

# A project proposal on Nursery

There has been increasing demand for horticultural crops more particularly fruit and ornamental ones in both urban and rural areas of India. With this, the demand for good quality planting materials has gone up and hence the nursery business has developed rapidly in the recent years in our country. Nursery product is no longer restricted to orchards or large parks and gardens. It has entered into high rise buildings, Garden, offices, factories, business houses, hospitals, hotels, backyards, roadsides in cities, roof tops, etc. for decoration purpose. Heavy demand is observed during festive seasons and seasons of fairs and melas. Fruit nursery business has, therefore, come up in a large scale in areas near city and towns.

### **I. Establishment of nursery**

Nursery is developed gradually. The mother plants planted for vegetative and seed propagation and seed propagated plants such as seasonal flower, seedlings are raised for sale simultaneously.

Important factors considered for establishing a nursery are agro-climatic conditions, soil types, soil pH, location, area, irrigation facilities, communication, market demand, availability of germ-plasm or mother plants, skilled persons, etc.

**Selection of site:** The site selected for raising a nursery should preferably be located near marketing centres for the convenience of transportation of the products with minimum or no damage. The site should be convenient enough for transportation of input materials also. It is important to have or develop a perennial source of water inside the nursery. If need arises, wind breaks of tall plants like eucalyptus, aonla, seedling mango, etc. may be planted to provide necessary shade and protection.

**Product choice:** The product choice will primarily depend on the market demand in nearby areas. For wider market coverage, the choice may be dependent on market studies in the desired areas. Varieties of various ornamental plants like shade loving foliage plants, flowering plants, creepers, plants suitable for parks, gardens and roadside plantations, offices, business houses, hospitals, residential buildings, etc. may be propagated in the nursery. Planting materials such as seedlings of flowers, bulbs, corms, etc. may also be produced.

A list of some popular ornamental plant species is furnished in Annexure I. However, the list is not exhaustive.

**Seedbed and nursery beds:** For raising flower seedlings, some permanent or temporary structures for seed bed may be prepared. These beds will be minimum 0.5 to 0.75 m high from ground level. The beds may be 0.75m to 1.00m in breadth and length may be as per the availability of land. The nursery beds will be prepared for storing of perennial plants or the plants that should be kept for sale.

**Collection and planting of mother plants:** The plantation of mother plants is an important work for developing a nursery. The mother plants must be true to the type and true to the variety. The plants should be properly labelled. Collection of exotic type of mother plants is a continuous

process or job. The mother plants may be maintained properly for their vigorous growth; otherwise number of propagated plants will get reduced.

**Storage of dried, cleaned soil and compost manure:** For raising flower seedlings during rainy or early winter season, the soil and compost would be stored during hot or summer months. In rainy season, collection of dried soil and manure is very difficult. Without these, the seedlings cannot be raised during rainy season.

**Production of flower seeds:** Production of flower seeds is highly specialized job. The seeds should be produced carefully. If the quality of seed is good, the percentage of seed germination, seedlings vigour, vegetative and reproductive growth of the crops will be good. After harvesting of quality seeds, germination percentage of seeds and seedling vigour should be checked before marketing of seeds.

**Storage of propagated plants in nursery beds :** The propagated plants are planted in nursery beds for better growth or hardening the plants. In general, this type of nursery bed is prepared under partial shade.

**Manuring:** Manuring is to be done very carefully. Vigorous growth of plant is always attractive to the buyer. Again, heavy manuring is not beneficial for storage of plants.

**Watering:** Like manuring, watering is also important. Watering will be done according to need of the plant. The nursery should have a water source of its own. For this model, digging a well (12 m deep x 3 m dia) and installation of a 2.0 HP kerosene pumpset with accessories are considered. Sprinkler system of irrigation is not advisable at the beginning.

**Drainage:** For sufficient vegetative and reproductive growth of plants, good drainage system must be developed in between the beds and around the nursery. Adequately gentle slope in the pot bed surface is also desirable. It is extremely important to ensure that water logging does not occur in and around the pots and beds.

