

# Distance Farming

## Distance Farming

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### INDEX

1.	Customer Problem & Proposed Solution
2.	Key Indicators
3.	Business Model
4.	Target Market
5.	Financial Summary
6.	Repayment Schedule & Exit Option
7.	Our Online Presence
8.	Our Advisory Board
9.	Way Forward
10.	Site Visit Protocol
11.	Rent Your Land
12.	Financial Snapshot from Yr 1 to 7
13.	Terms & Conditions
14.	Foreign Investment
15.	Our Pilot Project

## **1. Customer Problem:**

- Large volume of investors is available in the range of Rs. 0.5lak to Rs 25 lak; who wish to invest for a recurring income for considerable period. Further Polyhouse based 'Floriculture' and 'Horticulture' has been in vague for its global demand and less dependency on weather and soil yield.
- Urban youth in IT, Manufacturing and other service sector, NRIs are scouting for simple but innovative investment options and willing share excitement of to be in agriculture business; but it doesn't get materialized due to distance
- Investment options such as Mutual Funds, Insurance, Plots, Gold and other capital markets never offer consistent and increasing recurring income for an investor

### **Proposed Solution:**

Brain Chamber Distance Farming (BCDF) gives an opportunity to an investor to indirectly grow flowers (Poly House with Orchid, Gerbera and Rose etc.) at a particular location; systematically managed by experts from planting, maintaining, cutting, dispatching till realization of money and immediate distribution of earning in proportion to agreed terms with investors.

No matter where you are Brain Chamber Team is systematically managing on your behalf a Poly House and sharing returns with you.

## **2. Key Indicators:**

- Area of One Unit : 10890 Sqft (10 Guntha)
- Investment Sought – Rs. 22lak - \$35,000 (Group of investors also welcome- minimum investment- Rs.50000- \$796) Set Up Cost per plant : Rs.22 lak - \$35,000
- Set Up Cost per plant : Rs.22lak- \$35,000
- Flower production per year :22,000 units- Yr 1; 48,000 units-Yr 2 and 96,000- From Yr3-7( Orchid Flower)
- IRR per Rs.22lak/ \$35,000- 13.5 % PA ( Investment Period 84 months; Returns Starts from 7th Month; increasing at 5% per annum)
- No. of Units planned: 100 in next 2 years from 2015

## **3. Business Model:**

- BCDFPL will take land from farmer/land owner on lease; only infertile land will be leased as it is a Polyhouse based business.
- We at Brain Chamber will never have fertile land for poly house instead we prefer only infertile land from farmer on lease so as to extend him monthly lease income and convert an infertile piece of land into paradise for all stakeholders
- There is 41 million Ha ( 13% of total geographical area) of barren land available in India; so huge scope to convert it into useful one
- Each unit consist of Polyhouse established on 10890Sqft ( 10 guntha) piece of land
- Based on level of investment each investor ( minimum investment of Rs. 50000) will be assigned to a particular Unit of 10 Guntha to be developed for floriculture

- Expert team (Operations, Sales and finance) will be appointed right from day zero with entire system driven approach ( Planting to First Flower Cutting period cycle – 7 months)
- Investor will finance set up cost and Brain Chamber will provide working capital
- Investor will get real time updates on returns through investor window and immediate credit of corresponding share in earnings
- We treat Investor equivalent to owner of that Unit and regularly update him/her on what is happening on farm : Daily SMS on production & Sale; Investor can order production from farm, contact numbers of team member working on farm, planned visit to farm

#### **4. Target Market:**

Mainly export oriented business targeting European, US and UAE market through export agencies.( India's share in export market has not yet crossed 1% also; so huge scope) Apart from above; growing at a compounded annual growth rate of about 30%, India's floriculture industry is likely to cross Rs 8,000 crore mark by 2015(As per ASSOCHAM ).

