

Kerala State Sericulture vs State of Kerala

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Court : Kerala

Decided On : Jan-21-2022

Judge : Honourable Mr.Justice N.Nagaresh

Appeal No. : WP(C)/35173/2016

Appellant : Kerala State Sericulture

Respondent : State of Kerala

Judgement :

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT THE HONOURABLE MR.JUSTICE N.NAGARESH FRIDAY,
THE 21ST DAY OF JANUARY 2022 / 1ST MAGHA, 1943 WP(C) NO.
35173 OF 2016 PETITIONER: KERALA STATE SERICULTURE CO-
OPERATIVE APEX SOCIETY LTD.NO.K.V.IND-2, (SERIFED), TC
NO.16/1709(2), ULLOOR LANE, DPI JUNCTION,
THIRUVANANTHAPURAM-695 014, REPRESENTED BY ITS
CHAIRMAN VICTOR T.THOMAS. BY ADVS. SRI.P.RAVINDRAN (SR.)
SRI.LIJU.V.STEPHEN RESPONDENTS:

1 STATE OF KERALA REPRESENTED BY ITS CHIEF SECRETARY,
INDUSTRIES (K) DEPARTMENT, GOVERNMENT SECRETARIAT,

THIRUVANANTHAPURAM-695 001. 2 THE SECRETARY DEPARTMENT OF INDUSTRIES, GOVERNMENT SECRETARIAT, THIRUVANANTHAPURAM-695 001. 3 THE COMMISSIONER FOR RURAL DEVELOPMENT DIRECTORATE OF SERICULTURE, GOVERNMENT OF KERALA, SWARAJ BHAVAN, NANTHENCODE, KOWDIAR POST, THIRUVANANTHAPURAM-695 003. 4 UNION OF INDIA REPRESENTED BY ITS SECRETARY, MINISTRY OF TEXTILES, UDYOGBHAVAN, WEST BLOCK 7, R.K.PURAM, NEW DELHI-110 066.

:2: BY ADVS. SHRI.N.MANOJ KUMAR, STATE ATTORNEY SRI.M.L.SURESH KUMAR, CGC SRI.P.G.PRAMOD, GOVERNMENT PLEADER THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 21.01.2022, ALONG WITH WP(C).15961/2020, DELIVERED THE FOLLOWING: :3:

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT THE HONOURABLE MR.JUSTICE N.NAGARESH FRIDAY, THE 21ST DAY OF JANUARY 2022 / 1ST MAGHA, 1943 WP(C) NO. 35303 OF 2016 AGAINST THE ORDER/JUDGMENT IN ID 58/1999 OF INDUSTRIAL TRIBUNAL, ALAPPUZHA PETITIONERS:

1 MINIMOL NS AGED 45 YEARS, D/O. KARTHIKEYAN, RESIDNG AT MANNAMNIKARTHIL, PATTANAKKAD, P.O, ALAPPUZHA DISTRICT PIN-688531. 2 SHEELA AL AGED 51 YEARS W/O. MOHANAN, POLLEVELI, CMC 34, CHERTHALA P.O. ,ALAPUZHA -688 524. 3 KANCHANA AS AGED 49 YEARS W/O. GIRISH, ANJILI PARAMBIL, ANDHAKARANAZHI P.O., ALAPPUZHA DISTRICT. PIN- 688 531. 4 AMBIKADEVI K.T. AGED 54 YEARS W/O. SALIM, KARUNA HOUSE, MUHAMMA P.O., CHERTHALA, ALAPUZHA DISTRICT-688 525. 5 GEETHA T V AGED 52 YEARS W/O. UDAYAN, THANDASSERIL, ANDHAKARANAZHI P.O., ALAPPUZHA DISTRICT-588 531. 6 NISSABEEVI PH AGED 49 YEARS W/O. A.N NAWAS, BEEMA

MANZIL, PATTANAKKAD P.O., ALAPPUZHA DISTRICT-688 531. 7 PRASOBHA T P AGED 49 YEARS W/O. LAL, PUTHUPALLI, CMC 1, CHERTHALA P.O., ALAPUZZHA DISTRICT-688 524.

:4: 8 MANGALADEVI K AGED 46 YEARS W/O. SHIBU, CHIRAYIL, KOKOTHAMANGALAM P.O., ALAPUZZHA DISTRICT. PIN- 688 543. 9 AISHA B AGED 54 YEARS W/O. SHANMUGHAN, KANDANADUVELI, VAYALAR P.O., ALAPUZZHA DISTRICT. PIN-688 531. BY ADVS. SRI.C.V.MANUVILSAN SRI.T.K.SUJITH SMT.K.VIDYA SRI.M.V.VIPINDAS RESPONDENTS:

1 KERALA STATE SERICULTURE CO-OPERATIVE FEDERATION LTD (SERIFED) OFFICE AT PANCHAPURA, NANDAVANAM, VIKAS BHAVAN P.O., THIRUVANANTHAPURAM, REPRESENTED BY ITS MANGING DIRECTOR. PIN- 695 033. 2 THE KERALA KHADI & VILLAGE INDUSTRIES BOARD REPRESENTED BY ITS SECRETARY, THIRUVANANTHAPURAM-695 001 3 THE STATE OF KERALA REPRESENTED BY THE SECRETARY, DEPARTMENT OF INDUSTRIES, GOVERNMENT OF KERALA, SECREARIAT, THIRUVANANTHAPURAM-01. 4 THE DISTRICT LABOUR OFFICER CIVIL STATION, ALAPPUZZHA-688001

BY ADVS. SHRI.N.MANOJ KUMAR, STATE ATTORNEY SRI.N.RAJAGOPALAN NAIR SRI.P.G.PRAMOD, GOVERNMENT PLEADER SRI.T.V.GEORGE THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 21.01.2022, ALONG WITH WP(C).35173/2016 AND CONNECTED CASES, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING: :5:

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT THE HONOURABLE MR.JUSTICE N.NAGARESH FRIDAY, THE 21ST DAY OF JANUARY 2022 / 1ST MAGHA, 1943 WP(C) NO. 40553 OF 2016 PETITIONER: THIRUVANANTHAPURAM TALUK

SERICULTURE CO-OPERATIVE SOCIETY LTD.NO.KV.IND(T) 309, THIRUVANANTHAPURAM, REPRESENTED BY ITS SECRETARY. BY ADV SRI.D.SOMASUNDARAM RESPONDENTS:

1 STATE OF KERALA REPRESENTED BY THE CHIEF SECRETARY, GOVERNMENT SECRETARIAT, THIRUVANANTHAPURAM 695 001. 2 THE PRINCIPAL SECRETARY DEPARTMENT OF INDUSTRIES, GOVERNMENT SECRETARIAT, THIRUVANANTHAPURAM - 695 001. 3 FINANCE SECRETARY TO GOVERNMENT OF KERALA GOVERNMENT SECRETARIAT, THIRUVANANTHAPURAM - 695 001. 4 KERALA STTE SERICULTURE CO-OPERATIVE APEX SOCIETY LTD.NO.KVIND 2 (SERIFED) T.C 16/1709(2), ULLOOR LANE,DPI JUNCTION, THIRUVANANTHAPURAM - 695 004, REPRESENTED BY THE MANAGING DIRECTOR.

BY ADVS. SRI.P.G.PRAMOD, GOVERNMENT PLEADER SRI.T.V.GEORGE, SC, SERIFED SHRI.N.MANOJ KUMAR, STATE ATTORNEY THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 21.01.2022, ALONG WITH WP(C).35173/2016 AND CONNECTED CASES, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING: :6:

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT THE HONOURABLE MR.JUSTICE N.NAGARESH FRIDAY, THE 21ST DAY OF JANUARY 2022 / 1ST MAGHA, 1943 WP(C) NO. 40618 OF 2016 PETITIONER: NEYYATTINKARA TALUK SERICULTURE CO-OPERATIVE SOCIETY LTD. NO K.V. IND (T) 314, BP III/820, KATTAKADA ROAD, BALARAMAPURAM P.O, THIRUVANANTHAPURAM 695 509, REPRESENTED BY ITS PRESIDENT. BY ADVS. SRI.C.V.MANUVILSAN SMT.K.VIDYA SRI.P.CHANDRASEKHAR RESPONDENTS:

1 STATE OF KERALA REPRESENTED BY THE CHIEF SECRETARY,
GOVERNMENT OF KERALA, SECRETARIAT,
THIRUVANANTHAPURAM - 01 2 DEPARTMENT OF INDUSTRIES
REPRESENTED BY ITS SECRETARY, GOVERNMENT OF KERALA,
SECRETARIAT, THIRUVANANTHAPURAM 01. 3 PRINCIPAL
SECRETARY TO FINANCE GOVERNMENT OF KERALA,
SECRETARIAT, THIRUVANANTHAPURAM 01. 4 THE KERALA STATE
SERICULTURE CO-OPERATIVE APEX SOCIETY LTD NO K.G. IND 2
(SERIFED), T.C NO 16/1709 (2), ULLOOR LANE, DPI JUNCTION,
THIRUVANANTHAPURAM 14, REPRESENTED BY ITS MANAGING
DIRECTOR.

:7:

5 CENTRAL SILK BOARD MINISTRY OF TEXTILES, GOVERNMENT
OF INDIA, 100 FT RING ROAD, BTM LAYOUT, MADIWALA,
BANGALORE 68, KARNATAKA REPRESENTED BY ITS MEMBER
SECRETARY. 6 UNION OF INDIA. MINISTRY OF TEXTILES,
GOVERNMENT OF INDIA, 542A, UDYOG BHAWAN, NEW DELHI 110
011, REPRESENTED BY ITS SECRETARY. 7 THE COMMISSIONER
FOR RURAL DEVELOPMENT COMMISSIONERATE OF RURAL
DEVELOPMENT, 4TH FLOOR SWARAJ BHAVAN, NANTHANCODU,
KOWDIAR, THIRUVANANTHAPURAM 03.

BY ADVS. SHRI.N.MANOJ KUMAR, STATE ATTORNEY
SRI.T.V.GEORGE, SC, SERIFED SRI.P.G.PRAMOD, GOVERNMENT
PLEADER SRI.SHRI HARI RAO, CGC THIS WRIT PETITION (CIVIL)
HAVING COME UP FOR ADMISSION ON 21.01.2022, ALONG WITH
WP(C).35173/2016 AND CONNECTED CASES, THE COURT ON THE
SAME DAY DELIVERED THE FOLLOWING: :8:

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT THE HONOURABLE MR.JUSTICE N.NAGARESH FRIDAY,
THE 21ST DAY OF JANUARY 2022 / 1ST MAGHA, 1943 WP(C) NO.
8550 OF 2017 PETITIONER: FEDERATION OF KERALA SERI
CULTURE CO-OPERATIVE SOCIETIES (HEREINAFTER CALLED AS
'SERICOS') FLAT NO.4D, HEERA HERITAGE,JAGATHY,
TRIVANDRUM PIN-695004,REPRESENTED BY ITS JOINT
SECRETARY,RAJESH.V.R. AGED 39 YEARS, S/O. LATE RAJAPPAN
NAIR,RESIDING AT VANCHIMALAYIL HOUSE, KUTTOOR PO.,
TIRUVALLA, PIN-689106 BY ADVS. SRI.T.V.GEORGE SRI.JIMMY
GEORGE THADATHIL RESPONDENTS: 1 STATE OF KERALA
REPRESENTED BY THE CHIEF SECRETARY, GOVERNMENT
SECRETARIAT ,TRIVANDRUM PIN-695001 2 PRINCIPAL
SECRETARY DEPARTMENT OF INDUSTRIES, GOVERNMENT
SECRETARIAT, TRIVANDRUM PIN-695001 3 PRINCIPAL
SECRETARY TO FINANCE DEPARTMENT GOVERNMENT
SECRETARIAT, TRIVANDRUM PIN-695001 BY ADVS.
SRI.P.G.PRAMOD, GOVERNMENT PLEADER SHRI.N.MANOJ
KUMAR, STATE ATTORNEY THIS WRIT PETITION (CIVIL) HAVING
COME UP FOR ADMISSION ON 21.01.2022, ALONG WITH
WP(C).35173/2016 AND CONNECTED CASES, THE COURT ON THE
SAME DAY DELIVERED THE FOLLOWING: :9:

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT THE HONOURABLE MR.JUSTICE N.NAGARESH FRIDAY,
THE 21ST DAY OF JANUARY 2022 / 1ST MAGHA, 1943 WP(C) NO.
15961 OF 2020 PETITIONER: KERALA STATE SERICULTURE CO-
OPERATIVE FEDERATION LTD. NO.K.V.IND-2(SERIFED), T.C.
NO.16/1709(2), ULLOOR LANE, DPI JUNCTION,
THIRUVANANTHAPURAM-695014, REPRESENTED BY ITS
CHAIRMAN VICTOR T. THOMAS. BY ADVS. LIJU.V.STEPHEN
SMT.INDU SUSAN JACOB RESPONDENTS:

1 STATE OF KERALA REPRESENTED BY ITS CHIEF SECRETARY, GOVERNMENT OF KERALA, GOVERNMENT SECRETARIAT, THIRUVANANTHAPURAM - 695001. 2 THE SECRETARY DEPARTMENT OF INDUSTRIES, GOVERNMENT OF KERALA, GOVERNMENT SECRETARIAT, THIRUVANANTHAPURAM - 695001. 3 THE COMMISSIONER FOR RURAL DEVELOPMENT, DIRECTORATE OF SERICULTURE, GOVERNMENT OF KERALA, SWARAJ BHAVAN, NANTHANCODE, KOWDIAR POST, THIRUVANANTHAPURAM-695003. 4 UNION OF INDIA REPRESENTED BY ITS SECRETARY, MINISTRY OF TEXTILES, UDYOGBHAVAN, WEST BLOCK 7, R.K. PURAM, NEW DELHI-110066.

: 10 : 5 CENTRAL SILK BOARD, REPRESENTED BY ITS MEMBER SECRETARY AND CHIEF EXECUTIVE OFFICER, MINISTRY OF TEXTILES, GOVERNMENT OF INDIA, 100FT. RING ROAD, B.T.M. LAYOUT, MADIWALA, BANGALORE - 560068 BY ADVS. SMT.O.M.SHALINA, CGC SRI.P.G.PRAMOD, GOVERNMENT PLEADER SHRI.N.MANOJ KUMAR, STATE ATTORNEY THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 21.01.2022, ALONG WITH WP(C).35173/2016 AND CONNECTED CASES, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING: : 11 :

N. NAGARESH, J.

..... W.P.(C) Nos.35173,
35303, 40553 and 40618 of 2016, 8550 of 2017 and 15961 of 2020
..... Dated this the 21st day of
January, 2022

JUDGMENT

All these writ petitions relate to the proposals for liquidation and revival of the Kerala State Sericulture Co-operative Apex Society Limited (SERIFED). The writ petitions have been filed based on same set of facts and raise same issues of law. They are hence heard together and disposed of by a common judgment.

2. W.P.(C) No.35173/2016 is filed by the SERIFED

seeking to command the 1st respondent to do the necessary for strengthening of sericulture in the State of Kerala pursuant to the undertaking given before this Court in W.P. : 12 :

(C) No.31446/2010. The petitioners seek to quash Ext.P14

order dated 07.01.2017 of the Government of Kerala wherein

the Government has taken a decision not to proceed further with the proposal for reviving SERIFED based on certain facts. The SERIFED subsequently filed W.P.(C) No.15961/2020 seeking to set aside Ext.P4 Government

order dated 08.05.2020 by which the Government decided to

seek review of the interim orders of this Court dated 03.12.2019 and 20.12.2019.

3. The Federation of Kerala Sericulture Co-operative

Societies, Trivandrum has filed W.P.(C) No.8550/2017 seeking to quash Ext.P8 order dated 07.01.2017 of the Government of Kerala and to command the respondents to implement the directions contained in Ext.P4 judgment in

W.P.(C) No.31446/2010 and Ext.P6 Government Order

dated 05.08.2015.

4. The Thiruvananthapuram Taluk Sericulture

Co-operative Society Limited and the Neyyattinkara Taluk Sericulture Co-operative Society Limited, have filed W.P.(C) : 13 : No.40553/2016 and W.P.(C)

No.40618/2016 respectively. The petitioners in these writ petitions seek to direct the respondents to implement Ext.P1 Scheme for the restructure of sericulture industry in Kerala prepared by The Textile and Traditional Industries Protection Council (TIPCO), Thiruvananthapuram.

5. Nine employees of the SERIFED have filed W.P.

(C) No.35303/2016 praying to declare that they are entitled

for permanency in the lowest grade available in the management establishment with effect from 01.12.2002 with protection to existing emoluments they are getting in average in view of Ext.P1 Award dated 23.11.2002 in I.D. No.58/99 of the Industrial Tribunal, Alappuzha. The parties and exhibits are referred to in this judgment as they are arrayed/marked in W.P.(C) No.35173/2016, unless otherwise specified.

6. The petitioner in W.P.(C) No.35173/2016, the

Kerala Sericulture Co-operative Apex Society Limited (SERIFED), states that the petitioner is the Apex Society to which Taluk Level Sericulture Co-operative Societies are : 14 : affiliated. The Government of Kerala decided to encourage and develop sericulture in the State of Kerala and the petitioner-Apex Society was formed to achieve the said purpose. The petitioner-SERIFED was registered in accordance with the provisions of the Kerala Co-operative Societies Act and was brought into existence in the year 1994.

7. The SERIFED did not perform well and the

Government took a decision on 15.03.2010 to liquidate SERIFED and to deploy its staff to the Departments of Local Self Government, Rural Development and Kerala Khadi and Village Industries Board. The Government decision was to result in loss of employment to substantial number of persons engaged in sericulture. The Taluk level societies submitted representations to the Government requesting that the status quo of SERIFED as a Co-operative Apex/Federation be retained and the orders of liquidation of the federation be withdrawn. They also requested the Government to consider the new Scheme submitted for the : 15 : restructure of the

sericulture industry in the State, jointly by the Department of Sericulture and SERIFED.

8. The order of appointment of liquidator to the Taluk

level societies was challenged filing W.P.(C) No.31446/2010. The Government filed a counter affidavit in the writ petition expressing its decision to revive the SERIFED and invigorate its activities, making available necessary funds. Recording the said undertaking, the writ petition was disposed of as per Ext.P5 judgment dated 20.03.2015 directing the Government to take necessary action within a period of six months.

9. Taking note of the representations from various

quarters, a meeting was convened by the Minister for Industries, in which representatives of Central Silk Board, Kerala Khadi and Village Industries Board, Department of Rural Development and Presidents of Taluk level Societies participated. In the said meeting held on 28.01.2015, it was decided that the Sericulture especially, the post-cocoon activities should be revived and steps in this regard should be taken earnestly. : 16 :

10. The Government of Kerala required the Central

Silk Board to submit a feasibility report with regard to the revival of post-cocoon sector through SERIFED. The Central Silk Board conducted a detailed study and submitted Ext.P6 Feasibility Report dated 30.03.2015. The Government thereupon issued Ext.P7 order dated 05.08.2015 undertaking to provide financial support and steps for releasing funds

from the Central Government as agreed to. By Ext.P8 order

dated 08.09.2015, the Government required appointment of an Administrative Committee for the functioning of the SERIFED. By Ext.P9 order dated 26.03.2016, the Secretary, Kerala Khadi and Village Industries Board was required to act as Managing Director of SERIFED.

11. According to the petitioner, the Government of

India has promised to release 80% of the financial requirement. The contribution of the State Government for the revival of sericulture as per the proposal of the Central Silk Board is to be less than 20%. The central fund would be released after the State Government disburses its share. The : 17 : Chairman of the SERIFED therefore submitted Ext.P10 representation dated 20.04.2016 requesting the State Government to make provision in the budget as additional authorisation. The Ministry of Textiles of the Government of India as per Ext.P13 order dated 08.09.2016, sanctioned various amounts for the post-cocoon sector. Utilisation of the Central Fund is possible only if the State Government releases State share. To the shock and predicament of the

petitioner-SERIFED, the Government issued Ext.P14 order

dated 07.01.2017 intimating that the Government has taken a decision not to give effect to Ext.P7 decision dated 05.08.2015 proposing revival of SERIFED. Ext.P14 order is under challenge in W.P.(C) No.35173/2016.

12. During the pendency of the writ petitions,

Government of Kerala issued G.O. dated 08.05.2020 (Ext.P4 in W.P.(C) No.15961/2020) whereunder the Government has decided to seek review of the interim orders dated 03.12.2019 and 20.12.2019 of this Court. The said interim orders were passed directing the Government to convey its : 18 : willingness by affirming the availability of the States matching fund. The SERIFED thereupon filed W.P.(C) No.15961/2020 challenging the said G.O. dated 08.05.2020.

13. The petitioners argued that as per the bye-laws of

the SERIFED, the first Board of Management of SERIFED shall be composed of the persons nominated by the Government and its tenure in the office shall not exceed six months. The nominated committee therefore should have conducted election within six months. The nominated committee did not take any steps to register or affiliate Taluk level sericulture co-operative societies. The omission was deliberate as registration and affiliation of Taluk level societies would have forced

the nominated committee to convene General Body meeting and conduct election.

14. During the period of the nominated Board, there

were 17 Taluk level Sericulture Co-operative Societies registered under the Kerala Co-operative Societies Act. However, the nominated Board gave affiliation only to 5 of the 17 Societies. The nominated Board did not take any : 19 : steps to increase the number of members/ affiliated Societies. This was with the ulterior motive of avoiding formation of an elected Board of Management. Due to the non-affiliation of Societies, the nominated Board could continue in power indefinitely. The nominated Board did not convene general body meetings for several years. At the same time, Government funds were diverted and misused. No annual budget or balance sheet was presented before the general body.

15. The petitioners further argued that there were only

5 Taluk level Societies affiliated to the SERIFED. But, the nominated Board of Management of SERIFED recruited about 300 employees, opening District Level Sericulture offices purportedly to oversee the five affiliated Societies. The appointments were in violation of Section 80 of the Kerala Co-operative Societies Act. The SERIFED did not require more than 25 employees. The plan funds provided by the Central Government, the Central Silk Board and State Government intended to develop sericulture in the State, : 20 : were diverted to pay salary to 300 illegally and unnecessarily recruited employees. When the SERIFEDs financial situation started to collapse, the Government deputed 271 illegally recruited employees of SERIFED to Government Services and to the services of Khadi and Village Industries Board.

16. Such illegal deputation and absorption of the

employees of SERIFED in Government Service, was with a view to liquidate SERIFED after protecting the employment of the illegally recruited employees and thus foreclose any investigation or enquiry into the affairs of the Government nominated Board of SERIFED. Inspections conducted by the Department of Finance, Planning Board and AGs Office unearthed that the reason for the

collapse of SERIFED was the illegal appointments of about 300 persons and spending of Plan Funds earmarked for development of Sericulture, for payment of salary.

17. The ostensible reasons for not reviving SERIFED

as stated in Ext.P14 order dated 07.01.2017 are that (i) : 21 : Kerala does not have sufficient acreage under sericulture to warrant a set up for post processing activities; (ii) currently there is no functioning sericulture processing co-operative societies; and (iii) there is no justification for a Federation at this stage, which will remain as a paper organisation. All these reasons are unreal. The petitioners pointed out that Post-cocoon development activities do not require extensive areas and therefore there is no issue of not having sufficient acreage. Taluk Level Co-operative Societies are functioning in spite of Government apathy. The non-justifiability of sustaining a Federation is a situation brought about by the Government and its nominated Board of Management.