**Plant protection:** Keen observation on attack of different pests and diseases is required. If the mother plants are infected, the propagated plants will be infected also. Necessary control measures should be taken immediately on observation

**Harvesting:** The seeds, bulbs, etc. need to be harvested in the proper stage. Only completely ripe seeds are ready for harvesting. Seed capsules should be covered with muslin cloth or by the paper bag before ripening in cases of light seeds (like calendula, balsam, etc.) which may blow off due to wind or those species the fruits of which may burst while ripening. This will prevent loss of seeds.

Corms and bulbs are generally harvested when the leaves start yellowing or when they dry up. These are dug out carefully without imparting any injury.

Before harvest, nursery stock should be mature. The tissues are hardened against water loss and shrinkage. It is a common practice to defoliate shrubs and trees some days before they are to be

dug out. This can be done by chemical defoliant, by withholding water or by hand.

Live plants intended for transport are sent with a ball of earth around their roots.

### COST OF PROJECT

S.No.	PARTICULARS	EXISTING	PROPOSED	AMOUNT
1	Fixed Assets	0.00	110,000.00	110,000.00
2	Current Assets	0.00	0.00	0.00
3	Working Capital Requirement	0.00	542,500.00	542,500.00
<b>Total</b>		<b>0.00</b>	<b>652,500.00</b>	<b>652,500.00</b>

### MEANS OF FINANCE

S.No.	PARTICULARS	EXISTING	PROPOSED	AMOUNT
1	Own Capital	0.00	163,125.00	163,125.00
2	Current Liabilities	0.00	0.00	0.00
3	Term Loan	0.00	489,375.00	489,375.00
<b>Total</b>		<b>0.00</b>	<b>652,500.00</b>	<b>652,500.00</b>

### FIXED ASSETS

S.No.	PARTICULARS	AMOUNT
1	Store Room	Own
2	Net house for plants	80000.00
3	Laptop	30000.00
<b>Total</b>		<b>110000.00</b>

### SALES REALIZATION ANNUALLY

S.No.	NAME OF ITEM	RATE	QUANTITY	AMOUNT IN RS
1	Mango Plants	180	1000	180000.00
2	Lichi Plants	180	1000	180000.00
3	Guava Plants	70	1000	70000.00
4	Silvar Plants	15	1000	15000.00
5	Aadu Plants	130	500	65000.00
6	Naspatti Plants	60	500	30000.00
7	Naak Plants	100	500	50000.00
8	Lokat Plants	180	500	90000.00
9	Liptis Plants	7	500	3500.00
<b>One operating cycle for 6 Month</b>			<b>Total</b>	<b>2186500.00</b>
			<b>Total</b>	<b>2870000.00</b>

## COST PRICE OF ITEMS ANNUALLY

S.No.	NAME OF ITEM	RATE	QUANTITY	AMOUNT IN RS
1	Mango Plants	150	1000	150000.00
2	Lichi Plants	150	1000	150000.00
3	Guava Plants	50	1000	50000.00
4	Silvar Plants	10	1000	10000.00
5	Aadu Plants	100	500	50000.00
6	Naspatti Plants	40	500	20000.00
7	Naak Plants	70	500	35000.00
8	Lokat Plants	150	500	75000.00
9	Liptis Plants	5	500	2500.00
<b>Total</b>				<b>542500.00</b>

## PROJECTED PROFITABILITY STATEMENT

(Figures in Lakh")

ITEM (A)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
SALES	28.70	31.57	34.73	37.33	40.13	43.14
<b>Total</b>	<b>28.70</b>	<b>31.57</b>	<b>34.73</b>	<b>37.33</b>	<b>40.13</b>	<b>43.14</b>

