

Udyog Bhawan, New Delhi
2nd September, 2025

OFFICE MEMORANDUM

Subject: Constitution of Committee on Structural Reforms in the Textile Value Chain

1. Background

India's textile and apparel value chain spans from farm-based raw materials (cotton, jute, silk, wool) to fibres, yarns, fabrics, apparel, made-ups, carpets, technical textiles, and handicrafts. This value chain employs over 45 million people, contributes around 2% of GDP, and drives over USD 35–40 billion in annual exports. Despite its strengths, the sector faces deep-rooted structural challenges that limit productivity, integration, and competitiveness. Key issues include:

- **Fragmentation of the value chain**, with weak linkages between farm, fibre, and factory stages.
- **Low levels of modernization**, limited technology adoption, and inadequate R&D.
- **Inverted duty structures and high logistics costs**, making Indian textiles less competitive.
- **Quality, compliance, and sustainability gaps**, affecting India's integration into global value chains.
- **Underutilization of scale advantages**, especially in comparison with countries like China and Vietnam.

Addressing these structural bottlenecks is crucial to enable India to move up the value chain, achieve global competitiveness, and realize the target of USD 100 billion exports by 2030.

To this end, the Union Minister of Textiles has announced the constitution of a **“Committee on Structural Reforms in the Textile Value Chain.”**

2. Constitution of the Committee

The Committee on Structural Reforms in the Textile Value Chain (hereinafter “the Committee”) is hereby constituted as under to operate as an advisory body to the ministry of Textiles:

S.No	Role	Name/Designation
1	Chairperson	Chairman, TEXPROCIL
2	Vice Chairperson	Representative from Arvind Limited/ Vardhman Textiles Limited
3	Member	Member from EPCH
4	Member	Member from AEPC
5	Member	Member from MATEXIL
6	Member	Member from AICMA, Bhadohi
7	Member	Member from Panipat Cluster
8	Member	Representative, Textile Machinery Manufacturers' Association (TMMA)
9	Member	Member from CITI (Confederation of Indian Textile Industry)
10	Member Secretary	ED, TEXPROCIL

The committee will be submitting its report & recommendations to the Ministry of Textiles.

3. Objectives

- To assess the structural gaps and inefficiencies across the textile value chain, from fibre to finished product.
- To recommend reforms that improves integration, productivity, and scale across different segments.
- To align India's value chain with global best practices in technology, sustainability, and supply-chain efficiency.
- To propose actionable measures for fostering competitiveness, value addition, and high-quality employment.
- To support the long-term goal of making India a global hub for sustainable textiles, apparel, and technical textiles.

4. Functional Scope of Committee

The Committee shall undertake:

- I. **Value Chain Mapping:** Undertake a comprehensive review of India's textile value chain, identifying gaps in fibre availability, manufacturing capacities, technology use, and integration between segments.
- II. **Technology & Modernization:** Recommend measures to modernize weaving, processing, finishing, and apparel-making facilities and explore adoption of Industry 4.0 technologies, digital traceability, and automation.
- III. **Duty & Policy Framework:** Examine tariff structures, inverted duty anomalies, and fiscal policies impacting competitiveness and suggest policy measures to encourage domestic manufacturing of machinery and raw materials.

- IV. **Sustainability & Standards:** Propose reforms to strengthen environmental sustainability, circular economy practices, and global compliance standards and encourage certification, eco-labelling, and traceability in exports.
- V. **Cluster & Scale Enhancement:** Identify potential for scaling up production through integrated clusters, PM MITRA Parks, and industrial corridors and recommend skill development and cluster-specific reforms.
- VI. **Strategic Roadmap:** Formulate short-term (1–2 years), medium-term (3–5 years), and long-term (beyond 5 years) strategies for structural reforms and provide actionable recommendations for value addition, competitiveness, and integration into global supply chains.
- VII. **Stakeholder Engagement:** Consult with EPCs, industry associations, cluster representatives, machinery manufacturers, and international experts.
- VIII. The Committee may also recommend commissioned studies by institutions such as NITI Aayog, Textile Research Associations (TRAs), or academic think tanks like ICRIER.

5. **Timeline and Reporting**

- The Committee shall convene its first meeting within **15 days** of constitution.
- **Interim progress report** to be submitted within **4 weeks**.
- A final comprehensive report, including an action plan with short-term (1-2 years), medium-term (3-5 years), and long-term (beyond 5 years) strategies, shall be submitted within 3 months.

6. **Secretariat and Resources**

- Nodal EPC shall provide secretarial support and research inputs.



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To,

1. Chairman, TEXPROCIL
2. All the members of Committee

Copy for information to: PPS to MoT/ PPS to HSMoT/ PPS to Secretary (T).

  