18. Respondents 1 and 2 (State of Kerala and

Secretary to Industries Department) filed a statement dated 23.12.2017 in the writ petition. Respondents 1 and 2 stated that in a high level meeting held on 04.06.2014 in presence of the Minister for Finance and Law, it was decided to revive post-cocoon activities of sericulture under SERIFED. Subsequently, the request for releasing funds was : 22 : considered. A meeting was convened in presence of Minister for Industries and Minister for Finance on 16.05.2017. The meeting decided that the Chief Secretary shall convene further meeting for analysing and taking a decision considering all aspects.

19. The said meeting convened by the Chief Secretary

was held on 05.07.2017, in which the petitioner and Deputy Secretary, Central Silk Board also participated. The meeting concluded that Kerala did not have sufficient acreage under mulberry. It will not be commercially viable for purchasing cocoons from Karnataka to undertake reeling in Kerala. However, considering the market of silk sarees in Kerala, it is possible to undertake post reeling activities in Kerala. It

was pointed out that the famous Banaras Silk Sarees are woven in Banaras even though no cocoons were produced there. The Central Silk Board's Schemes could be used for giving training for weaving.

20. The meeting decided to constitute a three-member

Committee comprising representatives of Central Silk Board, : 23 : SERIFED and Director of Handlooms and Textiles. Sri. Victor T. Thomas representing the SERIFED later took exception to the decision of the Committee and requested to defer implementation of the decision till final verdict is passed by this Court. Respondents 1 and 2 submitted that a total amount of 29,26,01,366/- was paid directly by the Government of Kerala and another 700 lakhs was released through Restructuring and Internal Audit Board and a further amount of 600 lakhs was given as grant from the Government in the year 1997-'98.

21. The Secretary of the Kerala Khadi and Village

Industries, after an enquiry, submitted a Report dated 25.02.2017 to the effect that the sericulture Societies are defunct. The statement alleged that the petitioner has misutilised huge amounts under the guise of cocoon industry. The State, after conducting proper enquiry, found that only post reeling industry by way of weaving alone is feasible in the State. : 24 :

22. In the additional counter affidavit dated

20.09.2021 filed by respondents 1 and 2, the respondents stated that by G.O. dated 15.03.2010, the Government accorded sanction to liquidate SERIFED and transfer its staff to Local Self Government Department, Rural Development Department and Kerala Khadi and Village Industries Board. But, in compliance with the commitment made by the Government in W.P.(C) No.31446/2010, the Government issued G.O. dated 05.08.2015 sanctioning revival of SERIFED for post-cocoon sericulture activities. However, a meeting conducted by the Chief Secretary on 04.06.2016 concluded that Kerala does not have sufficient acreage under sericulture to set up post processing activities. Therefore, G.O. dated 07.01.2017 was issued deciding not to proceed with the revival proposal of

SERIFED. It was also reported that the affiliated Taluk Societies are defunct or dormant.

23. Respondents 1 and 2 further stated that the

Minister for Industries convened a meeting on 16.05.2017 in : 25 : which the issues regarding revival of SERIFED with financial support of Central Government were discussed. The meeting entrusted the Chief Secretary to review the revival package of SERIFED and to take an appropriate decision. A meeting was convened by the Chief Secretary on 05.07.2017 and decided to constitute a three-member committee comprising representatives of Central Silk Board, SERIFED and the Director of Handlooms and Textiles to formulate a project report on feasibility of undertaking silk weaving in Kerala. The Committee could not be set up since SERIFED did not nominate a representative to the Committee in spite of repeated requests by the Government.

24. I have heard the learned counsel for the

petitioners, the learned State Attorney, the learned Government Pleader, the learned Assistant Solicitor General, the learned Central Government Counsel, the learned Standing Counsel for the Khadi and Village Industries Board (KK & VIB), the learned counsel for Taluk Level Sericulture Co-operatives and the learned counsel for the workers. : 26 :

25. The following facts emerge from the pleadings and

arguments. Kerala is one of the largest consumers of silk in the country. Production of silk is grossly disproportionate to the demand. Demand is met by imports, losing huge amounts of money by way of taxes to other States. In the circumstances, the SERIFED was registered under the Kerala Co-operative Societies Act, 1969 as an Apex Society, in December, 1994.

26. The SERIFED was administered initially by a

Managing Board nominated by the Government. The tenure of the nominated Board was six months and the Board had to get the Taluk level Sericulture Co-

operatives affiliated to the SERIFED and conduct election to the Board in a democratic manner with voting rights to the affiliated member-Societies. According to the petitioners, there were at least 17 Taluk Level Co-operative Societies functioning in the State. Only five Societies were affiliated to the SERIFED. The nominated Board of SERIFED did not take any step to get all Taluk Societies affiliated to SERIFED. This is evident from : 27 : Exts.P2 and P3 Audit Reports (in W.P.(C) No.40553/2016).

27. At the same time, huge amounts were released to

the SERIFED by the Central Government/Central Silk Board and the State Government. The nominated Board instead of spending these funds for the development of Sericulture in the State, went on starting Sericulture Offices in all Districts and appointed about 300 employees under the SERIFED. The said 300 employees were appointed when there were only five Taluk Level Societies affiliated to SERIFED. Plan Funds were diverted to pay salaries to these illegally appointed employees. These irregularities which were committed while the nominated Board was running the affairs of the SERIFED, made SERIFED financially unviable.

28. Instead of making a proper evaluation of the

functioning of SERIFED and of taking remedial measures, the Government issued Ext.R1(c) G.O. dated 15.03.2010 (in W.P.(C) No.15961/2020) granting sanction to liquidate SERIFED, transfer its assets and redeploy the staff of SERIFED to LSGD, RDD and KK & VIB as a measure of : 28 : strengthening the sericulture activities in Kerala. A reading of Ext.R1(c) would show that the prime purpose of issuing the G.O. was more for absorbing the SERIFED employees who were illegally recruited in violation of Section 80 of the Kerala Co-operative Societies Act, 1969, than to strengthen sericulture operations in Kerala. Such employees were not only absorbed in Government Departments and KK & VIB, but they were granted 2004 pay revision benefits and even their compassionate appointment claims were protected. The Government even directed to ratify the action of the Managing Director of the SERIFED in having incurred salary and administrative expenses from the Plan Fund of the SERIFED.

29. It is evident that large scale appointments were

made in SERIFED without getting approved staff pattern under the Kerala Co-operative Societies Act, 1969. Those appointments were obviously illegal. But, the Government ordered to depute/absorb all these illegally recruited employees in Government services and in KK & VIB without : 29 : obtaining prior approval from the Kerala Public Service Commission. Such illegally appointed employees were given even pay revision benefits retrospectively. Such illegal absorptions were made when thousands of educated unemployed were waiting for direct recruitment to Government services through PSC. Furthermore, even benefits of compassionate appointments were protected in the case of such illegal recruits.

30. By making such illegal recruitment, the nominated

Board of SERIFED has indeed played a fraud on the Government and general public, especially the educated unemployed who waited for appointment on merit to public services. And by allowing absorption of the employees in Government service, the Government has committed grave illegality in violation of the law laid down by the Honble Apex Court in the judgment in State of Karnataka v. Umadevi [(2006) 4 SCC 1]. The matter indeed requires thorough investigation and remedial action. : 30 :

31. Be that as it may, while sanctioning liquidation of

SERIFED, liquidator was appointed for winding up of Taluk level co-operative societies also, which action was challenged by filing W.P.(C) No.31446/2010. This Court passed interim order on 14.10.2010 staying further proceedings of liquidation. During the pendency of the said writ petition, the Textile & Traditional Industries Protection Council (TIPCO) submitted Ext.P2 Scheme for the Restructure of Sericulture Industry in Kerala with New Vision and Action Plan on 20.11.2013. A meeting was convened by the Industries and IT Minister on 28.01.2015 to discuss the issue of re-starting Post-cocoon activities under SERIFED.

32. In the meeting, the Joint Development

Commissioner, CRD said that consequent to the liquidation of SERIFED and transfer of assets to CRD, the Rural Development Department had taken action to motivate the Sericulture farmers and as a result, the Cocoon production in the State had increased to 50,000 Tons. But, there is no : 31 : agency to collect the Cocoons. The Secretary, KK & VIB suggested to transfer the silk reeling units which are under the control of Khadi Board to SERIFED after its revival. The Joint Secretary (Industries Department) informed that as the liquidation of SERIFED was as part of a Cabinet Decision, a proposal to revoke the same also needs the approval of the Council of Ministers. The Hon'ble Minister (Industries & IT) informed that after the requisite formalities are fulfilled, the matter shall be placed before the Cabinet for approval. The Joint Development Commissioner from the CRD informed that the Secretary, Kerala Khadi & Village Industries Board as the Registrar of SERIFED has not yet transferred funds available in the TSB account of SERIFED. Secretary, Kerala Khadi & Village Industries Board informed that they have

already transferred the fund on the basis of the meeting held

by Principal Secretary (Industries). The CRD informed that the Utilisation Certificate for the whole amount will be furnished to CSB after the KK & VIB transfers the entire amount. : 32 : The meeting deliberated in detail and the following decisions were taken:

(i) The CRD shall submit the Utilisation Certificate for the entire outstanding amount of 170.59 lakhs within 15 days.

(ii) The Department of Industries,

Government of Kerala shall provide requisite support for the proposal of reviving the Post Cocoon Sector of Sericulture Industry through SERIFED. The Industries Department shall write to CSB to the effect that the State will take care of the continuous management of the SERIFED on a commercially viable and sustainable mode.

(iii) The CRD shall commit to take the

responsibility of the Pre-Cocoon development through different schemes. It will strengthen the extension and monitoring mechanism to meet the targets laid in the DPR. The CRD shall protect the interest of the farmers and will be responsible for field level implementation. The revived SERIFED shall collect the entire cocoon produced within the State.

(iv) The Industries Department will place the proposal for revival of SERIFED with Post- Cocoon activities before the Council of Ministers after the requisite formalities are fulfilled.

Accordingly, a token provision of 1,000/- was included in the Supplementary Demands for Grant for 2014-'15 and a Head of Account was provided, as stated by the State of Kerala in the counter affidavit filed in W.P.(C) No.31446/2010 (Ext.P10 in W.P.(C) No.35303/2016). : 33 :

33. In W.P.(C) No.31446/2010, the Government filed

an affidavit dated 13.07.2014 stating that a High level meeting convened by the Minister for Industries and IT in the presence of the Minister for Finance on 04.06.2014 decided that action will be taken to revive the post-cocoon activities of Sericulture under the SERIFED and funds will be provided by moving Supplementary Demands for Grant. The affidavit reiterated that action has been taken to revive the SERIFED with the main objective of implementation of Post-Cocoon Sector of Sericulture. In the light of the stand taken by the State of Kerala, W.P.(C) No.31446/2010 was disposed of on

20.03.2015 as per Ext.P5 judgment quashing the order

appointing liquidator and the respondents were directed to endeavour to restart the post-cocoon activities as held out in the counter affidavit within a period of six months.

34. The State of Kerala moved on and sought

Techno-feasibility of Revival of Post-Cocoon Sector through SERIFED, from the Central Silk Board (CSB). The CSB gave Ext.P6 Techno-feasibility report on 30.03.2015. The CSB : 34 : recommended as follows:

(i) The CRD, Kerala shall be responsible

for production of quality bivoltine cocoons and for achieving the targets of pre-cocoon sector under restructuring through execution of a Tripartite Agreement (MOU) with Department of Industries, Govt. of Kerala and 'SERIFED under Revival' for ensuring the supply of required quality raw material (cocoons).

(ii) Till the CRD achieves the targets of

cocoon production required for the first phase of production as per the DPR, the 'SERIFED under revival' shall arrange for procurement of raw silk from different sources on its own for its operations.

(iii) The CRD, Kerala shall also furnish the Component and Beneficiary details (for whom the funds were released) for the pending amount of Rs.50.79 lakhs (Rs.1.60 + Rs.15.19 + Rs.34.00 lakhs).

