SC reaffirms parents' salary alone can't decide OBC creamy layer; rejects prospective-only plea

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News

On 6 November 2026 the Supreme Court reaffirmed its 11 March 2026 verdict that OBC 'creamy layer' status cannot be decided on parents' salary income alone. A bench of Justices P.S. Narasimha and R. Mahadevan (Union of India v. Rohith Nathan) rejected the Centre's plea under Article 142 to apply the verdict only prospectively, finding 'no convincing or reasonable justification'. It held that the UPSC civil services candidates concerned are non-creamy layer and entitled to consequential allotment, without reducing others' seniority or reopening concluded selections. The six-month deadline to implement the verdict was extended by two months. In March the Court had held that the status and category of the parent's post (1993 Office Memorandum) is the primary test and that a 2004 clarificatory letter cannot override the parent policy. Excluding children of PSU, bank or private employees on salary alone, while children of Group C and D government staff with similar income are not excluded, was held to be hostile discrimination under Articles 14 and 16. The Madras, Delhi and Keralam High Courts and the Central Administrative Tribunal had earlier ruled in favour of the candidates.

Key facts for the exam

Point	Details
Case	Union of India v. Rohith Nathan

Point	Details
Bench	Justices P.S. Narasimha and R. Mahadevan
Main verdict	11 March 2026 (authored by Justice Mahadevan)
Latest order	6 Nov 2026 – prospective plea rejected; deadline +2 months
Test	Status and category of parent's post (1993 OM)
Articles	14 and 16 – hostile discrimination
Income limit	₹8 lakh (since 2017); salary and farm income excluded
OBC quota	27% in central posts

Background

- History: The First Backward Classes Commission was headed by Kaka Kalelkar (1953). The Second, set up in 1979 by the Morarji Desai government and headed by B.P. Mandal, recommended 27% OBC reservation in 1980; the V.P. Singh government implemented it in 1990.
- Judiciary: Indra Sawhney v. Union of India (1992, nine judges – the 'Mandal case') upheld 27% reservation, required exclusion of the advanced 'creamy layer' among OBCs and held that total reservation should normally not exceed 50%. The Office Memorandum of 8 September 1993 followed, based on the Justice R.N. Prasad expert committee. Income limit: ₹1 lakh (1993) → ₹2.5 lakh (2004) → ₹4.5 lakh (2008) → ₹6 lakh (2013) → ₹8 lakh (2017).
- Constitution: Article 15(4) – special provisions for socially and educationally backward classes (First Amendment, 1951); Article 16(4) – reservation in posts for backward classes not adequately represented. The 102nd Amendment (2018) gave the National Commission for Backward Classes constitutional status under Article 338B; the 105th Amendment (2021) restored States' power to prepare their own backward class lists.
- Economy and society: The creamy-layer rule aims to ensure that reservation benefits reach the genuinely backward among OBCs. The dispute stems from the incomplete fixing of 'equivalence' between PSU/private posts and government posts; the Court declined to set a timeline, saying this lies in the executive and legislative domain.

Tamil Nadu link: Tamil Nadu: The Madras High Court was among the High Courts that ruled for the candidates. The constitutional basis of reservation itself grew out of Tamil Nadu – after the Champakam Dorairajan case (1951) struck down the Madras Government's 'Communal G.O.' and protests led by Periyar, the First Amendment inserted Article 15(4). Tamil Nadu's 69% reservation law (1993) was placed in the Ninth Schedule by the 76th Amendment (1994).

Frequently asked questions

What is this news about?

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What are the key facts to remember for the exam?

Case: Union of India v. Rohith Nathan; Bench: Justices P.S. Narasimha and R. Mahadevan; Main verdict: 11 March 2026 (authored by Justice Mahadevan); Latest order: 6 Nov 2026 – prospective plea rejected; deadline +2 months.

What is the background to this news?

History: The First Backward Classes Commission was headed by Kaka Kalelkar (1953). The Second, set up in 1979 by the Morarji Desai government and headed by B.P. Mandal, recommended 27% OBC reservation in 1980; the V.P. Singh government implemented it in 1990.

Practice questions (with answers)

1. In which case did the Supreme Court lay down the 'creamy layer' exclusion in OBC reservation?

A) M.C. Mehta case

B) Indra Sawhney case

C) Minerva Mills case

D) Golaknath case

Answer: B – Explanation: Indra Sawhney (Mandal case, 1992) – nine judges; upheld 27% OBC quota, creamy-layer exclusion and a 50% ceiling on total reservation.

2. Which Madras case led the First Amendment (1951) to insert Article 15(4) for reservation in education?

A) A.K. Gopalan case

B) Champakam Dorairajan case

C) Romesh Thappar case

D) Kesavananda Bharati case

Answer: B – Explanation: Champakam Dorairajan (1951) struck down Madras's 'Communal G.O.'; Periyar led protests. Romesh Thappar led to the amendment of Article 19(2).

3. To what was the annual income ceiling for the OBC creamy layer raised in 2017?

A) ₹4.5 lakh

B) ₹6 lakh

C) ₹2.5 lakh

D) ₹8 lakh

Answer: D – Explanation: ₹1 lakh (1993) → ₹2.5 (2004) → ₹4.5 (2008) → ₹6 (2013) → ₹8 lakh (2017). Salary and farm income are excluded from this test.

4. Who chaired the Second Backward Classes Commission set up in 1979?

A) Kaka Kalelkar

B) Justice R.N. Prasad

C) B.P. Mandal

D) Justice G. Rohini

Answer: C – Explanation: B.P. Mandal – 1980 report, 27% quota. Kalelkar – First Commission (1953); Prasad – creamy-layer panel (1993); Rohini – OBC sub-categorisation.

5. Excluding PSU staff's children on salary alone is discrimination violating which Articles, the Court held?

A) Articles 15 and 17

B) Articles 19 and 21

C) Articles 14 and 16

D) Articles 29 and 30

Answer: C – Explanation: Article 14 – equality before law; 16 – equal opportunity in public employment. Children of Group C and D government staff with similar income are not excluded.

Sources: ThePrint (PTI, 6.11.2026); LiveLaw; Business Standard; DT Next (PTI). © Shanmugam IAS Academy.