

DPE-GM-/0020/2014-GM-FTS-1740

Government of India

Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhavan,
Block No. 14, CGO Complex,
Lodhi Road, New Delhi-110 003.
Dated: 25 October, 2017

OFFICE MEMORANDUM

Subject: Establishing equivalence of posts in Central Public Sector Enterprises (CPSEs) with Posts in Government for establishing Creamy Layer criteria - regarding.

The undersigned is directed to refer to DoPT OM No. 41034/5/2014-Estt. (Res.) Vol. IV-Part dated 6th October, 2017 (copy enclosed), vide which the decision of the Government has been conveyed on the general principles for equivalence of posts in CPSEs with posts in Government for determination of creamy layer criteria in terms of DoPT O.M. No. 36012/22/93-Estt. (SCT) dated 08-09-1993 on the subject of reservation for Other Backward Classes (OBC) in civil posts and services under the Government of India.


2. As the pay pattern, perks and allowances of posts in Central Public Sector Enterprises (CPSEs) are completely different from the posts in Government, determination of exact equivalence of CPSEs posts with Group A, B, C & D level posts in Government is not feasible. However, in view of the Government decision referred to in DoPT OM dated 06-10-2017, 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.

Contd. on page-2

3. All administrative Ministries / Departments concerned with CPSEs are requested to bring the contents of this OM to the notice of CPSEs under their administrative control for compliance and issuing necessary orders in accordance with the principles approved by the Government for determination of Creamy Layer criteria in respect of posts in the CPSEs.

4. This issues with the approval of Hon'ble Minister (HI&PE).

Encl. As above.


25/10/2017
(J. N. Prasad)
Director

To:

All Administrative Ministries / Departments concerned with CPSEs.

Copy to:

- (i) Chief Executive of all CPSEs.
- (ii) Secretary, M/o Social Justice & Empowerment.
- (iii) Secretary, DoPT.
- (iv) NIC, Cell DPE, for placing this OM on DPE web-site.

No. 41034/5/2014 – Estt. (Res.) Vol. IV - Part
Government of India
Ministry of Personnel, Public Grievances and Pensions
Department of Personnel & Training

North Block, New Delhi,
Dated: 06th October 2017

OFFICE MEMORANDUM

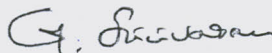
Subject: Establishing equivalence of posts in Central Public Sector Undertakings (PSUs), Banks, Insurance Institutions with Posts in Government for establishing Creamy Layer criteria – reg

The undersigned is directed to refer to DOPT OM No. 36012/22/93-Estt. (SCT) dated 8.9.1993 (**copy at Annexure I**) regarding reservation for Other Backward Classes in civil posts and services under the Government of India. In terms of para 3 of the said OM, similar instructions were to be issued in respect of Public Sector Undertakings and financial institutions including Public Sector Banks by Department of Public Enterprises and by the Ministry of Finance respectively.

2. Government had recently examined the proposal for establishing equivalence of posts in Central Public Sector Undertakings (PSUs), Banks, Insurance Institutions with Posts in Government for establishing Creamy Layer criteria amongst Other Backward Classes. The Cabinet in its meeting held on 8.8.2017, inter-alia, approved para 5.2 of the Cabinet Note wherein the general principles for determination of equivalence in respect of Public Sector Undertakings, Banks and Public Insurance organizations were proposed by the Ministry of Social Justice and Empowerment. Relevant extracts of para 5.2 and para 9 of the Cabinet Note are appended at **Annexure II**.

3. Department of Public Enterprises and Department of Financial Services are requested to advise all the public sector organizations under their respective administrative control to issue necessary orders immediately, in accordance with principles approved by the Cabinet as appended in Annexure II, so as to conclude the exercise before 31st March, 2018.

4. It is also requested that orders issued in the matter may kindly be arranged to be endorsed by all concerned to this Department as well as M/o Social Justice & Empowerment for our record.


(G. Srinivasan)
Deputy Secretary

Encl: As above

To

1. Department of Public Enterprises,
Ministry of Heavy Industries & Public Enterprises
[Kind Attn: Smt. Seema Bahuguna, Secretary]
Room No. 305, Block No. 14, CGO Complex,
New Delhi-110003

2. Department of Financial Services,
Ministry of Finance,
[Kind Attn: Shri Rajiv Kumar, Secretary]
Room No. 6A, Jeevan Deep Building, Parliament Street
New Delhi - 110 001

Copy for information to Shri B.L.Meena, Joint Secretary, Ministry of Social Justice and Empowerment, Shastri Bhavan, New Delhi, with reference to MOSJ&E D.O.letter No. 12015/8/2017-BC-II dated 5.9.2017

G. Sreenivasan

Annexure I

Department of Personnel and Training O.M. No.36012/22/93-Estt.(SCT),
dated the 8th September, 1993, to all Ministries/Departments, etc.