(iv) The Department of Industries, Govt. of

Kerala shall strengthen and revive all the defunct post-cocoon infrastructure units in the State and bring them to their optimal use during the 'revival of post-cocoon sector' and allocate the required working capital accordingly. The Government of Kerala considered Ext.P6 Report and passed Ext.P7 G.O. dated 05.08.2015, the material part of which reads as follows:

4. Government have requested the Central

Silk Board to nominate an agency for a detailed study of the revival proposal of the Sericulture Industry with new vision and action plan. The high level meeting

held by Hon'ble Minister (Industries & IT) on 28/1/15

to discuss the issue with officials of Central Silk Board

(CSB) and Commissioner for Rural Development : 35 :

(CRD) decided the following:

I. The Department of Industries, Government of Kerala shall provide requisite support for the proposal of reviving the Post-Cocoon Sector of Sericulture Industry through SERIFED. The Industries Department shall write to CSB to the effect that the State will take care of the continuous management of the SERIFED on a commercially viable and sustainable mode. II. The CRD shall commit to take the responsibility of the Pre-Cocoon development through different schemes. It will strengthen the extension and monitoring mechanism to meet the targets laid in the DPR. The CRD shall protect the interest of the farmers and will be responsible for field level implementation. The revived SERIFED shall collect the entire cocoon produced within the State.

5. Accordingly Government as per the letter

rd read as 3 paper above, informed the Central Silk Board that the Department of Industries, Government of Kerala will provide requisite support for the proposal of reviving the Post Cocoon Sector of Sericulture Industry through SERIFED and assured to take care of the continuous management of SERIFED on a commercially viable and sustainable mode.

6. The Central Silk Board as per the letter

read as fourth paper above, recommended the techno - feasibility for revival of the Post-Cocoon Sector of the sericulture industry in the State through SERIFED for the First Phase subject to the fulfilment of the following terms and conditions. i. The CRD, Kerala shall be responsible for production of quality bivoltine cocoons and for achieving the targets of pre-cocoon sector under restructuring through execution of a Tripartite Agreement (MOU) with Department of Industries, Government of Kerala

and SERIFED under Revival for ensuring the supply of required quality raw material (Cocoons). ii. Till CRD achieves the targets of cocoon production required for the first phase of production

: 36 :

as per the DPR, the SERIFED under revival shall arrange for procurement of raw silk from different sources on its own for its operations. iii. The Department of Industries, Government of Kerala shall strengthen and revive all the defunct post-cocoon infrastructure units in the State and bring them to their optimal use during the revival of post-cocoon sector and allocate the required working capital accordingly.

7. The Hon'ble High Court in its Judgment in

W.P.(C) 31446/2010 read as fifth paper above quashed proceedings No.K.B.13148/96/10-op dated nil (appointing liquidators for SERIFED) as the first respondent, Government of Kerala is taking steps for starting Post-Cocoon activities under SERIFED. The Hon'ble High Court also ordered to do the needful within a period of Six months from the date of

Judgment (20/03/2015).

8. As per the Detailed Project Report

submitted by the members of the Apex society of the SERIFED, the source of funding for the Post-Cocoon activities under SERIFED for the 1st phase is given as follows: The funding pattern for the first phase

Central Government YEAR Requirement W&CD, NCDC for Sub-Total
State of amount in CSB, DCH working Govt Lakhs for creation capital of
infrastructure & CSFC 2015-16 1841.91 640.32 619.85 1260.17 581.74
2016-17 2220.88 917.38 906.05 1823.43 397.45 2017-18 3578.61
1380.85 1576.15 2956.99 621.62 2018-19 3688.91 1131.76 1922.63

3054.39 634.52 Total 11330.31 4070.31 5024.69 9094.99 2235.32

9. The total investment for the scheme by all

funding agencies would be 11330.31 lakhs. The State Government share of investment would be 2235.32 lakhs, which is 19.73% of the total financial requirement. : 37 :

10. The pre-operative expenses for the

revival of SERIFED is estimated as Rs.2.63 crores. Financial Support is necessary for establishment of required common service facilities as no infrastructure facilities of any kind is presently available anywhere in the state. A Head of Account 4851-00-107-99 has been provided in the budget for 2015-16, also as share capital investment in SERIFED.

11. Government have examined the matter in

detail and are pleased to accord sanction for the revival and strengthening of SERIFED for taking up the post cocoon sector of Sericulture industry only subject to the following objectives, functions and other factors. A. Objectives of SERIFED

To make the state self-sufficient and self- dependant in production and marketing of silk cloth with a view to produce the entire quantity of silk cloth now sold out by import from other states and China, in better quality, design choice and lower price by strong and systematic integration between the sericulture and handloom industries. To block the large scale financial drain taking place in the state for the last several decades, through purchase of imported silk cloth by the people. To empower both the sericulture industry and handloom industry, through producing hand-skill based innovative products to face the emerging challenges of the market in the globalised environment. To start silk weaving in 10000 handlooms so as to completely consume the entire quantity of raw-silk produced. To ensure the quality of the products at par with international standards by developing state-of-the-art- technology

and disseminating the result of research and development activities to the grass root level. To train the workers and staff members for skill up-gradation in product development, production, productivity enhancement and marketing of silk fabrics

: 38 :

and garments so as to sell the products immediately after production. To open Ethnic Silk Boutiques (ESBs) at prospective location in domestic and export sectors, conduct product launching exhibitions at regular intervals so as to introduce the newly evolved products to the customers and collect feedback informations. To evolve and implement welfare schemes for the farmers, cocoon producers, reelers, weavers, staff members, etc. To do everything possible for the achievement of the targets fixed for the plan periods and make the silk industry in the state unique and acceptable to all, through product innovation and quality up-gradation. To execute any programme assigned by the Government related to silk industry development.

B. Functions of revived SERIFED

Procurement of cocoons from the member Co- operatives and SHGs. Reeling and Twisting in accordance with the fabrics to be produced. Pre-loom processing such as de-gumming, bleaching, dyeing centralised warping etc. Supply of good quality silk yarn to the member societies in the forms of warp and weft, basing the demand-oriented products of the market. Providing financial, technical and all institutional support to taluk level member societies for the production of silk cloth using the yarn supplied to them by SERIFED. Providing financial and technical support to member societies for the creation of all infrastructure and common service facility centres such as pre and post loom facilities, skill up-gradation centres, product development centres, value addition centres, processing centres, etc. for the production of quality and marketable silk

products targeted for domestic and export markets. Timely payment of wages and all other cost of inputs involved in the production of the silk products to

: 39 :

the member societies which are engaged in production. Providing working capital to the member societies for the production of silk cloth and fabrics. Procurement of finished cloth from the taluk level member co-operative societies produced in accordance with the directions given by SERIFED. Marketing of finished products adopting most modern techniques. Implementation of market development programmes suited to attract the customers especially those in the niche market to the newly developed products and conduct market studies, market analysis and research thereon. Establishment of Product Development Centres and Intensive Research Centres under member societies which are engaged in production for the development of innovative premium and marketable products by tapping the skill of weavers in the state. Implementation of skill up-gradation programmes in all sectors of production, productivity enhancement, quality up-gradation, etc. Establishment of infrastructure facilities in the state-of-the-art-technology in reeling, twisting, pre and post loom activities. Establishment of value addition units such as garment making units, modern packing units, surface ornamentation centres, etc. Establishment of well equipped laboratories and library. Establishment of Post-loom processing facilities for fabric dyeing printing finishing etc. Implementation of a demand - oriented product development production, procurement and marketing systems/strategy. Open avenues for export markets. Mobilisation of funds from the Central & State Governments and other national and international development agencies for all the above activities.

: 40 : C. Funding Pattern

Central Government YEAR Requirement W&CD, CSB, NCDC for Sub-
 Total State of amount in DCH for working Govt lakhs creation of capital
 infrastructure & CSFC 2015-16 1841.91 640.32 619.85 1260.17 581.74
 2016-17 2220.88 917.38 906.05 1823.43 397.45 2017-18 3578.61
 1380.85 1576.15 2956.99 621.62 2018-19 3688.31 1131.76 1922.63
 3054.39 634.52 Total 11330.31 4070.31 5024.69 9094.99 2235.32

12. Government will provide requisite support

for the proposal of revival of Post Cocoon Sector of Sericulture Industry through SERIFED. The State will take care of the continuous management of SERIFED on a commercially viable and sustainable mode. The Scheme suggested in the "The restructure of sericulture industry with New Vision and Action Plan" should be implemented in letter and spirit.

13. Pre-cocoon activities shall continue to be

under of the Rural Development Department of the State Government. The service of staff members redeployed, will be utilized by them to carry out the proposed pre-cocoon activities.

14. The Director of Industries & Commerce

and the Commissioner for Rural Development will take necessary steps for the implementation of the sericulture revival schemes so as to bring all post- cocoon activities under the SERIFED and the pre- cocoon activities under the Commissioner of Rural Development.

15. All fixed assets such as land and

machinery attached to silk reeling units at Pattanakkad & Uduma which were handed over to Kerala Khadi & Village Industries Board and Sericulture complex at Elamad which was transferred to District Panchayat, Kollam (Including employees under daily wages) which were under the possession : 41 : of SERIFED but later

transferred have to be returned to SERIFED, on the basis of Revival Scheme.

16. The Secretary, Kerala Khadi and Village

Industries Board (Registrar) will take necessary steps to form elected Managing Committee in SERIFED and its member societies, as per co-operative law, as early as possible.

17. At Present the Secretary KKVIB, who is

the Registrar of Societies Under Khadi and Village Industries Co-operative Societies is holding the charge of Managing Director of SERIFED. Government can make suitable charge arrangements for the post of Managing Director on deputation basis till regular appointment to this post is made by the Government as per the provisions in the bye-law of SERIFED.

18. Competent Officers from State / Central

Government agencies will be appointed as Managing Director on deputation as a stop-gap arrangement till regular appointment as per staff pattern approved by Government is made.

19. The mode of regular appointment in the revived SERIFED will be issued separately.

35. Pursuant to Ext.P7 G.O. dated 05.08.2015, the

Principal Secretary to Government forwarded Ext.P8 letter to the Secretary, KK & VIB informing that the Government has accorded sanction for revival and strengthening of SERIFED for taking up Post-Cocoon Sector of Sericulture Industry.

36. The Principal Secretary to Government, as per

Ext.P8 letter dated 08.09.2015, directed the Secretary, KK & VIB to constitute an Administrative Committee with the : 42 : representatives of three Taluk Sericulture

Co-operative Societies. The Administrative Committee so constituted required the Registrar, KK & VIB to form a Monitoring and Review Committee on the implementation of Revival Project of SERIFED, as per letter dated 30.11.2015. Accordingly, the Registrar, as per Ext.P18 letter dated 30.12.2015 (in W.P.(C) No.35303/2016) constituted a Monitoring and Review Committee with MD, SERIFED as Convenor and representatives of Departments of Finance and Industries, KK & VIB, of Technical Consultancy, Central Silk Board and NCDC.

37. On 16.02.2016, the Government of Kerala

requested the Central Silk Board to provide financial and technical assistance to the SERIFED. The Kerala Khadi and Village Industries Board returned the silk reeling units at Pattanakkad and Uduma to the SERIFED. On 26.03.2016, as per Ext.P9, the Secretary, KK & VIB was directed to continue to hold the position of MD, SERIFED. On 20.04.2016, the Chairman, SERIFED, as per Ext.P10 letter, : 43 : requested the Government to release fund. As amounts were not released, the Managing Director of SERIFED, as per communication dated 02.05.2016, required the Principal Secretary to provide a sum of 50 lakhs to SERIFED as advance from contingency fund or as loan from any of the public undertakings.

38. In implementation of the revival scheme, the

Registrar approved the Bye-law amendments of SERIFED on 18.06.2016. The Principal Secretary (Industries and Commerce) convened a meeting on 01.07.2016 in which the following decisions were taken:

CRD will carry out Pre-Cocoon Activity and they will strive to increase the production of cocoon. CSB will provide financial assistance to the setting up of Reeling Unit in Palakkad. MD, SERIFED should take step to work out a strategy for getting financial assistance. MD, SERIFED will take step to get adequate land to the setting up of reeling unit. Financial assistance from CSB for Post- Cocoon activity should be given to SERIFED through the Government of Kerala.

