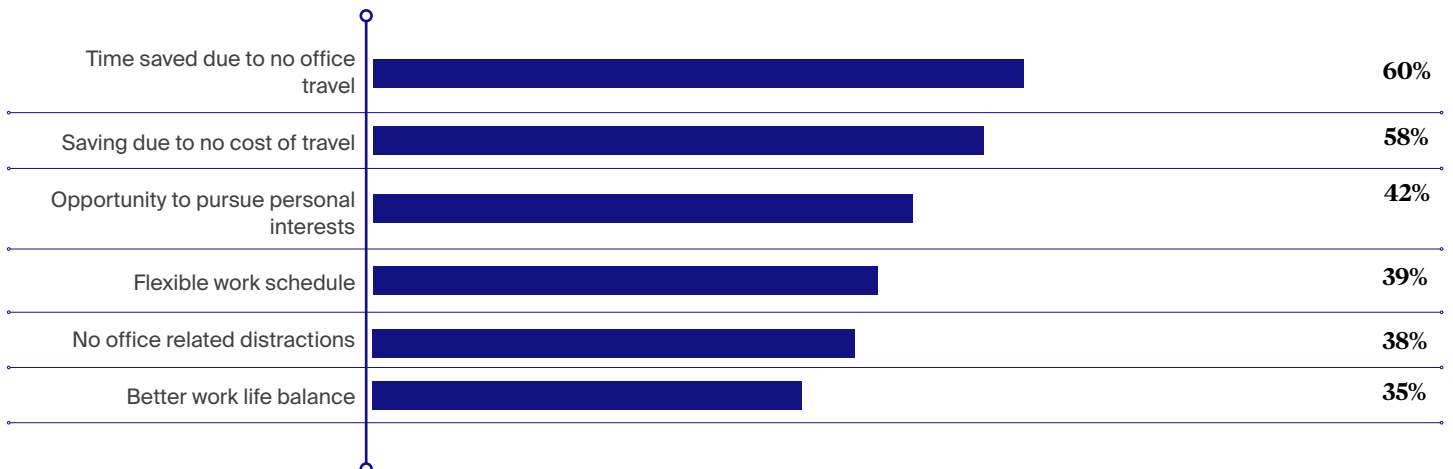
### Disadvantages of Work From Home



## Advantages of Work From Home

Time saved through not having to travel to office is perceived by IT/ITeS employees as the most important and tangible benefit of Work From Home. This benefit is the most valued aspect by majority of the employees across experience levels as well as scale of the company. Apart from that employees have highlighted opportunity to pursue personal interests and flexible work schedule as some of the other advantages of WFH.

### Advantages of Work From Home





## **C O N C L U S I O N**



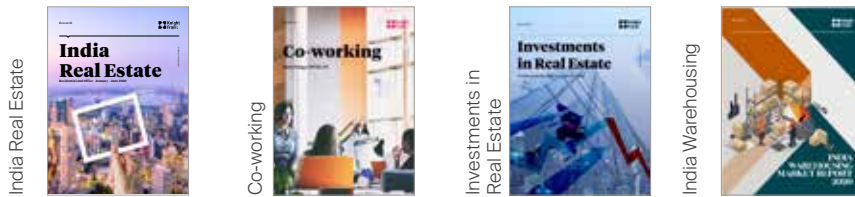
Since the outbreak of Covid-19, IT companies have resorted to Work From Home in a bid to ensure continuity of operations and ensure employee safety.

Although it is regarded as a step taken in their interest, 90 percent of employees miss their office environment. That operating from office ensures efficient functioning, has been acknowledged by all sections of employees. Face to face interaction with colleagues, be it for professional or personal reasons is the most important aspect missed by employees while working from home.

Employees showcase lower motivation levels while working from home on account of several challenges of WFH. Hindrances such as inadequate IT infrastructure, distraction due to family, difficulty to focus in an informal setting, lower enthusiasm, difficulty to stick to a routine lead to lower motivation levels and 30% of employees have recorded a loss of productivity. Given the constraints of smaller houses and big families, employees have highlighted their concerns around inconvenience to family life. Most of the respondents did not feel that work from home leads significant positive impact on the personal life.

Real estate operating expenditure is a relatively small cost component for the IT/ITES companies. As per our sample analysis, real estate operating expenditure is around 4.3% of the operating income of IT companies. After taking into account the additional cost of setting up the home infrastructure, the cost savings for IT companies for WFH arrangement turns out to be very low (only around 1% of operating income in an assumed scenario of 50% WFH). This highlights that even while business continuity planning (BCP) and tapping into larger talent pool stands as a reasonable argument in favor of a Work From Home model, cost saving does not.

Work From Home was required at the current juncture due to the Covid-19 crisis and hence most companies moved to this arrangement. However, there are concerns related to productivity, employee motivation, lack of adequate home infrastructure, etc. Cost savings due to WFH is also minimal. Hence, we feel that in the long run as things return to normalcy, significant move to WFH will not happen on a permanent basis.



---

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

---

**REPORT AUTHORS:**

**Vivek Rathi**  
Director - Research  
vivek.rathi@in.knightfrank.com

**Aalok Shinde**  
Principal Consultant - Market Research & Advisory  
aalok.shinde@in.knightfrank.com

---

**RESEARCH**

**Rajani Sinha**  
Chief Economist & National Director  
rajani.sinha@in.knightfrank.com

**OCCUPIER SERVICES**

**Viral Desai**  
National Director  
viral.desai@in.knightfrank.com

**ADVISORY SERVICES**

**Saurabh Mehrotra**  
National Director  
saurabh.mehrotra@in.knightfrank.com

**CORPORATE - MARKETING & PUBLIC RELATIONS**

**Girish Shah**  
Executive Director  
girish.shah@in.knightfrank.com

**Sugata Sarkar**

Senior Director - Consultancy & Market Research  
sugata.sarkar@in.knightfrank.com

---

**Knight Frank Research Reports  
are available to download at  
[knightfrank.com/research](http://knightfrank.com/research)**

The statements, information, data, and opinions expressed or provided herein are provided on "as is, where is" basis and concerned parties clients are required to carry out their own due diligence as may be required before signing any binding document. Knight Frank (India) Private Limited (KFIPL) makes no warranties, expressed or implied, and hereby disclaims and negates all other warranties, including without limitation, implied warranties or conditions of merchantability, fitness for a particular purpose, or non-infringement of intellectual property or other violation of rights including any third party rights. Further, KFIPL does not warrant or make any representations concerning the accuracy, likely results, or reliability of the use of the statements, information and opinions as specified herein. The statements, information and opinions expressed or provided in this presentation / document by KFIPL are intended to be a guide with respect to the purpose for which they are intended, but in no way shall serve as a guide with regards to validating title, due diligence (technical and financial), or any other areas specifically not included in the presentation. Neither KFIPL nor any of its personnel involved accept any contractual, tortious or other form of liability for any consequences, loss or damages which may arise as a result of any person acting upon or using the statements, information, data or opinions in the publication in part or full. The information herein shall be strictly confidential to the addressee, and is not to be the subject of communication or reproduction wholly or in part. The document / presentation is based on our understanding of the requirement, applicable current real estate market conditions and the regulatory environment that currently exists. Please note any change in anyone of the parameter stated above could impact the information in the document/presentation. In case of any dispute, KFIPL shall have the right to clarify.

