

I/799/2022

File No. M-03018/4/2020-Admn-4 –Part(2)  
Government of India  
Ministry of Fisheries, Animal Husbandry and Dairying  
Department of Animal Husbandry and Dairying

Dated 18.01.2022

**OFFICE MEMORANDUM**

Subject : Proposed amendments to the National Dairy Development Board(NDDDB) Act, 1987 – inviting suggestions/comments from general public.

For the purpose of better management and monitoring functions of NDDDB, the Department of Animal Husbandry and Dairying, Govt. of India proposes to amend the NDDDB Act, 1987.

2. A copy of the draft legislation for amendment of the NDDDB Act, 1987, as prepared by Legislative Department, Ministry of Law and Justice along with additional amendments by the Department of Animal Husbandry & Dairying is attached herewith. The views/suggestions/comments of the general public along with justifications/reasons, if any, are hereby invited for a period of 30 days from the date of issue of this Office Memorandum. The views/suggestions/comments may kindly be sent on e-mail ([deepak.sethi@nic.in](mailto:deepak.sethi@nic.in)) only, along with details of Name, Address and Mobile Number, within the stipulated time.

3. This issues with the approval of Competent Authority.

(Deepak Sethi)  
Under Secretary to the Govt. Of India

To

The Members of general public

Copy to: Sr. Technical Director, NIC, DAHD, Krishi Bhawan, New Delhi for uploading this OM along with annexures on the DAHD Website.

O/C

Legislative Department  
Revised Draft Bill  
Dated 3<sup>rd</sup> November, 2021

*[Signature]*  
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THE NATIONAL DAIRY DEVELOPMENT BOARD  
(AMENDMENT) BILL, 2021

A

BILL

*further to amend the National Dairy Development Board  
Act, 1987.*

BE it enacted by Parliament in the Seventy-second Year  
of the Republic of India as follows:—

1. (1) This Act may be called the National Dairy  
Development Board (Amendment) Act, 2021.

Short title and  
commencement.

(2) It shall come into force on such date as the Central  
Government may, by notification in the Official Gazette,  
appoint.

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37 of 1987.

2. In section 8 of the National Dairy Development Board Act, 1987 (hereinafter referred to as the principal Act), in sub-section (2),— Amendment of section 8.

(i) in clause (b), for the words “one director”, the words “two directors” shall be substituted;

(ii) for clause (e), the following clauses shall be substituted, namely:—

“(e) one director, being an expert, from cooperative sector, outside the National Dairy Development Board;

(f) one director, being an expert, from the private dairy industries.”.

3. In section 9 of the principal Act, in sub-section (1),— Amendment of section 9.

(a) for the words “for such period as the Central Government may determine and any person so nominated”, the words “for a term of three years from the date of his nomination or up to the age of sixty-five years, whichever is earlier and” shall be substituted;

(b) the following provisos shall be inserted, namely:—

“Provided that no person shall hold office as such for more than two terms.”.

4. In section 16 of the principal Act,— Amendment of section 16.

(i) in sub-section (1), in clause (b), after the words “the co-operative strategy”, the words “and other plans for the development of the dairy sector” shall be inserted;

(ii) in sub-section (2),—

(i) in clause (b), after the words “public sector”, the words “or any other organisation”, shall be inserted;

(ii) in clause (k), after the words “public sector”, the words “or for start-ups and technical innovations” shall be inserted;

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(iii) in clause (y), after the word “co-operative”, the words “and similar other organised” shall be inserted;

5. After section 16 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 16A.

“16A. The National Dairy Development Board shall furnish to the Central Government a report consisting of details of all the activities and projects undertaken by it with the funds provided by the Central Government.”

Furnishing of reports of activities and projects undertaken from government funds.

6. In section 43 of the principal Act, after sub-section (2), the following sub-sections shall be inserted, namely:—

Amendment of section 43.

“(3) The directors of the National Dairy Development Board nominated under clause (b) of sub-section (2) of section 8 shall also be the *ex officio* directors in the Boards of subsidiary companies formed under this section.

(4) Any company formed under this section shall not,—

18 of 2013.

(a) form any subsidiary company under the Companies Act, 2013 or under any other law, without the prior approval of the Central Government;

(b) transfer any part of its share capital to any person, without the prior approval of the Central Government.

(5) No new subsidiary company shall be formed under this section, unless the objectives of such company conforms to the objectives of the National Dairy Development Board.”

8. After section 43 of the principal Act, the following sections shall be inserted, namely:—

Insertion of new sections 43A, 43B and 43C.

“43A. The provisions of the Right to Information Act, 2005 and the Central Vigilance Commission Act, 2003 shall apply to the National Dairy Development Board and all subsidiary companies formed under this Act.

Application of certain laws to subsidiary companies.

22 of 2005.  
45 of 2003.

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**43B.** All subsidiary companies formed under this Act shall furnish quarterly reports relating to their activities along with financial statements to the National Dairy Development Board.

Furnishing of reports by subsidiary companies.

**43C.** (1) Without prejudice to the provisions of this Act, the National Dairy Development Board shall, in exercise of its powers and in performance of its functions under this Act, be bound by such directions on questions of policy involving public interest, other than those relating to technical and administrative matters, as the Central Government may give in writing to it from time to time:

Power of Central Government to give directions.

Provided that the National Dairy Development Board shall, as far as practicable, be given an opportunity to express its views before any direction is given under this sub-section.

(2) The decision of the Central Government whether a question is one of policy or not shall be final.”.

**9.** In section 48 of the principal Act,—

Amendment of section 48.