39. The Central Silk Board on 14.07.2015, required

the Central Silk Technological Research Institute (CSTRI) to : 44 : prepare a project report. By Ext.P13 communication dated 08.09.2016, the Central Silk Board released an amount of 69.178 lakhs to CSTRI for critical intervention in Kerala.

40. The Government of Kerala, all of a sudden, took a

U-Turn and issued Ext.P14 G.O. dated 07.01.2017 stating that the Government of Kerala have examined the matter in detail based on the aspects of development of Sericulture in Kerala and have made a decision not to proceed further with the proposals to revive SERIFED, based on the following

facts:

(1) Kerala does not have sufficient acreage under Sericulture to warrant a set up for post processing activities.

(2) Currently there are no functioning sericulture processing co-operative societies.

(3) There is no justification for a federation of such co-operative societies and federation can be a paper organisation at this stage, and will not justify any allocation or resources or funds.

41. However, the Minister for Industries convened

another meeting on 16.05.2017, in the context of the new hurdle in reviving SERIFED, and with a view to proceeding : 45 : with the revival. The representatives of the Central Silk Board made the following statement in the meeting:

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RN , .

The meeting, as per Ext.P22 minutes, decided to hold a review meeting by the Chief Secretary and to take a decision on revival of SERIFED. : 46 :

42. The Chief Secretary convened a meeting on

05.07.2017. It was opined in the meeting that the project report produced for consideration of the Government did not present the matter in proper perspective and that it is necessary to have the scope of weaving silk fabrics in Kerala examined in detail before taking a decision. The said meeting decided to have a three-member committee comprising of representatives of Central Silk Board, SERIFED and Director of Handlooms and Textiles to formulate and submit a report on feasibility of undertaking silk weaving in Kerala. The said Committee could not be formed as SERIFED did not nominate its representative to the Committee due to the pendency of these writ petitions. In the meanwhile, the KINFRA International Apparel Parks Limited has come forward as per Ext.P26 to make available land for pure silk production by SERIFED.

43. Yet again, the Government on 08.05.2020 issued

Ext.P4 G.O. dated 08.05.2020 (in W.P.(C) No.15961/2020) stating that the issue was considered by the Ministerial : 47 : meeting held on 08.04.2020 and the meeting opined that revival of Sericulture is not viable in Kerala and hence it is decided to seek review of the interim orders of this Court passed on 03.12.2019 and 20.12.2019.

44. The interim order dated 03.12.2019 passed by this Court, is as follows:

These writ petitions are filed by the Kerala State Sericulture Co-operative Apex Society (SERIFED) and its affiliated members aggrieved by the delay on the part of the State Government in confirming the availability for matching funds in relation to the Detailed Project Report submitted by SERIFED for development of sericulture covering post-cocoon activities.

2. The Central Silk Board under the Ministry of Textiles, Government of India, in its communication dated 24.8.2018 addressed to the Government of Kerala mentions as follows:

"I am directed to refer the above subject and to enclose here with minutes of State Level Project monitoring Meeting (PMC) of Kerala held on 11.06.2018 Thiruvananthapuram for reference. During the meeting the issue of DPR submitted by SERIFED for development of sericulture covering post cocoon activities came up for discussion. After detailed discussions PMC approved the DPR submitted by SERIFED. As per DPR, the fund requirement and sharing pattern for 2018-2019 and 2019-2020 is as follows:

: 48 : Year Activity Finding Pattern (Res. In lakh) CSB DCH State(Kerala) 2018-19
Post 486.49 642.22 341.78 cocoon/ post yarn 2019-20 - do - 745.63 695.71
334.97 Total 1232.12 1337.93 676.75 In this regard, it is requested to kindly
arrange to confirm the availability of State matching share by Govt. of Kerala for
the years 2018-19 and 2019-20."

2. It appears that an undertaking has to be

given by the Government of Kerala before 12.12.2019 affirming its financial obligation as above. The fund is constituted by apportioning the financial obligation as above between the State and Central Governments.

3. It is submitted by the learned counsel for the petitioners that if the State Government fails to give a confirmation of availability of matching share of the State, the entire fund will lapse.

4. This Court is of the view that the State at

this juncture is only need to give a confirmation to availability of matching share and nothing else. The modality of disbursal can be worked out in consultation with SERIFED.

5. The learned State Attorney on

instructions submits that the State Government is prepared to give necessary confirmation on availability of the State matching share before

12.12.2019. The said undertaking is recorded. There shall be a direction to the State Government to convey its willingness by affirming the availability of the State matching fund as referred above before 12.12.2019.

Post on 16.12.2019 along with Contempt Case No. 353/2018. : 49 :

45. The interim order dated 20.12.2019 passed by this Court is as follows: Read order dated 3.12.2019. The learned counsel for the petitioner in W.P.

(C) No.40553 of 2016, placing reliance on a

communication, dated 18/12/2019, issued by the State Government submitted that it is not in accordance with the directions issued by this Court in the order dated 3/12/2019. On a perusal of the communication itself, it can be seen that it was not in accordance with the said directions. In fact, while passing the aforesaid order, this Court had placed reliance on a communication dated 24/8/2018 issued by the Central Silk Board under the Ministry of Textiles, Government of India, wherein it is stated that the State Government has to give response. The learned State Attorney assured that necessary communication will be issued in that regard. It is pertinent to note that this fund requirement as per the Detailed Project Report is for the years 2018-19 and 2019-20. A copy of the communication shall be issued to the Central Silk Board under the Ministry of Textiles, Government of India without any delay, at any rate, before 31.12.2019. Post after Christmas holidays along with Contempt Case No.353/2018.

46. Kerala is one of the largest consumers of Silk. The

demand for silk and silk products is met by import from other States, which considerably erodes Keralas revenue. Therefore, the Government of Kerala decided to encourage and develop sericulture in the State and hence SERIFED : 50 : was formed in the year 1994. It is not in dispute that the Government nominated Board of SERIFED did not do anything to affiliate Taluk level

Sericulture Co-operative Societies. Only five Taluk Level Societies were affiliated to SERIFED. It is not disputed that the nominated Board went on to start Offices in all Districts including in those Districts where there was no sericulture.

47. It is not disputed that the nominated Board

recruited about 300 employees to the SERIFED, without adhering to the provisions of the Kerala Co-operative Societies Act, 1969, especially to Section 80 thereof. Among the 300 employees, at least 271 employees continued in SERIFED service till the year 2010 when the Government initially decided to liquidate SERIFED and depute these employees to Government services and to the KK & VIB. The Plan Funds allocated for development of sericulture in the State, were openly diverted for paying salary to these illegally recruited employees, which illegal action was ratified by the Government later. : 51 :

48. The inspections conducted by the Department of

Finance, Planning Board and AGs Office revealed that the reason for collapse of SERIFED is the illegal appointments made. Exts.P2 and P3 Audit Reports (in W.P.(C) No.40553/2016) would establish that the SERIFED Board did not take any step to affiliate Taluk level Societies as Members of SERIFED and that the reason for loss sustained by the SERIFED is the appointments of excess employees and starting of large number of District Offices when there was no provision in the bye-laws for opening of such District Offices.

49. One D. Madhusoodhanan, Trivandrum Taluk

Sericulture Co-operative Society Limited approached this Court as early in 1998 filing O.P. No.11175/1998 seeking to command the State of Kerala to appoint an agency to enquire into the functioning of the Federation. Taking into consideration the allegations raised by the petitioner, this Court as per Ext.P21 judgment dated 25.03.1999 (in W.P.(C) No.40553/2016), permitted the petitioner to make a detailed : 52 : representation to the Secretary, Industries Department. The Secretary was directed to examine the same. This Court directed that if the Secretary comes to the conclusion that the petitioner has made out a prima facie

case, then the Secretary shall constitute a Committee headed by himself and two other members and examine the matter in detail and advise the Government, if it is considered necessary, about the steps to be taken by the Government. The petitioners would submit that no enquiry was conducted pursuant to Ext.P21 judgment and, in fact, it was the said direction of this Court which prompted the Government to liquidate the SERIFED, in order to avert any such enquiry.

50. In short, the reason for heavy losses incurred by

the SERIFED is attributable to the actions of the Government nominated Board of SERIFED which was permitted to continue to maladminister SERIFED for long years though the tenure of the Board was only six months. It is attributable to the Government also as the Government miserably failed to ensure that the nominated Board acts within its powers : 53 : and to achieve its objectives within the stipulated time. There is no reason to assume that the nominated Board maladministered the SERIFED without executive and political patronage.

51. Subsequent conduct of the Government in

absorbing the illegally appointed 271 employees of SERIFED in Government services without the prior approval of the Kerala Public Service Commission, would only establish the patronage given at the Executive level. Though the petitioners have not challenged these appointments and absorption, this Court is of the view that this being one of the biggest employment scams which has resulted in collapse of an Apex Society and loss of huge amounts intended to benefit sericulturists, it requires an enquiry at the appropriate level.

52. Now, as regards the dithering decisions of the

Government in ordering liquidation of SERIFED and revival thereof, a reading of Ext.R1(c) G.O. dated 15.03.2010 (in W.P.(C) No.15961/2020) proposing liquidation of SERIFED : 54 : would show that the liquidation was ordered without conducting any review or study regarding viability of Sericulture activities in Kerala. The decision taken on 15.03.2010 speaks more on redeployment of staff of SERIFED and taking over the reeling units of SERIFED by KK & VIB, than the

unviability of sericulture activities by SERIFED.

53. At the instance of the State Government, the

Central Silk Board has given a Techno-feasibility of Revival of Post-cocoon Sector through SERIFED as per Ext.P6. The Central Silk Board is established under the Central Silk Board Act, 1948 for the development of the silk industry. It is an expert body entrusted with task of undertaking, assisting and encouraging scientific, technological and economic research on silk. Under Section 8 of the Act, 1948, it is the duty of the Central Silk Board to devise means for improved methods of mulberry cultivation rearing, developing and distributing healthy silkworm seeds, reeling/spinning of silkworm cocoons and improving quality and production of : 55 : raw silk. It is the statutory duty of the Central Silk Board to advise the Central Government on all matters relating to production, supply, distribution, trade and commerce in silkworm seed, the development of the Silk industry and its products including its export and import.

54. The Central Silk Board, which is an expert body in

the field of silk and sericulture, has stated that Kerala has a high potential for both multi-voltine and bio-voltine cocoon production and that with the non-functioning of SERIFED, the sericulture development activities in Kerala have gradually decreased and that Kerala has become the least performing State in the Sericulture Map of India. Ever since SERIFED became non-functional, the CRD, Government of Kerala has failed to tap the potential and was not in a position to utilise the funds for supporting enterprising sericulturists. The Central Silk Board emphatically recommended the techno- feasibility for revival of Post-Cocoon Sector of Sericulture Industry in the State through SERIFED for the First Phase. : 56 :

55. The Government thereafter issued Ext.P7 order

dated 05.08.2015 undertaking to provide financial support. By Ext.P8 order dated 08.09.2015, the Government ordered appointment of an Administrative Committee for the functioning of SERIFED. The Government of India, as per Ext.P13 order

dated 08.09.2016, sanctioned various amounts for the Post-cocoon Sector. When the turn of State Government came to release State Share, the Government issued Ext.P14 order dated 07.01.2017 intimating that the Government has taken a decision not to give effect to Ext.P7

order dated 05.08.2015.

56. The Government took Ext.P14 decision on the

following three counts. (1) Kerala does not have sufficient acreage under sericulture to set up post processing activities, (2) Currently there are no functioning sericulture processing Co-operative societies and (3) There is no justification for a federation of such co-operative societies and Federation can be a paper organisation at this stage and : 57 : will not justify any allocation of resources or funds. None of these reasons are sustainable.

57. Firstly, the proposal of Central Silk Board and all

concerned was to revive Post-cocoon Sector of sericulture for which availability or otherwise of acreage is irrelevant. Secondly, as many as 17 Taluk level Sericulture Co-operatives were functional and two major Societies are before this Court seeking to set aside the orders of the Government to liquidate them. Even if some of the Taluk level Sericulture Co-operatives have become dormant now, the Government has to blame itself for the situation as it is the Government which ordered the closing down of Apex and Taluk level Sericulture Co-operatives.