#### **Competitive Advantage:**

- Attractive investment slabs ( Rs.22Lak only ) for reasonably good and recurring returns
- No dependence on weather
- Quick Realization of Cash –In 20 days from date of dispatch from farm

## **5. Financial Summary:**

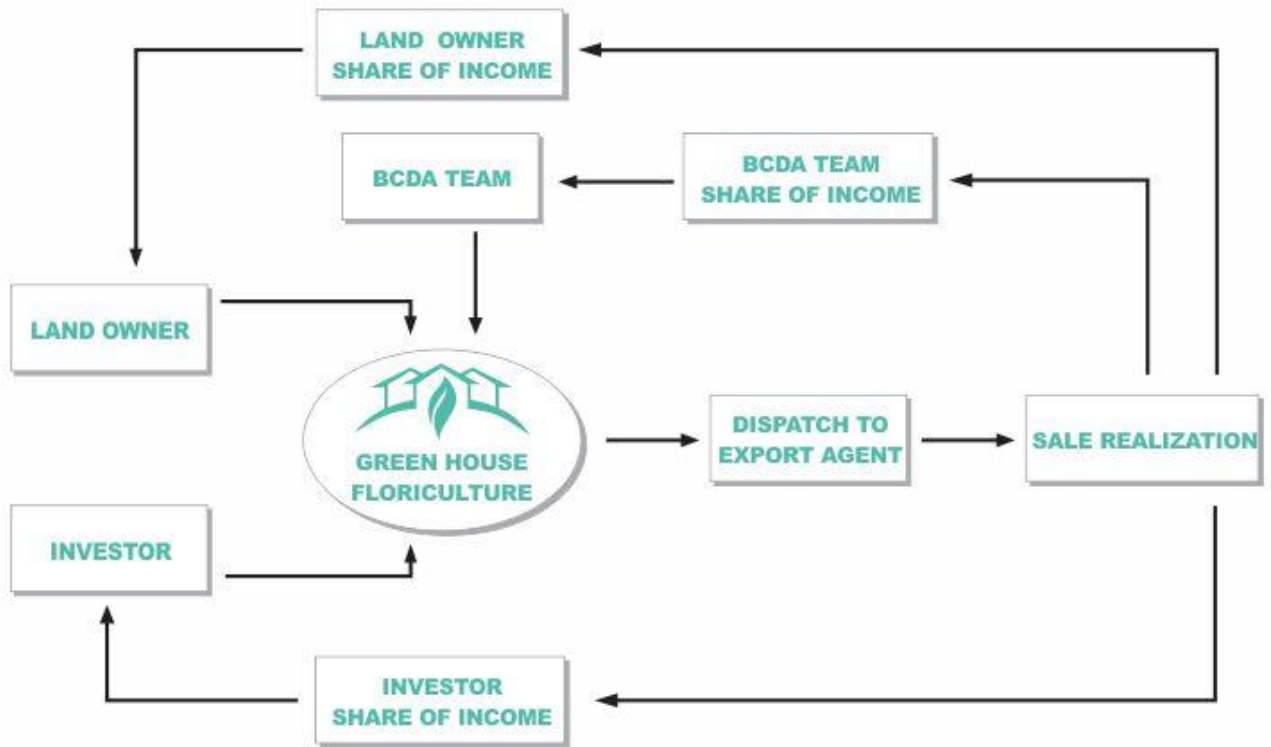
- **Set Up Cost FOR 10 GUNTHA : Rs. 22 Lak-\$35,000**
  - Poly House Structure: Rs.7.5 lak- \$11,932
  - Drip Irrigation & Auto Control System- Rs.3.5 lak-\$5,568
  - Fabrication and other auxiliary set up- Rs.1.8 lak-\$2,863
  - Plantation Cost – Rs. 8.4 lak-\$13,364
  - Other Misc& Contingency- Rs. 0.8lak-\$1,273
  - TOTAL : Rs. 22 lak-\$35,000

Above set up cost to be arranged through investor's funds

All other working capital requirement toward manpower, consumables, packing and transporting will be met by Brain Chamber (This varies between Rs. 3 to 5 lak per year; higher in year 1)

