

Report on
Assessment and Evaluation of Dalit Bandhu Scheme (DBS)
in Huzurabad Constituency, Telangana

CESS Research Team

September 2023

(Working Draft Report and Not for circulation)

Submitted to
District Collector and Magistrate
Karimnagar District
Government of Telangana



CENTRE FOR ECONOMIC AND SOCIAL STUDIES

(Planning Dept, Govt. of Telangana & ICSSR - Ministry of Education, Govt. of India)

Nizamiah Observatory Campus, Begumpet, Hyderabad – 500 016, Telangana, India

Phone: 040-23416610-13, 23402789, 23416780, fax: 040-23406808

Email: post@cess.ac.in, Website: www.cess.ac.in

Core Research Team

1. Prof. E. Revathi, Professor and Director, CESS
2. Prof. C. Ravi, Retired Professor and Consultant, CESS
3. Dr. P. Prudhvikar Reddy, Retired Professor and Consultant, CESS
4. Dr. Venkatanarayana Motkuri, Associate Professor and Coordinator, Research Cell on Education (RSEPPG), CESS
5. Dr. Pradeep Kamble, Assistant Professor, CESS

Field Investigators Team

Mr. Sampath Rao
Mr. D Mohan Rao
Mr. Malla Reddy
Mr. Bhaskar Reddy
Mr. Narasaiah
Mr. D. Ramadas
Mr. A. Ramesh
Mr. B. Srinivas
Mr. Dastagiri
Mr. Rajkumar

Data-Entry Team

Mrs. Bhusana
Mrs. Lakshmi
Mrs. Panchakshari
Mrs. Nazima
Miss. Srividya
Miss. Akila

Content

Preface

Acknowledgement

Executive Summary

- 1 Introduction: Background of Dalit Bandhu Scheme (DBS)**
- 2 Situational Analysis of Dalits in Telangana**
- 3 Methodology of the Study and Survey**
- 4 Performance Assessment of Enterprise Units supported by DBS Social Investment**
- 5 Social and Economic Impact of DBS Social Investment on Dalit Entrepreneur Households**
- 6 Case Studies of Enterprise Units supported by DBS Social Investment**
- 7 Summary Conclusions and Policy Recommendations**

Appendix-1

Acknowledgement

CESS has been entrusted with the task of assessing the ‘Dalit Bandhu Scheme’ a flagship programme of the Government of Telangana introduced in August 2021 intended towards economic and social empowerment of dalits in the state. We thank Sri K T Rama Rao, Hon’ble Minister for Municipal Administration and Urban Development; Industries and Commerce; and Information Technology and Electronics and Communications, and Sri B Vinod Kumar, Vice-Chairman Planning Board, Govt. of Telangana for giving us this opportunity.

We are thankful to Shri Karnan, District Collector and Magistrate, Karimnagar District for entrusting us the study assessing the DBS implemented in Huzurabad Constituency. We are also thankful to Mr. Lenin, Trainee Sub-Collector, Karimnagar District, with whom we had continuous correspondence and support throughout in carrying out this study and the field survey. Mr. Nagarjuna, ED, SC Development Corporation, Karimnagar and Mrs. Padmaja, ED, SC Development Corporation, Hanmakonda supported our teams in the field survey. We acknowledge their support.

I acknowledge with thanks for the time and effort of our core research team involved in this study, Prof. C. Ravi, Dr. Prudhvikar Reddy, Dr. Venkatanarayana Motkuri, Dr. Pradeep Kamble. A large part of the field work was conducted during scorching summer, thanks to our *field investigators team*: Mr. Sampath Rao, Mr. D Mohan Rao, Mr. Malla Reddy, Mr. Bhaskar Reddy, Mr. Narasaiah, Mr. D. Ramadas, Mr. A. Ramesh, Mr. B. Srinivas, Mr. Dastagiri and Mr. Rajkumar. Data entry is simultaneously completed along with field work on a very tight-schedule, thanks to *Data-Entry Team*: Mrs. Bhusana, Mrs. Lakshmi, Mrs. Panchakshari, Mrs. Nazima, Miss. Srividya, Miss. Akila. Thanks to David Brenyard, Ramesh, and Ramdas who translated field notes into English.

E. Revathi
Professor and Director
CESS
September 2023

Executive Summary

Context

The Dalit Bandhu Scheme (DBS) a flagship programme - financial assistance in the form of ‘social investment’ of the State Government for promotion of entrepreneurship of Dalits is innovative and exemplary. The DBS has been implemented as a pilot programme in Huzurabad Constituency on saturation mode in August 2021. The scheme grants Rs 10 lakh per dalit household for setting up any income generating unit (IGU) or enterprise of their choice. The scheme is intended to bring changes in the lives and livelihoods of dalit households. Apart from socio-economic mobility of the beneficiary households, the scheme has the potential to transform workers and employees from ‘job seekers’ to ‘job providers’. As a result of enhanced investment and its potential implications for employment, the scheme tends to have an ‘amplifying effect’ on other economic activities in the constituency. The intervention has the potential to result in transformation of Huzurabad to a manufacturing and supplies & services hub. Concomitantly the scheme contributes to the revenue of the State Government in the form of GST and other indirect taxes.

The present study assessed the performance of the DBS implemented in the Huzurabad Constituency in Telangana State focusing on economic and social dimensions and its impact on the dalit households. These dimensions include the potential of DBS social investment in terms of ploughed back returns to state revenue in the form of taxes (GST or others) and boosting of the demand for investment goods in state economy and demand for inputs in the local economy. The eventual impact on the socio-economic conditions of the prospective Dalit entrepreneur households is also assessed.

The study surveyed a sample of 807 DBS enterprises spread in five mandals and two municipalities of the Huzurabad Constituency covering all seven sectors of the units. The sample comprises five percent of the total units grounded in the Constituency. All selected units have been operational at least for the last six months from the date of survey. Estimates are derived using sample weights to represent total number of units in the constituency. The findings apply to all units sanctioned and grounded in the constituency. All DBS IGUs are classified into three quantiles based on the entrepreneurial income and correlates of their performance was mapped for the three quantiles. Socio-economic impact of the DBS on dalit households has been assessed in two ways, firstly using a ‘before’ and ‘after’ approach for the DBS beneficiary households and secondly ‘with’ ‘without’ approach with a control group of dalit households in adjoining locations who have not received the DBS.

I. Performance of Enterprise Units supported by DBS

Huzurabad Constituency is largely spread in Karimnagar district in Jammikunta, Huzurabad, Veenavanka and Ellantakunta Mandals along with two Municipalities of Jammikunta and Huzurabad and partly in Kamalapur Mandal in Hanmakonda district. Sample has been distributed across all mandals and municipalities and across all enterprise segments.

Overview: DBS Social Investment and Prospective Dalit Entrepreneur Households

The DBS enterprises are classified into six broad segments viz, Agriculture and allied; Animal husbandry; Manufacturing; Retail; Services & Supplies and Transport. A total of 16149 enterprises are supported with DBS social investment grant in Huzurabad Constituency. These are possessed by 18025 Dalit entrepreneur households. The scheme allows both individual as well as joint ventures. Of the total units of 16,149 in the Constituency, 14,879 are individual units and 1270 are

group units wherein two or more households are engaged in each of such enterprise units. The number of prospective entrepreneurial dalit households involved in such group units is 3,142. The average number per group unit enterprise is 2.5.

The total DBS social investment released to bank accounts of these prospective Dalit entrepreneurs in the Constituency (@Rs.10 lakhs per household) is Rs. 1802.5 crores. Of this total amount Rs 10,000 was deducted for Security Deposits accounting to Rs. 18.025 crore, as an insurance premium leaving Rs. 1784.5 crores to be rolled-out to enterprises of prospective Dalit entrepreneurs. However this entire amount has not yet been given away, as second phase grant has to be disbursed to units especially falling under allied agriculture, retail and services & supplies sectors. It is interesting to know the impact they created at the macro level in the Huzurabad constituency and also the challenges faced.

Social Investment Rolled-out on Grounded Units and Ploughed back return to State Revenue through GST paid

Under the DBS a total investment of Rs. 1425.8 crores is rolled-out for the enterprise units that are grounded. This one-time investment also called as 'autonomous investment' brought private investment worth 118.1 crore which is the 'induced investment' constituting 7.6 percent of total investment of 1543.9 (1425.8 + 118.1) crore. The induced investment was mostly in manufacturing units to purchase equipment required for complete set up of the unit.

DBS social investment has contributed to state revenue through GST paid on the investment goods. GSTs revenue is worth Rs. 193.1 crores accounting to 12.5 percent of total investment grounded on DBS supported enterprise units. Around 50 percent of the GST accrues to the state government of Telangana and rest would accrue to the Union Government of India. Actual DBS social investment on ground excluding the GST accrued back to state revenue system is Rs. 1247.5 crores.

Input Costs, Entrepreneurial Income

The annual input costs including raw material and other maintenance costs, for these enterprise units is estimated at Rs. 462.3 crores. The costs would be Rs. 2.9 lakh per enterprise unit per annum and Rs. 23,855 per unit per month. The estimated annual factor income for the labour on these enterprise units is Rs. 230.93 crores. Such entrepreneurial income per enterprise unit, on an average, is 1.43 lakh per annum and Rs.11,917 per month. The annual entrepreneurial income per Dalit entrepreneur households holding these enterprise units accounts to Rs. 1.28 lakh per annum and Rs. 10,676 per month. The average monthly entrepreneurial income from *services sector* is higher than from other sectors. On the whole service sector units appear to be relatively performing better. By type of unit, poultry farms, cement brick-making units and photo studios appear to be doing better.

The entrepreneurial income generated on the IGUs supported by DBS social investment, created household productive and/or durable assets worth of Rs. 9.1 crores as on the date of survey. On an average, it would be Rs. 5,331 worth of assets created per Dalit entrepreneurial household. A majority (85%) of Dalit entrepreneur have been selling their products or services they produced directly to the end-consumers in the market.

It is evident that the IGUs on average have yielded positive returns but they also faced challenges in terms of market accessibility, creating market share for their products and services in the

existing market, handling start up bottlenecks. Some IGUs like super bazars selling household provisions share the existing crowded market where there is a low market growth potential.

Employment Generated

A total of 16149 DBS IGUs have engaged about 19042 family members of the Dalit entrepreneur households holding such units (Tabl-4.5). Besides their family members, these units have engaged about 4372 hired workers. Average family worker per an IGU is 1.18 while the hired worker per unit is 0.27. Together, the average worker per an IGU is 1.45. The estimated annual wages paid for all the hired labour engaged is around Rs. 66.6 crores which calculated on monthly basis per hired labour turns out to be on average Rs. 23,656.

Most of the units are operated, managed and organised by members of the Dalit entrepreneur households holding these units. They are all own account enterprises (OWE), and are mostly self-employed. Some of them have engaged hired workers in addition to the family members of the household. Family workers are engaged in all types of units. Some of the units, for instance, dairy and poultry, paper plate-making, mini super bazars, kirana shops, tent house etc., have engaged on an average more than one family member in managing the unit (Table-4.5a). Certain type of units are managed exclusively with family workers only; for instance, paper plate-making, auto mobile shops, kirana shops, ladies emporium.

Hired workers are employed in certain units, which require skilled and technical expertise in operating the unit; for instance, transplanter and harvesters in peak seasons to meet excess demand (Table-4.5a). For certain units it requires more workers to operate the unit and family members engaged may not be sufficient. For instance, average number of worker engaged in brick-making units is 4.5 workers, of which 1.14 are family worker and the rest 3.45 are hired worker. In hotel and restaurant type of enterprises the average hired workers engaged is 1.8 besides, the average of family workers engaged at 1.8.

Indirect Multiplier Effect of DBS Social Investment in the Local Economy

Nearly 80 percent of economic transactions related to initial investment on capital goods took place in the two districts of Karimnagar and Hanumakonda. Dealers of automobiles, machinery and equipment and capital goods required for enterprise units are located in the boundary of these two districts. Economic transaction regarding the purchase of inputs including raw material is even more concentrated in Huzurabad Constituency areas and district boundaries. Further, a major part of entrepreneurial incomes are spent towards the household consumption expenditure of Dalit entrepreneur households and such economic transactions are again more concentrated in the local economy. Therefore the local economy is boosted to the extent of value of these economic transactions.

There are other multi-fold implications on the local economy due to operation of the enterprise units supported by DBS social investment in the Huzurabad Constituency. Majority of the respondent Dalit entrepreneurs felt that it facilitated fulfilling the unmet demand in the local economy for the product or services produced by their enterprises. It also enhanced the availability of inputs for other enterprises which use some of the intermediary products/services produced by the DBS supported units. However due to excess supply or glut sometimes the demand and concomitantly seller price of certain products or services falls impacting the returns of the entrepreneurs.

Advantage of Previous Experience: Operational, Technical, Managerial and Organisational

Entrepreneurs with past experience are able to manage enterprise units successfully in the case of certain units. However, most of the DBS entrepreneurs had earlier experience only as workers or at the most had technical expertise like operating machinery or driving and so on, but very few had managerial and organisational or marketing experience. Performance in terms of the entrepreneurial income of the IGUs is exceptionally well for units which are run by the *Dalit* entrepreneurs with past experience in organising, managing and operating the units and marketing the product. These skills are crucial for running the enterprise successfully.

About the Selection of the Unit, Orientation and Training

Nearly 70 percent of the respondent dalit entrepreneurs in Huzurabad Constituency have chosen the IGU based on their previous experience in concerned field. About 72 percent perceived that there would be sufficient demand for their product. Most of the dalit entrepreneurs have not undergone any kind of induction, technical or orientation training. For a majority it is their previous experience in concerned field and their own learnings from the activity taken up under DBS. A majority of them have not received any advice or guidance on operating, managing and organising enterprises. For few of them who have some kind of advice on running of the business, it is from their family members or relatives and friends having businesses. Majority of dalit entrepreneurs felt there is need for training and/or well-informed advice for successfully operating, managing and organising their enterprise units.

Problems Encountered by Dalit Entrepreneurs in Operating, Managing and Organising their Enterprise Units supported by DBS Social Investment

Nearly 45 percent of dalit entrepreneurs felt that the cost of raw material required for their IGU is higher than the usual (Table-4.12). For a majority (70%) felt that *price for which they have to sell their product or service is lower than expected price*. Nearly 63.4% felt that there is an *inadequate demand* in the local economy for their product or service; 59% of them said they face *severe competition* in marketing their product or service. Fluctuation in local demand is a cause of concern for another 40% of the Dalit entrepreneurs. Majority of Dalit entrepreneur are not using latest technologies in the field for their units. About one-third of the Dalit entrepreneurs felt that such latest technology is not required for their enterprising unit.

Percentage of IGUs in the lower quantile class facing marketing problem is almost three times higher than that of those in the higher quantile class. Correspondingly, percentage of IGU reported they are not facing marketing problem are highly concentrated in higher quantile class of entrepreneurial income.

Shortage of working capital is affecting the dalit entrepreneurs in timely purchase of the raw material required in the production processes of their enterprise units: it is felt by nearly 72% of respondent entrepreneurs. Another 20 percent of them felt that such shortage of working capital available to them is resulting in difficulty of meeting the maintenance cost of the units.

Future Plans of Dalit Entrepreneurs holding DBS Supported Enterprising Units

Responses of the dalit entrepreneurs are found to be very futuristic. Nearly half of the Dalit entrepreneurs (54,3%) wish to scale-up their productive asset and investment in their enterprise unit, around 50 percent wants to increase their market size. Nearly 27.8 percent of Dalit entrepreneurs wish to maintain the same status in managing the enterprise units. About 20.8 percent of them would like to increase the employment in their enterprise units. About 23.8 percent

of them have a future plan to introduce new type of products in the market. Small but it is encouraging that about seven percent of dalit entrepreneurs in the Constituency would like to open new branches of their enterprise activity.

II. Socio-Economic Impact on Dalit Entrepreneur Households

This section presents the socio-economic impact of DBS on Dalit entrepreneur households.

A comparison of the socio-economic characteristics of DBS entrepreneur households and the control group has been made. The landlessness among the DBS households is slightly higher than that of control group households. About 55 per cent of DBS households while only 45 per cent of control group households are landless. Around 41.3 percent of DBS households are marginal farmers while 51.6 per cent of control group households fall in the category of marginal farmers. Overall a lesser percentage of DBS sample households possess land and also a lesser extent of land.

DBS households live in better housing than the control group households. About 51 per cent of DBS households are living in pucca households where as about 65 per cent of control group households are living in semi-pucca type of house. However, almost all the control group households i.e 96.7 percent own their house they live in while the proportion for DBS is 89 per cent only. There are not much differences in other household amenities between these two groups like separate bathroom, piped water facility at house, functional toilet, major source of drinking water, electricity connection, and primary source of cooking (LPG). Though a lesser percentage of DBS sample households possess any land and own a house but a higher percent of them live in pucca houses. DBS sample households may be living in rented pucca houses.

In case of educational attainment, comparatively higher percentage of DBS household members are illiterate than the control group individuals (6 per cent and 2.1 per cent respectively). However, about half of the household members belonging to both the groups have attained less than 12th class of education. Only about one fourth of individuals belonging to both the groups have acquired graduation level of education and about 7 per cent have masters level of education. A majority of individuals belonging to both the groups do not possess any technical education. Those who possess technical education, they are mostly graduates in engineering (6 to 7 per cent), followed by ITI (3 to 4 per cent of total individuals), and Diploma (1 to 2 per cent of all household members).

Economic implication of DBS: Changes in annual household income: DBS Entrepreneur households gained significantly

The income from DBS has economically uplifted the households. About 94 per cent of DBS households have reported that their annual household income has increased due to DBS. About 35 per cent of households have reported that their annual income has increased between 25 to 50 per cent as compared to their before DBS annual income. About 11 per cent witnessed more than 100 per cent increase in their income after DBS. *Overall, about 44 per cent of households have reported to have witnessed more than 50 per cent increase in their incomes due to DBS in post-DBS period.*

There is a drastic increase observed in the household income of DBS households. The DBS households have reported on average, about 57 per cent increase in their annual income. As compared to control group, the DBS households have witnessed about 47 per cent hike in their

post-DBS annual income. **The DBS households earn on an average, additional Rs. 8,048 per month as compared to their previous monthly income.**

Doubling of income of Farm Households and Agriculture Labourer Households

The household annual income of Farm Households has increased, on average, from Rs. 1,74,464.8 to Rs. 2,68,580.9. This implies that the annual income of Farm Households have increased about 50 per cent within a span of 1 to 2 years. The income diversification induced by DBS has resulted in sudden hike in their income. Around 21 per cent of Farm Households have witnessed doubling of their annual income during the same period.

Likewise, the Agricultural Labourer Household have also witnessed about 50 per cent hike in their income, on average, from Rs. 1,27,619.3 to Rs. 1,90,794.6 during the same period. About 19 per cent of these households witnessed doubling of their annual income.

Almost all DBS households have reported that their income from DBS enterprise will increase household income in future either substantially (43.2 per cent) or moderately (49.9 per cent).

Implications of DBS on employment: Considerable Reduction in employment insecurity among the DBS Entrepreneur households

About one fourth of total households reported that their previously unemployed member got employment because of DBS. Total of 226 previously unemployed or homemakers started working in DBS enterprises. About half of households have reported number of working days has increased due to DBS for their household member. The employment fluctuations are very high in case of workers in control group. About 43 per cent of workers worked for less than 6 months in the previous year while only about 27 per cent managed to get work for all the months. Similarly, about half of the workers in control group could not get work between 1 to 6 months. *This indicates that the DBS has reduced the employment insecurity of households and provided an additional employment opportunity as well as increased the number of working days for workers.*

Change in consumption expenditure

There is considerable improvement in the consumption expenditure of DBS households to the extent of 11 percent as compared to before DBS situation and also compared to control group households. The average number of times the DBS households have consumed various food articles have increased compared to before DBS as well as higher than the control group. This implies that after availing DBS, the households' nutritional food intake has increased. *The percentage of households' not facing difficulty in meeting expenses on basic needs has drastically increased from about 71 per cent before DBS to about 94 per cent among DBS households. This implies that DBS has made their income stable.*

Change in saving and indebtedness behaviour

The percentage of households having bank account is almost same in case of both control group and the DBS households (about 60 per cent). However, there is a higher proportion of DBS households that reported increase in savings after availing DBS than the control group. About 71 per cent of DBS households having bank account reported that the source for saving is DBS income. The DBS households have reported that their credit worthiness with informal sources like 'Relatives and Friends' and 'Money Lender' has increased. However, their credit worthiness with banks has not increased for most of the households.

The current indebtedness of households indicated by percentage of households indebted is lower among the DBS households than the control group (59 per cent and 79.7 per cent respectively). However, the average amount of debt among the DBS households is higher than the control group (Rs. 1,94,771.2 and Rs. 1,75,386.6 respectively). The higher level of debt indicates higher financial needs for the business activity. Moreover about 40 per cent of indebted households have said they cleared debts with DBS income. *This implies that though on average a lower percentage of DBS households are indebted the level of debt is high and repayment is also high. This shows a higher financial appetite and capacity to absorb indicating a higher economic value added through their businesses.*

Change in health and education seeking behaviour

The percentage of DBS households postponing getting a treatment is lower than before availing DBS as well as compared to control group. Similarly, distress sale of assets for getting medical treatment is lower in case of DBS households post DBS than before availing DBS and control group households. Regarding educational aspirations of children, 76 per cent of households feel that their children's educational aspirations will be fulfilled due to DBS income.

Change in Social life after availing DBS scheme

There are considerable changes in social life of DBS households that occurred after availing the scheme. The DBS households reported that after access to DBS respect, trust, support towards them has improved. There are also perceived changes in social behaviour in terms of equal treatment, interaction, invitation by others, making friends from other community, other communities' participation in their functions and festivals than before.

Concluding Remarks

On an overall basis it may be concluded that the ***Dalit Bandhu Scheme*** (DBS) which is a Social Investment Project meant for developing ***Dalit Entrepreneurship*** in the State has a promising start in the Huzurabad Constituency. It can be surmised that seeds for **Dalit Capitalism** have been sown by the DBS in the State of Telangana. An institutional mechanism in place to educate, skill, mentor, monitor and handhold, is essential to lead the amateur, first generation DBS entrepreneurs to withstand and sustain in their economic activity. Interventions such as the DBS has a potential to realise the latent talent of socially marginalised community leading to development of the community as well as contributing to economic development.