58. The SERIFED was originally constituted in 1994

and only five Taluk level Societies were affiliated to it. Situation is more or less the same even now. Therefore, the Government will not be justified in taking a stand that the SERIFED will be a paper organisation if constituted now. In the meeting convened by the Industries Minister on : 58 : 28.01.2015, the Joint Development Commissioner, CRD has stated that even after the liquidation of SERIFED, cocoon production in Kerala has increased to 50,000 Tons. The performance of SERIFED before issuance of Ext.R1(c) (in W.P.(C) No.15961/2020) order of liquidation and performance of the Government Departments after that is an

indicator:

Performance of Serifed before the issue of

Performance o

In the light of the Techno-feasibility Report of the Central Silk Board and in the light of the afore data, it cannot be said that there is no justification for reviving SERIFED.

59. In fact, in the deliberations and discussions in

various official meetings presided by the Ministers concerned also, there is unanimity that there is much scope for reviving : 59 : Post-cocoon Sector under SERIFED. It is based on those conclusions that the Government undertook before this Court on 03.12.2019 that the State Government is prepared to give necessary confirmation on availability of State matching share. On 20.12.2019, the Government again undertook before this Court that necessary communication will be issued to the Central Silk Board in that regard. Respondents 1 and 2 are not justified in again going back from the decision to revive SERIFED for Post-cocoon Sector sericulture activities.

60. The learned Government Pleader, relying on the

judgments of the Apex Court in *Balco Employees' Union (Regd.) v. Union of India and others* [(2002) 2 SCC 333] and *Bannari Amman Sugars Ltd. v. Commercial Tax Officer and others* [(2005) 1 SCC 625], argued that the issue involved in these cases are pure policy matters falling exclusively within the realm of executive and it would be highly illegal to decide such issue by courts of law. In a democracy, it is the prerogative of each elected Government : 60 : to follow its own policy. It is settled law that unless a decision is contrary to any legal provision, court cannot interfere with it.

61. The question is whether non-revival of Post-

Cocoon activities under SERIFED is due to any policy decision of the Government. The facts of the case will amply make it clear that there is no policy decision by the Government in this regard, not even of a fiscal policy. Here, the Government

decided to establish SERIFED in the year 1994, and in the year 2010, the Government decided to liquidate SERIFED. In the year 2014, after a meeting by the Industries Minister, the Government decided to revive Post- Cocoon activities under SERIFED and an affidavit was filed in this Court swearing that action will be taken for revival of Post-Cocoon activities. A Techno-feasibility report for revival was obtained from Central Silk Board for the said purpose. By Ext.P7 G.O., the Government accorded sanction for reviving Post-Cocoon activities. : 61 :

62. The Government directed to reconstitute the

Administrative Committee of SERIFED. The bye-laws of SERIFED were amended. The Central Silk Board released 69.178 lakhs for critical intervention on 08.09.2016. But, on 07.01.2017, the Government issued Ext.P14 G.O. ordering not to proceed with revival of SERIFED. The issue did not end there. In spite of Ext.P14, the Government, through the Chief Secretary, convened another meeting on 05.07.2017 and the Chief Secretary decided to constitute a three- member committee comprising of representatives of SERIFED, Director of Handlooms and Textiles and the Central Silk Board to formulate a Project Report on feasibility of silk weaving. Before receiving any such report, the Government as per Ext.P4 (in W.P.(C) No.15961/2020) dated 08.05.2020 decided not to provide matching fund for revival. If the afore facts prove anything, it is the lack of policy of the Government of Kerala. There is nothing on record to show that the Government has taken any concrete : 62 : policy decision in the matter of liquidation or revival of sericulture in Kerala.

63. The Detailed Project Report for revival of

sericulture activities, which was approved by the State Government for the years from 2015-'16 to 2018-'19 contemplated total investment by all funding agencies to the tune of 11,330.31 lakhs and the State share was only 2,235.32 lakhs. The rest of the funding was to be made by the Central Government through the Central Silk Board and other Central agencies. A project which was appreciated by the Central Silk Board and found to be of great advantage to the State in the matter of giving employment opportunities to many and of augmenting States silk production and States revenue, has been put in limbo by the Government for no tangible reason.

64. The Honble Apex Court, in the judgment in Bannari Amman Sugars Ltd. (supra), held that- While the discretion to change the policy in exercise of the executive power, when not : 63 :

trammelled by any statute or rule is wide enough, what is imperative and implicit in terms of Article 14 is that a change in policy must be made fairly and should not give impression that it was so done arbitrarily or by any ulterior criteria. The wide sweep of Article 14 and the requirement of every State action qualifying for its validity on this touchstone irrespective of the field of activity of the State is an accepted tenet. The basic requirement of Article 14 is fairness in action by the State, and non-arbitrariness in essence and substance is the heart beat of fair play. Actions are amenable, in the panorama of judicial review only to the extent that the State must act validly for discernible reasons, not whimsically for any ulterior purpose. The meaning and true import and concept of arbitrariness is more easily visualized than precisely defined. A question whether the impugned action is arbitrary or not is to be ultimately answered on the facts and circumstances of a given case. A basic and obvious test to apply in such cases is to see whether there is any discernible principle emerging from the impugned action and if so, does it really satisfy the test of reasonableness.

In this case, there is no discernible principle emerging from the impugned action of the Government.

65. A further question arises as to whether the

Government, after expressing its decision to revive Post- cocoon activities and after undertaking to revive SERIFED, can go back from the said promise and undertaking. Under our jurisprudence, the Government is not exempt from liability to carry out the representation made by it as to its : 64 : future conduct and it cannot on some undefined and undisclosed ground of necessity or expediency fail to carry out the promise solemnly made by it, nor claim to be the judge of its own obligation to the citizen on an ex parte appraisalment of the circumstances in which

the obligation has arisen.

66. In W.P.(C) No.31446/2010, which was filed

challenging the decision of the Government to liquidate sericulture co-operatives, the Government filed counter affidavit expressing its decision to revive SERIFED and invigorate its activities, making available necessary funds. This Court delivered Ext.P5 judgment dated 20.03.2015 in the said writ petition directing the Government to take necessary action within a period of six months. The said Ext.P5 judgment was not challenged and has become final. Can the Government go back from its promises made before this Court, subsequently ? : 65 :

67. In the judgment in Hope Plantations Ltd. v. Taluk Land Board [1999 (1) KLT 331], dealing with the principles of issue estoppel, the Apex Court held as follows:

It is settled law that principles of estoppel and res judicata are based on public policy and justice. Doctrine of res judicata is often treated as a branch of the law of estoppel though these two doctrines differ in some essential particulars. Rule of res judicata prevents the parties to a judicial determination from litigating the same question over again even though the determination may even be demonstrated wrong. When the proceedings have

attained finality, parties are bound by the judgment

and are estopped from questioning it. They cannot litigate again on the same cause of action nor can they litigate any issue which was necessary for decision in the earlier litigation. These two aspects are 'cause of action estoppel' and 'issue estoppel'. These two terms are of common law origin. Again once an issue has been finally determined, parties cannot subsequently in the same suit advance arguments or adduce further evidence directed to showing that issue was wrongly determined. Their only remedy is to approach the higher forum if available. The determination of the issue between the parties gives rise

to, as noted above, an issue estoppel. It operates in any subsequent proceedings in the same suit in which the issue had been determined. It also operates in subsequent suits between the same parties in which the same issue arises. Section 11 of the CPC contains provisions of res judicata but these are not exhaustive of the general doctrine of res judicata. Legal principles of estoppel and res judicata are equally applicable in proceedings before administrative authorities as they are based on public policy and justice.

: 66 : Promissory estoppel long recognised as a legitimate defence in equity was held to found a cause of action against the Government, even when the representation sought to be enforced was legally invalid in the sense that it was made in a manner which was not in conformity with the procedure prescribed by statute.

68. In the judgment in Union of India and others v. Indo-Afghan Agencies Ltd. [AIR 1968 SC 718], the Honble Apex Court held that-

Under our jurisprudence the Government is not exempt from liability to carry out the representation made by it as to its future conduct and it cannot on some undefined and undisclosed ground of necessity or expediency fail to carry out the promise solemnly made by it, nor claim to be the judge of its own obligation to the citizen on an ex- parte appraisal of the circumstances in which the obligation has arisen.

69. The Honble Apex Court dealt with the issue of promissory estoppel in the judgment in State of Punjab v.

Nestle India Ltd. and another [(2004 (6) SCC 465] and held

as follows: : 67 :

As for its strengths it was said: that the doctrine was not limited only to cases where there was some contractual relationship or other pre-

existing legal relationship between the parties. The principle would be applied even when the promise is intended to create legal relations or affect a legal relationship which would arise in future. The Government was held to be equally susceptible to the operation of the doctrine in whatever area or field the promise is made, contractual, administrative or statutory. To put it in the words of the Court: The law may, therefore, now be taken to be settled as a result of this decision, that where the Government makes a promise knowing or intending that it would be acted on by the promisee and, in fact, the promisee, acting in reliance on it, alters his position, the Government would be held bound by the promise and the promise would be enforceable against the Government at the instance of the promisee, notwithstanding that there is no consideration for the promise and the promise is not recorded in the form of a formal contract as required by Article 299 of the Constitution. * * * Equity will, in a given case where justice and fairness demand, prevent a person from insisting on strict legal rights, even where they arise, not under any contract, but on his own title deeds or under statute. * * * Whatever be the nature of the function which the Government is discharging, the Government is subject to the rule of promissory estoppel and if the essential ingredients of this rule are satisfied, the Government can be compelled to carry out the promise made by it.

: 68 :

70. In the present case, Ext.P5 judgment in W.P.(C)

No.31446/2010 and the interim orders passed by this Court in these writ petitions on 03.12.2019 and 20.12.2019 would indeed operate as issue estoppel, against respondents 1 and 2 and the orders passed by respondents 1 and 2 ignoring the same are liable to be set aside.

71. For all the afore reasons, these writ petitions are disposed of with the following orders and directions:

(1) Respondents 1 and 2 are directed to

cause appropriate enquiry and investigation into the action of the nominated Board of Directors of the SERIFED in recruiting about 300 employees in SERIFED in violation of law and also into the action of the Government in absorbing 271 employees illegally recruited in SERIFED into the Government Services and in the services of Kerala Khadi and Village Industries Board and take appropriate action based on such enquiry/ investigation, in accordance with law;

: 69 :

(2) The impugned Ext.P14 order dated 07.01.2017 in W.P.(C) No.35173/2016 and Ext.P4 order dated 08.05.2020 in W.P.(C) No.15961/2020 are quashed;

(3) The Central Silk Board, SERIFED

and the Director of Handlooms and Textiles are directed to nominate their representative to the Three-Member Committee decided to be formed in the meeting convened by the Chief Secretary on 05.07.2017 and communicate the nominations to the Chief Secretary forthwith;

(4) The Three-Member Committee shall

formulate a fresh Project Report on the feasibility of revival of SERIFED, Post-Cocoon Sector and Silk Weaving in Kerala, and submit the same to the 1st respondent within a period of four months;

(5) Respondents 1 and 2 (in W.P.(C)

No.35173/2016) shall take a final decision on the revival of SERIFED, Post-Cocoon Sector and Silk Weaving in Kerala, within a further period of two months from the date of receipt of the Project Report; : 70 :

(6) The petitioners in W.P.(C)

No.35303/2016 are permitted to get Ext.P1 Award in I.D. No.58/99 of the Industrial Tribunal, Alappuzha executed/implemented, invoking the provisions of the

Industrial Disputes Act, 1947.

