INTRODUCTION:--

Bhiwandi city, the headquarter of the Tahsil of Bhiwandi, comes under the administration of Bhiwandi Nizampur City Municipal Corporation. The city is considered as a part of the Greater Mumbai Metropolitan agglomeration, along with Navi-Mumbai and the cities of Kalyan, Thane, Ulhasnagar, Dombiwali etc. According to the census of 2001, the total population of Bhiwandi city area was 598073.

The city of Bhiwandi, known for its Textile Industry has the largest number of Powerlooms in the country and is sometimes described as “The Manchester of India”. Major portion of the population in the city is employed by the Powerloom sector.

In the early 20th century, Bhiwandi was a small town, inhabited mainly by Maharashtrians and Konkani Muslims. Majority of population in those days was absorbed by the primary sector like agriculture, fishing and Handlooms. With the advent of electricity, the Handlooms began to be a hub of the Textile Industry in 1930. Bhiwandi city was known as “Islamabad” in the Moghul period.

The credit of turning Bhiwandi into a Textile city goes to Mr. Haji Abdus Samad, an illiterate trader from Uttar Pradesh. The economy of Bhiwandi mostly depends upon the Powerloom Industry. The decline of Mumbai Textile Mills spurred the growth of the Powerloom sector in Bhiwandi. In order to meet the demand for grey fabric, Powerloom centers sprang up in various parts of the state of Maharashtra. Textile and migrant workers come in droves to find work at these centers. Bhiwandi became the largest Powerloom centre in the county. The Government of Maharashtra estimates that over 40 lack people are dependent directly or indirectly on the looms of Bhiwandi.

Due to modernization and industrialization, handlooms are replaced by Powerlooms. Now a days, the maximum output of Powerloom Industries is done with the help of automatic machines. The textile machines are imported by the manufacturers from Japan, China and other countries. But, at the same time, proper training is not given by the manufacturers to the workers with the help of experts. It affects the output of Powerloom Industroes. The workers are basically divided into 2 categories i.e. skilled labours and unskilled labours. The skilled labours are getting more remuneration than that of unskilled labours. Due to the increase in prices of essential goods in the market, it is difficult for the workers to fulfill their basic requirements and to remit money for the members of the family at native places.
This textile industry is mainly financed by Banks, especially the Co-operative Banks as the leading Banks require too many documentation, the industry resorts to the Co-operative Banks in the city of Bhiwandi.

In the jurisdiction of Bhiwandi Municipal Corporation, the following Co-operative banks are functioning:-

- Gopinath Patil Parsik Janta Sahakari Bank Ltd.
- Dombivli Nagari Sahakari Bank Ltd.
- The Merchant Co-operative Bank Ltd.
- The Thane Central Co-operative Bank Ltd.
- Bhiwandi Nagarik Sahakari Bank Ltd.
- Thane Janata Sahakari Bank Ltd.
- Abhyudaya Co-operative Bank Ltd.
- The Bombay Mercantile Co-operative Bank Ltd.
- The Bharat Co-operative Bank Ltd.

The lending policy of the above said Co-operative Banks for Powerloom Industries is quite liberal. Eventually, the procedure for obtaining the loan is also easy as compared to the procedure for taking loan from Nationalized Banks. In Bhiwandi nearly 40% of the total Powerlooms have not taken permission from the Bhiwandi Municipal Corporation and their competent authority. Nationalized Banks therefore, are not interested in giving loans and advances to such Powerloom Industries. The loans sanctioned by Co-operative Banks to Powerloom Industries are in the form of working capital, hypothecation and mortgage.

The present proposal is an attempt to study the system of lending by Co-operative Banks in Bhiwandi city. It is an investigation into the development of powerloom industry in the city of Bhiwandi with the major share of finance by Co-operative Banks of the past recent decade from the financial year 2001-2002 to 2010-2011.