1 Introduction

Background

Telangana state, since its formation in 2014, has been striving for inclusive growth as well as inclusive development by facilitating the marginalised and socially backward for their development and creating them an opportunity to grow. The Scheduled Castes population in the Telangana State constitutes 15.44 per cent of the total population in the State which exhibits socio-economic backwardness on a range of indicators similar to the scenario elsewhere in India. Therefore, the State Government has committed itself to address the backwardness of the community by introducing various programmes and schemes. The state has been implementing the SC Sub Plan Act since state formation allocating due proportion of budget to the SC population for its development. In addition to already existing schemes for SCs in the State, the Government has introduced “Dalit Bandhu” scheme (DBS). In other words, Dalit Bandhu Scheme is a state Government supportive intervention programme exclusively for the Dalits in the state.

Dalit Bandhu Scheme (DBS): Dalit Empowerment Programme

The scheme is intended to ensure social and economic empowerment of SCs and develop them and become partner in the overall development of the State. DBS is the largest cash transfer programme in the country. It is a financial incentive for the Dalits to explore self-employment opportunities. It is a ‘Social Investment’ as it empowers the Dalit community. In this context it can be said to have been visualised as a *Social Investment Project* as the scheme is contemplated for not only economic development of SCs but also enhance their social respect such as autonomy, dignity, creditworthiness, and active participation in the community development. The Dalit Bandhu programme has the potential to transform social status of the SC population from that of workers or employees to employers or owners and providers of employment. The financial assistance provided under the scheme is not to fulfil their immediate financial needs but to make them financially self-sufficient by establishing their business units. The grants given under the scheme ensures no financial dependence on the government and financial institutions for setting up an income-generating unit or activity (IGU).

Under DBS each eligible *Dalit* family would be provided with a financial assistance of ₹10 lakh through direct benefit transfer (DBT). The eligibility criterion for accessing DBS is that applicants belong to SC community, below poverty line (possessing a PDS card) and a native of Telangana State (possessing Aadhar card). The scheme does not require any ‘bank guarantees’ in the form of assets from the *Dalit* entrepreneurs for the release of the amount, as it is intended to support the poorer sections who have no dependable assets. It is a huge amount, fully subsidised one-time grant for a *Dalit* household. The scheme aims to eliminate intermediaries as it is a direct benefit transfer. The main objective is promoting entrepreneurship among *Dalits* and encouraging the *Dalit* Entrepreneurs. Beneficiaries as prospective entrepreneurs can take up any business activity of their choice while utilising the one-time financial grant. The Chief Minister of the State assumed the task of overseeing the DBS. There is a State monitoring mechanism as well as a district monitoring mechanism to oversee the implementation of the scheme.

DBS was launched as a pilot project on 6 August 2021 in Huzurabad Constituency. The scheme is rolled-out in Huzurabad Constituency firstly in a saturation-mode, that is DBS is universalised, at a time, in the Constituency. It is planned to roll-out in a phased manner covering 2000 Dalit

families every year in each of the Constituencies in the state. It is a continuous exercise, till all the Dalit families in the state are covered under the scheme. The State Budget 2023-24 has allocated Rs 17,000 Cr. for DBS.

Rollout of DBS in Huzurabad Constituency

Huzurabad Constituency consists of five Mandals and two Municipalities: Huzurabad, Jammikunta, Veenavanka, Ellantakunta, Kamalapur, Huzurabad Municipality and Jammikunta Municipality. Except Kamalapur (in Hanmakonda district), all the other Mandals and Municipalities fall in Karimnagar district. A total of 18025 dalit households have been supported under DBS for their income-generating units. A total of 16149 IGUs units have come into existence. Most of them are single household enterprises, but some of them are group units. The components of the DBS are broadly classified into six categories– agriculture & allied, manufacturing & industry, retail shops, transport, service & supplies and animal husbandry. Units grounded in Huzurabad consist of: passenger and goods vehicles, agriculture related machinery (harvester, transplanters, sprayers), tractors, earth work machinery (levellers, Excavators, JCBs), retail shops (cloth, grocery, ladies emporium, footwear, sanitary items, electrical, paintings, medical, vessel, sugar), bakery, diagnostics, dairy (milch animals - buffalos), poultry.

All eligible households possessing PDS (Ration) card and Aadhar card have been given the DBS in Huzurabad. As the DBS is a direct benefit transfer (DBT), it ensures that all the eligible households' members have a bank account. The beneficiaries cannot withdraw cash from the bank account. For all purchases of capital items related to their entrepreneurial activity, the amount is paid to seller/dealer through electronic transfer by the implementing authorities. All the IGUs are hypothecated to the Scheduled Caste Development Department (SCDD) for a period of five years in order to arrest any transfer of ownership of the IGUs

The Dalit Bandhu Scheme is an innovative and flagship financial assistance scheme of the State Government intended to bring changes in the lives and livelihoods of SC community of Huzurabad constituency. Apart from socio-economic mobility of the beneficiary households, the scheme has the potential to positively impact the employment and incomes on an overall basis in the constituency. As a result of enhanced investment and employment, the scheme is likely to have positively affected other economic activities in the constituency. Additionally, the scheme also contributes to the revenue of the State Government in the form of indirect taxes paid by the beneficiary units.

In this backdrop, the study attempts to assess and evaluate the performance of the scheme in various dimensions focusing on its implications to the beneficiary entrepreneur households in the Huzurabad constituency. The economic performance of the IGUs are examined besides the potential ploughed back returns to state revenue through taxes (GST or others); the aggregate demand for investment goods in state economy; and the demand for inputs in the local economy. The study also makes an assessment of it's the eventual impact on the socio-economic conditions of the prospective Dalit entrepreneur households operating the IGUs.

Objectives of the Study

The ***overall objective*** of the study is to assess the performance of the iGUs and *capture the impact of Dalit Bandhu Scheme on the beneficiary households and on the local economy* demarcated as the Huzurabad Constituency. The ***specific objectives*** of the proposed study are as follows:

- i) to assess the economic change in the livelihoods of the beneficiaries (quantitative and qualitative);
- ii) to assess the social change in the lives and livelihood of beneficiaries (quantitative and qualitative);
- iii) to examine the qualitative and quantitative change in socio-economic landscape of Huzurabad Assembly constituency after the launch of Dalit Bandhu Scheme;
- iv) to identify the direct income (household) and indirect income (taxes) generation in Huzurabad Assembly constituency;
- v) to assess the rate of return on public investment on Dalit Bandhu scheme;
- vi) to identify the constraints in converting assets to cash flow;
- vii) to suggest way-forward and policy suggestions.

The study is carried out in three phases during period March 2023 to June 2023. First phase of the study done in March 2023 is a very quick assessment based on macro parameters in understanding and estimating present rate of return for the social investment worth Rs. 1800 crores on DBS implemented in Huzurabad Constituency. Second phase of the study done in April 2023 is a quick assessment based on thin sample survey of the grounded IGUs in understanding the performance of these units. Third phase of the study completed during May-June 2023 is based on the comprehensive survey covering large sample of around 800 IGUs and Dalit entrepreneur households along with a ‘Control group’ of Dalit households who have not received DBS in the neighbourhood areas of Huzurabad constituency, to evaluate the socio-economic impact.

Organisation of the Report

The report is organised as follows. While presenting the *background of the Dalit Bandhu Scheme and study objectives*, the second section delineates the *situational analysis of SC community in general in the state of Telangana* in comparison with the national level situation. The third section gives the *methodology of the study and the survey* of IGUs supported by DBS social investment and the Dalit entrepreneur households operating these units.

Fourth and fifth sections of the report are based on the results of the *third phase of comprehensive survey results and estimates*. Analysis of the comprehensive survey *results and estimates regarding* the IGUs supported by DBS social investment is presented in the fourth section. A comparative analysis of the comprehensive survey of *Dalit entrepreneur households* holding these units and the control group, is presented in the fifth section. *Selective Case Studies of IGUs* are presented in the sixth section. The seventh section presents the *concluding remarks along with pointers on course correction and recommendations*. Besides, these core sections of the report, *Appendix 1&2* present the *analysis and findings of the first two phases of the study respectively*.

2 Situational Analysis of Dalits in Telangana

This section of the report presents a situation analysis of the Schedule Castes (SCs) in the state of Telangana. It covers demography, health and educational levels along with livelihoods and employment levels of the community in the state. Also, various intervention schemes and programmes rolled-out in the state aiming at upliftment and development of the community are discussed.

2.1 Demography: Population

According to Census 2011, total households in Telangana state were 8.3 million, of which 1.3 million were the Scheduled Castes (SCs) households in the state. Total population in the state was 35.0 million, of which Scheduled Caste Population was 5.41 million comprising 15.5 percent of the total state population.

The Comprehensive Household Survey (Samagra Kutumba Survey – SKS) held in 2014 (on 19th August) has estimated that total households in the state was 10.3 million and total population was 36.88 million. Of which scheduled castes (SCs) households were 1.8 million accounting for 17.53 percent of the total households. SCs population was 6.4 million which constitute 17.5 percent of the total population in the state. According to the survey, nine out of 33 districts in the state consists SC population at 20 percent or above in their total population. Highest Dalit population is found in Mancherial district (25.64 percent) and lowest in Hyderabad (11.71 percent).

2.2 Educational Development Dalits in Telangana

Progress in educational development among Dalits in Telangana appears to be better than the situation at national level. Current attendance rate (CAR) in school (6-17 Years) and college (18-23 Year) age population in the state is higher than all India average; it is so across social groups (Table-4.1). Social-group disparity in CAR of the school-age (6-17 years) population in the state is very low.

Table 4.1: School and College-Age Population Current Attendance Rate (CAR) in Education, PLFS-3 (2019-20)

Age-Cohort	Telangana					All India				
	ST	SC	OBC	Others	Total	ST	SC	OBC	Others	Total
<i>I</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Elementary School-age (6-17Yrs)	94.2	98.0	97.4	96.2	97.3	88.5	90.7	91.7	94.4	91.8
College-age (18-23 Yrs)	33.0	52.6	51.4	57.4	51.4	28.7	30.8	37.7	45.8	37.4
Avg. Years of schooling (15+ age)	6.6	6.5	7.2	9.5	7.4	5.6	6.3	7.2	8.9	7.4

Note: 1. Rural and Urban Combined.

Source: CESS-RSEPPG Estimates based on Unit Record Data of PLFS-3 (2019-20).

CAR of Dalit children of school-age in the state is no less than other category children of the same age-cohort (Table-4.1). Even in the college-age population CAR for Dalits (SCs) children (52.6 percent) is five percentage points less than that of other category children (57.4 percent) in the

state. At the national level, there is a 15 percentage-points difference in CAR between SC and other category children of the college-age (18-23 years).

Average years of schooling among the adult (15+age) population in Telangana are on par with that of national average; it is so for dalits as well as the aggregate of the social groups in the state in comparison with national average (Table-4.1). In fact average years of schooling in the adult (15+age) population reflect the cumulative effect of educational participation in the past. As we know, the progress in educational development of Telangana in the past especially three decades ago was lagging but it is impressive and remarkable during the last three decades. The difference in average years of schooling between dalits and other category in Telangana is two years which is higher than that of national average. This is because of the historical burden of the past where dalit were lagging far behind in educational participation three decades ago. But progress made in the case of dalit children during the last three decades is remarkable. Education is an instrument in reducing socio-economic inequalities and inter-generation poverty and enhancing well-being.

2.3 Livelihoods Sources and Employment

According to Government of Telangana data landless Dalit households in the state in 2014 were 1.2 million, accounting for 66 percent of total Dalit households in the state. In fact it is little (2 percentage points) less than that of the state average (68 percent).

As per an estimate based on the latest PLFS-4 (2020-21), percentage of SC population depending on self-employment in agriculture as a major source of livelihood is 27.2 percent in Telangana state, whereas the national average is 19.3 percent (Table-4.1). Percentage of Dalit population in the state with on self-employment in agriculture as a source of livelihood is corresponding with the percentage of Dalit households with land ownership. Historically, Dalit families' main source of livelihood had been agriculture labour, as most of them have been landless. Among those Dalit families who owned any land, the average size of holding is small to make it economically unviable to have it as a major source of livelihood. To a certain extent some Dalit families have benefited from distribution of land to landless through land-reforms from the above (by the Governments), even if it was lacklustre in its implementation. Also, the pressure of land reforms from the below due to social movements of various hues has caused certain land transfers to the SCs. Land distributed under land reforms was small in size of holding and again many a times it was uncultivable and unirrigated. However, improved irrigation facilities and other mechanisation process have brought into cultivation much of the earlier uncultivated land. Growing rent market for farm machinery facilitated to cultivation without owning cultivation related wherewithal like bullock, plough and machinery. Further, there is a growing land-lease market in the rural areas with upper-caste landed-gentry moving away from land cultivation to other avenues in the urban areas, Dalit families are leasing-in such lands in addition to their small holdings to make them viable economic holdings. Their feeling had led to use in the self-employment in agriculture among the dalit families. There is a corresponding decline in percentage population living on agriculture labour; it is 10.7 percent in Telangana in 2020-21.

Table 4.2: Distribution percent of Population by Source of Livelihood, PLFS-4 (2020-21)

Livelihood Source	Telangana					All India				
	ST	SC	OBC	Others	Total	ST	SC	OBC	Others	Total
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Self-Employment in Agriculture	37.4	27.2	24.1	14.7	23.9	34.8	19.3	25.0	18.4	23.5
Self-Employment in Non-Agriculture	11.4	15.1	29.0	30.3	25.8	16.8	20.4	28.5	31.9	26.4
Regular Salaried/Wage Employment	28.5	31.7	34.2	45.3	35.3	32.1	29.3	29.8	39.6	32.8
Casual Wage Labour in Agriculture	7.8	10.7	3.8	1.7	4.9	5.2	9.1	3.8	1.9	4.4
Casual Wage Labour in Non-Agriculture	14.9	15.3	8.8	7.9	10.2	11.0	21.9	12.8	8.3	12.9
All	100	100	100	100	100	100	100	100	100	100

Note: Rural and Urban Combined.

Source: CESS Estimates based on Unit Record Data of PLFS-4 (2020-21).

Further, there appears to be structural transformation in terms of percentage of population moving away from living on agriculture to non-agriculture. About 15 percent of SC population in the state is dependent on self-employment in non-agriculture, while it is little higher (20.4 percent) at the national level. Nearly one third of SC population in the state is found to be living on the income sourced from regular salaried or wage employment. Another 15.3 percent of Dalit population in the state is living on casual labour in non-agriculture. Together, while about 38 percent of Dalits in the state have agriculture as a major source of livelihood, the rest 62 percent of them are dependents on non-agriculture.

Table 4.2: Labourforce Participation Rate (LFPR) and Distribution percent of Labourforce by Type of Employment, PLFS-4 (2020-21)

LFPR and Distribution of Labourforce by Type of Employment	Telangana					All India				
	ST	SC	OBC	Others	Total	ST	SC	OBC	Others	Total
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
LFPR	69.4	70.9	63.5	55.5	63.8	62.2	59.0	56.6	54.6	57.3
Self-Employed in Agriculture	36.3	26.2	25.1	15.7	24.7	41.2	21.9	28.3	22.2	27.5
Self-Employed in Non-Agriculture	9.7	15.1	26.2	28.5	23.3	13.6	16.7	24.1	28.0	22.1
Regular Salaried/Wage	20.0	24.3	26.2	37.7	27.1	21.6	24.0	24.1	33.2	26.1
Casual Wage Labour in Agriculture	16.7	16.6	8.5	2.9	9.8	7.2	12.4	6.2	2.7	6.6
Casual Wage Labour in Non-Agriculture	10.3	12.3	8.6	6.6	9.1	11.0	19.6	12.1	7.7	12.2
Unemployed	7.0	5.5	5.5	8.7	6.0	5.3	5.4	5.2	6.2	5.5

Note: Rural and Urban combined.

Source: CESS Estimates based on Unit Record Data of PLFS-4 (2020-21).

The labour-force participation rate (LFPR) in adult (15+ age) population of Scheduled Castes (SCs) in Telangana is nearly 71 percent which is almost 12 percentage points higher than that of SCs at the national level (Table 4-3). Higher overall LFPR among Dalits in the state is because of higher LFPR of Dalits females. The unemployed in the dalit labour force in the state is **not different from that of any other social groups**. The distribution of labour force in the state is corresponding with the major source of livelihood discussed above.

4.4 State Intervention Programmes and Schemes for SCs in Telangana

Along with general type of intervention programmes and schemes available in the state and benefiting various age-group cohort population across social groups, there are certain intervention programmes and schemes of state government of Telangana specifically meant for the development SC community.

Generic intervention programmes and schemes which benefit SC community as well along with other social groups in the state are as follows: various ICDS services through Anganwadi Centres in the state for the 3-6 years of age children along with pregnant and lactating mothers across social groups; Mid-Day-Meal (MDM) for the school children; Reimbursement of Tuition Fee (RTF) for college education; Arogya Sri for healthcare; Asara Pension scheme covering old-age, disabled, widowed and others; Kalyana Lakshmi helping parents meeting daughter marriage expenses; Double-bedroom houses.

The state government intervention programmes and schemes specifically meant for the welfare and development of Dalits in the state are as follows. For educational development, there are 286 Social Welfare Residential Schools and 1000 Hostels for school and college students belonging to Scheduled Castes; pre and post-metric scholarships for Dalit students, Ambedkar Overseas Vidyanidhi (AOVN) for Dalit students aspiring for higher education abroad; Scheduled Caste Sub-Plan (SCSP) in state budget allocation; T-Pride assisting the self-employed Dalits while providing them subsidised SCDD guaranteed loans for any enterprising activity.

Among the others, Dalit Bandu Scheme (DBS) an innovative flagship intervention programme of the state government involving huge financial grant (Rs. 10 lakh) per beneficiary households.

3 Methodology of the Study and the Surveys

This section details the methodology of the study carried in three phases and the sampling strategies of the two primary surveys.

3.1 Methodology of the Study

As mentioned in the introduction section, this study assessing the DBS social investment in Huzurabad Constituency is carried out in three phases during period March 2023 to June 2023. First phase of the study done in March 2023 is very quick assessment based on macro parameters in understanding and estimating present rate of return for the social investment worth Rs. 1800 crores on DBS implemented in Huzurabad Constituency. Second phase of the study done in April 2023 is a quick assessment based on thin sample survey of the grounded IGUs supported by DBS social investment in understanding the performance of these units. Third phase of the study done during May-June 2023 is based on the comprehensives survey covering large sample of around

800IGUs and Dalit entrepreneur households along with control group (non-DBS) Dalit household in the neighbourhood area of Huzurabad constituency, to assess the performance of the IGUs and the impact of DBS on entrepreneur households.

Except first phase, subsequent two phases of the study is based on the primary data collected from the sampled households by undertaking field survey. A structured questionnaire designed by the CESS team was used to capture both the required quantitative and qualitative data from enterprises as well as from households. The data is collected by in-person interviews using the questionnaire. In addition to structured questionnaire, the qualitative information has been captured through notes duly noting the discussions held.

The various dimensions of impact and implications of the scheme captured at the household level include, changes in income of the beneficiary households, changes in the livelihood security, changes in living standards (in terms of household amenities, consumer durables, and changes in social respect in the community), and so on.

At enterprise level, these dimensions include investment and employment opportunities generated by the unit, demand for products of other producers in the Constituency, profitability of the unit, taxes paid by the units to the government, and so on.

To understand better the impact of DBS social investment on Dalit Entrepreneur households holding IGUs supported by such investment grant, a control group of households which are not operating such units and not yet supported by such social investment grant are surveyed in the neighbouring area. Sample of control group households were administered with a structured questionnaire probing more or less similar aspect that was probed for Dalit entrepreneur households holding IGUs supported by DBS social investment.

3.2 Quick Evaluation of DBS Social Investment on Macro Framework (First Phase)

The first phase of the study is based on the macroeconomic framework while applying growth accounting and cost-benefit procedures, the economic returns of the public social investment under the Dalit Bandhu Scheme of Telangana are evaluated for understanding its potentials in terms of such returns. A very basic simulation exercise is conducted for the period of next 15 years in order to derive the potential returns to the social investment under DBS. We have applied in this simulation exercise the economy level rates such as incremental capital-output ratio (ICOR), saving rate and depreciation (consumption of fixed capital) rate. Given the initial investment and considering it as initial capital stock, a 'constant' representing the ICOR yields the gross value added (GVA) in a year that the capital stock and annual additions of investment can generate. Applying a saving rate to GVA (considering it a factor income) would yield the value of Savings potential of yielding same level of investment. While depreciation levels-down and investment levels-up the stock of capital, this results in a change in capital stock for the subsequent year. The sequence repeats for subsequent year for the period of next 15 years considered for the analysis. Further, flow of annual Value-added during the period is evaluated at discounted rate of 5%. The Present Value and Net Present Value are derived as follows.

$$\text{Present Value (PV)} = \text{Sum} \{ (\text{annual value added}) / [(1+r)^t] \}$$
$$\text{Net Present Value (NPV)} = \text{PV} - \text{Initial Investment}$$

3.3 Sample Strategy for the Rapid Assessment through thin Sample Survey (Second Phase)

A rapid survey of the DBS was undertaken to assess the potential economic benefits from the scheme. These are assessed as the benefits: i) to the State in the form of GST; ii) to the local economy in the form of additional demand generated through production activity and household consumption.

The Rapid Assessment Survey (RAS) has randomly selected a sample of 131 units (enterprises) in four Mandals (Jammikunta, Huzurabad, Ellantakunta, Veenavanka) including two Municipalities (Jammikunta and Huzurabad) of Huzurabad Constituency in Karimnagar District. Units that were grounded for operations six month before the survey were selected to assess the economic impact. The inquiry was confined to the broad classification of six types of units (*Agriculture Allied, Animal Husbandry, Manufacturing, Retails, Services / Supplies, and Transport*). Data was collected on the total investment (DBS and private), location of one time purchases of equipment/machinery and material, recurring purchase of raw material; number of hired workers; volume of sales for both normal season and peak season; household income before and after DBS and household consumption expenditure before and after DBS; and consumer durables purchased after DBS. The estimates of the economic benefits are arrived at by simulating to the population (1800 enterprises) based on the sample survey of 131 enterprises.

