

# Eying profit, GMADA ropes in private players to run sports complexes

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In a bid to improve the existing facilities and cover up the accumulating losses, the Greater Mohali Area Development Authority (GMADA) has roped in private players to run its state-of-the-art sports complexes in Mohali.

The privatisation will not affect the services and the user charges will remain the same, but it is expected to pull the GMADA out of the losses, which it had been suffering on the running of complexes.

The outsourcing of a single sports complex is likely to convert the Rs 24-lakh loss, which the GMADA was suffering on running these complexes to Rs 32-lakh annual profit, with 10 per cent increase every year for the next five years. In total, the GMADA is expected to earn Rs 1.95 crore net profit from the privatisation of its first sports complex in Sector 59, Mohali.

While the Sector 59 sports complex has already been privatised, bids have been invited for the privatisation of another sports complex in Sector 65. Next in the pipeline are sports complexes in Sector 61, 69 and 71.

Confirming the development, Additional Chief Secretary, Housing and Urban Development, and Financial Commissioner Revenue, Vini Mahajan told The Tribune that since Mohali was emerging as the country's next investment destination for housing, information technology, ITES, knowledge and services based industries besides being developed as the educational hub of North India, the state government



The outsourcing of the Sector 59 sports complex will help GMADA gain an annual profit of ₹32 lakh. VICKY

had decided to rev up the sports and recreational facilities in the town.

The GMADA's sports complexes offer facilities like swimming, basketball, table tennis and badminton.

Sharing the details, GMADA and PUDA Chief Administrator, Ravi Bhagat said Sector 59 sports complex had been outsourced to a Karnal-based agency for a period of five years. The private agency would run, operate, manage and maintain the facility.

"The private player will pay the lease amount of Rs 32 lakh in the first year of lease period with an annual increase of 10 per cent in the lease amount. In total, the GMADA will earn Rs 1.95 crore as lease money in five years of contract," said Bhagat.

Earlier, all the expenses to run this sports complex, such as salaries to the staff (including sports administrator, coaches, security and house-keeping staff), electricity bills and property tax were borne by the GMADA.

"This used to put a financial burden of around Rs 2 lakh per month on the Authority,

as the expenses were more than the revenue being generated. With the outsourcing, we will not be spending a single penny from our side, rather we would be getting the lease money," he added.

However, keeping in mind the interest of all those who want to avail various sports facilities at the complex, the GMADA has laid several terms and conditions, which the private company need to adhere.

According to the lease agreement, the company would follow all the norms (rules and regulations) laid down by the Sports Authority of India and would depute the minimum required staff in the sports complex.

The coaching staff for swimming, table tennis, basketball and badminton would be mandatorily made available by the company for smooth conduct of various events and to ensure that the needs of the members are fulfilled all the time.

Besides the professional staff, the agency will provide the requisite manpower for running the sports complex,

which includes deployment of a manager, security guards, sweeping and house-keeping staff.

The agency will schedule separate timings of swimming for women and children.

All the electricity and water charges, property tax and all the other applicable levies imposed by government pertaining to the sports complex will also be paid by the private agency during the period of contract.

To facilitate the members, agency would be allowed to run a cafe and sports shop in the complex limited up to five per cent of the covered area of the complex.

The rates of various items that would be made available at the cafe and the shop will be fixed in consultation with the GMADA.

Agency would be free to introduce new events in the complex, but with prior approval of the GMADA.

The Authority would allow the agency to hold any sports tournament in the complex, but no activity other than related to sports would be allowed in the complex.

## Next in line

Taking a cue from the successful bidding of Sector 59 sports complex, which would primarily be beneficial to the members and would also lead to revenue generation to the GMADA, the Authority has invited bids to outsource sports complex in Sector 65. The bids to be received till June 8, will be opened on June 12. Subsequently, the sports stadiums located in Sector 61, 69 and 71 would also be privatised.