### B. EXPENDITURE

Cost of Items	5.43	5.97	6.56	7.22	7.94	8.74
Staff Salary & Labour Exp.	1.20	1.20	1.32	1.45	1.60	1.76
Other Expenses	2.96	2.96	3.26	3.58	3.94	4.34
Interest on Term Loan	0.45	1.55	1.17	0.80	0.42	0.07
depreciation	0.20	0.18	0.16	0.15	0.13	0.12
<b>Total</b>	<b>10.23</b>	<b>11.86</b>	<b>12.48</b>	<b>13.20</b>	<b>14.03</b>	<b>15.02</b>

Profit (A-B)	18.47	19.71	22.25	24.13	26.10	28.12
Income Tax	5.54	5.91	6.68	7.24	7.83	8.44
Profit after Tax	12.93	13.80	15.58	16.89	18.27	19.69

**PROJECTED BALANCE SHEET**

(Figures in Lakh")

<b><u>PARTICULARS</u></b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
<b><u>LIABILITIES</u></b>						
Capital	0.00	13.56	25.36	37.93	51.83	68.09
Add : Addition	1.63	0.00	0.00	0.00	0.00	0.00
Add : Profit after tax	12.93	13.80	15.58	16.89	18.27	19.69
	14.56	27.36	40.93	54.83	70.09	87.78
Less : Drawing	1.00	2.00	3.00	3.00	2.00	3.00
	<b>13.56</b>	<b>25.36</b>	<b>37.93</b>	<b>51.83</b>	<b>68.09</b>	<b>84.78</b>
<b><u>LOAN LIABILITIES</u></b>						
Term Loan	4.89	4.89	4.89	4.89	4.89	4.89
Creditor	10.00	11.00	12.00	12.00	12.50	14.00
	<b>28.45</b>	<b>41.25</b>	<b>54.83</b>	<b>68.72</b>	<b>85.49</b>	<b>103.67</b>
<b><u>ASSETS</u></b>						
Fixed Assets (Less Depreciation)	1.80	1.62	1.46	1.31	1.18	1.06
<b><u>CURRENT ASSETS</u></b>						
Stocks	5.43	5.97	6.56	7.02	7.52	8.04
Debtors	12.00	14.00	15.50	17.00	20.00	23.00
Cash & Bank Balance	9.23	19.66	31.31	43.39	56.79	71.57
	<b>28.45</b>	<b>41.25</b>	<b>54.83</b>	<b>68.72</b>	<b>85.49</b>	<b>103.67</b>

## DEPRECIATION SCHEDULE

### COMPUTATION OF DEPRECIATION ON W.D.V. METHOD.

YEARS	CRATES	TOTAL
	10%	
<b>2020-21</b>	2.00	2.00
Less : Dep	0.20	0.20
<b>2021-22</b>	1.80	1.80
Less : Dep	0.18	0.18
<b>2022-23</b>	1.62	1.62
Less : Dep	0.16	0.16
<b>2023-24</b>	1.46	1.46
Less : Dep	0.15	0.15
<b>2024-25</b>	1.31	1.31
Less : Dep	0.13	0.13
<b>2025-26</b>	1.18	1.18
Less : Dep	0.12	0.12
<b>2026-27</b>	1.06	1.06
Less : Dep	0.11	0.11

## PROJECTED FUND FLOW STATEMENT

(Figures in Lakh")