3.4 Sample Strategy of Comprehensive Survey (Third Phase)

Based on the advice of the statistical experts in the study team at CESS, it is decided to have five percent sample of the total number of Dalit Bandu Scheme (DBS) supported IGUs in Huzurabad Constituency covering five mandals (Huzurabad, Jammikunta, Veenavanka Ellantakunta and Kamalapur) and two municipalities (Jammikunta and Huzurabad). There are around 16149 such IGUs that grounded in the Constituency since inception of the scheme in August 2021, of which a 5 percent sample comprise 810 units. The sample is distributed across economic sectors primarily classified into: Agriculture, Animal Husbandry, Manufacturing, Retail, Services and Transport. Distribution of sample across these sectors is based on the number of units in the sector and heterogeneity of the sector (i.e. in terms of number of units in different activities) to have fair representation of the sample to the sector and activities within the sector.

The sample strategy is aimed to have representativeness of units by sector and the economic activity of units. Within the sector the sample distribution is according to type of units based on the economic activity (or their operations); for instance, tractors and harvesters within the broad category of Agriculture. The type of units with small numbers have been clubbed together. Sample distribution represents all type of activities within the broad sectors and we have taken care in the sample distribution by giving more weight to activities with less number of units. Samples drawn within the broad categories of units are based on *simple random sample* procedure.

For assessing the socio-economic impact, we have collected data from households. For this we have used two-stage stratified random sample procedure. The sample households selected belong to the enterprise units selected in case of single units. In case of group IGUs, household is randomly selected within the group. Therefore, only one household represents a group unit.

3.4 Sample Strategy of the Control Group Household Survey

In the third phase of survey a control group of Dalit households, who have not been DBS entrepreneurs, was selected from the adjoining Mandals of Huzurabad Constituency. This enables the study to isolate the impact of DBS on the DBS entrepreneurs vis-à-vis households without any DBS units. For the purpose, three Mandals in Karimnagar district selected are: Shankarapatnam, Saidapur and Manakondur. In each of the selected Mandal, three Villages are selected. They are as follows. **Shanakarapatnam:** 1) Kachapur; 2) Thadikal; and 3) Molangur; **Saidapur:** 1) Elabotharam; 2) Akunur; and 3) Ammanagurthi; **Manakondur:** 1) Maddikunta; 2) Munjampalle; and 3) Kondapalakala,

From each of these selected villages, a sample of 17 households are drawn for the control group survey. A **Circular Systematic Random Sampling** procedure was followed while drawing the Sample households from the list of SC households. From the selected villages, Investigators have collected list of SC households from the Village Revenue/Panchayat Secretary; or made use of any available list of SC households. Using the list of SC households in the selected villages (mentioned above), sample households are drawn with following procedures. Taking the count, in the list, of the total number of SC households in the selected village (**Step 1**), divided the total by 17 which is our desired sample of households in each of the selected village (**Step 2**). It would generate a number to represent fixed periodic sampling interval, which is used to draw sample SC households from the list of SC households in each of the selected villages¹ (**Step 3**).

Sample Frame of DBS Enterprises Dalit Entrepreneur Households

The sample frame used for the study is as follows. All these units are grounded completely or partially. This sample frame is used for the sample surveys in both the second (rapid assessment) and third (comprehensive) phase of the study. The selected sample details are found in the last column of table 3A-1.

¹ For instance, if there are 170 SC household in a villages, $170/17 = 10$, we draw every 10th SC household as sample for the survey. You have to start with random number in the first 10 households and then take every 10th household thereafter.

Table 3A-1: Sample Frame of DBS Enterprises Dalit Entrepreneur Households

Sector	Type of Unit	Units	Sample
Animal Husbandry	Dairy	2312	75
	Poultry	192	5
	Other Animal Husbandry units	27	0
Agriculture	Tractor	2139	81
	Harvester	414	31
	Transplanter	92	6
	Others	182	5
Manufacturing	Brick-Making	80	14
	Welding Workshops	32	11
	Paper Plates	28	7
	Other Manufacturing units	24	5
Retail Trade	Mini Super Bazar	392	60
	Cloth Emporium	392	41
	Footwear	190	3
	Auto Mobile	140	7
	Kirana	120	15
	Ladies Emporium	92	12
	Building Paintings	92	16
	Medical Shop	33	5
	Others Retail Trade	1334	18
Services	Centring	824	95
	Electricals	390	44
	Tent House	358	21
	Hardware	318	34
	Photo Studio	298	37
	DTP/Internet/Meeseva	92	6
	Diagnostic Lab	39	5
	Hotel	36	5
	Computer Centre	18	3
	Others-Service	335	7
Transport	Goods Vehicles	2576	54
	Passenger Vehicles	2252	67
	JCBs	306	12
Total		16149	807

Source: Reorganised based on the information provided by ED-SCDD, Karimnagar District,

4. Performance Assessment of Income Generating Units Supported by DBS Social Investment in Huzurabad Constituency

This section presents the analysis of assessment with respect to DBS supported IGUs of prospective Dalit entrepreneurs in Huzurabad Constituency which is largely spread out in Karimnagar district (Jammikunta, Huzurabad, Veenavanka and Ellantakunta Mandals along with two Municipalities of Jammikunta and Huzurabad) and partly (Kamalapur Mandal) in Hanmakonda district.

4.1 Overview: DBS Social Investment and Prospective Dalit Entrepreneur Households

The total number of IGUs supported with DBS social investment grant and are being operated by Dalit entrepreneurs is 16149. All these are grounded. These 16149 IGUs are possessed by 18025 households (Table 4.1). Of the total number of such units (16,149) grounded in the Huzurabad Constituency, 14,879 are individual household IGUs and 1270 are group units wherein two or more households are engaged in each of such IGUs.

Table 4.1: Details of DBS in Huzurabad Constituency

Sl No	Indicator	Unit	Value
1	2	3	4
1	Total Number of Dalit Households - Prospective Dalit Entrepreneur Households	No	18025
2	Total Social Investment Released to Bank Accounts of Prospective Dalit Entrepreneurs (Rs. 10 lakhs per household)	Rs. Cr	1802.5
3	Total Security Deposits (Rs. 10,000/*- per Prospective Entrepreneur Dalit Households) amount deducted	Rs. Cr	18.025
4	Social Investment to be given for Prospective Dalit Entrepreneurs	Rs. Cr	1784.5
5	Number of DBS supported Units Grounded	No	16149
6	Number of Individual Units Grounded	No	14879
7	Number of Group Units Grounded	No	1270
8	Number of Households pertaining to Group Units Grounded	No	3142
9	Average Number of Dalit Households per Group Unit Enterprise Grounded	No	2.47
10	Surveyed Sample Enterprise Units	No	807
11	Percentage of Sample Enterprise Units to total DBS grounded	%	5.0

The number of prospective entrepreneurial Dalit households involved in such group of enterprise units (two or more households in each unit) is 3,142 (Table 4.1). The average number of Dalit prospective entrepreneur households per group of enterprises is 2.5. Total social investment released to bank accounts of these prospective Dalit entrepreneurs in the Constituency (@Rs.10 lakhs per household) is Rs. 1802.5 crores. Of which total amount deducted for Security Deposits @ (Rs. 10,000/- per households is Rs. 18.025 crore, as an insurance premium. The rest of the social investment Rs. 1784.5 crores is meant to be rolled-out on Enterprise units of prospective Dalit entrepreneurs in the constituency.

The sample of IGUs surveyed for the assessment is 807, comprising five percent of the total units grounded in the Constituency (Table 4.1). Analysis in the following sections is based on the survey of sample units. Based on the sample survey, estimates are arrived at using sample weights to represent total number of units in the constituency, while potential is arrived at by taking into account the total social investment of 1802.5 crore.

4.2 Social Investment Rolled-out on Grounded Units and GST paid to the State Revenue

As on the date of the survey, a total investment of Rs. 1543.9 crores is rolled-out on grounded IGUs supported by DBS social investment (Table 4.2). Of which DBS social investment is Rs. 1425.8 crores. This DBS social investment has raised a private investment worth of Rs. 118.1 crore comprising 7.6 percent of total investment in the DBS supported IGUs of Dalit entrepreneurs.

Table 4.2: Estimates on Investment and GST with respect to DBS Supported IGUs of Dalit Entrepreneurs

Sl. No	Indicator	Unit	Actual	Potential
1	2	3	4	5
1	Value of Total Investment grounded on DBS Enterprise Units	Rs. Cr	1543.9	1932.3
<i>Of which</i>				
2	DBS Social Investment on these Grounded Units	Rs. Cr	1425.8	1784.5
3	Prior Value of Pre-Existing Units (Private Investment) which are advanced (upgraded) with the DBS Social Investment	Rs. Cr	11.5	1.5
4	Prospective Entrepreneurs' total Private Investment on Enterprise Unit (supported by DBS) in addition to DBS Investment	Rs. Cr	106.6	146.3
5	Total Private Investment rolled-out (Sl No 3 and 4) on DBS Enterprise Units	Rs. Cr	118.1	147.8
6	percent of Private Investment to Total investment on DBS IGUs (row 1)	%	7.6	7.6
7	percent of Private Investment to DBS Social Investment made on DBS IGUs (row 2)	%	8.3	8.3
8	GST Paid on Total Investment on DBS IGUs Grounded	Rs. Cr	193.1	241.7
9	Average GST Rate (percent) on Total Investment Goods/Service	%	12.5	12.5
10	GST Paid on DBS Investment on DBS IGUs Grounded	Rs. Cr	178.3	223.2
11	Actual DBS Social Investment on the Ground excl. GST	Rs. Cr	1247.5	1561.3

Notes: 1. Grounded consists of either in full or partial form with reference to DBS social investment released to Bank accounts of prospective Dalit Entrepreneur households; 2. Actuals are estimates refers to as on the date of the Survey; 3. Potential is projection referring to Total Social Investment; 4. Total Investment includes DBS Social Investment along with Private Investment (also the value of pre-existing units).

Source: CESS Survey Estimates.

In addition to raising the private (induced) investment, DBS social investment has contributed to state revenue through GSTs (Goods and Services Tax) paid on the investment goods. GSTs raised are worth of Rs. 193.1 crores comprising 12.5 percent of total investment grounded on DBS supported IGUs (Table 4.2). Half of such GST would accrue to the state government of Telangana and rest would accrue to the Union Government of India. Actual DBS social investment on ground excluding the GST accrued back to state revenue system is Rs. 1247.5 crores.

4.3 Input Costs, Entrepreneurial Income and State Tax Revenue

The annual input costs including raw material and other maintenance costs, for these enterprise units is estimated at Rs. 462.3 crores (Table 4.3). The costs would be Rs. 2.9 lakh per unit per annum and Rs. 23,855 per unit per month. The estimated annual factor income for the labour on these enterprise units is Rs. 230.93 crores (Table 4.3). Such entrepreneurial income per enterprise unit, on an average, is 1.43 lakh per annum and Rs.11,917 per month. The annual entrepreneurial income per Dalit entrepreneur households holding these Enterprise units supported by DBS social investment would be Rs. 1.28 lakh per annum and Rs. 10,676/- per month. It is the additional income generated for these households.

Table 4.3: Survey Estimates with respect to DBS Supported Enterprise Units of Dalit Entrepreneurs in Huzurabad Constituency: Sales Turnover, Working Capital Requirements, Raw Material and Others Costs and Factor Income of Labour

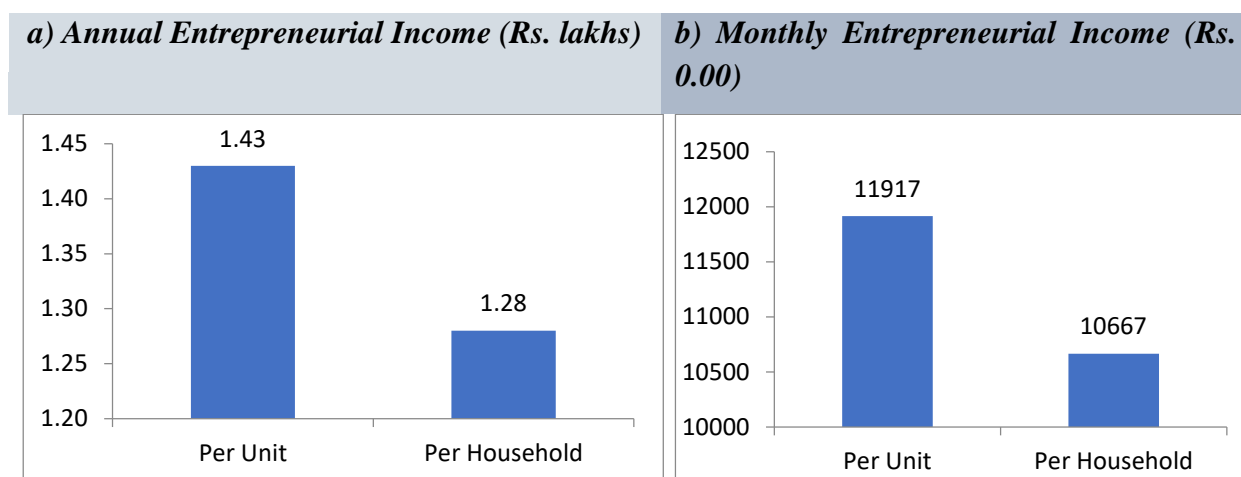
Sl. No	Indicator	Unit	Actual	Potential
1	2	3	4	5
1	Value of Total Initial Investment on DBS supported Unit Enterprises grounded	Rs. Cr	1543.90	1932.30
2	Annual Working Capital Requirement	Rs. Cr	462.30	578.60
3	Annual Cost of Raw Material	Rs. Cr	405.00	506.90
4	Annual Maintenance Cost	Rs. Cr	57.30	71.70
5	Estimated Annual Sales Turnover	Rs. Cr	693.23	867.60
6	Total Estimated Annual Entrepreneurial Income of All the Enterprise Units supported with DBS Investment	Rs. Cr	230.93	289.00
7	Annual Entrepreneurial Income per Enterprise Unit supported by DBS Social Investment	Rs. lakhs	1.43	1.79
8	Annual Entrepreneurial Income per Dalit Entrepreneurial Household holding DBS supported Enterprise Unit	Rs. lakhs	1.28	1.60
9	Value of Assets Created on DBS Income	Rs. Cr	9.61	12.00
10	GST on Raw Material Purchased	Rs. Cr	42.12	76.50
11	Average GST Rate (percent) on Raw Material Purchased	%	10.30	10.30

Notes: 1. Actuals are estimates refers to as on the date of the Survey; 2. Potential is projection referring to Total Social Investment; 3. Total Initial Investment includes DBS Social Investment along with Private Investment (also the value of pre-existing units).

Source: CESS Survey Estimates.

The entrepreneurial income generated on the Enterprise units supported by DBS social investment, created household productive and/or durable assets worth of Rs. 9.1 crores as on the date of survey (Table 4.3). On an average, it would be Rs. 5,331/- worth of assets created per Dalit entrepreneurial household holding Enterprise units supported by DBS investment.

Figure 4.1: Entrepreneurial Income of Enterprise Units Supported by DBS Social Investment in Huzurabad Constituency



Note: Per Unit – Average for each Enterprise unit supported by DBS social investment in Huzurabad Constituency; per household – Average for each Dalit Entrepreneur households holding such units.

Source: CESS Survey Estimates.

Further, it would also raise tax revenue to the government on the purchase of raw material in the process of producing goods and services. This is in addition to the GST paid on initial purchases of investment goods/services. In this regard, the annualised value of total GST on the value of raw material purchased for enterprise units supported under DBS social investment grant is Rs. 42.12 crore (Table 4.3). On an average per enterprise unit, the GST paid is Rs. 26,082 per annum and Rs. 2,608 per month.

Impact on local economy

It is evident that the IGUs on average have yielded positive returns but they also faced challenges in terms of market accessibility, creating market share for their products and services in the existing market, handle start up bottlenecks. Some IGUs like super bazars selling household provisions share the existing crowded market where there is a low market growth potential. It is interesting to know the impact they created at the macro level in the Huzurabad constituency and also the challenges faced.

Sector/Type of Unit and Average Monthly Income

The DBS IGUs have been classified into Three-Quantile Classes based on average monthly entrepreneurial income. These classes for each sector and type of units are presented in Table-4.3a. Overall average monthly entrepreneurial income indicates that **services sector** on the whole appears to be relatively doing better. By type of unit, poultry farms, cement brick-making units and photo studios appears to doing better.

Table 4.3a: Sector /Type of Units Quantile Class Wise Average Monthly Entrepreneurial Income

Sl No	Sector/Type of Unit	Quantile Class Average			Overall Average
		Lower	Middle	Higher	
1	2	3	4	5	6
I	Agriculture Allied	3,452	9,085	20,340	7,837
1	Harvester	3,400	8,976	15,983	6,868
2	Tractor	3,510	9,014	20,931	7,786
3	Others(A)	3,203	9,833	29,167	10,938
II	Animal Husbandry	3,370	9,122	19,628	9,162
1	Dairy	3,370	9,074	18,484	8,444
2	Poultry Farm(Broilers/Country)	-	9,583	26,111	19,500
III	Manufacturing	4,771	9,741	23,653	14,892
1	Cement Bricks Making	4,250	6,500	26,190	16,237
2	Iron Gates and Grills	4,917	11,500	23,500	15,159
3	Paper Plates	5,917	11,250	19,417	13,226
4	Others(M)	4,643	8,056	22,222	13,639
IV	Retails	4,063	9,078	19,483	11,619
1	Mini Super Bazar	3,878	8,905	20,763	12,757
2	Cloth Emporium	4,199	9,089	18,444	10,157
3	Kirana	4,333	8,702	15,444	8,594
4	Ladies Emporium	3,967	8,750	13,861	8,035
5	Painting	4,354	9,264	15,903	10,526
6	Others (R)	3,556	10,000	21,859	15,862
V	Services/Supplies	4,177	9,170	23,479	13,116
1	Centring	3,964	9,112	19,634	10,862
2	Electrical Shop	4,741	9,167	21,385	13,537
3	Tent House	4,583	9,104	15,000	8,439
4	Hardware Shop	3,979	10,185	25,244	15,004
5	Photo Studio	3,448	8,847	30,071	16,411
6	Others(S)	4,910	8,958	28,526	18,962
VI	Transport	3,113	9,819	17,467	9,001
1	Goods Vehicles	2,858	9,563	15,801	7,960
2	Passenger Vehicles	3,460	9,962	18,498	10,697
3	Others	3,055	10,000	-	4,213
	All Sectors	3,701	9,248	21,133	11,002

Note: '-' None of the units in the quantile class.

Source: CESS Survey Estimate.

4.4 Employment Generated (Family and Hired Labour) and Wage Paid (for Hired)

A total of 16149 enterprise units grounded and that are supported under DBS social investment grant, have engaged about 19042 family members of the Dalit entrepreneur households holding such units (Table 4.5). Besides their family members, these units have engaged about 4372 hired workers. Average family worker per an IGU is 1.18 while the hired worker per unit is 0.27. Together, the average worker per an IGU is 1.45. The estimated annual wages paid for all the hired labourers engaged is around Rs. 66.6 crores which turnout that average monthly wage rate per hired labourer is Rs. 23,656.

Table 4.4: Employment Generated in DBS supported IGUs in Huzurabad Constituency

Sl No	Indicator	Unit	Actual
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
1	Enterprise Units supported by DBS Social Investment	No	16149
2	Dalit Entrepreneurial Households supported by DBS Social Investment	No	18025
3	Estimated number of <i>family member</i> engaged in Enterprise Unit supported by DBS social investment	No	19042
4	Estimated number of <i>Hired Workers</i> engaged in Enterprise Unit supported by DBS social investment	No	4372
5	Average Family workers per Enterprise unit supported with DBS	No	1.18
6	Average Hired Workers per Enterprise unit supported with DBS	No	0.27
7	Average Total workers per DBS supported Enterprise unit	No	1.45
8	Estimated Annual Wages Paid for all the Hired Labour engaged	Rs. Cr	66.6
9	Average Monthly Wage per Hired Labourer	Rs.0.0	23656

Source: CESS Survey.

Most of the units are operated, managed and organised by members of the Dalit entrepreneur households holding these units. They are all own account enterprises (OWE), mostly self-employed. Some of them have engaged hired workers in addition to the family members of the household. Family workers are engaged in all types of units. Some of units have engaged on an average more than one family member in managing the units. For instance, dairy and poultry, paper plate-making, mini super bazars, kirana shops, tent house etc., type of units (Table 4.5a). Certain type of units are managed with family workers only; for instance, paper plate-making, auto mobile shops, kirana shops, ladies emporium etc.

Table 4.5a: Average Number of Workers (Family and Hired) Engaged in Enterprise Units

Sl No	Type of Units	Family	Hired	All
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
1	Dairy	1.63	0.03	1.65
2	Poultry	1.80	0.60	2.40
3	Tractor	1.01	0.12	1.14
4	Harvester	1.03	0.97	2.00
5	Trans planters	0.83	1.67	2.50
6	Others (Agriculture)	0.80	0.60	1.40
7	Brick-Making	1.14	3.43	4.57
8	Welding	1.18	0.55	1.73
9	Paper Plate-Making	1.57	-	1.57
10	Others (Manufacturing)	1.29	3.86	5.14

Table 4.5a: Average Number of Workers (Family and Hired) Engaged in Enterprise Units

SI No	Type of Units	Family	Hired	All
11	Mini Super Bazar	1.43	0.02	1.45
12	Cloth Emporium	1.17	0.24	1.41
13	Footwear	1.33	-	1.33
14	Auto Mobile	0.86	-	0.86
15	Kirana Shop	1.47	-	1.47
16	Ladies Emporium	1.08	-	1.08
17	Paintings	1.13	0.25	1.38
18	Medical Shop	1.20	-	1.20
19	Others (Retail)	1.50	0.13	1.63
20	Centring	0.99	1.48	2.47
21	Electricals	1.25	0.32	1.57
22	Tent House	1.33	0.38	1.71
23	Hardware	1.29	0.47	1.76
24	Photo Studio	0.89	0.27	1.16
25	DTP/Internet/Meeseva	1.13	-	1.13
26	Diagnostic Lab	1.20	0.20	1.40
27	Hotel and Restaurant	1.80	1.80	3.60
28	Computer	1.00	-	1.00
29	Others (Services)	1.33	0.33	1.67
30	Goods Vehicles	0.98	0.11	1.09
31	Passenger Vehicles	0.97	0.07	1.04
32	JCBs	0.75	0.75	1.50
Total		1.18	0.27	1.45

Note: '-' None.