- Lease cost per year: Rs.20000 per year
- Seeds, fertilizers and other operating expenses per year : Rs. 1,88,940 per year
- Agency commission and other misc. expenses : Rs. 50,912 per year
- Total Expected Production : 22,000 units- Yr 1; 48,000 units-Yr 2 and 96,000- From Yr3-7( Orchid flower)
- Avg. Sale price per flower : Rs. 14
- Total Income: Rs.3,09,120 – For Yr-1
- Net Income : Rs.49,268– For Yr-1
- Production will increase from year 2 and hence income
- An inflation of 5 % has been considered on both expense elements and sale price

# SCHEMATIC VIEW OF DISTANCE FARMING VALUE CHAIN



## 6. Repayment Schedule:

For Rs.22 lak .and One Unit of 10890 sq ft (10 guntha) :

Brain Chamber Distance Farming 7 years Repayment Model						
Year	Net Income	Return to Investor	Per Month Returns to Investor	Total returns to Investor Per Annum	Reserve Per Annum	Remark
A	B	C	D=C/12	E	F=B-C	H
Y1	49268	120000	20000	120000	-70732	Payments only from Month 7 to month 12
Y2	382245	433200	36100	433200	-50955	
Y3	1045349	576000	48000	576000	469349	
Y4	1100017	604800	50400	604800	495217	
Y5	1157418	635040	52920	635040	522378	
Y6	1217688	666792	55566	666792	550896	
Y7	1280973	700132	58344	700132	580841	
Funds will be poured in by Brain Chamber to make sure investor's return as per above in Yr1 & 2; till positive reserves achieved from year 3						
IRR for above Investment Proposal- 13.5%						

Investment wise returns are as per Annexure- A

### Exit Option:

Investor can execute exit option after two year of investment; with four months prior notice before exit (i.e. Request for exit can be sent only after 24 months and exit can be processed in 30<sup>th</sup> Month not before that)

On pre mature request for exit; an investor will be paid at 10% Internal Rate of Return (IRR) on invested amount not 13.5%; only for period of investment. Same will be calculated separately and not as per above repayment schedule.

## **7. Our Online Presence:**

We appreciate importance of web based marketing and sales especially when it comes to target overseas markets; as an important milestone for future success; we have secured domains for distanceagriculture and distancefarming under:

- <http://distanceagriculture.com/>
- <http://distancefarming.com/>
- <http://distanceagriculture.net/>
- <http://distancefarming.net/>
- <http://distanceagriculture.us/>
- <http://distancefarming.us/>
- <http://distanceagriculture.uk/>
- <http://distancefarming.uk/>
- <http://distanceagriculture.ca/>
- <http://distancefarming.ca/>
- <http://distanceagriculture.cn/>
- <http://distancefarming.cn/>

Brainchamber team has carried out an extensive research in this sector corresponding to capital expenditure, area requirements, costing, Polyhouse establishment, plantation, key success factors etc.



## **8. Our Advisory Board:**

We already have some of the pioneers of the industry with huge experience on our advisory board:

- Mr.Chougule- Technical Consultant – 30years of experience
- Mr.Chavan- Founder A1 flowers – 35 years of experience
- Mr.Shelar – Manager KF Bio- 10 years of experience

## **9. Way Forward:**

Let's join an exciting journey of Distance Farming Revolution; follow below steps:

1. Call us: +91-0231-6616949 (Time 11:00 am to 05:00 pm; Mon- Sat) for any query
2. Fill investor Application form available on [www.distancefarming.com](http://www.distancefarming.com)
3. Site Visit to Pilot Set Up near Kolhapur as per site visit protocols( Every Saturday from 12:00 noon to 02: 00 pm)
4. Detailed meeting with investors at site for every micro level issues
5. Sharing Key documents (7/12, lease agreement, water test report etc.) along with draft MoU with perspective investor
6. Signing of MoU and payment through cheque
7. Keep receiving agreed returns at a particular time interval through systematically managed operations

For further information and enquiry;