OFFICE MEMORANDUM

Subject: Reservation for Other Backward Classes in Civil Posts and Services under the Government of India—Regarding.

The undersigned is directed to refer to this Department's O.M. No. 36012/31/90-Estt. (SCT), dated the 13th August, 1990 and 25th September, 1991 regarding reservation for Socially and Educationally Backward Classes in Civil Posts and Services under the Government of India and to say that following the Supreme Court judgement in the Indira Sawhney and others Vs. Union of India and others case [Writ Petition (Civil) No. 930 of 1990] the Government of India appointed an Expert Committee to recommend the criteria for exclusion of the socially advanced persons/sections from the benefits of reservations for Other Backward Classes in civil posts and services under the Government of India.

2. Consequent to the consideration of the Expert Committee's recommendations this Department's Office Memorandum No. 36012/31/90-Estt. (SCT), dated 13.8.90 referred to in para (1) above is hereby modified to provide as follows:

- (a) 27% (twentyseven percent) of the vacancies in civil posts and services under the Government of India, to be filled through direct recruitment, shall be reserved for the Other Backward Classes. Detailed instructions relating to the procedure to be followed for enforcing reservation will be issued separately.
- (b) Candidates belonging to OBCs recruited on the basis of merit in an open competition on the same standards prescribed for the general candidates shall not be adjusted against the reservation quota of 27%.
- (c) (i) The aforesaid reservation shall not apply to persons/sections mentioned in column 3 of the Schedule to this office memorandum.
(ii) The rule of exclusion will not apply to persons working as artisans or engaged in hereditary occupations, callings. A list of such occupations, callings will be issued separately by the Ministry of Welfare.
- (d) The OBCs for the purpose of the aforesaid reservation would comprise, in the first phase, the castes and communities which are common to both the lists in the report of the Mandal Commission and the State Governments' Lists. A list of such castes and communities is being issued separately by the Ministry of Welfare.
- (e) The aforesaid reservation shall take immediate effect. However, this will not apply to vacancies where the recruitment process has already been initiated prior to the issue of this order.

3. Similar instructions in respect of public sector undertakings and financial institutions including public sector banks will be issued by the Department of Public Enterprises and by the Ministry of Finance respectively effective from the date of this Office Memorandum.

Sd/-

(Smt. Sarita Prasad)

Joint Secretary to the Government of India.

To

All Ministries/Departments of Government of India.

Copy:

1. Department of Public Enterprises, New Delhi : It is requested that the said instructions may be issued in respect of PSUs, Public Sector Banks & Insurance Corporation.
2. Ministry of Finance (Banking & Insurance Divisions), New Delhi.

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SCHEDULE

Description of category		To whom rule of exclusion will apply
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I.	CONSTITUTIONAL POSTS	Son(s) and daughter(s) of (a) President of India; (b) Vice President of India; (c) Judges of the Supreme court and of the High Courts; (d) Chairman & Members of UPSC and of the State Public Service Commission; Chief Election Commissioner; Comptroller & Auditor General of India; (e) persons holding Constitutional positions of like nature.
II.	SERVICE CATEGORY	Son(s) and daughter(s) of
	A. Group A/Class I officers of the All India Central and State Services (Direct Recruits).	(a) parents, both of whom are Class I officers; (b) parents, either of whom is a Class I officer; (c) parents, both of whom are Class I officers, but one of them dies or suffers permanent incapacitation. (d) parents, either of whom is a Class I officer and such parent dies or suffers permanent incapacitation and before such death or such incapacitation has had the benefit of employment in any International Organisation like UN, IMF, World Bank, etc. for a period of not less than 5 years. (e) parents, both of whom are class I officers die or suffer permanent incapacitation and before such death or such incapacitation of the both, either of them has had the benefit of employment in any International Organisation like UN, IMF, World Bank, etc. for a period of not less than 5 years.
		Provided that the rule of exclusion shall not apply in the following cases: (a) Sons and daughters of parents either of whom or both of whom are Class-I officers and such parent(s) dies/die or suffer permanent incapacitation. (b) A lady belonging to OBC category has got married to a Class-I officer, and may herself like to apply for a job.