Source: CESS Survey Estimates.

Hired workers are employed in certain units, which require skilled and technical expertise in operating the unit; for instance, operating transplanter and harvesters etc., type of units. in peak seasons to meet excess demand (Table-4.5a). For certain units it requires more workers to operate the unit and family members engaged may not be sufficient. For instance, average number of worker engaged in brick-making units is 4.5 workers, of which 1.14 are family worker and the rest 3.45 are hired worker. In hotel and restaurant type of enterprise units the average hired workers engaged is 1.8 besides, the average of family workers engaged at 1.8.

4.5 Indirect Multiplier Effect of DBS Social Investment in the Local Economy

There would be certain indirect multiplier effects of DBS social investment in the local economy. Nearly 80 percent economic transactions related to initial investment on capital goods took place in the two districts (Karimnagar and Hanmakonda) vicinity (Table 4.6). Dealers who supplied most of the capital goods required for the IGUs are located in these two districts.

Table 4.6: Estimates of DBS supported Enterprise Units of Dalit Entrepreneurs in Huzurabad Constituency: Impact on the Local Economy

SI No	Indicator	Unit	Actual	Potential
1	2	3	4	5
1	Total Initial Investment on DBS Enterprises units	Rs. Cr	1543.90	1932.30
2	Estimated Annual Input Cost (Raw Material and Maintenance)	Rs. Cr	462.30	578.60
3	Annual Sales Turnover of DBS supported Enterprise Units	Rs. Cr	693.23	867.60
4	Annual Entrepreneurial Income of Dalit Entrepreneurs on their DBS Supported Enterprise Units	Rs. Cr	230.60	289.00
5	percent of Purchases in Local Economy	%	80	80

Notes: 1. Actuals are estimates refers to as on the date of the Survey; 2. Potential is projection referring to Total Social Investment; 3. Total Initial Investment includes DBS Social Investment along with Private Investment (also the value of pre-existing units).

Source: CESS Survey Estimates.

Economic transactions regarding the purchase of inputs including raw material is even more concentrated in Huzurabad Constituency areas and vicinity of the districts. Further, a major part of entrepreneurial income would go towards the household consumption expenditure of Dalit entrepreneur households and such economic transactions are again more concentrated in the local economy. Therefore the local economy is boosted to the extent of value of these economic transactions.

Table 4.7: Other Implications for the Local Economy of the IGUs

SI No	Implications	Percent
1	2	3
1	Unmet Demand in the local economy is fulfilled	56.5
2	Entry of New Enterprises	3.2
3	Supply of Raw Material	31.1
4	Price of the product in the local economy is affected	23.3
5	Demand for other Competing enterprises has reduced	21.6

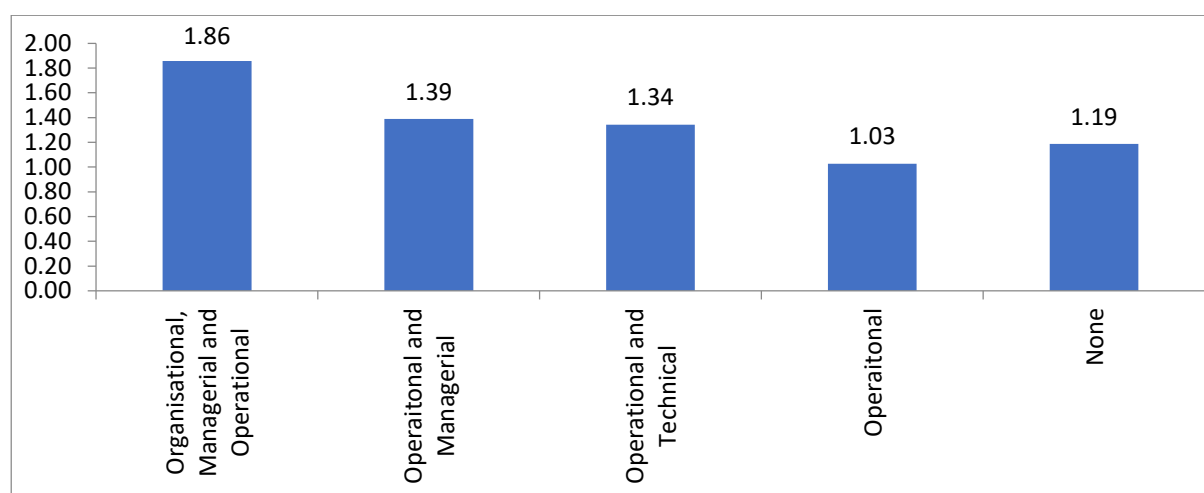
Source: CESS Survey Estimate.

The other implications on the local economy due to operation of the IGUs supported by DBS are also multi-fold. Majority of the respondent Dalit entrepreneurs felt that it facilitated fulfilling the unmet demand in the local economy for the product or services produced by their units (Table-4.7). It also increased availability of inputs for other enterprises which use some of the intermediary products/services produced by the DBS supported units. A negative implication is that though unmet demand has been met, the price of the product/services in the local economy has fallen affecting the returns of the DBS enterprises. Around 22 percent of DBS entrepreneurs perceived that due to their entry demand for other competing enterprises has fallen. So one can say that there is somewhat mixed implications in the local economy as new supply has hit the market.

4.6 Advantage of Previous Experience: Operational, Technical, Managerial and Organisational

It is observed that there is an advantage of past experience. However, the caveat is that it is advantageous if such experience is above the operational and technical and is particularly in the *managerial and organisational* dimensions of the concerned Enterprise activity. Experience in marketing is a crucial dimension.

Figure 4.3: Advantage of Previous Experience: Average Entrepreneurial Income by type of Experience and Skill (Rs. in lakhs)



Source: CESS Survey Estimate.

Performance in terms of the entrepreneurial income of the IGUs is exceptionally well for units which are run by the *Dalit* entrepreneurs with past experience in organising, managing and operating the units and marketing the product (Figure 4.3).

4.7 About the Selection of the Unit and any Orientation Training

When probed about their selection of the Enterprise units, nearly 70 percent of the respondent *Dalit* entrepreneurs holding DBS IGUs revealed that it is based on the previous experience in concerned field (Table 4.10). About 72 percent felt that there would be sufficient demand for their product while selecting their project.

Table 4.10: Reasons for Selection of their Enterprise Units

Detail	Percent
1. There would be sufficient Demand for Products/Service	72.02
2. Required Skilled Labour would be available	45.08
3. Required Raw Material would be available	50.24
4. Has the previous experience in the field	70.34
5. Unit is less technical and can be managed easily	45.25
6. Friends and/or family member suggested	52.23
7. Government officials suggested	11.48
8. Inspired by other businessman in the field	14.55

Source: CESS Survey Estimate.

Further, most of the *Dalit* entrepreneurs have not received any formal training. Government officials have initially given some training but only 8 percent reported they received such training.

For a majority it is their previous experience in concerned field and their own learning or some guidance received from friends or co-business people (Table-4.11).

Table 4.11: Whether Received any Training

Detail	Percent
1. Government Officials	7.96
2. Government Training Institute	0.82
3. SC Development Corporation	0.47
4. Any Private Training Institute	4.2
5. Dalit Chamber of Commerce and Industry (DCCI)	0.92
6. Informally by Friends	12.83
7. Informally by other similar Businessman/Mentor(s)	11.57
8. Previous Experience	56.29
9. Own Learning	74.12
10. Any Other	2.59

Source: CESS Survey Estimate.

Similarly in the process of running their business the new entrants require some advice which is mostly forthcoming from their family members or those already into business who are either friends or those related to family (Table 4.12). There are no formal avenues for receiving ‘on business’ advice but a few of them received advice on business, from their family members or relatives and friends having businesses.

Table 4.12: Percentage of Enterprise Units received Any Business Advice

Sl No	Detail	Percent			
		Regularly	Sometimes	Never	Total
1	2	3	4	5	6
1	Family Members	36.8	10.9	52.3	100
2	Relatives with Business	23.3	16.4	60.3	100
3	Friends with Business	20.8	14.8	64.4	100
4	Other Entrepreneur or Mentor	0.6	8.0	91.4	100
5	Industry Association	0.3	1.8	97.9	100
6	Govt Officials	0.1	1.6	98.3	100
7	Any Private Training Institute	0.2	1.0	98.8	100
8	Any Govt. Training Institute	0.0	1.0	99.0	100
9	Any Other Person	0.4	1.3	98.3	100

Source: CESS Survey Estimate.

As upstart entrepreneurs the Dalit entrepreneurs require a lot of handholding in several dimensions. In their own perception the priority dimension requiring training is bank loan transactions as some of them want to expand their business. In fact training is required in all dimensions needed for successfully operating, managing and organising their enterprise units, majority of them felt there is such need (Table 4.13).

**Table 4.13: There is a Need for Training for the Success of Enterprise Units:
Percentage of Units reported their need**

Sl No	Need	Percent
<i>1</i>	<i>2</i>	<i>3</i>
1	Dealing with Competitor	26.0
2	Dealing with Customers	45.0
3	Marketing and Advertising	30.0
4	Financial aspects and Accounting	15.0
5	Bank Loan Transactions	80.0
6	Machinery Operation	50.0
7	Maintenance	60.6

Source: CESS Survey Estimate.

On the whole although selection of the IGUs are based on the previous experience in the concerned field of enterprise, the entrepreneurs lack any kind of training and advice on managing and organising the business for budding Dalit entrepreneurs.

Marketing of Product/Service

Respondent Dalit entrepreneurs in Huzurabad Constituency, managing these Enterprise units supported by DBS social investment were probed on whom do they sell their product or service that they produce.

Table 4.4: Sale of Products/Services by Dalit Entrepreneurs

Sl No	Source	Percent
<i>1</i>	<i>2</i>	<i>3</i>
1	Directly to End-consumers in the Market	84.8
2	To other producers	5.8
3	Wholesalers/Retailers	11.6
4	To Parent Company (in case of ancillary unit)	1.6
5	To Government Department/Institutions	1.1

Source: CESS Survey Estimate.

It is observed that a majority (85 percent) of them have been selling their products or services they produced directly to the end-consumers in the market (Table 4.4). The second best source is Wholesalers or other Retailers. Some of the units like provision store or kiranana are provided with market links to the Government departments or institutions like hostels.

4.8. Problems Encountered by Dalit Entrepreneurs in Operating, Managing and Organising their Enterprise Units supported by DBS Social Investment

Most of the units are facing problems related to raw material the most challenging among them is that of high cost followed by transportation of raw material when it is sourced from far off places. IGUs like retail trade, services and manufacturing require a constant flow of raw material or tradable goods which have to be sourced keeping in mind the quality and also the price fluctuations. Storage facilities to store when purchased in bulk is a major problem for some IGUs.

Some expansion of business also requires variety of goods which need to be procured for which timely finance is required.

Table 4.14: Problems encountered by Dalit Entrepreneurs regarding Raw Material

SI No	Problems in Raw Material	Percent
1	Shortage of raw material	18.0
2	Financial constraint to purchase	17.9
3	High cost	45.6
4	Storage problem for bulk	16.2
5	Low quality	19.2
6	Transportation	27.0

Source: CESS Survey Estimate.

Nearly 45 percent of Dalit entrepreneurs felt that the cost of raw material required for their enterprise units is higher than the usual (Table 4.14).

Table 4.15: Problems encountered by Dalit Entrepreneurs regarding Marketing their Product/Service

SI No	Problems in Marketing the product/service	Percent
1	Inadequate demand	63.4
2	Fluctuations in demand	40.3
3	Lower price than expected	70.1
4	Severe competition	59.3
5	Any other	12.4

Source: CESS Survey Estimate.

Problems related to marketing the product or service is one of the major challenges (Table 4.15). For a majority (70 percent) the price for which they have to sell their product or service is lower than expected price. Nearly 63.4 percent felt that there is an inadequate demand in the local economy for their product or service; for 59 percent of them they face severe competition in marketing their product or service. Fluctuation in local demand is a cause of concern for another 40 percent of the Dalit entrepreneurs.

Table 4.15a: Quantile Class-wise Percentage of IGU facing Marketing Problem

Response	Lower	Middle	Higher	Total
Yes	32.5	27.8	11.9	24.5
No	67.5	72.2	88.1	75.5
All	100	100	100	100

Source: CESS Survey Estimate.

Percentage of IGUs in the lower quantile class (based on entrepreneurial income) facing marketing problem is almost three times higher than that of highest quantile class (Table 4.15a). Correspondingly, percentage of IGU reported they are not facing marketing problem are highly concentrated in higher quantile class of entrepreneurial income.

Table 4.16: Challenges faced in not using latest technology required for the IGU

Sl No	Use of latest technology	Percent
1	Not using Latest Technology in the Field	52.7
Reasons for not using		
2	Financial constraint	13.1
4	Do not get skilled workers	5.6

Source: CESS Survey Estimate.

Regarding the use of latest technology in the field for the IGUs the entrepreneurs are operating, majority of entrepreneurs operating manufacturing units have revealed that they are not using such technologies for their units (Table-4.16). The entrepreneurs are required to use the latest technology but unable to use due to lack of skill or availability of skilled personnel to use it.

Table 4.17: Problems encountered by Dalit Entrepreneurs regarding Shortage of Working Capital and its effect on ongoing business

Sl No	Impact of shortage of working capital	Percent
1	Difficulty in purchasing Raw Material	72.1
2	Delays in payment of Input Purchase Bills	8.3
3	Delays in payment of salaries	2.8
4	Difficulty in maintenance of the Unit	19.1

Source: CESS Survey Estimate.

Shortage of working capital is affecting the Dalit entrepreneurs in timely purchase of the raw material required in the production processes of their enterprise units: it is felt by nearly 72 percent of respondent Dalit entrepreneurs (Table 4.17). Another 20 percent of them felt that such shortage of working capital available to them is resulting in difficulty of meeting the maintenance cost of the units. Working capital needs are to be met seamlessly to continue the business, this ideally should come from the ongoing business but due to payments and other constraints they are unable to generate, which has to be mobilised from banks or informal sources.

4.9 Future Plans of Dalit Entrepreneurs holding DBS Supported Enterprise Units

Respondent Dalit entrepreneurs in Huzurabad Constituency holding Enterprise units supported by DBS social investment were probed about their future plans on their units and further business development activities.

Table 4.18: Future Plans of Dalit Entrepreneurs in Huzurabad Constituency

Sl. No	Future Plan	Percent
<i>1</i>	<i>2</i>	<i>3</i>
1	Remain same	27.8
2	Increase number of labourer used	20.8
3	Increase scale of productive Assets/investment	54.3
4	Increase the market size	49.9
5	New type of products	23.8
6	Open new branches	7.0
7	No Plan so far	7.8

Source: CESS Survey Estimate.

Around 35 percent said they wanted to sustain in the current form or they had no plan for expansion, barring this 65 percent expressed that they wanted to increase the scale of productive assets or investment in their business, expand their market share and diversify their product range (Table 4.18).

4.10 Concluding Remarks

The income generating units (IGUs) of the budding Dalit entrepreneurs in the Huzurabad Constituency are prospective and promising. A part of the social investment rolled-out in the Constituency went back to Government revenue channel through GSTs paid on the capital goods purchased with the initial investment and on inputs (raw materials) purchased in the production process of these units. The local economy is boosted with the one-time social investment rolled-out and also the purchase of raw material, sales turnover and entrepreneurial income it generated in the Huzurabad constituency covering the two districts of Karimnagar and Hanumakonda. They have indirect multiplier effects in the local economy and market. The annual average entrepreneurial income above one lakh per unit and per household is encouraging.

The lacunae with the enterprise unit supported by DBS social investment is lack of training, well-informed business advice, handholding in marketing the product and kind of mentorship. The other challenges faced are with respect to the sustenance of these units the demand for their products and services in the local market.

5 Social and Economic Impact of DBS Social Investment on Dalit Entrepreneur Households

This section presents analysis of the survey of Dalit entrepreneur households holding the IGUs supported by DBS social investment and those of the control group household. The analysis in this section compares DBS entrepreneur households before and after DBS intervention and also with control group households to capture the socio-economic impact of DBS.

5.1 Household characteristics of DBS and Control group

Based on the sample survey results and sampling weights, the results are estimated for all the 18021 households in the Huzurabad Constituency. For the control group, the results are presented for 153 control group households.

The average household size of the DBS and Control group households are 3.7 and 3.6 persons respectively.

Landholding pattern

The landlessness among the DBS households is slightly higher than the control group. About 53 per cent of DBS households and about 45 per cent of control group households are landless. Those who possess land they are mainly marginal farmers (42.3 per cent of DBS and 51.6 per cent of control group households). Overall a lesser percentage of DBS sample households possess land and also have below 2.5 acres extent of land (Table 5.1).

Table 5.1: Landholding pattern

Land Holdings	DBS	Control
	Percentage	Percentage
<i>1</i>	<i>2</i>	<i>3</i>
Landless	53.2	45.1
Marginal (Below 1.00 hectare)	42.3	51.6
Small (1.00-2.00 hectare)	3.4	3.3
Medium (2.00-10.00 hectare)	1.1	0.0
Total	100	100

Source: Primary data collected by the study

House and household amenities

There is drastic difference in type of households between DBS and Control group households. About 48 per cent of DBS households are living in Pucca households where as about 65 per cent of control group households are living in Semi-Pucca type of house (Table 5.2). However, almost all the control group households live in their own house (96.7 per cent) while the proportion for DBS is 88 per cent.

There are not much differences in other household amenities between these two groups like separate bathroom, piped water facility at house, functional toilet, major source of drinking water, electricity connection, and primary source of cooking (LPG). *Though a lesser percentage of DBS sample households possess any land and own a house but a higher percent of them live in pucca houses. This suggests that DBS entrepreneurs have the capacity to rent in pucca house in the case of the 8 percent who do not own a house compared to the control group.*

Table 5.2: House and household amenities

Item	DBS	Control
	Percentage	Percentage
<i>1</i>	<i>2</i>	<i>3</i>
Own House	88.5	96.7
Type of House		
Pucca	47.8	28.8
Semi-Pucca	39.2	65.4
Kaccha	12.1	5.9
Separate kitchen	41.7	49.7
Average number of rooms	1.9	1.2
Separate Bathroom at House premises	92.0	94.8
Piped water facility at house	95.6	94.1
Functional Toilet facility at house	92.4	96.1
Major Source of Drinking water		
Bottled water (20 liters)	53.3	51.6
Piped water into house	40.8	37.9
Piped water from neighbour	0.1	0.0
Public tap/stand pipe	2.4	0.0
Tubewell	0.5	0.7

Item	DBS	Control
	Percentage	Percentage
Hand pump	1.4	4.6
Well	0.8	5.2
Others	0.6	
Electricity connection	99.6	100.0
Primary source of energy for cooking		
LPG	96.3	94.1
Firewood	3.7	5.9
Type of ration card		
Pink	8.9	3.9
White	88.6	93.5
Antyodaya	0.2	2.6
No Card	2.2	0.0

Source: Primary data collected by the study

Educational attainment

In case of educational attainment of the members of the household, the illiteracy is comparatively higher among the DBS household members than the control group household members (6 per cent and 2.1 per cent respectively). However, about half of the individuals belonging to both the groups have attained less than 12th class of education. About one fourth of individuals belong to both the group have acquired graduation level of education and about 7 per cent have masters level of education. Majority of individuals belong to both the groups do not possess any technical education. Those who possess technical education, they are mostly graduates in engineering (6 to 7 per cent of total individuals), ITI (3 to 4 per cent of total individuals), and Diploma (1 to 2 per cent) (Table 5.3).

5.2 Economic implication of DBS: Changes in annual household income- DBS Entrepreneur households gained significantly

The income from DBS has economically uplifted the households. 93 per cent of DBS households have reported that their annual household income has increased due to DBS (Table 5.4).

Table 5.4: Percentage of households reporting their annual household income has increased due to DBS

Response	DBS
	Percentage
Yes	93.0
No	7.0
Total	100

Source: Primary data collected by the study

The extent of increase in household income after DBS is reported in the table below. About 34 per cent of households have reported that their annual income has increased between 25 to 50 per cent as compared to their before DBS annual income. About 17 per cent witnessed more than 100 per cent increase in their income after DBS. Overall, about 47 per cent of households have reported to have witnessed more than 50 per cent increase in their income in post-DBS period (Table 5.5).

