

**GOVERNMENT OF INDIA  
MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT  
LOK SABHA**

**UNSTARRED QUESTION NO. 3495  
TO BE ANSWERED ON 10.12.2019**

**INCOME CEILING FOR CREAMY LAYER**

**3495. SHRI MARGANI BHARAT:**

**Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:**

- (a) whether it is true that while computing annual income of Other Backward Classes (OBC) employees working in PSUs and banks, the Government is taking into account 'salary' as well as 'agricultural income' together to arrive at whether they fall under creamy layer and if so, the details thereof;
- (b) the reasons for following different yardsticks for different categories of employees resulting in denial of benefits to the wards of those working in PSUs and banks;
- (c) the steps taken to rectify this anomaly; and
- (d) whether the Ministry is taking any steps to remove creamy layer for OBCs and if so, the details thereof?

**ANSWER**

**MINISTER OF STATE FOR SOCIAL JUSTICE AND EMPOWERMENT  
(SHRI KRISHAN PAL GURJAR)**

(a) and (b): As per **Annexure**.

(c): An Expert Committee has been constituted by the Government of India under the Chairmanship of Shri B.P. Sharma (former Secretary, DOPT) on 08.03.2019 to examine the issues related to Creamy layer equivalence among the Socially and Educationally Backward Classes (SEBCs). The Committee has submitted its report to the Ministry of Social Justice and Empowerment on 17.09.2019.

(d): The Government has implemented the 'creamy layer' concept in pursuance of the Hon'ble Supreme Court's order in the case of Indra Sawhney and others etc. vs Union of India and others [(Civil) No. 930/1990]. At present, there is no proposal in this Ministry for removal of Creamy Layer.

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## Annexure

(a): The Creamy Layer formula for Other Backward Classes employed with the State Governments, Central Government, Public Sector Undertakings (PSUs) and banks, for the purpose of their employment in Central Government jobs and admission to Central Government educational institutions is at present covered by the instructions of Department of Personnel and Training dated 08.09.1993 and 14.10.2004 and Department of Public Enterprises and the Department of Financial Services, vide Office Memorandum dated 25.10.2017 and 06.12.2017, respectively. As per category II C of the Schedule to the OM dated 08.09.1993, pertaining to "Employees in Public Sector Undertakings etc." - it is clarified that the criteria enumerated in categories II A and II B (which clarify the position regarding Group A/Class 1 and Group B/Class II officers of the Central and State Governments) will apply mutatis mutandi to officers holding equivalent or comparable posts in PSUs, Banks, Insurance Organisations, Universities, etc. and also to equivalent or comparable posts and positions under private employment. Pending the evaluation of the posts on equivalent or comparable basis in these institutions, the criteria specified in Category VI will apply to the officers in these Institutions. As per category VI of the Schedule to the above OM, the following explanations was mentioned:

- (i) Income from salaries or agricultural land shall not be clubbed;
- (ii) The income criteria in terms of rupee will be modified taking into account the change in its value every three years. If the situation, however, so demands the interregnum may be less.

Department of Personnel and Training vide OM No. 36033/5/2004-Estt(Res) dated 14.10.2004 has further stated that while applying the Income/Wealth Test to determine creamy layer status of any candidate as given in Category VI of the Schedule to the OM dated 08.09.1993, income from the salaries and income from the agricultural land shall not be taken into account. The above yardsticks is being followed while computing the annual income of OBC employees working in PSUs.

(b): Department of Public Enterprises vide Officer Memorandum dated 6.10.2017 has clarified that for determination of creamy layer criteria in CPSEs, the general principle would be that all the Executive level posts in CPSEs i.e. Board level Executives and below Board

level Executives which are managerial level posts, will be considered as "creamy layer" subject to the proviso that those Executives whose annual income as per criteria given in DoPT OM 08-09-1993 is less than Rs. 8 lakhs (as amended vide DoPT OM No. 36033/1/2013-Estt.(Res) dated 13-09-2017), will not fall under creamy layer criteria.

Department of Financial Services via Office Memorandum dated 6.12.2017 has clarified that the principle for determining the equivalence in respect of Public Sector Banks (PSBs), Public Financial Institutions (PFIs), Public Sector Insurance Companies (PSICs), would be as under:

- (a) Junior Management Scale-I of PSBs/PFIs/PSICs will be treated as equivalent to Group A in the Government of India and
- (b) Clerks and Peons in PSBs/PFIs/PSICs will be treated as equivalent to Group C in the Government of India.

The wards of employees in PSUs and banks who fall in the creamy layer as per the above principles will not get the benefit of OBC reservation.