Please a drop a mail to: [uday@brainchamber.net](mailto:uday@brainchamber.net)

Please visit: <http://distancefaming.com/>

<http://distancefarming.net/>

## Investment Returns Details

DISTANCE FARMING>Returns on Various Investment Amounts From Year 1 to Year 7 (Fig in INR)- IRR in all cases 13.5%																
Sl.No.	Inv\Year	Y1	PM for Y1	Y2	PM for Y2	Y3	PM for Y3	Y4	PM for Y4	Y5	PM for Y5	Y6	PM for Y6	Y7	PM for Y7	TOTAL from Y1 -Y7
1	50,000	2,727		9,845	820	13,091	1,091	13,745	1,145	14,433	1,203	15,154	1,263	15,912	1,326	84,908
2	100,000	5,455		19,691	1,641	26,182	2,182	27,491	2,291	28,865	2,405	30,309	2,526	31,824	2,652	169,817
3	200,000	10,909		39,382	3,282	52,364	4,364	54,982	4,582	57,731	4,811	60,617	5,051	63,648	5,304	339,633
4	300,000	16,364		59,073	4,923	78,545	6,545	82,473	6,873	86,596	7,216	90,926	7,577	95,472	7,956	509,450
5	400,000	21,818		78,764	6,564	104,727	8,727	109,964	9,164	115,462	9,622	121,235	10,103	127,297	10,608	679,266
6	500,000	27,273		98,455	8,205	130,909	10,909	137,455	11,455	144,327	12,027	151,544	12,629	159,121	13,260	849,083
7	600,000	32,727		118,145	9,845	157,091	13,091	164,945	13,745	173,193	14,433	181,852	15,154	190,945	15,912	1,018,899
8	700,000	38,182		137,836	11,486	183,273	15,273	192,436	16,036	202,058	16,838	212,161	17,680	222,769	18,564	1,188,716
9	800,000	43,636	Monthly	157,527	13,127	209,455	17,455	219,927	18,327	230,924	19,244	242,470	20,206	254,593	21,216	1,358,532
10	900,000	49,091	Paymnet	177,218	14,768	235,636	19,636	247,418	20,618	259,789	21,649	272,779	22,732	286,417	23,868	1,528,349
11	1,000,000	54,545	from	196,909	16,409	261,818	21,818	274,909	22,909	288,655	24,055	303,087	25,257	318,242	26,520	1,698,165
12	1,100,000	60,000	Month 7	216,600	18,050	288,000	24,000	302,400	25,200	317,520	26,460	333,396	27,783	350,066	29,172	1,867,982
13	1,200,000	65,455	to 12	236,291	19,691	314,182	26,182	329,891	27,491	346,385	28,865	363,705	30,309	381,890	31,824	2,037,798
14	1,300,000	70,909		255,982	21,332	340,364	28,364	357,382	29,782	375,251	31,271	394,013	32,834	413,714	34,476	2,207,615
15	1,400,000	76,364		275,673	22,973	366,545	30,545	384,873	32,073	404,116	33,676	424,322	35,360	445,538	37,128	2,377,431
16	1,500,000	81,818		295,364	24,614	392,727	32,727	412,364	34,364	432,982	36,082	454,631	37,886	477,362	39,780	2,547,248
17	1,600,000	87,273		315,055	26,255	418,909	34,909	439,855	36,655	461,847	38,487	484,940	40,412	509,187	42,432	2,717,064
18	1,700,000	92,727		334,745	27,895	445,091	37,091	467,345	38,945	490,713	40,893	515,248	42,937	541,011	45,084	2,886,881
19	1,800,000	98,182		354,436	29,536	471,273	39,273	494,836	41,236	519,578	43,298	545,557	45,463	572,835	47,736	3,056,697
20	2,000,000	109,091		393,818	32,818	523,636	43,636	549,818	45,818	577,309	48,109	606,175	50,515	636,483	53,040	3,396,331
21	2,200,000	120,000		433,200	36,100	576,000	48,000	604,800	50,400	635,040	52,920	666,792	55,566	700,132	58,344	3,735,964