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B. Group B/Class II officers of the Central & State Services (Direct Recruitment)	<p>Son(s) and daughter(s) of</p> <p>(a) parents both of whom are Class II officers.</p> <p>(b) parents of whom only the husband is a Class II officer and he gets into Class I at the age of 40 or earlier.</p> <p>(c) parents, both of whom are Class II officers and one of them dies or suffers permanent incapacitation and either one of them has had the benefit of employment in any International Organisation like UN, IMF, World Bank, etc. for a period of not less than 5 years before such death or permanent incapacitation;</p> <p>(d) parents of whom the husband is a Class I officer (direct recruit or pre-forty promoted) and the wife is a Class II officer and the wife dies or suffers permanent incapacitation; and</p> <p>(e) parents, of whom the wife is a Class I officer (Direct Recruit or pre-forty promoted) and the husband is a Class II officer and the husband dies or suffers permanent incapacitation.</p> <p>Provided that the rule of exclusion shall not apply in the following cases:</p> <p>Sons and daughters of</p> <p>(a) Parents both of whom are Class II officers and one of them dies or suffers permanent incapacitation.</p> <p>(b) Parents, both of whom are Class II officers and both of them die or suffer permanent incapacitation, even though either of them has had the benefit of employment in any International Organisation like UN, IMF, World Bank, etc. for a period of not less than 5 years before their death or permanent incapacitation.</p>	
C. Employees in Public Sector Undertakings etc.	<p>The criteria enumerated in A & B above in this Category 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 below will apply to the officers in these institutions.</p>	

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III. ARMED FORCES INCLUDING PARAMILITARY FORCES (Persons holding civil posts are not included)	Son(s) and daughter(s) of parents either or both of whom is or are in the rank of Colonel and above in the Army and to equivalent posts in the Navy and the Air Force and the Para Military Forces. Provided that:— (i) If the wife of an Armed Forces Officer is herself in the Armed Forces (i.e., the category under consideration) the rule of exclusion will apply only when she herself has reached the rank of Colonel; (ii) the service ranks below Colonel of husband and wife shall not be clubbed together; (iii) If the wife of an officer in the Armed Forces is in civil employment, this will not be taken into account for applying the rule of exclusion unless she falls in the service category under item No. II in which case the criteria and conditions enumerated therein will apply to her independently.	
IV. PROFESSIONAL CLASS AND THOSE ENGAGED IN TRADE AND INDUSTRY		
(I) Persons engaged in profession as a doctor, lawyer, chartered accountant, Income-Tax consultant, financial or management consultant, dental surgeon, engineer, architect, computer specialist, film artist and other film professional, author, playwright, sports person, sports professional, media professional or any other vocations of like status.	Criteria specified against Category VI will apply:—	
(II) Persons engaged in trade, business and industry.	Criteria specified against Category VI will apply: Explanation: (i) Where the husband is in some profession and the wife is in a Class II or lower grade employment, the income/wealth test will apply only on the basis of the husband's income. (ii) If the wife is in any profession and the husband is in employment in a Class II or lower rank post, then the income/wealth criterion will apply only on the basis of the wife's income and the husband's income will not be clubbed with it.	

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V. PROPERTY OWNERS A. Agricultural holdings	<p>Son(s) and daughter(s) of persons belonging to a family (father, mother and minor children) which owns:</p>	<p>(a) only irrigated land which is equal to or more than 85% of the statutory area, or</p>
		<p>(b) both irrigated and unirrigated land, as follows:</p>
		<p>(i) The rule of exclusion will apply where the pre-condition exists that the irrigated area (having been brought to a single type under a common denominator) 40% or more of the statutory ceiling limit for irrigated land (this being calculated by excluding the unirrigated portion). If this pre-condition of not less than 40% exists, then only the area of unirrigated land will be taken into account. This will be done by converting the unirrigated land on the basis of the conversion formula existing into the irrigated type. The irrigated area so computed from unirrigated land shall be added to the actual area of irrigated land and if after such clubbing together the total area in terms of irrigated land is 80% or more of the statutory ceiling limit for irrigated land, then the rule of exclusion will apply and disentitlement will occur.</p>
		<p>(ii) The rule of exclusion will not apply if the land holding of a family is exclusively unirrigated.</p>
B. Plantations (i) Coffee, tea, rubber, etc.	<p>Criteria of income/wealth specified in Category VI below will apply.</p>	
(ii) Mango, citrus, apple plantations etc.	<p>Deemed as agricultural holding and hence criteria at A above under this Category will apply.</p>	
C. Vacant land and/or buildings in urban areas or urban agglomerations	<p>Criteria specified in Category VI below will apply.</p>	
	<p><i>Explanation:</i> Building may be used for residential, industrial or commercial purpose and the like two or more such purposes.</p>	
VI. INCOME/WEALTH TEST	<p>Son(s) and daughter(s) of</p> <p>(a) Persons having gross annual income of Rs. 1 lakh or above or possessing wealth above the exemption limit as prescribed in the Wealth Tax Act for a period of three consecutive years.</p>	