Table 5.3: General and Technical education of Household persons in the age group of 18 to 35 years

Educational Attainment	DBS for age 18 to 35						Control for age 18 to 35					
	Number			Percentage			Number			Percentage		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
<i>I</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>
Not literate	476	1033	1508	4.0	7.8	6.0	1	3	4	1.1	3.0	2.1
1 to 5 Class	258	280	539	2.2	2.1	2.1	1	2	3	1.1	2.0	1.5
6 to 8 class	507	939	1446	4.3	7.0	5.8	3	4	7	3.2	4.0	3.6
9 to 10 class	2314	2406	4720	19.6	18.1	18.8	16	19	35	17.0	19.0	18.0
11 to 12 class	3609	3242	6851	30.6	24.3	27.3	32	34	66	34.0	34.0	34.0
B.A.	1057	1053	2111	9.0	7.9	8.4	9	9	18	9.6	9.0	9.3
B.Com/BBA	1159	1272	2431	9.8	9.6	9.7	12	6	18	12.8	6.0	9.3
B.Sc.	850	1375	2226	7.2	10.3	8.9	8	9	17	8.5	9.0	8.8
MA	415	369	784	3.5	2.8	3.1	2	1	3	2.1	1.0	1.5
MCom	232	263	494	2.0	2.0	2.0	3	3	6	3.2	3.0	3.1
MSc	46	663	709	0.4	5.0	2.8	2	3	5	2.1	3.0	2.6
Above Masters	261	68	329	2.2	0.5	1.3	1	1	2	1.1	1.0	1.0
Others	620	358	978	5.2	2.7	3.9	4	6	10	4.3	6.0	5.2
Total	11804	13323	25127	100	100	100	94	100	194	100	100	100
No Technical Education	10128	12215	22343	85.8	91.7	88.9	80	90	170	86.0	90.9	88.5
Informal Training	26	34	60	0.2	0.3	0.2	1	0	1	1.1	0.0	0.5
Vocational/ITI	520	170	690	4.4	1.3	2.7	3	3	6	3.2	3.0	3.1
Diploma	329	268	596	2.8	2.0	2.4	2	0	2	2.2	0.0	1.0
Graduation in Engineering	632	265	897	5.4	2.0	3.6	7	6	13	7.5	6.1	6.8
Graduation in Agriculture/ veterinary	120	9	130	1.0	0.1	0.5	0	0	0	0.0	0.0	0.0
Graduation in Medicine	0	235	235	0.0	1.8	0.9	0	0	0	0.0	0.0	0.0
others	49	127	176	0.4	1.0	0.7	0	0	0	0.0	0.0	0.0
Total	11804	13323	25127	100	100	100	93	99	192	100	100	100

Source: Primary data collected by the study

Table 5.5: Percentage increase in annual household income reported by DBS households

Percentage group	Percentage
Less than 10	4.6
10 to 25	14.3
25 to 50	34.2
50 to 75	19.0
75 to 100	10.5
More than 100	17.3
Total	100

Source: Primary data collected by the study

There is drastic increase observed in the household income of DBS households. The DBS households have reported on average, about 54 per cent increase in their annual income. As compared to control group, the DBS households have witnessed about 41 per cent hike in their post-DBS annual income (Table 5.6). *The DBS households earn on an average, additional Rs. 7,465 per month as compared to their previous monthly income.*

Table 5.6: Changes in average annual income of DBS households

Variable	After DBS (in Rs.)	Before DBS (in Rs.)	Percentage Increase	Control	Percentage Higher
Average Annual Income	2,56,338	1,66,753	53.7	1,81,369.8	41.3

Source: Primary data collected by the study

Hike in annual income of Farm Households and Agriculture Labour Households

The household annual income of Farm Households has increased, on average, from Rs. 1,85,264 to Rs. 2,80,957. This implies that the annual income of Farm Households have increased about 50 per cent within a span of 1 to 2 years. The income diversification due to members shifting to non-farm activities induced by DBS scheme has resulted in sudden hike in their income. Moreover, about 22 per cent of Farm Households have witnessed doubling of their annual income during the same period.

Likewise, the Agricultural Labour Households have also witnessed about 48 per cent hike in their income, on average, from Rs. 1,26,198 to Rs. 1,87,439 during the same period. About 23 per cent of these households witnessed doubling of their annual income.

Average Annual Income	After DBS (in Rs.)	Before DBS (in Rs.)	Percentage Increase
Farm HH	2,80,957	1,85,264	51.7
Agri Labourer HH	1,87,439	1,26,198	48.5

Source: Primary data collected by the study

Almost all DBS household have reported that their income from DBS enterprise will increase household income in future either 'substantially' (44.8 per cent) or 'moderately' (51.3 per cent) (Table 5.7).

Table 5.7: Percentage of households reported DBS income will increase their household income in future

Response	DBS
	Percentage
Yes: Substantially	44.8
Yes: Moderately	51.3
Can't Say for sure	2.2
No it will not increase	1.7
Total	100

Source: Primary data collected by the study

5.3 Implications of DBS on employment: Considerable Reduction in employment insecurity among the DBS Entrepreneur households

About one fourth of total households reported that their previously unemployed member has been employed in the DBS IGU. About 25 per cent of households have reported that unemployed members or were as homemakers have started working in DBS enterprises (Table 5.8). The estimates indicate that total number of such workers are 9,888.

Table 5.8: Percentage of household reported previously unemployed member got employed in the DBS IGUs

Response	DBS
	Percentage
Yes	24.9
No	75.1
Total	100

Source: Primary data collected by the study

About 45 percent of households have reported number of working days has increased due to availability of work in the DBS IGUs for their household member (Table 5.9)

Table 5.9: Percentage of household reported number of working days has increased due to DBS IGUs for their household member

Response	DBS
	Percentage
Yes	45.1
No	54.9
Total	100

Source: Primary data collected by the study

The employment fluctuations are very high in case of workers in control group. About 43 per cent of workers worked for less than 6 months in the previous year while only about 27 per cent managed to get work for all the months (Table 5.10).

Table 5.10: Number of months employed individuals worked in control group

Months	Control	
	Number	Percentage
Less than 6	138	43.4
6 to 11	93	29.2
12 months	87	27.4
All	318	100

Source: Primary data collected by the study

This indicates that the DBS IGUs have reduced the employment insecurity of households and provided an additional employment opportunity as well as increased the number of working days for workers.

5.4 Changes in consumption expenditure: Significant increase in the DBS Entrepreneur households

There is considerable improvement in the consumption expenditure of DBS households as compared to their before DBS situation and also with the control group households (about 12 per cent higher). As compared to control group, the increase in post-DBS consumption expenditure of DBS households is about 11 per cent (Table 5.12).

Table 5.12: Yearly consumption expenditure (in Rs.)

Item	DBS		Control
	After DBS	Before DBS	
Consumption Expenditure	1,14,034	1,01,936	1,02,344
% change	11.9	11.4	

Source: Primary data collected by the study

A rise in consumption expenditure also changes the consumption pattern. The average numbers of times the DBS households have consumed various food articles have increased after DBS compared to the before DBS scenario. The food frequency of nutritious food groups has increased even compared to the control group. This implies that after availing DBS, the households' nutritional food intake has increased (Table 5.13).

Table 5.13: Average number of times food items consumed in a month

Average no of times consumed	DBS		Control
	After DBS	Before DBS	
Eggs	9.4	8.1	7.8
Fish and Meat	4.3	3.9	3.9
Fruits and nuts	5.4	4.7	3.5
Edible oil (in litres)	3.8	3.5	3.1
Pulses (beans and peas) (in Kg)	2.5	2.3	2.1

Source: Primary data collected by the study

The percentage of households' not facing difficulty in meeting expenses on basic needs has drastically increased from about 69 per cent before DBS to about 93 per cent among DBS households. This implies that DBS has made their income stable (Table 5.14).

Table 5.14: % of households reporting difficulty in meeting expenses on basic needs

Variable	DBS		Control
	After DBS	Before DBS	
	Percentage	Percentage	Percentage
No difficulty in any month	93.5	68.6	43.1
Difficulty in few months	6.5	28.6	52.9
All the Months difficult	0.0	2.8	3.9
Total	100	100	100

Source: Primary data collected by the study

5.5 Changes in saving and indebtedness behavior

Percentage of households having bank account is almost same in case of both control group and the DBS households (about 59 per cent). However, there is a higher proportion of DBS households that reported increase in savings after availing DBS than the control group² (Table 5.15).

Table 5.15: Percentage of households having bank account

Variable	DBS	Control
	Percentage	Percentage
HH having Bank account	58.6	59.5
Savings increased Significantly	51.7	42.9
Savings increased Somewhat	44.0	41.8
Remained Same	4.3	15.4
Total	100	100

Source: Primary data collected by the study

It is further corroborated in the following table. About 68 per cent of DBS households having bank account reported that the source for saving is from the IGU supported by the DBS (Table 5.16).

Table 5.16: Source of income used for saving

Source	DBS	Control
	Percentage	Percentage
DBS income	68.1	-
Income from other Sources	49.2	76.9
Past Savings	24.3	38.5
Others	1.0	0.0
Total	-	-

Source: Primary data collected by the study

The DBS households have reported that their credit worthiness with informal sources like 'Relatives and Friends and Money Lender' has increased. However, their credit worthiness with banks has not increased for most of the households (Table 5.17).

² The change in the savings after 2021 was asked for the control group

Table 5.17: Increase in Credit Worthiness of households with Relative and Friends and Money Lender

Response	DBS		
	Credit Worthiness Relative and Friends (DBS)	Credit Worthiness Money Lender (DBS)	Credit Worthiness Bank (DBS)
	Percentage	Percentage	Percentage
Yes	94.3	63.6	36.1
No	4.3	26.8	54.1
Can't say	1.5	9.6	9.8
Total	100	100	100

Source: Primary data collected by the study

The current indebtedness of households is lower among the DBS than the control group (42.7 per cent and 79.7 per cent). However, the average outstanding debt among the DBS households is higher than the control group (Rs. 1,91,552 and Rs. 1,75,386.6 respectively) (Table 5.18).

Table 5.18: The current indebtedness of households

Item	DBS	Control
Number	7947	122
Percentage	42.7	79.7
Average Indebtedness	1,91,552	1,75,386.6

Source: Primary data collected by the study

About 62 per cent of indebted households have used only DBS IGU income to clear their debts (Table 5.19). This implies that DBS IGU income has helped households in reducing and clearing their indebtedness.

Table 5.19: Sources of clearing indebtedness among the DBS households

Source of repayment	Percentage
Only DBS income	61.9
Non-DBS income	48.2
Both used	39.5

Source: Primary data collected by the study

5.6 Changes in health and education seeking behavior

The percentage of DBS households postponing getting a treatment is lower than before availing DBS as well as for the control group (Table 5.20).

Table 5.20: Percentage of households reporting postponing getting a treatment

Response	DBS		Control
	After DBS	Before DBS	
	Percentage	Percentage	Percentage
Yes	5.2	11.2	9.8
No	94.8	88.8	90.2
Total	100	100	100

Source: Primary data collected by the study

Similarly, distress assets sell for getting medical treatment is lower in case of DBS households than before availing DBS and control group (Table 5.21).

Table 5.21: Percentage of households sold any asset for getting medical treatment

Item	DBS		Control
	After DBS	Before DBS	
	Percentage	Percentage	Percentage
Yes	1.1	3.5	3.9
No	98.9	96.5	96.1
Total	100	100	100

Source: Primary data collected by the study

Regarding educational aspirations of children, 75 per cent of households feel that their children's educational aspirations will be fulfilled due to DBS IGU income (Table 5.22).

Table 5.22: Percentage of households reporting that aspiration regarding their children's education will be fulfilled due to DBS IGU income

Response	DBS
	Percentage
Yes	75.5
No	9.9
Can't say	14.5
Total	100

Source: Primary data collected by the study

5.7 Changes in Social life after availing DBS scheme

There are considerable changes in social life of DBS households occurred after availing the scheme. The DBS households reported that after DBS their respect, trust, support, equal treatment, interaction, invitation by others, friends from other community, participation in other communities' functions and festivals have **increased than before** (Table 5.23).

Table 5.23: Changes in Social life after availing DBS scheme

Item	DBS
	Percentage
	Respect by others
Already getting respect	43.6
Now only started getting respect	11.5
Respect has increased than before	40.0
Still not getting respect	4.9
Total	100
	Trusted by others
Already getting trusted	50.5
Now only started getting trusted	12.2
Trust has increased than before	32.2
Still not getting trusted	5.1
Total	100

Item	DBS
	Percentage
	Supported by others
Already getting support	50.0
Now only started getting support	14.9
Support has increased than before	30.8
Still not getting support	4.3
Total	100
	Invitation to functions by others
Already getting invitations	60.6
Now only started getting invitation	9.0
Invitation has increased than before	23.7
Still not getting invitation	6.7
Total	100
	The Panchayat/Nagarpalika Officers started treating you respectfully
Already treating respectfully	66.0
Now only started treating respectfully	8.5
Respect has increased than before	21.0
Still not getting respect	4.5
Total	100
	Having friends from other community
Already have friends	63.1
Now only started becoming friends	7.4
Friends have increased than before	24.2
Still not becoming	5.3
Total	100
	Equal treatment by others
Already getting equal treatment	58.5
Now only started getting equal treatment	13.1
Equal treatment has increased than before	20.8
Still not getting equal treatment	7.6
Total	100
	Interacting with others
Already interacting	58.9
Now only started interacting	12.8
Interaction has increased than before	23.2
Still not interacting	5.1

Item	DBS
	Percentage
Total	100
	Other community people started attending family functions
Already attending	58.7
Now only started attending	8.5
Attendance has increased than before	26.6
Still not attending	6.2
Total	100
	Other community people started attending Religious functions
Already attending	56.1
Now only started attending	9.5
Attendance has increased than before	25.6
Still not attending	8.8
Total	100

Source: Primary data collected by the study

Table 5.24 indicates that about 21 per cent of control group households would like to opt for tractor under DBS followed by Kirana Shop (15.9 per cent), Car (14.6 per cent), and Dairy (9.9 per cent).

Table 5.24: Preferences given by Control group on type of unit

Unit	Number	Percentage
Tractor	32	21.2
Kirana	24	15.9
Car	22	14.6
Dairy	15	9.9
Super Bazar or Mini Super Bazar	12	7.9
Centring and House Construction, Housing	10	6.6
Ladies Emporium, Cloth Shop, Bangle Shop, Kangan Hall	8	5.3
Passenger Vehicle	5	3.3
Tent House, Dj Sounds, Decoration	4	2.6
Harvester	4	2.6
Goods Vehicle	2	1.3
Oil And Rice Shop	2	1.3
Motor Chemical And Pesticide Shop	2	1.3
Hardware And Cement	1	0.7
Foot Wear Shop	1	0.7
Transplanter	1	0.7
Automobile Shop And Auto Spare Parts	1	0.7

Electronic Shop	1	0.7
Drone Sprayer	1	0.7
Hotel	1	0.7
DCM	1	0.7
Electrical Shop	1	0.7
Total	151	100

Source: Primary data collected by the study

5.8 Unquantifiable Social Return on DBS Social Investment: Social Pride of Dalit Entrepreneur Households

The core research team visits to Dalit entrepreneur households supported under DBS social investment grant has observed the social pride of holding a productive asset is an unquantifiable social return. The pride emanates from their increasing contribution and participation in economic and social activities. When the team visited the Dalit locality, it is observed that the landscape has a makeover with productive assets (Passenger/Goods Vehicles or other Machinery: tractors/harvester/JCBs etc.) brand new kept in front of their houses. The DBS social investment has contributed significantly to a ‘culture of business and enterprise’ among Dalit entrepreneurs irrespective of their age, gender and level of education due to which their day-to-day discourse has shifted to their business activity and how to become successful in it.

5.9 Concluding Remarks

Analysis of changes in household conditions has shown that there is an improvement among Dalit entrepreneurial households. Regarding these Dalit entrepreneurial households living standards, they are better after DBS social investment as compared to the situation before. Also, the living standards and other aspects are found to be better among the Dalit entrepreneurial households which were supported with DBS social investment in their enterprise activity, as compared to the control group Dalit households which have not been received such support.

6 Case Studies of Enterprise Units supported by DBS Social Investment

This section presents about 35 selective case studies of IGUs of Dalit entrepreneurs in Huzurabad Constituency in operation with the support of DBS social investment grant provided to them. Such Case Studies include those units which are not so successful or those facing challenges and difficulty in sustaining the unit along with those units which are successfully managed and organised. These case studies do not essentially fall in the sample of 807 DBS IGUs covered for the study.

6.1 Successful IGUs

This sub-section presents case studies of successful enterprise units supported by DBS social investment and those in hold of Dalit entrepreneur households of Huzurabad Constituency

6.1.1 Case Study-S1: Dalit Entrepreneur Women in Retail Trade (Kirana Shop) earned Credit Worthiness and Rotating the Business successfully

A Dalit woman (Mrs. Kontham Sowmya, Age 28) who was working as an agricultural labourer turned into an entrepreneur running successfully a *kirana* (Grocery provisions) *shop* in Huzurabad town while earning credit worthiness with respect to distributors and suppliers who supply and deliver groceries at her door step in bulk. Such an occupational transformation and entrepreneurship emerged with the effect of DBS social investment grant provided to her by the Government of Telangana. The Kirana shop is operational since May 2022. She has availed only Rs. 3.7 lakhs of DBS grant of which she spent Rs. 36,000 on refrigerator and Rs. 50,000 on rent in advance for the shop. Remaining amount (Rs. 2.84 lakhs) is used for purchase of grocery items to sell. After meeting her daily expenditure she is earning Rs. 500 to Rs.800 per day.

Prior to setting up her present enterprise her being a married woman with two children and educated up to secondary level, was working as a casual labourer in agriculture for daily wages in the neighbouring villages of Huzurabad town. Her husband a graduate but working as a seasonal migrant labourer – as masonry *maistry*, working in construction sector - largely on daily wages basis and sometimes on piece rate was moving around cities like Mumbai, Hyderabad and other Cities. Her husband had to spend major part of his time at the destination places either in search of work and/or working there. During the period of his absence, she had to bear the double burden of managing home and her children while working as casual labourer in agriculture. As both were into informal sector work which is seasonal in nature their household monthly income and consumption had been unstable. Unable to cope with outside work and small kids she started and managed a tiny bangle-store for three years earning Rs. 200 per day in her rented house, before she started the current Kirana shop. Her present self-employment in her IGU reduced her family ordeals and stabilised their monthly incomes. Her husband is also no longer migrating to other far-off places for work instead, he is working in the nearby towns and cities commuting from home, in order to support his wife. She is now managing her family in a better way and has time to spare for her children. She is sending her kids to private schools.

In the informal discussion with CESS research team, she revealed that after meeting input and maintenance costs of the shop along with meeting her household grocery, she is able to earn an entrepreneurial income around Rs. 500 to Rs. 800 a day. She *earned credited worthiness* from the wholesale suppliers/distributors in the town who would supply her grocery goods in bulk delivering them at her door step. She is in contact with ITC grocery suppliers and distributors. She makes weekly payments systematically without fail to the suppliers/distributors. She also makes use of online platforms ordering her grocery goods requirement in bulk. So far she made use of only half of the DBS financial grant provided to her. Second instalment of grant is still due. She

has been successful in rotating the first instalment of the DBS financial grant by buying goods in bulk and selling them in retail. In this rotating cycle she has crossed the break-even and is earning her entrepreneurial income after meeting the cost of good in bulk, transportation and other maintenance expenses. She has expansion plans with her second instalment of DBS financial grant that she is yet to claim.

Mrs Sowmya's past experience managing the bangle store has given her good contacts in the locality, and her skill in rotating the investment and reinvesting the sales turnover value and entrepreneurial income into the business cycle, have made her unit to surpass the breakeven. More importantly she earned credit worthiness with distributors and suppliers who deliver grocery in bulk to retailers. In her opinion the reason for not successfully running the units by others entrepreneurs are that they may not be having the managerial skills.

6.1.2 Case Study-S2: A Farm Labourers turned Entrepreneur operating Tractor

A primary school graduate (Mr. Raju, aged, 45) and farm labourer of Pedda Papayapalle (Huzurabad Mandal) turned into a self-employed Dalit entrepreneur successfully managing his own IGU, 'Tractor'. He had been a full-time farm servant since he dropped out after his schooling at primary level. Prior to become self-employed managing his own unit (Tractor), he learned driving skills and was operating Tractor for the employer and also for some non-agricultural (construction work) activities. He was engaged in ploughing and harvesting operations in the farms of employer and rented services to farms of other farmers on behalf of his employer, and also, transporting agriculture products to nearby market places. His wife was also working as a casual labourer in agriculture for daily wages.

He purchased his own tractor while availing the DBS social investment grant provided to him. Now he offers similar services to his clients/customers what he was offering on behalf of his employer in the past. His past experience in the field including driving and managing agricultural operations and transportation services is handy in self-operating and managing his present enterprise unit and serving the clients. He nurtures all the network of contact that he is acquainted while serving in earlier occasions. Gaining confidence of clients/customers and reciprocating loyalty with them along with his driving skills are key forte in being a successful entrepreneur of his unit.

When he was a farm servant, his maximum monthly payment was less than Rs. 10,000. Now his entrepreneurial income on his units (Tractor), after deducting all the operational expenses (petrol, labour charges when engaged, other maintenance costs), is in the range of Rs. 10,000 to Rs. 20,000. Moreover, now his working day/time is at his disposal, unlike in the past wherein it was at the employer's disposal. Besides operating and managing his own tractor, he also offers driving services to units of others when his unit services are not required. He is paid for such service on daily basis or piece rate. The family is happy and living standards have been improved since his IGU became operational. He has two children and he manages to send them to a private school in the nearby town. Earlier they were sent to Government school in the village. He is able to meet the education and health needs of his family without resorting to debts.

6.1.3 Case Study-S3: A Young Graduate Entrepreneur running an Electrical shop

A graduate and young Dalit entrepreneur (Erra Ranjith, 25 years-old) managing successfully in Huzurabad town an electrical shop supported by DBS social investment grant provided on the name of his mother. He is a B.Sc. graduate and holding a diploma in ITI (Electrician). He used to work before starting his unit, as self-employed electrician for some time or as a worker with an

employer who engaged him on contract for piece rate. Now he is managing his own electrical shop. His parents are non-literates and continue to work as agricultural labour. DBS support for this enterprise unit of electrical shop on their choice was granted on May 2022.

Mr. Ranjit in his conversation with CESS research team revealed that his unit from the beginning is earning entrepreneurial income for the family. Income earned by his parents working as casual labour in agriculture for daily wages was not sufficient enough to improve their living standards. Often it used to be short of meeting basic needs of the family. Immediately after graduation and diploma in ITI, Mr Ranjit has started working as an electrician and had begun contributing to household income. He revealed that his entrepreneurial income from family's DBS IGU is much higher than what he was earning by working as electrician.

Under DBS scheme the family has utilised Rs. 4.9 lakhs so far. Of this they spent Rs. 50,000 for rent and advance; spent another Rs. 50,000 on furniture and decoration. Remaining Rs. 3.9 lakhs they spent on material (electrical goods) from Mahindra electrical shop located in Warangal City. Mr. Rajit is managing his electrical shop using his network of contacts with various builders and friends and has been gaining their confidence in him. He supplies all the electrical goods and material required in construction of buildings.

He incurs a monthly working capital of Rs. 40,000 to Rs. 50,000. Deducting the input costs including the maintenance his enterprise is earning him an income of Rs. 20,000 to Rs. 22,000 per month. He is working full time in his units. Given the opportunity he would offer house-wiring services to customers and earns about Rs.10,000 per month. In his absence his younger brother also engages himself in the unit. The family has invested about Rs. 4.1 lakh on the unit, out of his entrepreneurial income. He has further expansion plan of the unit with second instalment which is due, while engaging one or two assistants to work with him.

Ranjit's success is due to his past experience along with his contacts with builders and his good managerial skills. Besides his shop is located on the main road. He has the fire in him to work hard and earn money and improve living standard of his family.