The Registry is directed to forward a certified copy of this judgment to the Director of Handlooms and Textiles, Vikas Bhavan P.O., Thiruvananthapuram-695 033. Sd/- N. NAGARESH, JUDGE aks/20.01.2022 : 71 : APPENDIX OF WP(C) 35173/2016 PETITIONER'S EXHIBITS EXHIBIT P1 COPY OF THE REPRESENTATION SUBMITTED BEFORE THE HON'BLE MINISTER FOR FINANCE DATED 22.11.2013. EXHIBIT P2 COPY OF THE REPORT OF THE TEXTILE AND TRADITIONAL INDUSTRIES PROTECTION COUNCIL, DATED 20.11.2013. EXHIBIT P3 COPY OF THE MINUTES OF THE MEETING

HELD ON 28.1.15 OF THE MINISTER FOR

INDUSTRY FORWARDED BY THE GOVERNMENT WITH COVERING LETTER DATED 13.2.2015. EXHIBIT P4 COPY OF THE COUNTER AFFIDAVIT FILED BY THE 1ST RESPONDENT IN WPC NO.31446/2010 DATED 13.7.2014. EXHIBIT P5 COPY OF THE JUDGMENT IN WPC NO.31446/2010 DATED 20.3.2015. EXHIBIT P6 COPY OF THE FEASIBILITY REPORT OF THE CENTRAL SILK BOARD TO THE GOVERNMENT DATED 30.3.2015. EXHIBIT P7 COPY OF THE GOVERNMENT ORDER DATED 5.8.2015. EXHIBIT P8 COPY OF THE GOVERNMENT ORDER DATED 8.9.2015. EXHIBIT P9 COPY OF THE GOVERNMENT ORDER DATED 26.3.2016. EXHIBIT P10 COPY OF THE REPRESENTATION SUBMITTED BY THE CHAIRMAN BEFORE THE GOVERNMENT DATED 20.4.2016. EXHIBIT P11 COPY OF THE REPRESENTATION SUBMITTED BY THE MANAGING DIRECTOR BEFORE THE GOVERNMENT DATED 2.5.2016. EXHIBIT P12 COPY OF THE REPRESENTATION SUBMITTED BY THE MANAGING DIRECTOR BEFORE THE HON'BLE MINISTER FOR INDUSTRIES, DATED 21.6.2016. EXHIBIT P13 COPY OF THE ORDER OF THE CENTRAL SILK BOARD DATED 8.9.2016. : 72 : EXHIBIT P14 TRUE COPY OF THE ORDER OF THE 1ST RESPONDENT DATED 7.1.2017 EXHIBIT P15 COPY OF REPRESENTATION BY PETITIONER TO INDUSTRIES MINISTER, GOVERNMENT OF KERALA. EXHIBIT P16 COPY OF MINUTES OF THE MEETING CONVENED BY THE INDUSTRIES MINISTER DT 16.5.2017. EXHIBIT P17 COPY OF CHIEF SECRETARY TO THE

GOVERNMENT OF KERALA ON 5.7.2017 HAD CONVENED A MEETING AND THE MINUTES OF THE SAID MEETING.

EXHIBIT P18

COPY OF REPRESENTATION DT 13.7.2017. EXHIBIT

PRINCIPAL SECRETARY TO GOVERNMENT TO THE CHAIRMAN, SERIFED, THIRUVANANTHAPURAM. EXHIBIT P21 COPY OF REPRESENTATION SUBMITTED BY PETITIONER TO PRINCIPAL SECRETARY. EXHIBIT P22 COPY OF MINUTES OF THE MEETING HELD ON 16.5.2017 BY THE INDUSTRIES DEPARTMENT. EXHIBIT P23 COPY OF LETTER DT 24.8.2018 ISSUED FROM CENTRAL SILK BOARD, BANGALORE TO DIRECTOR, DIRECTORATE OF INDUSTRIES AND COMMERCE, THIRUVANANTHAPURAM. EXHIBIT P24 COPY OF CONSOLIDATED ACCOUNTS OF PLAN FUNDS RECEIVED AND DIVERSION MADE ON IT BY ERSTWHILE SERIFED DURING 1994- 2010. EXHIBIT P25 COPY OF MINUTES OF THE MEETING HELD ON 1.7.2016 IN THE CHAMBER OF PRINCIPAL SECRETARY (INDUSTRIES AND COMMERCE) REGARDING THE ISSUE OF REACHING A TRIPARTITE AGREEMENT FOR REVIVAL OF SERIFED. EXHIBIT P26 COPY OF LETTER DT 1.8.2018 RECEIVED FROM THE MANAGING DIRECTOR, KINFRA INTERNATIONAL APPAREL PARKS LTD. TO SERIFED. : 73 : RESPONDENTS' EXTS: R1(a) COPY OF LETTER DT 8.9.2017 ISSUED BY THE CENTRAL SILK BOARD NOMINATING THEIR MEMBER FOR PREPARATION OF PROJECT REPORT ON FEASIBILITY OF UNDERTAKING SILK WEAVING IN KERALA. R1(b) COPY OF LETTER ADDRESSED TO THE CHIEF SECRETARY DT 28.7.2017. R1(c) COPY OF LETTER STATING ABOUT THE DETAILS OF THE RELEASING OF THE RIAB FUND DT 22.11.2017. R1(d) COPY OF THE LETTER GIVEN BY THE DIRECTOR OF INDUSTRIES AND COMMERCE SHOWING THE DETAILS OF THE FUND RELEASED YEARWISE DT 4.12.2017. R1(e) COPY OF THE REPORT/LETTER SENT BY SECRETARY, KK & VI BOARD DT 25.2.2017. : 74 : APPENDIX OF WP(C) 35303/2016 PETITIONER'S EXHIBITS EXT. P1 A TRUE PHOTOCOPY OF THE AWARD, DATED 23.11.2002 IN I.D. NO. 58/99 ON THE FILE OF HON'BLE INDUSTRIAL TRIBUNAL, ALAPPUZHA. EXT. P2 A TRUE PHOTOCOPY OF THE PROCEEDINGS OF THE REGISTRAR OF KERALA KHADI AND VILLAGE

INDUSTRIES BOARD, THIRUVANANTHAPURAM NO. K.B PUBLISHED IN KERALA GAZETTE NO.4/2009/DTP/INDUSTRIES DATED 27.01.2009. EXT. P3 A TRUE PHOTOCOPY OF THE JUDGMENT DATED 09.04.2012 IN W.P.C. NO. 24014/2003. EXT. P4 A TRUE PHOTOCOPY OF THE PETITION PREFERRED BY MINIMOL N.S. AS THE 1ST PETITIONER BEFORE THE D.L.O. FOR THE ENFORCEMENT OF THE EXHIBIT P1, AWARD BY THE HON'BLE INDUSTRIAL TRIBUNAL, ALAPPUZHA. EXT. P5 A TRUE PHOTOCOPY OF THE JUDGMENT DATED 18.03.2014 IN W.P.C. NO. 31273/2013. EXT. P6 A TRUE PHOTOCOPY OF THE COMPLAINT DATED 25.06.2014, BEFORE THE HON'BLE CJM, ALAPPUZHA. EXT. P7 A TRUE PHOTOCOPY OF THE GOVERNMENT

ORDER G.O.(MS) NO.109/2015/ID,DATED

05.08.2015. EXT. P8 A TRUE PHOTOCOPY OF THE REPRESENTATION SUBMITTED BY THE PETITIONER TO THE 1ST RESPONDENT. EXT. P9 A TRUE PHTOCOPY OF THE POSTAL RECEIPT AND ACKNOWLEDGEMENT DUE EVIDENCING DISPATCH AND RECEIPT OF EXHIBIT P8 THE 1ST RESPONDENT EXT. P10 COPY OF COUNTER AFFIDAVIT IN WPC.31446/2010 FILED BY THE 3RD RESPONDENT. : 75 : EXT. P11 COPY OF FEASIBILITY REPORT DT 30.3.2015 BY CSB. EXT. P12 COPY OF JUDGMENT DT 20.3.2015 IN WPC.31446/2010. EXT. P13 COPY OF GO DT 5.8.2015. EXT. P14 COPY OF LETTER DT 4.3.2015 BY 3RD RESPONDENT TO CSB. EXT. P15 COPY OF LETTER DT 16.2.2016 ISSUED BY 3RD RESPONDENT TO CSB. EXT. P16 COPY OF AMENDED BYE-LAWS OF SERIFED. EXT. P17 COPY OF LETTER DT 26.3.2016 BY THE UNDER SECRETARY OF STATE. EXT. P18 COPY OF LETTR OF REGISTRAR ON CONSTITUTION OF MONITORING COMMITTEE DT 30.12.2015. EXT. P19 COPY OF MINUTES OF THE MEETING OF CSB

HELD ON 29.2.2016.

EXT. P20 COPY OF LETTR DT 14.7.2016. EXT. P21 COPY OF NEWS REPORT IN MATHRUBHOOMI DAILY DT 26.10.2016. RESPONDENTS' EXTs: R2(a) COPY OF ORDER DT 24.5.2011 SANCTIONING TRANSFER OF RS.35 LKHS TO THE SILK REELING UNIT, PATTANAKKAD. R2(b) COPY OF ORDER DT

24.5.2011 SANCTIONING TRANSFER OF RS.40 LAKHS TO THE SILK REELING UNIT, UDUMA.

R2(c) COPY OF ORDER DT 17.3.2012 SANCTIONING TRANSFER OF RS.50 LAKHS TO THE SILK REELING UNITS. R2(d) COPY OF THE ORDER TRANSFERRING AN AMOUNT OF RS.65 LAKHS TO IOB ACCOUNT. R2(e) COPY OF CONTINGENT BILL TRANSFERRING AN AMOUNT OF RS.65 LAKHS. R2(f) COPY OF AUDIT REPORT DETAILS OF THE UNIT MYLATTY, UDUMA FOR THE FINANCIAL YEAR 2014-15. : 76 : R2(g) COPY OF THE AUDIT REPORT DETAILS OF THE UNIT PATTANAKKAD FOR THE FY 2014-15.

R2(h) COPY OF THE LIST OF REGISTERS, FILES MACHINERY AND FURNITURE OF SILK REELING UNIT AT PATTANAKKAD.

R2(a) COPY OF THE MINUTES OF THE MEETING. : 77 : APPENDIX OF WP(C) 40553/2016 PETITIONER'S EXHIBITS P1 A TRUE COPY OF THE REVIVAL PROJECT SUBMITTED BY THE PETITIONER SOCIETY TO THE STATE GOVT. P2 TRUE COPY OF THE RELEVANT PORTION OF AUDIT REPORT FOR THE YEARS 1998-99 REGARDING THE THEN NATURE OF FUNCTIONING OF THE SEIFED. P3 TRUE COPY OF THE RELEVANT PORTION OF AUDIT REPORT FOR THE YEARS 2003-14 REGARDING THE THEN NATURE OF FUNCTIONING OF THE SEIFED. P4 TRUE COPY OF THE REPRESENTATION DATED 30.6.2014 OF THE PETITIONER FOR THE SUBMISSION OF REVIVAL PROJECT TO THE STATE GOVT. P5 A TRUE COPY OF LETTER NO.CSB-30.3.2015. P6 TRUE COPY OF THE COUNTER AFFIDAVIT FILED BY THE RESPONDENT IN WPC NO. P7 TRUE COPY OF THE JUDGMENT DATED 20.3.2015 IN WPC NO. 31446/2010 OF THIS HONOURABLE COURT. P8 TRUE COPY OF THE GOVERNMENT ORDER (MS) NO. 109/2015/ID DATED 05.8.2015. P9 TRUE COPY OF THE LETTER NO.9945/K2/2010/ID OF INDUSTRIES (K) DEPARTMENT, GOVT. OF KERALA DATED 04.3.2015. P10 TRUE COPY OF THE LETTER NO. 29890/K2/2015/ID OF INDUSTRIES (K) DEPARTMENT GOVT. OF KERALA, DATED 16.2.2016. : 78 : P11 TRUE COPY OF THE BY3-LAWS OF SERIES WHICH WERE REGISTERED BY THE REGISTRAR LTR NO. KB/3928/09/CO-OP DATED 18.6.2016. P12 TRUE COPY

OF THE GOVT. LETTER NO.

