

Profit Centers – Schematic Presentation.

1. Modi Properties is specializing in:
 - a. Development of middle income housing in peripheral areas of Hyderabad and tier 3 cities in Telangana.
 - b. Development of lab spaces in Telangana, Andhra Pradesh and Gujarat.
2. The profit centres for these developments are broadly divided into 4 parts. Each has approximately equal weightage (25% each).
3. A brief description of each profit centre is given below.

Acquisition of Land + Structure of Company/Firm + Financing Purchase. a. Acquisition of land includes due-diligence and is handled by small team. Final decision is taken by top management. b. Structure of company/firm – 3 types: i. Self acquired land. ii. Land acquired in partnerships with investors. iii. JDAs. c. Financing for purchase of land and/or JDAs is key to the ultimate liability of the project. The financing and structure of company/firm is customised for each development. d. Teams: Admin, Legal.	Design + Permits. a. Designs are for speculative development. Therefore, knowledge of future demand, market survey, current status of market, etc., are very important for project viability. b. Ease of permits is considered at time of land acquisition. Plans for development are conservative to ensure permits are easily obtained in a reasonable timeframe. c. Designs that do not meet future demand or undue delay in permits severely affects profitability. d. Teams: Admin, Legal, E&D.
Marketing + Sales + Customer Relations. a. Marketing is primarily focused on high impact, low cost promotions. b. Sales team services enquiries generated by marketing. c. Customer relations team takes care of post sales collections, maintenance and documentation. d. Sales and marketing is finetuned from time to time to ensure that rate of sales is in tune with timelines of development i.e., rate is increased periodically to maximise returns, however ensuring steady sales to meet cashflow requirements. e. Finance cost can be minimised if revenue from sales matches the cashflow for development. f. Teams: Promotions, Sales, Customer Relations.	Construction. a. This is the most visible part of the business. b. Construction activity has been largely finetuned to minimise cost. Traditional methods of construction are most cost effective. Only downside is increase in period of development. Increase in cost for speeding up pace of construction is exponential! c. Except for value engineering, scope of reduction in cost is limited. d. Therefore, focus is shifted from reducing cost to quality and timelines. e. Teams: Construction, QS, QC, MEP, Purchase, EHS.