6.1.4 Case Study-S4: Successfully Running Poultry Farm without prior Experience - Retired Teacher Couple into Poultry farm Enterprise

A retired school teacher and Headmistress (Mrs. Sanigarapu Laxmi, Age 60) of Rajapally (Huzurabad Mandal) turned into poultry-farm entrepreneur with DBS social investment grant provided to her.

Laxmi's husband is also retired school teacher and Headmaster. They own the poultry farm as a group IGU along with her daughter-in-law (Sanigarapu Narmada, wife of her son). Her son is working for a private company in Hyderabad. Though her son and daughter-in-law are living in Hyderabad, Laxmi with her husband are operating/managing and organising successfully their unit sanctioned in June 2022. The family owns three acres of irrigated land and grow paddy crop in two seasons (vanakalam (kharif) and yasangi (rabi)) irrigating from an open well as well as from the SRSP (Sreeram Sagar Project) canal. It is their choice starting a poultry farm with the support DBS social investment granted to them. They learned poultry farming through others who are managing the same in their vicinity. Their poultry-farm is set-up in half-an-acre land of their own.

They have utilised the entire DBS social investment grant Rs. 10 lakhs sanctioned to them (two partner families) in the first instalment for the group unit. Besides they have made their personal investment worth of Rs. 10 lakh more on the unit. Together they invested Rs. 20 lakh on their poultry farm. The material (iron and steel, asbestos sheets and tiles etc.,) for the farm shed was bought from Satyanarayana company, Huzurabad and Jadala Bhaskar Rao Iron and Hardware company in Jammikunta. Other material was bought from Srinivasa poultry, Karimnagar. They purchased chicks from TVR Poultries, Huzurabad; feed from Chalimeda Ananda Rao poultry feed company, Challapally, Karimnagar.

They sold two batches of chicken raised in their poultry-farm and the third batch is currently being raised. It takes 45 days to raise each batch of chicken. Potential capacity of poultry farm is 5000 chicks, they raised 4000 each crop in the first and second batch. For third batch they are raising 4500 chicks. Her husband organises the marketing of chicken in Jammikunta, Huzurabad and Bhupalapally. Her husband is building network of contacts with shops and individuals in these towns engaged in this trade. Buyers also purchase chicken from their farm on credit and payment is done within 15-days. Feed distributor deliver chicks-feed on immediate payment of the invoice. Concerned private agent would administer vaccinations costing Rs. 1.50 per chick: twice for each batch of chicks; one on 6th day and the second one on 11th day. A worker was engaged for daily operations of the poultry farm with a payment of Rs. 15000 per month.

Both the wife and husband along with a worker engaged involve in daily operations and activities of the poultry farm. The sale of last two batches has shown that on their enterprise unit they could earn an income of Rs. 65000 to 70000 per batch. Component wise expenditure per batch of chicken raised is as follow: chicks Rs. 1,00,000, feed Rs. 4,00,000, vaccination Rs.50,000, worker salary Rs. 22000 (per batch), electricity bill Rs. 6000, and the other miscellaneous Rs. 10000 which would amount to **Total cost of Rs. 588000**. They follow a lean period of 15 days for starting next batch. They also invested a part of income from poultry farm in agriculture and keep a part of it in savings. Reason for running their enterprise unit without much difficulty is that they learned basics of managing and organising the poultry farm and marketing their product. Recently their unit was selected as the 'Best performing unit under DBS', during the Telangana Decadal (Dashabdi) celebrations. With second instalment DBS social investment grant due to them, they plan to expand the farm and buy additional 1000 chicks.

According to the opinion of Laxmi and her husband, the reasons for loss-making units of similar nature possessed by others that are supported by DBS social investment grant are: lack of sufficient finance; lack of awareness about operating, managing and organising the unit and marketing its product; high GST; and amount is not given directly to the beneficiary. They could however overcome all these difficulties.

6.1.5 Case Study-S5: An Unemployed Graduate turned Dalit Entrepreneur Organising successfully an Enterprise Unit of Diagnostic Lab

An unemployed graduate (Mr. Bogam Srikanth, Age 24) of Sirsed village (Ellantakunta Mandal) became a Dalit entrepreneur organising successfully a Diagnostic Lab in Jammikunta town. He is assisted technically by his brother Mr. Bogam Thirupathi (Inter + DMLT) who possesses technical diploma and the required skills. An agriculture dependent family they own four acres of land and

consists of five members (parents, Srikanth, his brothers and sister). Mr Srikanth is a graduate but could not find a proper employment so far. While working in their farm, he is preparing for competitive exams aiming at employment in Government services. His brother, Mr. Thirupathi is a higher secondary graduate holding diploma in medical lab technicians (DMLT). Mr. Thirupathi has the experience working in a private hospital in Jammikunta while earning a monthly payment Rs. 6000 .

Given a family member's (brother) expertise and experience in the field, Mr. Srikanth has chosen a Diagnostic Lab as a first option and Tractor as second one. Approving Diagnostic lab, they were granted Rs. 5.0 lakhs in the first instalment and the 'Narmada Diagnostics Center' became operational. Besides the DBS grant, the family has made a private personal investment worth of Rs. 2.68 lakhs on the lab. Required equipment was purchased from Karimnagar Scientific and Surgical dealer.

Three year experience of his brother is helpful in operating, managing and organising the Diagnostics Lab, successfully. Its location near Jammikunta Bus Station is approachable to the needy. Entire Jammikunta town has only 15 such labs, of which six are set-up with the support of DBS social investment grant.

CESS research team's discussion with Mr. Tirupathi reveals that the Lab earns an entrepreneurial income of Rs. 20,000 per month. This is after deducting cost of raw material, rent and maintenance cost along with assistant salary. On this entrepreneurial income they purchased a two-wheeler and cleared some of their outstanding debt. In his opinion the reasons to success are: his three years lab experience, unmet demand for diagnostic lab service in the town and nearby village, nurturing the network of contacts, support from family members, reinvesting the sales turnover and entrepreneurial income into the unit. With second instalment he is planning to expand by acquiring other equipment. As they lack required equipment for certain tests, people are forced to get them done in labs located in Karimnagar and Hanmakonda. Acquiring such equipment would make them self-sufficient to provide more services.

6.1.6 Case Study-S6: Unemployed graduate holding teacher training degree become self-employed Successful Dalit Entrepreneur with his IGU Mee-Seva

Unemployed graduate (Mr. Gudepu Rajender, Age 37) holding teacher training degree, belonging to Malyala (Ellantakunta mandal) has become a self-employed successful Dalit entrepreneur operating, managing and organising his enterprise unit, Mee-Seva. Mr Rajender a B.Sc. graduate is living with son who is studying 8th class. He owns a house and 0.25 acre farm land. He worked for some time as a Village Revenue Assistant (VRA) thereafter the MRO (Mandal Revenue Officer) helped him to start a tiny Mee-seva (Maharaja Internet) near Jammikunta Bus Stand. He has been operating the unit for last eight years and expanded the unit with the DBS social investment grant provided to him while engaging now three employees. He offers 53 services in his centre along with caste, income and dharani portal services.

It is a pre-existing unit having Rs. 6.0 lakhs worth of equipment and DBS social investment grant of Rs. 5.0 lakh in first instalment helped expanding the centre with more services and new technology and equipment. He pays three of his assistants Rs. 6000 per month, pays Rs. 10,000 per month as rent. He earns an entrepreneurial income of Rs. 30,000 to Rs. 40,000 per month after

meeting all expenses. He acquires necessary raw materials using online platforms. His input cost on raw material is worth of Rs. 15000 per month. With the entrepreneurial income he earned during the last eight year on his unit he purchased a residential house worth Rs. 18.0 lakhs. His future plans are providing Aadhar services and establish SBI-service point. **Reasons for success are:** Past Experience, network of contact he nurture and contacts with MRO office, unmet demand for such services and unit location nearby Bus stand.

6.1.7. Case study-S7: Successfully Running Dairy unit with Replacement of DBS cattle with local cattle - Agriculture labourer in the past turned to an Entrepreneur successfully managing Mini-Dairy-Farm

A 10th class graduate (Mrs. Podeti Kamala, Age: 30) and an agriculture labourers turned into a Dalit entrepreneur successfully managing a Mini-Dairy farm in a village. Mrs. Kamala has six members in her family (husband, two children, father-in-law and mother-in-law). The family owns 10.00 acres of land. Besides farming, family used to raise three buffalos and hence has good experience in dairy farming. Their choice of 'Dairy farm unit' is based on their previous experience.

They purchased buffalos from a village in Haryana during March 2022 on the advice of Karimnagar Dairy. For the purpose of purchasing buffalos, their four-day travel to Haryana was organised and managed (travel, food, accommodation etc.,) by Karimnagar Dairy and accompanied by a veterinary doctor. They were asked to select the buffalos in a village of Haryana. In their opinion, price of buffalos were inflated, while sellers being aware of or informed about DBS of Telangana. Although they did not get any chance to bargain or negotiate, the Veterinary doctor accompanied them had mediated the price. They purchased four buffalos with one calf each, utilising a part of total DBS social investment grant provided to them. Buffalos were transported in a lorry and it took six days to reach home. Due to health hazards and risk in transportation three calves died a week after their arrival. As on the date of discussion, the family has four buffalos and one calf acquired through DBS social investment grant. Prior to purchase of four buffalos under DBS grant they had four of their own, together the family at present possesses eight buffalos and two calves).

Initially the health condition of the buffalos they purchased from Haryana got affected badly, but presently they are normal. The family earns an entrepreneurial income of Rs. 15000 on their dairy unit. They have appointed two workers from Bihar paying each Rs.15000 per month besides the free accommodation provided to them. A part of the feed and fodder is raised in their own land and the rest they buy from Jammikunta, once in 10 days. Yield of milk for first six-months was 10 litres each a day and it was sold at Rs.50 to Rs.60 per litre. Yield has come down to 6 litres a day after six-months and 4 litres a day after 9 months. Now the milk is sold at Rs.70 per litre. They sell milk to Karimnagar Dairy and payments are made to them once in fortnight. Using their entrepreneurial income on their Dairy units they have replaced two buffalos they purchased from Haryana with local ones costing Rs.1.0 lakh each. They revealed that entrepreneurial income on their Dairy unit is useful for the agricultural investment as well.

The family complains about scarcity of veterinary services available in their village: Veterinary doctor visits to their village are very rare. Even Karimnagar Dairy is also not offering any services. They had to approach private Veterinary doctors for vaccinations or other services. According to them the Karimnagar Dairy has mediated the purchase while acting as a dealer in the sale-purchase transaction of two parties.

They are planning to expand their dairy unit and planning to purchase 10 more buffalos, partly using second instalment of DBS grant in addition to their personal investment. The dairy units are managed by Kamala, her husband and father-in-law.

In their opinion the reasons for selling and death of buffalos purchased under DBS social investment grant by other beneficiaries are: they do not have experience in raising the buffalos, weather condition is not suitable for buffalos purchased from Haryana, difference in feed and fodder, some of the Dalit entrepreneurs who have chosen Dairy farm units have awareness and knowledge in looking after the local buffalos but not the Haryana buffalos. They suggested that there should be veterinary doctors available for the dairy units set up under DBS social investment grant, the doctor should visit every 15 days checking buffalos and providing injections, moreover local breeds would be more suitable to the weather conditions.

6.1.8. Case study-S8: Invigorated Entrepreneurship - Closed loss-making Enterprise Unit of Cloth Emporium and opened a Hotel

A prospective Dalit woman entrepreneur (Mrs. Madugula Sandhya, Age 36) of Huzurabad town, holding graduation (B.Com) and teacher training degree (B.Ed.), has *missed an opportunity to be successful in her first chosen enterprise, cloth emporium* supported by DBS social investment grant provided to her. That did not stop her from taking up another IGU. With a business partner *she invigorated her entrepreneurship in managing a Hotel*. Sandhya, a widow, and her daughter are staying with her mother. Prior to grounding her DBS social investment grant supported enterprise of cloth emporium, she worked as a teacher in a private school for nine years for a payment of Rs. 8000 per month. Her mother used to work as a casual labourer in agriculture working for daily wages. She is incurring Rs. 1.5 lakh per annum on her daughter's education who is studying higher secondary classes, with a strong desire to see her daughter as a doctor.

She started her cloth store in June 2022 with the name 'Nissi Saree Centre'. She has chosen cloth store as her sister is working in a cloth store/ saree centre. She learned certain business skills from her sister. Initially, for first 4 to 5 months the store was running in a good way. She sold material worth Rs. 5.0 lakh which she purchased using her first instalment. Later, she purchased Rs. 50000 worth of sarees and material from Chennai shopping mall, Hyderabad and sold them successfully. But most of the sales were done on credit basis for which she couldn't get the timely repayments. Such transactions resulted in losses to her. As a result the shop got closed for the last five months and the reasons being not having enough experience, sales on credit basis, not having proper business skills.

She started working in a hotel as a partner investing Rs. 2.0 lakhs in the same. She earns Rs. 20,000 to Rs. 24,000 per month while working from 8:00 am to 8:00 pm in the hotel. The second instalment DBS grant she would like to invest in the hotel and expand it with a roti maker and other essential equipment. She said that from the profits earned from the hotel she would definitely make her daughter a doctor. The failure experience in running the cloth emporium made her learn lessons and she is able to withstand in the current venture.

6.1.9 Case Study-S9: An Unemployed Graduate successfully organising an Enterprise Unit of Harvester

A graduate in B.Com (Mr. Katakam Rajesh/Odel, Age 26) from Vavilala Village (Mandal: Jammikunta) was looking for employment opportunity. With his two children Mr. Rajesh is living

with his parents and his younger brother. Family has 0.20 acres land for the last 20 years and engaged in farming while leasing-in few acres of the land in the village. He learned tractor driving but after his graduation he worked as a marketing agent of a seed company in Hyderabad for three years earning Rs.12,000 per month. He learned good business skill during his job. Given his driving expertise and skills he thought of opting for a Tractor/Car but on the advice his parents and paternal aunt has chosen 'Harvester' as a group unit of three persons (his mother and aunt being partners). The DBS social investment assistance granted Rs 29.76 lakhs for the joint unit. The unit is in operation since March, 2022. On purchase of the unit they paid GST worth of Rs 2.86 lakhs. As the DBS social investment grant provided to them was sufficient to meet the cost of Harvester, they did not have to make any private personal investment on the unit.

They engaged a harvester operating driver by paying him season-wise, Rs. 50,000 per season. For the first season harvester could provide service for only 25 days, in second season it was for 40 days and in third season for 50 days. The unit earned them Rs. 50,000 in the first season (after meeting driver salary and diesel expenses), it was Rs. 60,000 for the second and third season. They distributed the profits and expenses equally among the three partners of the group. The family engage in their own farming (including cultivation in leased-in land) and also work as agriculture labourers.

Their village has a total of seven harvesters. But given his network of contact he nurtured while working as a sales agent, he gains more demand than others. This harvester can also be operated in wet land. Regular servicing is required for the machine and they have to shell down Rs. 7,000 per service. Again, they have to change engine-oil for every 1000 Kms., it costs Rs. 30,000. Their harvester ran so far for 830 Kms, it may require servicing in the next season.

Three families involved in this unit are earning their entrepreneurial income which is addition to their normal economic activities of farming and agricultural labour. One of the reasons for success of the unit is marketing expertise and skills Mr Rajesh possess and network of contact he nurtures.

6.1.10 Case Study-S11: Experienced DBS entrepreneurs running successful business

6.1.10a Mr. Turpanti Shiva (2nd class educated, age 40) is running his Aluminum utensils (door to door selling) selling business along with his wife. Before DBS he used to sell onions in exchange for old iron utensils and his wife used to sell steel material in exchange for hair. They have been doing this business for twenty years. After availing DBS, they expanded their business of utensils selling in Jammikunta, Huzurabad, Ellantakunta, and Veenavanka. They have also purchased second hand Auto Trolley after a few months. As a result, their income has drastically improved. They also have planned to expand their business activity by selling other home appliances like mixer and grinder, fans, rice cooker, etc. With DBS income their standard of living has improved by purchasing own house, purchased household amenities (Refrigerator and TV) and sending their children to school.

6.1.10b Mr. Chilmula Srinivas (B.A. educated, age 37) is running his Electronic shop successfully in Jammikunta. After completing BA, he did course in computer hardware engineering for one year in Hyderabad. He setup a computer sales and services shop. After receiving DBS IGU, he expanded his shop, employed two workers, and also made additional personal investment of Rs. 7 lakhs. He has plans for further expansion of his business and also to

get direct dealership. After DBS, his economic condition improved and he purchased a plot for house construction and his children are studying in private school.

6.1.10c Mr. Mekala Madhubabu (10th class graduate, age 30) is successfully running his Automobile Spare Parts Shop. He was working in ‘Bike Mechanic Shop’ owned by his father before DBS. As he has experience in the business, he opted for automobile spare parts shop. Before DBS they were selling the spare parts and now they are supplying the spare parts. Their income has improved after the DBS. They have plans for expansion of business in future.

6.1.11 Case Study-S12: Inexperienced DBS entrepreneur running successful business (Possessing Entrepreneurial Quality of “Patience” and “Passion”)

Mr. Madasu Rajashekar (B.Tec. educated, age 31) is successfully running the Painting Shop in Jammikunta. After working as teacher in private school, he opted for DBS. He is able to run his business successfully because of entrepreneurial quality of “Patience” he possesses. His major objective is to first establish in the competitive market and expand his business. For this purpose he is using the income from DBS enterprise mainly for the purpose of business only without diverting it for other purposes. As a result, he managed to establish his creditworthiness with the suppliers who transfer the painting material on credit which he successfully and without failure repays within 10 to 15 days. Therefore, he manages to rotate his business on credit and also makes timely payment to a hired worker. He has shown “passion” for establishing himself in the market, include sanitary goods in shop, and also have plan for taking the Asian Paint Dealership which would give him additional 10 per cent of profit.

6.1.12 Case Study-S13: Inexperienced DBS entrepreneur running successful business (Business Cleverness)

Mr. Ambala Nagaraju (MBA educated, age 25) is successfully running his Readymade Garments shop in Jammikunta. First he planned to setup his shop at Huzurabad but thought that it may not run well due to high competition. Therefore, he has done the market survey and decided to setup the shop at Jammikunta where he could get more customers. DBS has increased his income and he managed to purchase household amenities (TV), Motorcycle, and also his savings have increased. He has also plan for expanding the business in future.

6.1.13 Case Study-S14: Experienced DBS entrepreneurs with networking ability running successful business

Mr. Pulla Ravinder (10th class educated, age 42) is a landless person running his business of tractor successfully despite having huge competition. He worked as driver on tractor for 25 years and then did tractor services business on his own by purchasing second hand tractor. After availing DBS, he sold the old tractor and purchased a new one under DBS. He provides services to road and mud related work. Although, there is huge competition in this business, he manages to get sufficient work due to previously developed contacts with customers. As a result, he is successfully running his tractor business. His income, living standard, education of children, and savings have been improved due to regular income he receives due to DBS.

6.1.14 Case Study-S15: Graduate couple successfully running Paint shop

A graduate in B.A (Mr. Esampally Anil, Age 32, Kamalapur village) is successfully organising his enterprise units of Paints Shop with his business acumen. Mr. Anil and his wife both are graduates, and their family consists of their two children and Anil's mother. His late father was a Government employee in Revenue Department while in service. On compassionate ground his brother was provided with Govt. employment. Prior to DBS he has established a tiny Paints retail shop (Anil Enterprises: Nerolok Paints) which became operational since March 2021 with his personal investment of Rs. 7.0 lakhs. Shop acquired GST No. 36DQUPA3093NIZ6. He revealed that it was earning him entrepreneurial income about Rs. 20,000 per month.

Scaling-up the investment in December 2022 he has expanded the shop while availing DBS social investment assistance grant as a group unit partnering with his mother, brother and his aunt. Previously he was operating the shop in Hanmakonda. With an investment of Rs. 39.60 lakhs availing DBS grant he shifted it to Kamalapur and took up agency for the sales of Asian paints. He is satisfied with the performance of his unit given his business acumen in operating, managing and organising it. His customer base spread around the surrounding villages: Gudur, Uppal, Vangapally, Kannur, Thangidipally. There are a total of four paint shops in Kamalapur. Mr Anil is managing it successfully with a sales turnover of Rs. 6.0 to Rs.7.0 lakhs per month and entrepreneurial income of Rs. 45,000 to Rs.50,000 per month. He saves Rs 8000 in a chitty (rotating saving fund) every month. **Reasons to success are:** sufficient demand in the local market, educated and having past experience, learned marketing skills and had good contacts with friends.

6.1.15 Case Study-S16: Determined and Enterprise Elementary school graduate Dalit women successfully organising her Unit of Paper Plate-Making

A determined and enterprise elementary school graduate Dalit entrepreneur (Kummari Manjula, Age 39) of Vavilala village (Mandal: Jammikunta) is successfully organising her IGU Paper Plate-Making supported with DBS social investment grant. Mrs Munjula is married and has two daughters in teen-age. When her daughters were in school-going age, her husband absconded untraceably. She moved to her mother's home town Vavilala village. She does not have own house. She aspires her daughters to be doctors. She has one year experience of working for a paper-making unit in Warangal. She also worked as a daily labour. In a SHG in her village she worked as leader for four years. She thought of starting an enterprise unit and borrowed Rs. 2.5 lakhs for purchasing a paper plate-making machine. It was the first paper plate-making machine in entire Jammikunta mandal. Initially nearby villagers used to visit a machine and became a customer base for her enterprise. She maintained a good quality plates so that her customer base expanded to Godavarikani, Bhopalpally, Nagampet and Kundanpally.

She expanded her enterprise unit using Rs. 2.5 lakhs she availed from DBS social investment assistance grant provided to her. Another machine and raw material were purchased. With the collateral of first machine she borrowed rupee one lakh from bank and invested the same in her enterprise. With sufficient demand in the market her enterprise is running successfully. She is earning entrepreneurial income of Rs. 25,000 per month. With her remaining DBS grant availed in April 2023 she planned for a Tea glass making Unit. But she found amount is not sufficient. She shifted her unit to Jammikunta town owing to some family issues in the village. With an

investment of Rs. 7.0 lakhs she introduced variety of production like Disposable glasses, Tea glasses and Jumbo glasses with good quality. Unit is located in main town in a business spot area. She orders raw material online and also supplies her product online. She has undergone a training from RSETI (Rural Self Employment Training institute) for 15 days on business skills. Reasons to success: past experience, preparing quality goods and no on credit transactions, leadership skill as she was leader for a SHG, she has good contacts. She plans to expand her business establishing branches in other places, buy a goods auto and employ driver for transporting and delivering her product to client door step. Initially she witnessed demotivated remarks but now everyone praises her a lot due to her success.

