Apartheid was a system founded on a notion of racial superiority. Its despicable attendant, racial domination and exclusion, was therefore an integral part of its logic. For its continued existence it required a social structure that would help consolidate and safeguard white interests. Apartheid social stratification was therefore not an outcome of a pristine process of state formation or societal progress. On the contrary, it was a product of a skewed social engineering political process, which involved constructing, deconstructing and reconstructing social identities in accordance with the dictates of racial domination. Albeit the inferiority of all non-whites and their collective classification at certain historical junctures as blacks, political exigencies led to a deconstruction and reconstruction of certain group identities. In order to foreclose the plausibility of a united non-white opposition to apartheid Indian and Coloured identities were reconstructed. In an asymmetrical apartheid social order, these groups were placed higher than black South Africans. Of interest to this study is the Indian social group and identity and its resultant notion of transformation. Out of former sugar plantations indentured labourers the apartheid social and economic system created an upwardly mobile social group. More importantly the system enabled members of a group that would not have been able to think of themselves as social citizens in an Indian caste social system not only to do so but to think of themselves as being better civilized than Black South Africans. Racial structuring of opportunities created an Indian merchant class, offered them more opportunities for social mobility and better social services. Indian identity in South Africa therefore owes part of its being to apartheid or better still is to a large extent a product of apartheid social engineering. This has led to Indians having a minimalist notion of social transformation, which makes them a preferred group by white business and interests that are not ready to reconcile with the eventuality of transformation. Because of the dominance of race and class analysis of apartheid social system a narrow conception of social transformation has been the outcome, i.e. a redefinition of black and white socio-economic relations. Such understanding of the societal contradictions under this polity was and is not entirely out of place. However, it fails to direct its attention to other subtle but equally important factors. Using Weber’s notion of social stratification the study hopes to show that race and class analysis fails to address the different and sometimes contradictory notions of social transformation that are a result of the group identity and status accorded to them by apartheid. Apartheid social stratification created an Indian identity for apartheid sake and therefore establishment of new democratic social relations is part of the social transformation challenge.