

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:2381  
ANSWERED ON:28.03.2012  
CLASSIFICATION OF EXPENDITURE  
Anandan Shri K.Murugesan

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

- (a) whether majority of the States have favoured the Rangarajan Committee's recommendation on doing away with the current system of classification of expenditure into plan and non-plan categories and agreed to implement B.K. Chaturvedi group report on centrally sponsored schemes;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether the States have also urged the Central Government to give funds directly to them for various social sector schemes; and
- (d) If so, the details thereof and the reaction of the Government in this regard?

**Answer**

MINISTER OF STATE FOR PLANNING, SCIENCE AND TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a) & (b): The States are in broad agreement with B.K. Chaturvedi Committee's report on restructuring of Centrally Sponsored Schemes (CSS). However they have also made several suggestions. The Rangarajan Committee's report has also been circulated to the States. Some States specifically supported the recommendation on doing away with the current system of classification of expenditure into Plan and Non-Plan categories in the NDC meeting held in October, 2011. Both these matters are under the consideration of the Planning Commission. In his budget speech 2012-13, Hon'ble Finance Minister has mentioned that in implementing the Twelfth Plan, the recommendations made by the Expert Committees to streamline and reduce the number of Centrally Sponsored Schemes and to address Plan and Non-Plan classification, would be kept in view.

(c)&(d): Both Rangarajan Committee and B.K. Chaturvedi Committee have recommended that transfer of Central Plan Funds to States should be made through State Consolidated Fund. In those existing schemes where the funds are directly transferred through autonomous agencies/societies, the mode of transfer should be changed to treasury route over a defined period. This recommendation is under the consideration of the Planning Commission.