Inv : Investment; Y1, Y2 ...: Year 1, Year 2...; PM : Per Month

## 10. Site Visit Protocols

- Site visit is preplanned event and it can only take place when an investor has completed an application form and duly fixed site visit date; this facilitates our team to entertain each investor in a structured manner to full of its satisfaction
- Investor is requested to read thoroughly our proposal and other relevant documents; we welcome you sharing our proposal with your financial advisors; they can join you for visit also
- Maximum two persons are allowed with investors for site visit
- Investor has to reach at site: Appachiwadi, near Kurli, Tal- Chikkodi, Dist – Belgaum State – Karnataka; Almost 24 km on NH4 after Kolhapur ;before 12:00 noon (As it's a planned activity please do not request for an extension after 02:00 pm)
- Site visit will be followed by sub sequent detailed meeting with investors
- Investors are requested to bring their address proofs - any 2 copies (Voting card is must) - Voting card/License/Passport/Bank passbook/Adhar card
- Our team will have concerned farmer from whom land has been leased, agriculture officer, brain chamber operation team, advisors and existing investors ( if available) for investors meeting
- Key documents will be shared with investors as follows:
  - 7/12 of land
  - Lease agreement with farmer
  - Investment and Repayment Schedule for agreed Investment
  - Letter of Intent ( to be signed by Investor for intent to invest in Distance Agriculture Unit)
  - Draft MoU with all Terms and Conditions

## 11. Rent Your Land:

- Distance Farming offers an attractive proposition for land owners also to become part of the agriculture revolution
- If you have piece of infertile land (without slope preferred) of min. 40,000 sq.ft. and you are willing to lease the same for minimum ten years period for Poly house Set up; please write an email to [uday@brainchamber.net](mailto:uday@brainchamber.net) with following Details:

Subject: Land on lease for Distance Agriculture

- Name of the Land Owner:
- Address for Communication:
- Contact Number:
- E-mail:
- Land Area (In sq Ft) :
- Location:
- Sources of Water (River, Dug Well, Bore Well etc.) -Please attach water quality report
- Availability of Water ( ....months of 12 months in a year)
- Attach 7/12 of said Land Piece
- Attach Water Quality Report

Please note we entertain land only with clear title and without any litigation

## 12. Financial Snapshot from Yr 1 to 7

	Particulars	% Rise per year	Y1	Y2	Y3	Y4	Y5	Y6	Y7
<b>1</b>	<b><u>INCOME</u></b>								
	No.of Plants		12,000	12,000	12,000	12,000	12,000	12,000	12,000
	No. of Flowers per plant		1.84	4	8	8	8	8	8
	Total No.of Flowers		22,080	48,000	96,000	96,000	96,000	96,000	96,000
	Price per flower		14	15	15	16	17	18	19
		5%	309,120	705,600	1,481,760	1,555,848	1,633,640	1,715,322	1,801,089
<b>2</b>	<b><u>EXPENSE</u></b>								
A	MANURES,FERT,PEST	5%	96,000	100,800	105,840	111,132	116,689	122,523	128,649
B	PACKAGING COST	5%	11,040	24,000	48,000	48,000	48,000	48,000	48,000
C	WATER	5%	15,000	15,750	16,538	17,364	18,233	19,144	20,101
D	MANPOWER	5%	66,900	70,245	73,757	77,445	81,317	85,383	89,652
E	LEASE	5%	20,000	21,000	22,050	23,153	24,310	25,526	26,802
F	AGENT COMMISSION @ 10%	5%	30,912	70,560	148,176	155,585	163,364	171,532	180,109
G	CONTIGENCY	5%	20,000	21,000	22,050	23,153	24,310	25,526	26,802
H	TOTAL EXPENSE	5%	259,852	323,355	436,411	455,831	476,223	497,634	520,116
I	<b><u>NET INCOME</u></b>		49,268	382,245	1,045,349	1,100,017	1,157,418	1,217,688	1,280,973
	<b><u>NET INCOME(Rs.Lak)</u></b>		0.5	3.8	10.5	11.0	11.6	12.2	12.8