<b>PARTICULARS</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
<b><u>SOURCE OF FUND</u></b>						
Own Contribution	1.63	0.00	0.00	0.00	0.00	0.00
Net Profit	12.93	13.80	15.58	16.89	18.27	19.69
Term Loan	4.89	0.00	0.00	0.00	0.00	0.00
Depreciation	0.20	0.18	0.16	0.15	0.13	0.12
Creditor	10.00	1.00	1.00	0.00	0.50	1.50
	<b>29.65</b>	<b>14.98</b>	<b>16.74</b>	<b>17.04</b>	<b>18.90</b>	<b>21.30</b>
<b><u>APPLICATION OF FUNDS</u></b>						
Increase in fixed assets	2.00	0.00	0.00	0.00	0.00	0.00
Increase in Stocks	5.43	0.54	0.60	0.46	0.49	0.53
Debtors	12.00	2.00	1.50	1.50	3.00	3.00
	<b>19.43</b>	<b>2.54</b>	<b>2.10</b>	<b>1.96</b>	<b>3.49</b>	<b>3.53</b>
Opening Balance	0.00	9.23	19.66	31.31	43.39	56.79
Cash Surplus/ Deficit	10.23	12.44	14.64	15.08	15.41	17.78
	<b>10.23</b>	<b>21.66</b>	<b>34.31</b>	<b>46.39</b>	<b>58.79</b>	<b>74.57</b>
Closing Balance	9.23	19.66	31.31	43.39	56.79	71.57

## PROJECTED DEBT SERVICE COVERAGE RATIO STATEMENT

(Figures in  
'Lakh)

<b>PARTICULARS</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
<b><u>SOURCES OF FUND</u></b>						
Net Profit	12.93	13.80	15.58	16.89	18.27	19.69
Depreciation	0.20	0.18	0.16	0.15	0.13	0.12
Interest on T/Loan	0.45	1.55	1.17	0.80	0.42	0.07
<b><u>TOTAL</u></b>	<b>13.57</b>	<b>15.53</b>	<b>16.91</b>	<b>17.84</b>	<b>18.82</b>	<b>19.87</b>
<b><u>DEBTS TO SERVICE</u></b>						
Repayment of T/Loan	0.75	3.00	3.00	3.00	3.00	2.25
Interest on T/Loan	0.45	1.55	1.17	0.80	0.42	0.07
<b><u>TOTAL</u></b>	<b>1.20</b>	<b>4.55</b>	<b>4.17</b>	<b>3.80</b>	<b>3.42</b>	<b>2.32</b>
<b>DSCR</b>	11.36	3.41	4.05	4.70	5.50	8.57
<b>Average DSCR</b>	<b>4.02</b>					

## PROJECTED INTEREST CALCULATION & REPAYMENT SCHEDULE

### INTEREST ON TERM LOAN

(Rs. In 'Lakh')

<u>YEARS</u>	<u>QTRS.</u>	<u>OPENING</u>	<u>REPAYMENT</u>		<u>BALANCE</u>	<u>QUARTER INTEREST</u>	<u>YEARLY INT. @ 12.5%</u>
<b>2020-21</b>	1st	0.00	0.00		0.00	0.00	
	2nd	0.00	0.00		0.00	0.00	
	3rd	0.00	0.00		0.00	0.00	
	4th	15.00	0.75	0.75	14.25	0.45	0.45
<b>2021-22</b>	1st	14.25	0.75		13.50	0.42	
	2nd	13.50	0.75		12.75	0.40	
	3rd	12.75	0.75		12.00	0.38	
	4th	12.00	0.75	3.00	11.25	0.35	1.55
<b>2022-23</b>	1st	11.25	0.75		10.50	0.33	
	2nd	10.50	0.75		9.75	0.30	
	3rd	9.75	0.75		9.00	0.28	
	4th	9.00	0.75	3.00	8.25	0.26	1.17
<b>2023-24</b>	1st	8.25	0.75		7.50	0.23	
	2nd	7.50	0.75		6.75	0.21	
	3rd	6.75	0.75		6.00	0.19	
	4th	6.00	0.75	3.00	5.25	0.16	0.80
<b>2024-25</b>	1st	5.25	0.75		4.50	0.14	
	2nd	4.50	0.75		3.75	0.12	
	3rd	3.75	0.75		3.00	0.09	
	4th	3.00	0.75	3.00	2.25	0.07	0.42
<b>2025-26</b>	1st	2.25	0.75		1.50	0.05	
	2nd	1.50	0.75		0.75	0.02	
	3rd	0.75	0.75	2.25	0.00	0.00	0.07