6.2. Enterprise Units facing Difficulties

This sub-section presents case studies of IGUs supported by DBS social investment who are facing challenges to be successful entrepreneurs due to various reasons.

6.2.1 Case Study-D1: Inability to make profitable dairy business with Haryana buffalos - Missed Opportunity to be Successful Dalit Entrepreneur of Mini-Dairy

A non-literate casual labourer (Mrs. Sanigarpu Pullamma, Age: 50) of Ellantakunta working in agriculture for daily wages turned into a Mini-Dairy entrepreneur but *she has missed an opportunity to be one among the successful Dalit entrepreneurs*. Mrs. Sanigarapu Pullamma lives with her husband and daughter. Family owns 1.5 acres of land on which paddy crop is cultivated in two seasons (Kharif and Rabi) irrigated with ground (open well) and surface (SRSP canal) water. Their son's family is separated. Besides self-cultivation of their own farm, both husband and wife would offer casual labour services in agriculture for daily wages in the village.

Her family has been raising a couple of buffalos also. Given their experience in the field they have chosen the Mini-Dairy units under the DBS social investment grant provided to the family. On the eve of purchasing high-yielding milch animal (buffalos) four in number under the DBS social investment grant provided to them, they sold-out their two buffalos they raised earlier, as they thought the local ones they raised may not match with the high-yielding one they plan to purchase. Again, managing too many milch animal is difficult for them in terms of feed and grass along with the place in the shed.

They purchased four milch-animal (buffalos) from a village in Sindi district of Haryana state, on the advice of Karimnagar dairy and DBS officials. Otherwise their intention was to purchase a local variety from Andhra Pradesh or neighbouring states. The trip was organised by Karimnagar Dairy officials and they travelled for four days to reach the place in Sindi district of Haryana where they purchased their buffalos. A Veterinary Doctor also accompanied them. They are asked to choose buffalos from different sheds in a Haryana village. Pullamma's family felt that the prospective sellers being aware of DBS have increased the sale price of the buffalos. They were not given any chance to bargain (negotiate). They had to pay a total of Rs. 4.4 lakhs for four buffalos, with each priced in the range of Rs.1.0 lakh to Rs. 1.4 lakhs. According to their opinion the normal price a buffalo would have been Rs. 50,000. Of the DBS social investment grant a total of Rs. 10 lakh provided to the family, they have utilised a total of Rs. 6.5 lakh so far. Of which, they spent on shed costing Rs. 150000, buffalos are purchased with Rs. 440000 and their transport costing Rs. 60000.

Buffalos transported in lorry took six days to reach their home, Ellantakunta. They are of the opinion that transportation journey affected two pregnant buffalos severely which were about to deliver. They had to sell-off, these, two buffalos after their delivery. They observed that health conditions of these two buffalos was severely affected endangering their life. Veterinary services were not available to save the buffaloes and even if available they could not afford to bear the cost of treatment. They had to sell-off a third buffalo as it was also diseased threatening its survival. As dead animal leaves them no penny, so they sold three buffalos together for a price Rs. 1.0 lakh; almost one-fourth of their purchase price in Haryana. At present they own one buffalo and its *dhuda* (calf). They are of the opinion that although health issues of the buffaloes were taken to the notice of concerned officials, they were not addressed properly with care.

They graze their buffalo(s) in their agricultural field and provide them feed and fodder. They buy two quintals of feed once in a three months and fodder at the cost of Rs.2400 from Jammikunta. Pullamma herself and her husband work in the dairy unit. They sell half-of the milk to Karimnagar-Dairy and the other half in the village. First six months they earned Rs. 10,000 per month, Rs. 7,000 for next three months and now earning Rs. 2,500 per months. Initially they were selling milk at Rs. 50 per litre, now they are getting Rs. 60 to Rs. 70 per litre. Karimnagar Dairy makes payment fortnight. Family feel that managing buffalos is an extra work without getting any additional income as compared to their foregone wages in the labour market. They are regretful about selecting the Mini-Dairy unit. They are planning to opt for someother unit with the DBS grant second instalment of Rs. 350000.

In their opinion, the reasons for their Dairy unit not being a successful are as follows: unsuitable weather and climate conditions for the buffaloes, long and arduous travel which made them sick, difference in feed and fodder (fodder in the Haryana is very thin and eatable which is not the case here), lack of proper maintenance, and treatment or advice from the local veterinary doctor in the field. They suggested that Government should provide local buffalos, and Veterinary doctor should be available on regular basis.

6.2.2 Case Study-D2: Closed Enterprise Unit of Paper Plate-Making

An illiterate but prospective Dalit entrepreneur (Chiluka Lalitha, age 55) of Vavilala village (Mandal: Jammikunta) has missed the opportunity to succeed on her IGU supported with the DBS social investment grant provided to her. Mrs. Lalitha has two married daughters and an unmarried son. She holds 2 acres of land, which is registered on her son who is working as a VRA in the village. She has chosen a paper plates making unit and the DBS grant of Rs. 9.0 lakhs was availed for setting up the unit. Of the DBS investment she spent Rs. 2.0 lakhs on installation of the plate-making machine and the remaining amount of Rs. 7.9 lakhs on the purchase of embroidery machine.

The paper plates making units worked well for first few months, but due to competition in the same locality, the sales came down drastically leading to the closure of the outlet. After few months both the machines were taken away by her daughters to their respective homes. Now she is dependent on the pension for her livelihood. Mrs. Lalitha is having an overdue of Rs.10,000 towards rent and electricity bill. Reasons for failure: Lack of education and experience, no technical training and marketing advice, high competition and low demand, no proper assistance, and no moral support.

6.2.3 Case Study-D3: A Dalit Woman Entrepreneur lost opportunity to be Successful in her IGU of Electricals shop

A secondary graduate (Mrs. Sollu Lavanya, Age 41) of Huzurabad town who is prospective Dalit woman entrepreneur who missed the opportunity to be a successful on her IGU of Electrical Shop started with the support of DBS social investment grant provided to her. Although Mrs. Lavanya is provided with DBS social investment grant eligible for her, her husband Mr. Srinivas operates and manages the units. They have two kids studying in private school incurring annual cost of Rs. 70,000 on their education. Mr Srinivas's father had experience of working in a local electrical sub-station. Srinivas is a secondary graduate and has the experience of working as a car driver. Given the father's expertise and experience in electrical work in a substation, he learned the skills and expertise informally. Mr. Srinivas having 18 years' experience in electricals field, the family has chosen the electrical shop.

The family availed Rs. 5.0 lakh in setting-up the electrical shop which came into operation in May, 2022. Of which they spent Rs. 50,000 on rent in advance, Rs. 15,000 on furniture and Rs. 55,000 other expenses. With the remaining DBS grant, they purchased electrical materials from Karimnagar Vasudeva electricals. They paid GST around Rs. 80,000 on the material they purchases. Three day after opening the shop his father expired. Most of sale from his shop was on credit which they were not able to recover and thereby failed to re-invest in the business. Electrical shop no longer exists. Mr. Srinivas started working as an electrician. Reasons to failure are: sale on credit and inability to rotate the business as they are unable to re-invest, lack of savings and prior indebtedness of the family, lack of demand.

6.2.4 Case Study-D4: Inability to run the business by inexperienced entrepreneur

Mr. Pulli Sampath (B.A., age 40) has sold out his Electronics unit. He in collaboration with his sister opted for electronics shop under DBS (group unit) without having experience of any business. Previously he worked in private company for five years in Hyderabad and then worked for a lorry owners association.

He first opened his shop in Peddapapaipally and latter shifted to Huzurabad on account of fewer customers in the village. For first six months since June 2022 the unit was running well. He sold electronic goods to 15 people on credit which he could not recover it. The remaining electronic goods initially bought were sold and he did not purchase any fresh goods. He also could not survive the severe competition in the market. As a result he closed his unit.

6.3 Concluding Remarks

The case studies show ample evidence of the factors that lead to successful running of enterprises and also for not so successful units. The innate characteristics or acquired traits obtained through experience such as leadership, outgoingness, creating a network of contacts; patience, hard work, motivation and commitment towards work, play an important role in being an enterprise person determined to succeed. Besides the above, individual characteristics like level of education, experience in work, formal skills training enabled the DBS entrepreneurs to seize the opportunity and could create trust, creditworthiness to succeed in their business. Those without such characteristics have lagged behind in utilising the opportunity. An institutional mechanism providing business mentoring, skill, handholding and monitoring is necessary for the first

generation entrepreneurs to ignite the fire to withstand in their chosen vocation and enterprise. Given an opportunity they can grow together learning from each other's experience.

7 Summary, Conclusions and Policy Recommendations

This section presents the summary and conclusions of the study based on the analysis made in the previous chapters focussing on various dimensions of income generating units' performance and socio-economic impact of DBS social investment on Dalit entrepreneur households holding such units. It also presents policy recommendations obtained from the study.

7.1 Summary

Dalit Bandhu Scheme of Telangana state government is an innovative flagship financial assistance scheme. It intended to bring changes in the lives and livelihoods of SC beneficiaries. Apart from socio-economic mobility of the beneficiary households, the scheme also has positively impacted the employment and incomes on an overall basis in the constituency. As a result of enhanced investment and employment, the scheme also has positively affected other economic activities in the constituency. Additionally, the scheme has added to the revenue of the State Government in the form of indirect taxes paid by the beneficiary units. The present study is an assessment and evaluation of the DBS implemented in Huzurabad Constituency. The **overall objective** of the study is to *capture the performance of the income generating units; impact of Dalit Bandhu Scheme on the beneficiary families (prospective Dalit Entrepreneur households); and on the local economy (Huzurabad Constituency)*. Key summary and messages emerging from the study estimates and observations are as follows.

Assessment of DBS Enterprise Performance

The DBS was given to 18025 Dalit households in the constituency. The number of Income Generating Units (IGUs) supported by the DBS are 16149. Among these 14,879 IGUs are individual units and 1270 are group units with two or more partner households. For 18,025 households to get support from DBS, State Government has released Rs. 1802.5 crores and credited the same into eligible prospective Dalit entrepreneurs' bank accounts. Withholding an amount of 18.025 crore as insurance premium an amount of 1784.5 has been set out to be rolled as DBS investment. The study has surveyed five percent sample (807 IGUs) of the total units grounded. Estimates are derived using the sample weights to represent all the units in the Constituency. Analysis is made based on the survey of the sample units.

The DBS supported IGUs fall into the six broad sectors of Agriculture & allied; Animal husbandry; Manufacturing; Retail; Services/supplies and Transport. Around Most of the machinery unit enterprises have realised full benefit of Rs. 10 lakh DBS support in a single instalment. For IGUs like retail shops, dairy and few others the amount has been split into two instalments. Most of these received the first instalment and the second instalment is yet to be realised. Around Rs. 1425.8 crores worth of DBS social investment has been grounded and the units have become operational. Some of the entrepreneurs have put in their personal investment to complement the DBS grant. This induced personal investment which is in addition to DBS investment is worth of Rs. 118.1 crore accounting for 7.6 percent of the total investment grounded so far for the units to become operational. Considerable part of DBS social investment is made on investment goods sector (machinery) and the other on consumer goods. DBS social investment has ploughed back a part of it to state revenue through GST and other taxes paid, which is around Rs. 193.1 crores accounting for 12.5% of the total investment realised on the ground.

Survey estimates have shown that units operational while producing their goods and service have incurred inputs and maintenance costs around Rs. 462.3 during the last one year. The costs would be Rs. 2.9 lakh per IGU per annum and Rs. 23,855/- per unit per month. The estimated annual factor income for the labour on these enterprise units is Rs. 230.93 crores. Such entrepreneurial income per *enterprise unit*, on an average, is 1.43 lakh per annum and Rs.11,917/- per month. The annual entrepreneurial income per Dalit *entrepreneur households* holding these enterprise units is Rs. 1.28 lakh per annum and Rs. 10,676/- per month. This is the additional income generated for these households. The overall average monthly entrepreneurial income across the sectors indicates that *services sector* appears to be relatively doing better. By type of unit, poultry farms, cement brick-making units and photo studio appears to doing better.

It is estimated that the DBS units have created employment for 19042 household members in all and also 4372 hired workers with an estimated monthly wages of Rs 23,656 paid for hired workers. Mostly skilled workers are hired for operating units like transplanters, harvesters in peak seasons.

Overall, the average performance of DBS supported IGUs is encouraging and prospectively promising. There are certain key factors that appear to be potential in contributing to the prospects of the DBS programme.

Initial Endowment of Education and Aspirations of the SC Youth

Initial endowment of education appears to be most important factor in prospects of DBS success. School education in Telangana is near universalising wherein nearly 99 percent of 6-14 years-age children in the state are attending school and among children of the 6-17 years of age, it is around 95 percent. Gross enrolment ratio for higher education in the state at 39 percent is one of the highest in the country. Another estimate shows that nearly 63 percent of college-age (18-23 years of age) youth are either attending post-secondary education or completed the same. The attendance rates among children belonging to SC community are no less than that of general caste or the non-SC/STs and non-BCs. Along with normal public and private education institutions available in the state, Social Welfare Residential Schools and Colleges are found to have profound impact on educational development of the younger generation of SC community. Aspirations of the educated youth given their knowledge and skills acquired through formal schooling or collegiate education would become a driving force for the entrepreneurial development. Observations made in our field visits are a testimony for such trend.

Previous Work Experience in the Field chosen

Previous work experience in the field of entrepreneurial activity taken up by the prospective DBS entrepreneurs also has potential for their success. Younger generation in rural areas too have diversified from agriculture toward non-agricultural activities. Considerable proportion of educated youth are engaged in non-farm employment as wage worker or employee irrespective of their tenure. Such work experience in their chosen field has become handy for them in their entrepreneurial activity. Our field visits have demonstrated such testimonies. It appeared that such entrepreneurial activities with previous work experience in the chosen sector are more prospective and promising.

Critical Observations

As the investment to the tune of 1543 crore has been made in the local economy and resulting in production of goods and services to be consumed mostly locally, there is a constraint in the form of not so elastic demand. Production by DBS IGUs has to either meet the excess demand or share the existing demand served by existing units/enterprises of similar kind. As some of the DBS units

for example those in retail sector, services/supplies sectors are not able to create differentiated products to distinguish from other similar products they are unable to create adequate demand for their products. However dairy units can thrive as there is demand for milk and the *Mulkanoor Women Cooperative Dairy* and *Karimnagar Dairy* located in the vicinity has potential to absorb. But dairy units under the DBS face certain challenges like non-suitability of breed to local conditions, animal purchase cost is too high, lack of adequate animal health services and so on. Success of the entrepreneurial activity is associated with previous experience in the field and educational levels of household members and the skills required for organisation of entrepreneurial activity. There has not been much focus on any initiative regarding training or orientation programmes of prospective Dalit entrepreneurs.

The SC Development Corporation enables the identified DBS entrepreneurs in accessing the scheme, acquiring the asset from the relevant departments or agencies. It also facilitates market access to Government institutions like schools or line departments for certain units like provision stores or passenger and goods vehicles. Beneficiaries are given electronic DBS cards through which the government monitors the scheme. This is done through Cluster Coordinators at mandal level. Though some monitoring mechanism is in place the DBS beneficiaries felt the need for an effective institutional mechanism to handhold the DBS entrepreneurs especially in resolving teething problems in the process of setting up their units.

Changes in Socio-Economic Conditions of DBS Households

The impact of DBS IGUs has been captured in two ways, before and after DBS for the DBS enterprise households and also in comparison to non DBS households. Around 94% of DBS enterprise households reported increase in annual income due to DBS. About 44 percent households reported an increase of more than 50 percent income post DBS. As compared to non DBS households DBS households witnessed 47percent increase in their annual income. On average DBS household earns Rs 8000 per month from DBS IGU. Along with rise in monthly incomes, there is an increase in consumption expenditure on both food (eggs, fish and meat, vegetables and fruits, oils and pulses) and non-food articles. A quarter of DBS households reported that their unemployed household members have been employed after DBS. Nearly half of the DBS households reported that number days of employment has increased due to their DBS supported entrepreneurial economic activity. Nearly 50% of household have experienced increase in their savings out of incomes earned from DBS supported entrepreneurial economic activity. Nearly three-fourths of households reported that their aspirations regarding their children's education is being fulfilled. Credit Worthiness and social prestige with asset ownership and social respect found to have increased. The pride of women and family member with the ownership of a productive asset is visible and unquantifiable.

7.2 Conclusions

On an overall basis, the analysis and finding of the three phases of the study indicate that Dalit Bandhu Scheme (DBS) intention of developing Dalit entrepreneurship is encouraging, prospective and very promising. The evaluation of the *Dalit Bandhu* scheme (DBS) based on macroeconomic framework while applying the growth accounting and cost-benefit procedures in understanding its potentials has shown that economic returns in net present value are very promising and thereby the prospects of developing *dalit* entrepreneurs is high. Potentials of economic returns in net present value are very much encouraging for implementing the scheme.

Estimates of thin and comprehensive sample survey regarding performance of enterprising units have shown these units are promising. Their impact on socio-economic conditions and living

standards is very positive and encouraging. The study has made certain critical observations which need to be addressed in the course correction in terms of the performance of the enterprise units regarding product differentiation, training and business advice in managing and organising the enterprise activity.

7.3 Policy Recommendations

- 1) A bulk of the Dalit entrepreneurs are naïve, amateur and budding entrepreneurs have no technical, managerial and organisational experience. Those of them with work experience in the field chosen are faring well but still lack managerial skills. Also, they are lacking a well-informed advice on these aspects. They often have to depend on their own limited experience or on advice from ‘not so well informed’ family and friends. It was observed that many entrepreneurs in the retail sector have sold-off their goods on credit and encountering difficulties in recovering it. Unable to recover cost of goods they are handicapped with working finance resulting in discontinuity of the business. Training in soft skills (communication, interpersonal relationship, leadership, time management, team-work); financial management, managerial skills, is a necessity. Training and mentorship need to be imparted on a continuous basis. It is recommended that a **One-stop Training and Mentorship Centre** be started which will impart the required training, guidance and handholding with defined outputs and outcomes.
- 2) Most of the enterprise units supported with DBS social investment assistance grant are in the informal sector and tiny in scale. Along with physical and financial capital, social capital is equally important to get connected to networks of business contacts, clients or customer base developed for sustainability of business. It was observed that a few of the units have been linked to the Government departments for captive demand. This is needed initially till the enterprise withstands, entrepreneurs need to be competitive and make their presence in the market eventually.
- 3) It is crucial for the DBS entrepreneur to establish his/her credit worthiness for running the enterprise. Often working capital requirements and transactions with respect to formal or informal sources of credit and transactions with inputs and/or raw material suppliers/distributors can be successfully met with such credit worthiness. DBS entrepreneurs need to be trained in earning and sustaining such credit worthiness in the market/industry.
- 4) It is explicit from the field-visits and discussions with the Dalit entrepreneurs along with other community leaders, that there has not been any prior assessment or knowledge gathered on the capacity of the local economy and the demand for goods and services produced by the newly set-up DBS enterprises. Industry and Trade associations like the DICCI (Dalit Indian Chamber of Commerce and Industry) State Chapter can be roped in for setting up one-stop resource centre for market studies, identification of potential enterprises and promotion of DBS enterprises.
- 5) As DBS enterprises have entered the local market in one go, some of them could meet the unmet demand but for others especially in the retail and supply and services demand became a constraint. DBS units facing such problem need to create differential product/service to make an entry into the market and capture market share. They also have to cater to customers from outside the local economy to realise their full potential.
- 6) For certain allied agriculture units local market has adequate demand, however there are issues with the supply side. Dairy farm is a case in point where there is no dearth of

demand, due to Mulknoor Cooperative Society and Karimnagar Dairy procuring milk, however there are supply side issues with the DBS supported Mini-Dairy-Farms like selection of breed, over pricing of animals, procuring from long distance, fodder, animal health services and so on. These need to be resolved for effective functioning of dairy plants.

- 7) It was observed that some DBS entrepreneurs have failed initially in a particular activity, but have shifted to a second activity with some success. Flexibility may be given to the beneficiaries for taking up diverse activities on a small scale
- 8) Annual audit is recommended at the end of the financial year for the assets created by DBS which will bring in accountability to the scheme
- 9) It is observed that there has not been any attempt or effort connecting the first-generation Dalit entrepreneurs with skill development sector offering various programmes in skill development. Few private skill development centres have come up but their services were found to be unprofessional and inadequate. It is recommended that a **Skill Training Centres** be set up in Huzurabad in collaboration with any of the existing competitive skill training institutes like the NSTI (National Skill Training Institute) in Hyderabad, NISD (National Institute for Skill Development), TATA Strive, AICTE and so on.
- 10) The services needed by the DBS entrepreneurs related to the business activities they take up can be identified and skills imparted to meet such requirements. For example veterinary services are required by the poultry and dairy units; machinery repair for automobiles; composting of farm yard manure for horticulture units etc wherein such skills can be given to DBS entrepreneurs or local youth through the Skill Training Centre to cater to the needs of the DBS enterprises.
- 11) There is a necessity for an inbuilt monitoring mechanism which monitors the setting up and functioning of the DBS units on a continuous basis. This can act as a nodal agency and work in coordination with related departments and agencies in resolving the issues faced by the DBS entrepreneurs. The present system is limited only to accessing the DBS units by beneficiaries.
- 12) Quotas or reservations are created in allotment of licenses, permits in sectors like wineries, pharmacies, fertiliser stores, and rice mills, contract agencies in Govt. hospitals by health department and contracts in irrigation department and so on. However a proper platform with data base on policies, programmes and entrepreneur details with an interactive dashboard needs (on the lines of MGNREGS) to be in place, easily accessible to the beneficiaries and other stakeholders to track, and monitor.

