# OBC Creamy Layer

Creamy layer and non-creamy layer explained, including the income rules, government orders and the 2026 Supreme Court decisions.

## Creamy Layer and Non-Creamy Layer

In the Central OBC reservation system, being listed as OBC and being eligible for the OBC reservation benefit are not the same thing. The creamy-layer rules exclude certain sections from that benefit.

| Creamy Layer (CL) | Non-Creamy Layer (NCL) |
|---|---|
| A person belonging to an OBC community whose parents fall under one of the exclusion categories set out in the Central Government rules. The person cannot use OBC reservation for Central jobs or admissions. | A person belonging to an eligible OBC community whose parents do not fall under those exclusion categories. The person may claim Central OBC reservation, subject to the required certificate and other conditions. |

## How creamy-layer eligibility is checked?

### Is your community on the Central OBC List for your State or UT?

| No | Yes ↓ |
|---|---|
| You cannot claim **Central OBC reservation** under that community entry. | Check whether your parents fall under a creamy-layer exclusion **rules**. |

Check parental post or service rank, other specified positions, business or professional category, property and, where applicable, the income/wealth test.

**Remember: An annual salary above ₹8 lakh does not, by itself, settle the result. The applicable parental status and income rules must be checked.**

## Which rules decide creamy-layer status?

The 1993 framework provides **different kinds of exclusions**; they must be examined in the proper order.

| What is examined? | What it means? |
|---|---|
| **High constitutional / statutory positions** | Specified high offices are separately covered by the rules. |

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|---|---|
| **Parental employment and service rank** | For government-service families, the nature of the post, class/group, recruitment and promotion history can matter. Specific rules differ for Group A, Group B and other categories. |
| **Comparable posts outside government** | Relevant equivalence criteria apply to PSUs, banks, insurance, universities and similar organisations. It is important not to replace a post-status assessment with an automatic salary test. |
| **Armed forces** | Certain military and equivalent ranks are treated separately. |
| **Professional / business and property categories** | Specified professional, commercial, industrial, property and agricultural-holding conditions may matter. |
| **Income / wealth test** | Where Category VI applies, the relevant income and wealth are assessed under the rules, including the three-year test and the stated treatment of salary and agricultural income. |

## The ₹8 lakh income rule

The Central Government raised the Category VI income ceiling to **₹8 lakh per year** in 2017. Where this income/wealth test applies, the specified income is considered over **three consecutive years**. The rules exclude salary and agricultural income from the relevant income test as interpreted in the 2026 judgment; this does not mean every salaried family is automatically non-creamy layer. A parent's qualifying service status may itself lead to exclusion.

## How the creamy-layer rules changed by years?

### 1992–1993 — Creamy-layer rules are introduced

The Supreme Court said the more advanced sections of OBC communities should not receive OBC reservation benefits. In response, the Central Government issued rules on **8 September 1993** that look at a parent’s position, occupation and, where applicable, income or wealth.

**What it means:** Being listed as OBC does not automatically mean a person is eligible for OBC-NCL benefits.

### 2004 — A salary-based clarification creates a problem

The Government issued a clarification on **14 October 2004**. For certain PSU and similar employees whose jobs had not been matched with government ranks, it permitted salary and other income to be checked separately. This meant that some children were denied NCL status because of their parents’ salary.

**What it means:** This approach later became the subject of a court dispute; it should not be treated as the final rule today.

### 2017 - The income ceiling becomes ₹8 lakh

**What happened:** The Central Government increased the **Category VI income ceiling to ₹8 lakh a year**. It also approved principles for comparing some PSU, bank and insurance posts with government posts. These address two different questions: the relevant income test and the status of a parent’s job.

**What it means:** ₹8 lakh is not a single gross-family-salary cut-off that overrides every other creamy-layer category.

### 11 March 2026 - Supreme Court rejects automatic exclusion based on salary

The Court ruled that children of the PSU-related employees in these cases **could not be declared creamy layer simply by counting their parents' salary** under the disputed 2004 clarification. The original 1993 rules must be followed, and similar cases should not be treated unequally.

**What it means:** Check the parent's applicable employment category and the correct income rules before deciding NCL eligibility. The Court did **not** cancel the creamy-layer system or the ₹8 lakh income criterion.

### 6 November 2026 — Supreme Court explains how the ruling applies

The Court clarified that **new selections must follow the legal interpretation**, and relevant pending claims must be considered on their facts. It also addressed the CSE-2025 allocation process and specified relief for the parties and intervenors. However, **old completed selections are not automatically reopened**. It extended the time for complying with its directions to **6 January 2027**.

**What it means: The rule must be applied correctly going forward, but an older rejected application does not automatically become approved. Its stage and facts matter. The March 2026 – Judgement and it's classifications on 6th November 2026, related to and cover children of PSU – Employees alone.**

## What the 2026 Supreme Court decisions changed?

In *Union of India v. Rohith Nathan*, decided on **11 March 2026**, the Supreme Court rejected the disputed approach of excluding affected PSU and comparable employees' children merely on the basis of parental salary. The 1993 rules must be applied correctly, including the relevant parental employment category. The Court did **not** remove the creamy-layer system or the income test.

On **6 November 2026**, the Court explained relief for the litigants and intervenors and how other pending claims should be considered, including CSE-2025 allocations. Completed selections and settled seniority are not automatically reopened. The compliance period was extended to **6 January 2027**. The order did not create a new nationwide certificate-application procedure.

## What does this mean for an applicant today?

The certificate is issued by the competent authority in your State or Union Territory. Check the rules for the specific Central examination, job or admission before applying.

1. **Identify the reservation purpose.** For Central jobs/admissions, check the Central OBC list. A State OBC/BC classification does not by itself establish Central OBC eligibility. [R7]
2. **Identify the parents' relevant category.** Employment rank, employer type, professional/business status, assets and income type may affect which rule applies.
3. **Apply the correct creamy-layer test.** Assess service-status and other exclusion categories; where Category VI applies, use the current notified ceiling and the legally relevant income/wealth components. Do not substitute gross salary alone. [R1] [R5]

4. **Collect supporting evidence.** Typical records may include community proof, parents' employment/designation and service records, and relevant income/property records. Exact documents vary by issuing authority.
5. **Request the correct OBC-NCL certificate.** Apply through the competent local authority or designated portal and check the prescribed certificate format and validity/cut-off requirements in the target examination or admission notice.
6. **If rejected, examine the reason.** Ask which rule and category were applied. If the decision appears to rely solely on parental salary, the 2026 Supreme Court ruling may be material; submit a representation or appeal through the applicable process. [R5] [R6]

## Official sources

DoPT Office Memorandum, 8 September 1993 (creamy-layer framework)

DoPT clarification, 14 October 2004

Government statement explaining the 1993 scheme and equivalence, 30 August 2017

DoPT income-ceiling revision to ₹8 lakh (2017), compiled instructions

Supreme Court judgment, Union of India v. Rohith Nathan, 11 March 2026

Supreme Court implementation clarification, 6 November 2026

National Commission for Backward Classes: Central OBC List

This guide explains Central OBC creamy-layer rules as of 19 November 2026. Certificate decisions depend on official records and the relevant recruitment or admission notice. Review current government instructions when applying.

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