21064/K2/2015/ID OF INDUSTRIES DEPARTMENT DATED 26.3.2016
APPOINTMENT OF MANAGING DIRECTOR IN SERIFED.

P13

TRUE COPY OF THE LETTER OF REGISTRAR

MONITORING AND REVIEW COMMITTEE. P14 TRUE COPY OF THE MINUTES
OF THE MEETING HELD ON 29.2.2016. P15 TRUE COPY OF THE LETTER
FROM THE CENTRAL SILK BOARD ADDRESSED TO THE PRINCIPAL
SECRETARY, INDUSTRIES DEPARTMENT DATED 14.12.2015 AND 23.2.2016.

P15(A) TRUE COPY OF THE LETTER NO.CSB-90/1 (KERALA) 2012/PFAE
DATED 14.7.2016 SENT BY THE CENTRAL SILK BOARD. P16 TRUE COPY OF
THE LETTER DATED 20.4.2016 SENT BY THE CHAIRMAN OF SERIFED TO
STATE GOVT. P17 TRUE COPY OF THE REQUEST MADE BY THE
MANAGING DIRECTOR OF SERIFED TO THE PRINCIPAL SECRETARY TO
INDUSTRIES GOVERNMENT OF KERALA. P17(A) TRUE COPY OF THE
CENTRAL SILK BOARD LETTER DATED 14.7.2016. 17(B) TRUE COPY OF
THE PROCEEDINGS NO.T(I) SFD-TTSCS/206 DATED 15.3.2016 ISSUED BY
THE MANAGING DIRECTOR, SERIFED. 18 TRUE COPY OF THE
MEMORANDUM OF UNDERSTANDING DATED 22.3.2016. 19 TRUE COPY OF
THE NEWS REPORT APPEARED IN MATHRUBHOOMI DAILY DATED
26.10.2016. P20 TRUE COPY OF G.O.(RT) NO.25/17/1D DATED 07.01.2017
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THE STAY ORDER DATED 14.03.2017 ON W.P.(C) NO.8550/2017. EXHIBIT
P23 COPY OF THE STAY ORDER DATED 14.03.2017 ON W.P.(C)
NO.8550/2017. EXHIBIT P24 TRUE COPY OF THE LETTER DATED

17.04.2018 OF MEMBER SECRETARY, CENTRAL SILK BOARD AGREEING TO
RELEASE THE FUNDS TO THE REVIVAL PROJECT, AS PER THE REVISED
FUNDING SCHEME. EXHIBIT P25 TRUE COPY OF THE PAPER PRESENTED
BY VICE CHAIRMAN, SERIFED IN THE NATIONAL WORKSHOP ON
17.05.2018. EXHIBIT P26 TRUE COPY OF THE PROCEEDINGS OF THE

NATIONAL WORKSHOP HELD IN NEW DELHI ON 17.05.2018. EXHIBIT P27 TRUE COPY OF THE LETTER FROM THE REGIONAL OFFICE OF THE CENTRAL SILK BOARD DATED 20.06.2018 INFORMING THE STATE GOVERNMENT TO TAKE FOLLOW UP ACTION ON THE REVIVAL PROJECT. EXHIBIT P28 TRUE COPY OF THE LETTER FROM CENTRAL SILK BOARD DATED 31.05.2018 TO DIRECTOR OF INDUSTRIES AND COMMERCE FOR CONVENING THE PMC. EXHIBIT P29 TRUE COPY OF THE MINUTES FROM CENTRAL SILK BOARD DATED 24.08.2018 ADDRESSED TO DIRECTOR OF INDUSTRIES AND COMMERCE TO PROVIDE BUDGET ALLOCATION FOR THE REVIVAL PROJECT OF SERIFED.

EXHIBIT P30 TRUE COPY OF THE LETTER RECEIVED FROM 01.08.2018. EXHIBIT P31 TRUE COPY OF THE MINUTES DATED 16.05.2017 WITH COVERING LETTER DATED 27.06.2017. EXHIBIT P32 TRUE COPY OF THE REPRESENTATION DATED 13.01.2020 SUBMITTED BY THE PETITIONER SOCIETY. : 80 : APPENDIX OF WP(C) 40618/2016 PETITIONER'S EXHIBITS EXHIBIT P1 A TRUE PHOTOCOPY OF THE RELEVANT PAGES OF THE AUDIT REPORT FOR THE PERIOD OF 1998-99 EXHIBIT P2 A TRUE PHOTOCOPY OF THE RELEVANT PAGES OF THE AUDIT REPORT OF THE AUDIT DEPARTMENT FOR THE PERIOD OF 2003-04 EXHIBIT P3 A TRUE PHOTOCOPY OF THE G.O(MS) NO

THE GOVERNMENT OF KERALA, STATING ABOUT THE REDEPLOYMENT OF THE STAFF MEMBERS WORKING WITH SERIFED TO THE RURAL DEVELOPMENT AND LOCAL SELF GOVERNMENT. EXHIBIT P4 A TRUE COPY OF THE ABOVE SAID REVEIVAL PROJECT. EXHIBIT P5 A TRUE COPY OF THE COUNTER AFFIDAVIT FILED BY THE GOVERNMENT IN WP(C) EXHIBIT P6 A TRUE COPY OF THE FEASIBILITY REPORT, VIDE LETTER NO CSB-09/1/KERALA 2012- 13/PFAE/VOL 1 DATED 30-03-2015 EXHIBIT P7 A TRUE COPY OF THE JUDGMENT IN WP(C) NO 31446/2010

EXHIBIT P8 A TRUE COPY OF THE GOVERNMENT ORDER

VIDE (MS) NO 109/ID DATED 05-08-2015 EXHIBIT P9 A TRUE COPY OF THE LETTER DATED 04-03- 2015, ISSUED BY THE 2ND RESPONDENT OT THE 5TH RESPONDENT. EXHIBIT P10 A TRUE COPY OF THE LETTER DATED 16-02- 2016, ISSUED BY THE 2ND RESPONDENT TO THE 5TH RESPONDENT. EXHIBIT P11 A TRUE COPY OF THE AMENDED BY LAWS. EXHIBIT P12 A TRUE COPY OF THE GOVERNMENT LETTER

DATED 26-03-2016 ISSUED BY THE STATE GOVERNMENT APPOINTING AS IAS OFFICER TO HOLD THE FULL ADDITIONAL CHARGE OF MANAGING DIRECTOR IN SERIFED. : 81 : EXHIBIT P13 A TRUE COPY OF THE LETTER OF REGISTRAR ON CONSTITUTION OF MONITORING COMMITTEE. EXHIBIT P14 A TRUE COPY OF THE MINUTES OF THE MEETING HELD AT THE HEAD QUARTERS OF THE CSB, BANGLORE, ON 29-02-2016 EXHIBIT P15 A TRUE PHOTOCOPY OF THE LETTER FROM CSB FOR SPEEDY EXPEDITION OF THE TRIPARTITE AGREEMENT ADDRESSED TO THE PRINCIPAL SECRETARY TO INDUSTRIES DATED 14-12-2015 EXHIBIT P16 A TRUE PHOTOCOPY OF THE LETTER FROM CSB FOR SPEEDY EXPENDITION OF THE TRIPARTITE AGREEMENT ADDRESSED TO THE PRINCIPAL SECRETARY TO INDUSTRIES DATED 23-02-2016 EXHIBIT P17 A TRUE COPY OF THE LETTER VIDE NO CSB- PRINCIPAL SECRETARY TO INDUSTRIES DATED 14-07-2016 EXHIBIT P18 A TRUE COPY OF THE LETTER OF CHAIRMAN OF SERIFED ADDRESSED TO CHIEF SECRETARY DATED 20-04-2016 EXHIBIT P19 A TRUE COPY OF THE REQUEST MADE BY THE MANAGING DIRECTOR OF SERIFED TO THE SECRETARY TO INDUSTRIES DATED 21-06EXHIBIT P20 A TRUE COPY OF THE LETTER DATED 14-07-2016 ADDRESSED BY THE CENTRAL SILD BOARD TO THE PRINCIPAL SECRETARY TO LOCAL SELF GOVERNMENT. EXHIBIT P21 A TRUE COPY OF THE NEWS REPORT APPEARED IN MATHRUBHUMI DAILY DATED 26-10-2016 EXHIBIT P22 A TRUE COPY OF THE MINUTES OF THE MEETING OF "NATIONAL WORK SHOP ON SILK SAMAGRA", HELD ON 17/5/2018, UNDER THE CHAIRMANSHIP OF THE SECRETARY, MINISTRY OF TEXTILES, GOVERNMENT OF INDIA : 82 : EXHIBIT P23 A COPY OF THE LETTER ISSUED BY THE CSB UNDER THE MINISTRY OF TEXTILES VIDE ITS LETTER NO.CSBEXHIBIT P24 A TRIE PHOTOCOPY OF THE COVERING LETTER OF

THE COUNSEL DATED 7/12/2019

EXHIBIT P25 A TRUE COPY OF LETTER NO.AP/ADMN/01/148/18-19 DATED RESPONDENTS' EXTS: R1(a) COPY OF LETTER DT 8.9.2017 ISSUED BY CSB NOMINATING MEMBER FOR PREPARATION OF PROJECT REPORT. R1(b) COPY OF LETTER ADDRESSED BY PETITIONER TO CHIEF SECRETARY DT 28.7.2017. R1(c) COPY OF LETTER STATING ABOUT THE DETAILS OF RELEASING OF RIAB FUND DT 22.11.2017.

R1(d) COPY OF LETTER GIVEN BY DIRECTOR OF INDUSTRIES AND COMMERCE SHOWING DETAILS OF FUND RELEASED YEARWISE DT 4.12.2017. R1(e) COPY OF REPORT SENT BY SECRETARY, KK & VI BOARD DT 25.2.2017. : 83 : APPENDIX OF WP(C) 8550/2017 PETITIONER'S EXHIBITS

EXHIBIT P1: TRUE COPY OF THE GOVERNMENT ORDER

DTD.15.3.2010 EXHIBIT P2: TRUE COPY OF THE DETAILED REPRESENTATION EXHIBIT P3: TRUE COPY OF THE COUNTER AFFIDAVIT IN WPC NO.31446/10 EXHIBIT P4: TRUE COPY OF THE JUDGMENT DTD EXHIBIT P5: TRUE COPY OF THE FEASIBILITY REPORT SUBMITTED BY THE CSB EXHIBIT P6: TRUE COPY OF THE GOVERNMENT ORDER DTD 05.08.2015 SANCTIONING THE REVIVAL PROJECT EXHIBIT P7: TRUE COPY OF THE REFERENCE ORDER IN CONTEMPT CASE NO.1494/16 EXHIBIT P8: TRUE COPY OF THE ORDER DTD 07.01.2017 EXHIBIT P9: TRUE COPY OF THE PAPER REPORT DTD IN MALAYALA DAILY (MATHRUBHOOMI) EXHIBIT P10 TRUE COPY OF ORDER IN I.A NO.2/2017 IN WPC NO.40553/2016 DTD 26/3/2019. EXHIBIT P11 TRUE COPY OF LETTER ISSUED FROM THE CENTRAL SILK BOARD DTD 24/8/2018 TO THE DIRECTOR , DIRECTOR OF INDUSTRIES AND COMMERCE. : 84 : APPENDIX OF WP(C) 15961/2020 PETITIONER'S EXHIBITS EXHIBIT P1 TRUE COPY OF THE JUDGMENT DATED 20.3.2015 IN W.P.(C)31446/2010. EXHIBIT P2 TRUE COPY OF THE GO(MS) NO.109/2015/ID DATED 5.8.2015.

EXHIBIT P3 TRUE COPY OF THE ORDER

GO(RT)NO.25/17/ID DATED 7.1.2017 ISSUED BY THE 1ST RESPONDENT.
EXHIBIT P4 TRUE COPY OF THE ORDER DATED 8.5.2020 ISSUED BY THE
2ND RESPONDENT. RESPONDENTS' EXTS:

R1(a) TRUE COPY OF AFFIDAVIT IN WPC.40553/16.R1(b) TRUE COPY
25.2.2017.

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