



**GOVERNMENT OF ODISHA
HIGHER EDUCATION DEPARTMENT**

NOTIFICATION

Bhubaneswar. dated the 25th of May 2026

No. HE-PR-POLICY-0001-2026 /HE 27406 Dated 25.05.2026

Subject: Rationalization of Pledge Money and Current Account Requirements for Higher Education Institutions

In supersession of all previous orders, instructions, guidelines or decisions issued in this regard, the Government, after careful consideration, hereby prescribes the following norms regulating pledge money and current account requirements for Higher Education Institutions under the administrative control of the Higher Education Department.

2. It is hereby provided that every Non-Government **Unaided, Self-Financing and Professional College** shall maintain pledge money of **₹5,00,000/- (Rupees Five Lakhs only)**, whereas Non-Government **Aided Colleges** receiving Grant-in-Aid, including those covered under Block Grant orders issued by the Government from time to time, shall maintain pledge money of **₹1,00,000/- (Rupees One Lakh only)**.
3. The requirement of maintaining any prescribed minimum balance in the current account by Higher Education Institutions is hereby dispensed with. However, it shall be ensured that the balance available in such account remains sufficient at all times to meet the salary requirements of its employees for a minimum period of two months.
4. Institutions which have already deposited pledge money and/or maintained current account balances in **excess of the limits** now prescribed shall **be eligible to withdraw** such excess amount in accordance with the provisions of this Notification.
5. In cases where such deposits are maintained in the form of Fixed Deposits, the principal amount together with accrued interest shall be taken into account for the purpose of withdrawal, and the interest accrued shall form part of the amount released.


25/5/26

6. The provisions of this Notification shall apply only to pledge money and current account deposits maintained with the Regional Director of Education (RDE) and shall not extend to any loan fund, stipend fund or any other category of deposits.
7. Institutions functioning under temporary or prolonged provisional recognition and failing to fulfil the prescribed conditions for grant of permanent recognition, including availability of own land, building and requisite infrastructure, shall not be eligible for withdrawal of excess amounts until such deficiencies are rectified to the satisfaction of the Government or the competent authority.
8. The **amount so withdrawn** shall be utilized strictly for **institutional development and strengthening**, subject to the following conditions:
 - (i) In respect of Non-Government Unaided, Self-Financing and Professional Colleges, the funds may be utilized for infrastructure development and institutional strengthening, including installation of CCTV systems in accordance with Government guidelines issued by E&IT Department along with integration to centralized monitoring systems such as those under the *Shakti Shree* scheme or other applicable directives, installation of fire safety and firefighting systems, procurement of furniture, construction, renovation and upgradation of academic and student facilities, and development of other essential infrastructure.
 - (ii) In respect of Non-Government Aided Colleges including block grant colleges, the funds shall be utilized for specified priority purposes, namely installation of CCTV systems in accordance with Government guidelines issued by E&IT Department along with integration to centralized monitoring systems such as those under the *Shakti Shree* scheme or other applicable directives, installation of fire safety and firefighting systems, procurement of furniture for classrooms and hostels, strengthening of laboratory and library facilities, renovation and upgradation of existing academic and student building and facilities.
9. No amount shall be released unless the concerned institution submits, in advance, a detailed plan for utilization of the proposed amount to the Regional Director of Education. The Regional Director of Education shall examine such proposal with reference to the provisions of this Notification and the requirements of the institution, and upon being satisfied, issue the appropriate order permitting withdrawal and specifying the approved heads of expenditure.



10. The institution shall utilize the amount strictly in accordance with the approved plan and shall submit a Utilization Certificate along with supporting documents to the Regional Director of Education within the prescribed time. The Regional Director of Education shall have the authority to verify or inspect the utilization of funds to ensure compliance.
11. All institutions shall ensure installation and operationalization of CCTV systems in accordance with Government-prescribed standards to enable uniform monitoring and integration at the State level.
12. In the event of closure of any institution, **fifty per cent of the pledge money** shall be liable to **be forfeited** by the Government.
13. In case of misuse, diversion or utilization of funds for purposes other than those specified, or failure to discharge academic responsibilities towards students, action shall be initiated under the relevant provisions of applicable laws, including but not limited to the Odisha Education Act and Rules, the Bharatiya Nagarik Suraksha Sanhita, the Indian Penal Code and the Consumer Protection Act, which may include withdrawal of recognition, closure of the institution, recovery of amounts and initiation of appropriate legal proceedings.
14. This Notification shall come into force with immediate effect.