Appendix-1

Report on Economic Returns of Dalit Bandhu Scheme

This Appendix section consist of first two phases of the study 1) **Quick Evaluation of Potential Economic Returns of DBS Social Investment;** and 2) **Rapid Assessment Survey in Huzurabad Constituency.**

Appendix-1a

Economic Returns to Public Social Investment under *Dalit Bandhu* Scheme in Telangana: A Quick Evaluation of Potential Returns

A1a.1. Introduction

Government of Telangana has introduced *Dalit Bandhu* Scheme (DBS) supporting prospective entrepreneurs belonging to Scheduled Castes (SCs) community in the state. The scheme was announced on 16th October 2021. Initially, on a pilot basis, the scheme (DBS) is rolled out during 2021-22 particularly in Huzurabad Constituency in Karimnagar district on a Saturation Mode, i.e. all the households belonging to SC community in the Constituency (Universal to SCs) is to get such support. DBS is to provide a financial support worth of Rs. 100000 (rupees ten lakhs) per prospective entrepreneurial household in a single instalment for their entrepreneurial activity or unit. Around 1800 households in Huzurabad Constituency received such support and nearly 16000 units of entrepreneurial activities have been made to be grounded by these households. A majority of such units are grounded for functional operation and yielding factor incomes during the 2022-23. In this backdrop, an attempt is made to understand and estimate using macroeconomic framework of growth accounting and cost-benefit procedures the potential economic and social return of such public social investment scheme rolled out particularly in Huzurabad Constituency.

A1a.2. Method of Evaluation and Observations

As mentioned above, based on the macroeconomic framework while applying growth accounting and cost-benefit procedures, the economic returns of the public social investment under the Dalit Bandhu Scheme of Telangana are evaluated for understanding its potentials in terms of such returns. A very basic simulation exercise is conducted for the period of next 15 years in order to derive the potential returns to the social investment under DBS. We have applied in this simulation exercise the economy level rates such as incremental capital-output ratio (ICOR), saving rate and depreciation (consumption of fixed capital) rate. Given the initial investment and considering it as initial capital stock, a constant representing the ICOR yields the gross value added (GVA) in a year that the capital stock and annual additions of investment can generate. Applying a saving rate to GVA (considering it a factor income) would yield the value of Savings potential of yielding same level of investment. While the Depreciation would levels-down and investment levels-up the stock of capital and thereby there is a change in capital stock for the subsequent year. The sequence repeats for subsequent year for the period of next 15 years considered for the analysis. Further, flow of annual Value-added during the period is evaluated at discounted rate of 5%. The Present Value and Net Present Value are derived as follows.

Present Value (PV) = $\text{Sum} \{ (\text{annual value added}) / [(1+r)^t] \}$
Net Present Value (NPV) = PV – Initial Investment

Table 1. Summary of Potential Economic Return to Social Investment under *Dalit Bandhu* Scheme (DBS) of Telangana State Government

SI No	Details	Unit	Value
1	2	3	4
1	Entrepreneurs Households Supported	Nos	18000.0
2	Units Setup	Nos	16000.0
3	Financial worth of each Support	Rs. Lakh	10.0
4	Total Investment	Rs. Crores	1800.0
5	Security Deposits	Rs. Crores	18.0
6	Investment flown out from the Scheme	Rs. Crores	1782.0
7	Possible Sale value of Investment/capital goods generated by the Investment	Rs. Crores	1782.0
8	GST of Investment Goods@10%	Rs. Crores	178.0
9	Sale Value of Investment Goods excluding GST	Rs. Crores	1604.0
10	Value Added to Output or Sales in Capital Goods Sector	%	30.0
11	Possible Gross Value Added for Investment Goods it could generate @30% of Ouput/Sales Value	Rs. Crores	481.0
12	Total plough back Value to Economy in initial year	Rs. Crores	677.0
13	ICORs	Rate	10 to 4
14	Gross Value Added (GVA) that the investment can generate during next 15 years based on ICORs ranging from 10 to 4 for different years	Rs. Crores	4177.0
15	Gross Value of Output (GVO) for the next 15 Years	Rs. Crores	9282.0
16	Taxes on Gross Value of Output (GVO) @8% in next fifteen years	Rs. Crores	743.0
17	Total Value the investment has generated during the next 15 years period	Rs. Crores	5597.0
18	Ratio of economic returns to initial investment	Ratio	3.1
19	Present value (PV) of the GVA @5% discount rate	Rs. Crores	2935.0
20	Present value (PV) of the Taxes @5% discount rate	Rs. Crores	522.0
21	Present value (PV) of the GVA and Taxes @5% discount rate	Rs. Crores	4134.0
22	Ratio of Present Value (PV) of returns to Initial Investment	Ratio	2.3
23	Net Present Value (NPV) – discounted Additional Value Generated after subtracting Initial Investment	Rs. Crores	2334.0
24	Ratio of NPV to Initial DBS Social investment	Ratio	1.3

Note: GVO is derived based on the assumed rate that GVA is at 45% of GVO.

Source: Experts' Estimates, CESS.

Resulted estimates of simulation exercise as presented in Table-1 are very much prospectively promising. It is generally considered that any NPV greater than value zero (0) is a project worth and value added one. The potential NPV of the DBS is around Rs. 2334 crores which is 1.3 times the initial investment under the scheme. Therefore the DBS of Telangana state government is very much a prospectively promising scheme of intervention developing *dalit* entrepreneurs while supporting them with initial capital required.

Table 2. Detailed Year-wise Estimates of Economic Returns to Social Investment under Dalit Bandhu Scheme (DBS) in Telangana – Simulation

Year	Current Prices									Discounted Value		
	K	ICOR	GVA	GVO	Savings @30%	Investment =Savings	Depreciation @10%	Change in K	Taxes	GVA	Taxes	All
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>
0	1600	10	160	356	48	48	160	1488	28	160	28	188
1	1488	8	186	413	56	56	149	1395	33	177	31	209
2	1395	6	233	517	70	70	140	1325	41	211	37	248
3	1325	5	265	589	80	80	133	1272	47	229	41	270
4	1272	4	318	707	95	95	127	1240	57	262	47	308
5	1240	4	310	689	93	93	124	1209	55	243	43	286
6	1209	4	302	672	91	91	121	1179	54	226	40	266
7	1179	4	295	655	88	88	118	1150	52	210	37	247
8	1150	4	287	639	86	86	115	1121	51	195	35	229
9	1121	4	280	623	84	84	112	1093	50	181	32	213
10	1093	4	273	607	82	82	109	1066	49	168	30	198
11	1066	4	266	592	80	80	107	1039	47	156	28	183
12	1039	4	260	577	78	78	104	1013	46	145	26	170
13	1013	4	253	563	76	76	101	988	45	134	24	158
14	988	4	247	549	74	74	99	963	44	125	22	147
15	963	4	241	535	72	72	96	939	43	116	21	136
Sum	-	-	4177	9282	1253	1253	1914	-	743	2935	522	3457

Notes: K is Annual Capital Stock; ICOR – Incremental Capital-Output Ratio; GVA – Gross Value Added (excluding Taxes); GVO – Gross Value of Output (excluding Taxes); GVO is derived based on the assumed rate that GVA is at 45% of GVO.

Source: Experts' Estimates, CESS.

On the whole such quick evaluation of DBS using a macroeconomic framework applying the growth accounting and cost-benefit procedures appears to be promising in developing *dalit* entrepreneurs. Prospects of yielding economic returns in net present value are very much encouraging for implementing the scheme.

A1a.3. Caveats

Above method has certain caveats depending on actual grounding of the scheme at the ground level wherein the urge, motivation and entrepreneurial skills of the prospective entrepreneurs supported by the DBS of Telangana along with their continuity in enterprising mode is a great deal of concern in that respect. Majority of the prospective entrepreneurs supported by the DBS are first-generation entrepreneurs and hence their business organisation, marketing, sales, managerial, networking and accounting skill may not as competitive as that of in the market but it is promising that they will definitely learn such skill by doing. Initial hiccups are normally the implementation process and mechanism which matters most in success of the scheme. Possible leakages in the process of implementing would be discouraging. But the state government has taken certain measures to control such possibility.

A1a.4. Key Factors for Prospectus of *Dalit* Entrepreneurs

There are certain key factors that appear to be potential in contributing to the prospects of the state government intervention scheme. They are as follows.

Initial Endowment of Education and Aspirations of the SC Youth

Initial endowment of education appears to be most important factor in prospects of DBS success. School education in Telangana is near universalising wherein nearly 99 percent of 6-14 years-age children in the state are attending school and among children of the 6-17 years of age, it is around 95 percent. Gross enrolment ratio for higher education in the state at 39 percent is one of the highest in the country. Another estimate shows that nearly 63 percent of college-age (18-23 years of age) youth have either attending post-secondary education or completed the same. The attendance rates among children belonging to SC community are no less than that of non-SC/STs and non-OBCs. Along with normal public and private education institutions available in the state, Social Welfare Residential Schools and Colleges are found to have propound impact on educational development of the younger generation of SC community. Aspirations of the educated youth given on their knowledge and skills acquired through formal schooling or collegiate education would become a driving force for the entrepreneurial development. Observations made in our field visits are a testimony for such trend.

Previous Work Experience of the Field

Previous work experience of the field of entrepreneurial activity that the prospective entrepreneurs are interested in is also has potential for their success. Younger general in rural area have deviated from agriculture for their work choices and moving toward non-agricultural activities. Considerable proportion of educated youth have made into non-agriculture, mostly as worker or employee irrespective of their tenure. Such work experience in their chosen field would be helpful for them in their entrepreneurial activity. Our field visits have made such testimonies of this kind. It appeared that such entrepreneurial activities with previous work experience of the field are more prospective and promising.

A1a.5. Conclusion

The evaluation of the ***Dalit Bandhu*** scheme based on macroeconomic framework while applying the growth accounting and cost-benefit procedures in understanding its potentials has shown that economic returns in net present value are very promising and thereby the prospects of developing ***dalit*** entrepreneurs. Potentials of economic returns in net present value are very much encouraging for implementing the scheme

A1b: Report of the Rapid Assessment Survey on Economic Returns of Dalit Bandhu Scheme in Huzurabad Constituency

A1b.1. Context

The Dalit Bandhu Scheme (DBS) has been implemented in Huzurabad Constituency in August 2021 on a saturation mode with around 18,000 SC households grounding their units. At present, there are 18,021 Dalit families from Huzurabad Constituency that have benefited from the scheme and started their choice of units in the areas of Agriculture & Allied, Animal Husbandry, Manufacturing Sector, Retails Sector, Services / Supplies Sector, and Transport Sector. A rapid survey of the DBS was undertaken to assess the potential economic benefits from the scheme. These are assessed as the benefits: i) to the State in the form of GST; and ii) to the local economy in the form of additional demand generated through production activity and household consumption

The Rapid Assessment Survey (RAS) has randomly selected a sample of 131 units (enterprises) in four Mandals (Jammikunta, Huzurabad, Ellantakunta, Veenavanka) including two Municipalities (Jammikunta and Huzurabad) of Huzurabad Constituency in Karimnagar District.

Units that were grounded for operations six month before the survey were selected to assess the economic impact. The inquiry was confined to the broad classification of six types of units (*Agriculture Allied, Animal Husbandry, Manufacturing, Retails, Services / Supplies, and Transport*). Data was collected on the total investment (DBS and private), location of one time purchases of equipment/machinery and material, recurring purchase of raw material; number of hired workers; volume of sales for both normal season and peak season; household income before and after DBS and household consumption expenditure before and after DBS; and consumer durables purchased after DBS. The estimates of the economic benefits are arrived at by simulating to the population (1800 enterprises) based on the sample survey of 131 enterprises. These estimates are given below.

A1b.2. Investment: Public Investment of DBS has raised the Induced (personal) Investment

Any public investment has a tendency to crowd in private investment which is called the induced investment. The sample data shows there is an induced investment to the tune of 8.97 percent over the DBS investment. Till now the actual investment made under DBS is Rs 1,160.00 crore as second instalment in case of units belonging to manufacturing, retail, services, is yet to be released. Applying the induced investment percentage to the actual investment made we can arrive at an induced investment of Rs 104 crore (invested by DBS entrepreneurs from their own financial services at the start of their enterprise) making the total investment as 1,264 crore rupees. If the same percentage is applied to the total expected investment (which includes second instalment of funds) under DBS which is 1,782 crore rupees (excluding Rs 10,000 per entrepreneur retained as security deposit) the induced investment comes to 159.8 crore and a total of Rs 1,941 crore rupees. This implies that 8.97 per cent of additional investment (Induced Investment) has been made into the Local Economy. As a result, total investment in local economy would be Rs. 1,941.77 crores (Table 1).

Table 1: DBS and Induced Investment (Rs. Crores)

Estimates	Item	Dalit Bandhu assistance	Additional Personal Investment	Total Investment	Average % of Additional Investment to DBS
Actual	Total	1160.00	104.00	1264.00	9.0
Simulated	Total DBS Investment (Excl. Security Deposit)	1782.00	159.84	1941.84	9.0

Source: DBS Phase I Survey conducted by CESS

A1b.2. A Return to State Exchequer: Taxes (GST) Paid on Capital Goods

As per the Survey, 13 percent GST has been paid on average. The total of Rs. 158.63 crores have been paid by the entrepreneurs in the form of GST for creating Rs. 1,264 crores of assets. If we apply the 13 per cent GST rate to total investment of Rs. 1,941.77 crores, total of Rs. 243.69 crores would have been paid by the entrepreneurs to the government. If we derive the 50:50 shares between the Centre and the Government of Telangana Rs. 121.84 crores would be added to the State Exchequer (Table 2).

Table 2: GST Paid on Fixed Capital (Rs. Crores)

Estimates	Item	Amount
Actual	Total Investment Grounded	1264.00
	Total GST Paid on Investment Grounded	158.63
	Average Rate of GST paid on Investment Grounded	0.13
Simulated	Total Investment (excluding Rs.10000 as Security Deposit for each of Rs. 10.00 lakhs) including DBS and Private	1941.77
	Total GST Paid on Fixed Capital	243.69

Source: DBS Phase I Survey conducted by CESS

Note: GST Paid on Fixed Capital is based on the Invoices of the Sample Units.

Taxes (GST) paid on Purchase of Inputs

The survey indicated that DBS supported entrepreneurs spent on purchase of inputs to carry forward business an amount equivalent to 42 percent of actual investment grounded (of Rs 1264 crore). The estimated amount spent on purchase of inputs is Rs 533.10 crore. The survey also indicates that an average of 16 percent GST is paid on purchase of inputs by the entrepreneurs. Therefore a total of Rs. 86.00 crores have been paid by the entrepreneurs as GST on input purchases of Rs. 533.10 crores at 16%. The simulated estimate of annual input purchase is Rs. 818.98 crores of the expected total investment of Rs 1941.77 crore. By applying GST rate of 16% to simulated cost of purchase of inputs Rs. 818.98 crores, the entrepreneurs would have paid total Rs. 131.65 crores in the form of GST. If we derive the 50:50 shares between the Centre and the Government of Telangana about Rs. 65.83 crores could have added to the State Exchequer (Table 3).

Table 3: Annual Purchase of Inputs and GST Paid on them (Rs. Crores)

Estimates	Item	Amount
Actual	Annual Cost of Input Purchased	533.10
	Total GST Paid on Inputs	86.00
	Average Rate of GST Paid on Inputs	0.16
	Total Investment (DBS and Private) Grounded	1264.00
	Average Rate of Annual Cost of Purchase to Total Investment	0.42
Simulated	Total Investment (excluding Security Deposit)	1941.77
	Annual Cost of Inputs Purchase	818.98
	Total GST Paid on Inputs	131.65

Source: DBS Phase I Survey conducted by CESS

A1b.3. Additional Demand Generated: Local Economy of Huzurabad Constituency boosted owing to DBS

The demand in local Huzurabad Constituency Economy is created in two ways due to DBS. Firstly, the additional input demand created by entrepreneurs in local economy. Secondly, the additional demand for local goods and services created by entrepreneurs and their workers in the form of enhanced consumption expenditure.

Table 4: Additional Demand DBS Entrepreneurs Created in Local Economy (Rs. Crores)

Estimates	Item	Huzurabad Constituency	External	Total
Actual	Annual Cost of Purchased	438.80	94.3	533.10
	Average Share of Local & External	0.80	0.20	1.00
Simulated	Annual Cost of Inputs to be Purchased	655.18	163.80	818.98

Source: DBS Phase I Survey conducted by CESS

The survey indicates that the ratio of purchase of inputs between local (Huzurabad) and outside of Huzurabad is 8:2. Of the total annual purchase of inputs to the tune of Rs 533.10 crore by the DBS entrepreneurs, Rs. 438.80 crores comprising 80 percent of it is additional demand created for inputs within the local economy. Applying this share to simulated cost of purchases (Rs. 818.98 crores), the additional demand for local good and services turns out to be Rs. 655.18 crores (Table 4).

Additional Demand Generated by Employer and Workers: Consumption Expenditure has increased in the Local Economy of Huzurabad Constituency

The total monthly food, clothing and footwear expenditure of entrepreneurs have gone up by Rs. 4.97 Crores while in case of workers by Rs. 0.29 Crores. In total, the total demand for goods has gone in the tune of Rs. 5.26 Crores (Table 5).

Table 5: Additional consumption demand created by entrepreneurs and workers
(Rs. Crores)

Item	Before DBS	After DBS	Additional demand created
Employer			
Total Monthly Food Expenditure	8.15	9.52	1.37
Total Clothing and footwear (Yearly)	16.80	20.40	3.60
Worker			
Total Monthly Food Expenditure	0.96	1.08	0.12
Total Clothing and footwear (Yearly)	1.76	1.93	0.17
Total Additional Demand Created			5.26

Source: DBS Phase I Survey conducted by CESS

Similarly, additional demand after DBS for durable goods have enhanced by Rs. 16.27 Crores in the local economy.

Table 6: Additional Demand for Durable Goods (Rs. Crore)

Sl. No	Consumer Durable	Huzurabad constituency		Outside	
		Employer	Worker	Employer	Worker
1	Bicycle	0.12	0.01	0.02	
2	Motorcycle, scooter	5.82		0.73	
3	Electric fan	0.28		0.09	
4	Air cooler	0.14		0.57	
5	Refrigerators/freezers	0.50			
6	Water purifier			0.03	
7	Mixer/grinder	0.07			
8	Television	2.74	1.08		
9	Music systems	0.04			
10	Almirah	0.10			
11	Bed	0.08			
12	Chair, stool, bench, table	0.13	0.06		
13	Washing machines	0.30			
14	Electric iron	0.00			
15	Mobile phone	1.39	0.23	1.36	
16	PC/ laptop systems	0.09			
17	Sewing machine	1.86	1.22		
Total		13.67	2.60	2.82	0
Grand Total		16.27		2.82	

Source: DBS Phase I Survey conducted by CESS

With Rs. 1264 cores of total investment grounded, the additional demand in the local economy in terms of inputs purchased by entrepreneurs and additional consumption expenditure (food, non-food and durables) by workers and employers of DBS entrepreneurs, is Rs. 460.30 crores. It comprises 36 percent of the total investment grounded. For the simulated investment of Rs. 1941.77 crores, the additional demand created in the local economy would be Rs. 707.10 crores (Table 7).

Table 7: Additional Demand that DBS investment Created in the Local Economy (Rs. Crores)

Item	Amount
Actual Investment on Grounded (Rs. Cr)	1264.00
Additional Demand (Rs. Cr)	460.30
Rate: Average % of Additional Demand to Investment Grounded	0.36
Simulated Investment (Rs. Cr)	1941.77
Simulated Additional Demand (Rs. Cr)	707.10

Source: DBS Phase I Survey conducted by CESS

A1b.4. Incomes Generated by DBS Supported Entrepreneurs

The total income received from DBS to entrepreneurs amounts to Rs. 428.6 crores for the investment of Rs. 1264 crores. Applying the rate of 0.30 (or 30%) to the simulated Investment of Rs. 1941.8 crores gives simulated income of Rs. 658.40 crores. Considering the total beneficiaries of 18,000, the estimates indicate that on average individual entrepreneur received Rs. 30,483 per month (Table 8).

Table 8: Annual Turnover and Incomes Generated for DBS Supported Entrepreneurs

Item	Figures
Annual Turnover (Rs. Cr)	983.00
Cost of Input (Rs. Cr)	533.00
Wages/salary paid for hired workers (Rs. Cr.)	21.60
Income to Entrepreneurs (Rs. Cr)	428.60
Total Investment (Rs. Cr)	1264.00
Rate	0.30
Simulated Investment (Rs. Cr)	1941.80
Simulated Income (Rs. Cr.)	658.40
Total Entrepreneurs (Numbers)	18000.00
Simulated Income to Entrepreneurs (Rs. 0.00)	30483.00

Source: DBS Phase I Survey conducted by CESS

Change in Consumption Expenditure

Moreover, the average monthly food expenditure and Clothing and footwear expenditure for employer has increased by 16.8 percent and 21.7 percent respectively. Similar figures for workers are 13.3 percent and 10.9 percent (Table 9).

Table 9: Change in Consumer Expenditure

Item	Before DBS	After DBS	Percentage Increase
Employer			
Average Monthly Food Expenditure	6,893	8,054	16.8
Clothing and footwear (Yearly)	14,265	17,363	21.7
Worker			
Average Monthly Food Expenditure	3,356	3,803	13.3
Clothing and footwear (Yearly)	6,383	7,077	10.9
No of Hired Workers	21,802		

Source: DBS Phase I Survey conducted by CESS

The total workers hired from outside by these entrepreneurs is 21,802. This is in addition to the entrepreneurs engaging themselves in the operations of the units.

Summary Table of the Economic Returns of the DBS

Actual Investment	Induced Investment	Total Investment	GST paid (initial investment + annual input purchase)	Additional demand created to Huzurabad economy	Additional demand created to external economy
Actual scenario (Rs crore)					
1160.00	104.00	1264.00	244.63 (158.63 + 86.0)	460.30	97.12
Simulated scenario (Rs crore)					
1782.00	159.77	1941.77	375.34 (243.69 + 131.65)	707.10	163.80

A1b.5. Limitations

The Rapid Assessment Survey covers grounded enterprises which have been functioning for a period of 6 months at the time of survey. The potential has been estimated based on the assumption that the performance of other units is similar to those surveyed.

A1b.6. Conclusion

On the whole, *Dalit Bandhu Scheme* (DBS) the Social Investment Project meant for developing *Dalit Entrepreneurship* in the State has a promising start in the Huzurabad Constituency. It gives a hope that the DBS shall result in **Dalit Capitalism** in the State of Telangana in future.