## **13. Terms and Conditions:**

1. All transactions shall be done strictly through account payee cheque only
2. KYC (Know Your Customer) norms has to be fulfilled by Investor before initiating an investment
3. Background check is an important criterion while offering Distance Agriculture investment proposal; Brain Chamber team will rigorously check the same
4. Brain Chamber Team has right to reject an investment request from an investor without any justification
5. Payment will be accepted only after completion of all formalities and signing of an MoU
6. Minimum age of an investor should be 18 years
7. Your investment details will be kept confidential unless demanded by any Statutory body
8. Nothing herein shall to any extent substitute for the independent investigations and the sound technical and business judgment of the investor(s).
9. Links to third party sites are provided by web site as a convenience to Investor(s) and Brain Chamber has not have any control over such sites i.e. content and resources provided by them

Most content and some of the features on the web site are made available to visitors free of charge. However, Brain Chamber reserves the right to terminate access to certain areas or features of the web site at any time for any reason, with or without notice. Brain Chamber also reserves the universal right to deny access to particular users to any/all of its Services without any prior notice/explanation in order to protect the interests of Brain Chamber and/or other visitors to the web site. Brain Chamber reserves the right to limit, deny or create different access to the web site and its features with respect to different user(s), or to change any of the features or introduce new features without prior notice

## **14. Foreign Investment:**

### **Customer Problem:**

- Overseas investors are scouting for simple but innovative investment options but they are limited
- In fact an option which is commercially attractive as well as working for humanity is a rare combination
- Further Polyhouse based 'Floriculture' and 'Horticulture' has been in vogue for its global demand and less dependency on weather and soil yield

### **Proposed Solution:**

Brain Chamber Distance Farming (BCDF) gives an opportunity to an overseas investor to indirectly grow flowers (Poly House with Orchid, Gerbera and Rose etc.) at a particular location in India; systematically managed by experts from planting, maintaining, cutting, dispatching till realization of money and immediate distribution of earning in proportion to agreed terms with investors.

No matter where you are; Brain Chamber Team is systematically managing on your behalf a Poly House and sharing returns with you.

### **Salient Features:**

- We welcome foreign investment in distance agriculture; in fact we encourage investment by NRIs and PIOs for this initiative which has both commercial as well as national interests;
- let us reiterate that "At Brainchamber will never have fertile land for poly house instead we prefer only infertile land from farmer on lease so as to extend him monthly lease income and convert an infertile piece of land into paradise for all stakeholders"
- There is 41 million Ha (13% of total geographical area) of barren land available in India; so huge scope to convert it into useful one



For further information and enquiry;

Please drop a mail to: [uday@brainchamber.net](mailto:uday@brainchamber.net)

Please visit: <http://distanceagriculture.com/>  
<http://distanceagriculture.net/>

## **15. Our Pilot Project:**

We have successfully established polyhouse unit with Gerbera at pilot level at Saundalga near Nipani, District Belgaum. (It is near to Kolhapur –Maharashtra).

- Name of Investor: Mr.Siddhesh Torasakar
- Occupation: Software Engineer
- Investment Amount: Rs.3, 00,000/-
- Date of Investment: 2<sup>nd</sup> May, 2013
- Name of Land Owner: Mr.Sanjay Chandrakant Shintre
- Polyhouse Address: A/P Saundalaga, Tal: Chikkodi, Dist: Belgaum ( It is 30 km from Kolhapur along NH4)
- Area: 1232 sq. mtr (12 gunthas)
- Cultivation: Gerbera
- Yearly Production: Around 3,25,000 flowers per year
- Major Markets: Mumbai, Hyderabad
- Plantation has been done on specially prepared soil beds (7800 plants); source of water – River Vedaganga, Covered under Polyhouse, Completely Drip irrigated
- No. of workers : 2 (one skilled, one unskilled)