By Order of the Governor



Commissioner-cum-Secretary to Government

Memo No. 27407 /HE., Dated 25-05-2025
Copy forwarded to the Registrars of all the Regional Directors of Education of Odisha for information and necessary action.

Memo No. 27408 /HE., Dated 25.05.2025
Copy forwarded to the Registrars of all State Public Universities for information and necessary action.

Memo No. 27409 /HE., Dated 25.05.2025
Copy forwarded to the I & ET Section of this Department for uploading the same in the Department's website.

STANDARD OPERATING PROCEDURE (SOP) FOR RDEs

Implementation of Notification on Rationalization of Pledge Money and Related Deposits

1. Scope and Applicability

This SOP shall apply to all Higher Education Institutions under the administrative control of HED, including:

- Non-Government Self-Financing Colleges
- Professional Colleges
- Unaided Colleges
- Non-Government Aided Colleges

2. Identification of Deposits

Each RDE shall:

- Prepare an institution-wise statement of:
 - Pledge Money
 - Current Account Deposit
 - Loan/Stipend Fund
- Identify:
 - Amount to be retained:
 - ₹5,00,000/- (Rupees Five Lakhs only) for Self-financing/Un-aided Colleges/Institutions
 - 1,00,000/- Rupees Five Lakhs only) for Aided Colleges/Institutions
 - Excess amount eligible for release
- Include:
 - FD details
 - Accrued interest

3. Pre-Release Verification

Before release, RDE must ensure:

- Institution is:
 - Functioning
 - Not under serious regulatory violation
- Academic status verified:
 - Ongoing batches exist (if applicable)
 - No abandonment of students
- Obtain:
 - Status report from affiliating University (mandatory in doubtful cases)

4. Affidavit Compliance (Mandatory)

No release without affidavit.

Affidavit must include:

- Utilization strictly for:
 - Infrastructure development
 - Renovation
 - CCTV, firefighting, PA system
- Specific mention of:
 - Use of funds (broad plan)
- Undertaking that:
 - All academic obligations will be completed
 - No discontinuation of courses without Govt approval

- Acceptance of:
 - Liability under OE Act, IPC, BNSS, Consumer Protection Act

5. Issue of Release Order

RDE shall issue a speaking order containing:

- Total deposit under each head
- Amount retained
- Amount released (including interest)
- Conditions imposed (as per notification)

Maintain:

- Register of release orders
- Digital + physical record

6. Utilization Monitoring

RDE shall ensure:

For Non-Govt Colleges

- Installation of:
 - CCTV systems
 - Firefighting systems
- Infrastructure works:
 - Renovation
 - Academic facilities

For Non-Govt Aided Colleges

- Mandatory:
 - Supervision + approval by RDE
- Special focus:
 - Renovation of existing infrastructure

Verification Methods

- Physical inspection
- Geo-tagged photos (recommended)
- Bills/invoices verification

7. Student Protection Oversight

RDE must ensure:

- No institution:
 - Stops classes mid-way
 - Abandons ongoing batches

If risk detected:

- Immediate reporting to HED
- Coordinate with University for:
 - Continuation of exams
 - Backup arrangements

8. Enforcement Mechanism (Critical)

In case of violation:

A. Misuse of Funds

- Record violation
- Recommend:
 - Withdrawal of recognition
 - Closure

B. Academic Default

- Immediate report to Govt
- Trigger:
 - University intervention
 - Student protection action

C. Legal Action

As per notification, initiate/recommend action under:

- Odisha Education Act
- IPC
- BNSS
- Consumer Protection Act

D. Recovery & Penalty

- Recover:
 - Released amount
 - Cost of student rehabilitation

E. Blacklisting

- Recommend debarment of:
 - Institution
- Promoters

9. Student Safeguard Action

Where required:

- Facilitate:
 - Shifting of students
- Ensure:
 - Cost borne by defaulting institution
- Coordinate with:
 - Universities
 - Nearby colleges

10. Reporting to HED

Submit monthly report including:

- Total institutions covered
- Amount released
- Utilization status
- Inspections conducted
- Violations detected
- Action taken

11. Record & Audit Compliance

Maintain:

- Institution-wise file
- Affidavits
- Release orders
- Inspection reports
- Photographic evidence

Ensure readiness for:

- Audit
- Vigilance
- Assembly questions