

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:2323  
ANSWERED ON:08.08.2005  
SETTING UP OF SUBSIDIARIES UNDER NDDDB  
Badiga Shri Ramakrishna;Ponnuswamy Shri E.

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) the details of subsidiaries proposed to be set up under the National Dairy Development Board(NDDDB) as on date;
- (b) whether the Government is aware that Ministries differ on the issue to form subsidiaries by NDDDB as reported in the Hindi-Businessline dated July 07, 2005;
- (c) if so, the details thereof and the reasons therefor;
- (d) the reaction of the Government thereto; and
- (e) the steps taken/proposed to be taken by the Government to expand the activities of NDDDB?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a): NDDDB does not propose to set up any subsidiary as on date.

(b)to(d): The issue is whether prior approval of the Government of India is required in case of a subsidiary of NDDDB floating another subsidiary company. According to Ministry of Company Affairs, the subsidiary of NDDDB, namely, Mother Dairy Fruits and Vegetables Ltd. (MDFVL) can form further subsidiary companies without prior approval of the Government of India, as its Memorandum of Association(MOA) and Articles of Association do not prohibit floating of further subsidiaries. Ministry of Law & Justice, is of the opinion that under Section 43 of NDDDB Act, the Central Government's approval shall be required every time the NDDDB desires to form one or more companies either by itself or in conjunction with any of its subsidiaries. The Ministry of Law & Justice has not addressed the issue of a subsidiary of NDDDB floating another subsidiary company. Hence, the Ministry of Law & Justice has been requested to furnish their considered opinion in the matter.

(e): The activities of NDDDB are carried out as per provisions of NDDDB Act, 1987.