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- (b) Persons in Categories I, II, III and V A who are not disentitled to the benefit of reservation but have income from other sources of wealth which will bring them within the income/wealth criteria mentioned in (a) above.

Explanation:

- (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.

Explanation: Wherever the expression "permanent incapacitation" occur in this schedule. It shall mean incapacitation which results in putting an officer out of service.

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Annexure II

Extracts from the Note for Cabinet dated 8/8/2017

approved by the Cabinet in its meeting of 30/08/2017.

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"5.2 Schedule- II C of the annexure to DoP&T's OM of 8.9.1993 (Annexure-I), is in respect of employees in Public Sector Undertakings, Public Sector Banks and Insurance Institutions. The position given below shall be applicable as advised by the Department of Public Enterprises and Department of Financial Services respectively. The Nodal Department i.e. DoPT have supported the general principles suggested by the Department of Public Enterprises and Department of Financial Services.

Department of Public Enterprises - "Keeping in view that CPSEs are categorized into four Schedules (A, B, C & D) with different levels of pay scales on IDA pay pattern, perks and allowances, variable pay, affordability concept etc. and also number of levels of non-executive level posts are flexible and fixed by respective Boards of CPSEs after wage negotiations with the Unions, the CSEs are at a completely different footing in comparison to pay pattern and allowances of functionaries of Government of India. The determination of exact equivalence of CPSEs posts with Group A, B, C and D levels posts of Central Government is therefore not feasible. All Executives level posts i.e. Board level executives and below Board level executives which are managerial level posts subject to proviso that those executives whose annual income as per criterion given in DoP&T's OM of 8.9.1993, as amended from time to time, is less than Rs.6.00 lakh will not be considered 'creamy layer'.

Department of Financial Services - Banks and Insurance organizations - " (a) Junior Management Grade Scale – 1 of Public Sector Banks, Financial Institutions and Public Sector Insurance Corporations will be treated as equivalent to Group A in the Government of India and

(b) Clerks and Peons in Public Sector Banks, Financial Institutions and Public Sector Insurance Corporations will be treated as equivalent to Group C in the Government of India. Accordingly as per O.M. dated 08.09.1993, officers belonging to Junior Management Grade Scale-1 and above will be considered as creamy layer. For Clerks and Peons in PSBs, FIs and PSICs, the income criteria vide O.M. referred above i.e. Rs. 6.00 lakhs per annum as revised from time to time will be applicable. These will be applicable with an exception being provided vide O.M. dated 08.09.1993 of DoP&T as under:-

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- i) Son(s) and daughter(s) , if father/mother is Clerk and Peon of PSBs, FIs and PSICs employee and he gets into Junior Management Grade Scale-1 of PSBs, FIs and PSICs at the age of 40 or earlier,
- ii) Son(s) and daughter(s) of parents either of whom or both of whom are in Junior Management Grade Scale-1 and above of PSBs, FIs and PSICs, and such parent(s) dies/die or suffer permanent incapacitation.
- iii) A lady belonging to OBC category has got married to a person of Junior Management Grade Scale-1 and above of PSBs, FIs and PSICs and may herself like to apply for a job."

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"9. Approval of the Cabinet

Approval of the Cabinet is solicited to:-

- i). Enhancement of the monetary ceiling for Income Test for Creamy Layer of OBCs to Rs. 8.00 lakh per annum from Rs. 6.00 lakh per annum, as detailed at para 5.1 above, from date of issue of orders and
- ii) The DOPT will be requested to take action to issue orders in accordance with the standards of reference for determining creamy layer, vide para 5.2 above, to the Department of Public Enterprises and the Department of Financial Services, who shall issue corresponding orders immediately in respect of Public Sector Undertakings, Public Sector Banks and Financial Institutions etc. with reference to Schedule II-C of the Annexure to DoPTs O.M. 8.9.1993."

G. Srinivasan