(i) in clause (i), after the word “service”, the words “and the manner of recruitment” shall be inserted;

(i) regulation on procurement of Goods and Services.”.

**Note:** To include this amendment in section 48, a substantial provision to support the regulation making power on the procurement of goods and service is a pre-requisite. The administrative Ministry may reconsider and provide us the content of substantive section.

**Recommendations of DAHD on draft bill on amendment of the NDDB Act, 1987**

Sl.No.	Draft legislation prepared by Legislative Department, Ministry of Law & Justice after discussion with the officers of the Department	Recommendations of Department of Animal Husbandry and Dairying (DAHD)
1.	<p>In section 8 of the National Dairy Development Board Act, 1987, in sub-section(2), -</p> <p>(i) In clause (b), for the words “one director”, the words “two directors” shall be substituted;</p> <p>(ii) For clause (e), the following clauses shall be substituted namely:-  “(e) one director, being an expert, from cooperative sector, outside the NDDB;  (f) one director, being an expert, from the private dairy industries.”.</p>	<p>(i) DAHD agrees.</p> <p>(ii) The proposed amendment to the Sections 8(2)(e) and (f) in the draft bill may be revised as under:  “8(2)(e) two directors, being expert, from outside the National Dairy Development Board, out of these two directors, one shall be person qualified in one or more specialities, namely, animal husbandry, dairying, rural economics, rural development, business administration or banking, and the other shall be from private dairy industries.”.</p> <p>Further, the words “and the director referred to in clause (e) of sub-section (2) shall be persons” in proviso to Section 8(3) of the original Act may be substituted by “shall be person”.</p>
2.	<p>In section 9 of the principal Act, in sub-section(1),-</p> <p>(a) For the words “for such period as the Central Government may determine and any person so nominated”, the words “for a term of three years from the date of his nomination or up to the age of sixty-five years, whichever</p>	<p>DAHD agrees.</p>

	<p>is earlier and “ shall be substituted;</p> <p>(b) The following provisos shall be inserted, namely:-</p> <p>“Provided that no person shall hold office as such for more than two terms.”.</p>	
3.	<p>After section 16 of the principal Act, the following section shall be inserted, namely:-</p> <p>“16A. The National Dairy Development Board shall furnish to the Central Government a report consisting of details of all the activities and projects undertaken by it with the funds provided by the Central Government.”.</p>	DAHD agrees.

4.	<p>In Section 16 of the principal Act,-</p> <p>(i) In sub-section (1), in clause (b), after the words “the co-operative strategy”, the words “and other plans for the development of the dairy sector” shall be inserted;</p> <p>(ii) In sub-section(2),-</p> <p>(i) in clause (b), after the words “public sector”, the words “or any other organisation”, shall be inserted;</p> <p>(ii) in clause (k), after the words “public sector”, the words “or for start-ups and technical innovations” shall be inserted;</p> <p>(iii) in clause (y), after the words “co-operative”, the words “and similar other organised” shall be inserted;</p>	DAHD agrees.
5.	<p>In section 43 of the principal Act, after sub-section (2), the following sub-sections shall be inserted, namely:-</p> <p>“(3) The directors of the national Dairy Development Board nominated under clause (b) of sub-section (2) of section 8 shall also be the <i>ex officio</i> directors in the Boards of subsidiary companies formed under this section.</p> <p>(4) Any company formed under this section shall not, -</p> <p>(a) form any subsidiary company under the Companies Act, 2013 or under any other law, without the prior approval</p>	DAHD agrees to the proposed amendment except: the words, <b>‘under this section’</b> in the proposed amendments may be replaced with the words, <b>‘under this Act’</b> .



	<p>of the Central Government ;</p> <p>(b) transfer any part of its share capital to any person, without the prior approval of the Central Government.</p> <p>(5) No new subsidiary company shall be formed under this section, unless the objectives of such company conforms to the objectives of the National Dairy Development Board.”.</p> <p>After Section 43 of the principal Act, the following sections shall be inserted, namely:-</p> <p>“43A. The provision of the Right to Information Act, 2005 and the Central Vigilance Commission Act, 2003 shall apply to the National Dairy Development Board and all subsidiary companies formed under this Act.</p> <p>43B. All subsidiary companies formed under this Act shall furnish quarterly reports relating to their activities along with financial statements to the National Dairy Development Board.</p>	
6.	<p>In section 48 of the principal Act,-</p> <p>(i) In clause (i), after the word “service”, the words “and the manner of recruitment” shall be inserted;</p> <p>*For regulation on procurement of Goods and Services – to include this amendment in Section 48, a substantial provision to support the regulation making power on the procurement of goods and services is a pre-requisite. The administrative ministry may reconsider</p>	<p>(i) DAHD agrees.</p> <p>We may not introduce this new provision for Regulation on procurement of Goods and Services considering the view of the Legislative Department.</p>

	<p>and provide us the content of substantive section.</p>	
<p>7.</p>	<p>43C. (1) Without prejudice to the provisions of this Act, the National Dairy Development Board shall, in exercise of its powers and in performance of its functions under this Act, be bound by such directions on questions of policy involving public interest, other than those relating to technical and administrative matters, as the Central Government may give in writing to it from time to time:</p> <p>Provided that the National Dairy Development Board shall, as far as practicable, be given an opportunity to express its views before any direction is given under this sub-section.</p> <p>(2) The decision of the Central Government whether a question is one of policy or not shall be final.”.</p>	<p>The proposed New Section 43C.(1) &amp;(2) in the draft bill may be inserted as Section 45A. (1) &amp; (2) in the principal Act.</p>