

No. 1-1/2008-U.IA
Government of India
Ministry of Human Resource Development
Department of Higher Education

Shastri Bhavan, New Delhi
Dated 13th October 2008

OFFICE MEMORANDUM

Subject: Revision of income criteria to exclude socially advanced persons/sections (Creamy Layer) from Other Backward Classes (OBCs).

Following the decision of the Supreme Court delivered on 16.11.1992 in the case of Indra Sawhney and others Vs. Union of India and others, the Government of India had constituted an Expert Committee to make recommendations on the socio-economic criteria to be adopted for excluding the 'Creamy Layer' from amongst OBCs. The report of the Expert Committee was considered and accepted by the Government and the categories of the persons/sections to be excluded from the purview of the reservation orders for OBCs were notified in the schedule to the Office Memorandum No. 36012/22/93-Estt.(SCT) dated 08.09.1993 issued by the Department of Personnel and Training (DOPT).

2. The Committee while specifying the criteria for application of the rule of exclusion of socially advanced persons amongst OBCs, inter-alia, recommended review of income criteria after every three years. The Committee observed ***"Since the rupee value is bound to undergo change, the income criteria in terms of rupee as stated above, will accordingly stand modified with the change in value of rupee. The modification exercise may, normally speaking, be undertaken every three years but if the situation so demands the interregnum may be less."***

3. Keeping in view the above recommendations of the Expert Committee, the Government of India decided to constitute a review Committee to consider the issue of modification of the income criteria laid down by the Expert Committee for exclusion of OBCs as per Creamy Layer concept.

4. Subsequently, it was decided that the work relating to review of income criteria to exclude creamy layer from OBCs may be entrusted to the National Commission for Backward Classes (NCBC). On the basis of the recommendation of the NCBC, the income limit for determining the Creamy Layer among the backward classes was raised from Rs. 1.00 lakhs to Rs. 2.5 lakhs and DOPT issued an OM No. 36033/3/2004-Estt.(Res.) dated 9th March 2004 to this effect.

5. As the Creamy Layer criterion was to be revised after expiry of three years from the last revision, the NCBC was again requested on 27.12.2007 to

review the existing ceiling of income/wealth to determine the Creamy Layer amongst the OBCs.

6. The NCBC considered the socio-economic development of the Other Backward Classes appearing in various surveys and reports published by the Govt. of India and also took into consideration the increasing trend in the GDP, net per capita income, all round economic growth, acceleration in inflation in primary commodities and continued high escalation in price of the commodities in fuel group. There has been a steady increase in the costs for medical, transport and education. The recommendation of the Sixth Central Pay Commission recommending the existing rates of most of the allowances to be doubled and has also been taken note of. The Commission taking into consideration the above factors and the time by which the report will be accepted and implemented, arrived at a figure of Rs. 4.5 lakhs.

7. The Commission submitted its reports on the 1.7.2008 to the Government of India and recommended that "The Income limit for determining the creamy layer among Other Backward Classes (OBC) be raised from Rs. 2.5 lakhs to Rs. 4.5 lakhs".

8. With the approval of the competent authority, the recommendation of the NCBC was accepted to raise the income limit for determining the creamy layer among other backward classes (OBCs) from Rs. 2.5 lakhs to Rs. 4.50 lakhs. Accordingly, the existing entry against category VI in the Schedule to the OM No. 36033/3/2004-Estt.(Res.) dated 9th March 2004 issued by the DOPT of gross annual income of Rs. 2.5 lakhs, shall be read as Rs. 4.5 lakhs for the purpose of determination of creamy layer for admission of OBC candidates into the Central Educational Institutions.

9. The provision of this Office Memorandum takes effect immediately in respect of admissions into Central Educational Institutions.


(ANUPAMA BHATNAGAR)
DIRECTOR

To

1. All the Ministries/Departments of the Govt. of India
2. State Governments
3. Union Territory Administrators
4. Statutory bodies responsible for maintenance or determination of standards of education
5. All Central Educational Institutions