KSTDC
KARNATAKA STATE TOURISM DEVELOPMENT CORPORATION

Project Information Memorandum

Development of Resort at Ravoor, Chikkamagaluru District Under Suitable PPP Mode

GOVERNMENT OF KARNATAKA

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Background

Karnataka's diverse tourism ecosystem is creating new opportunities for sustainable and experiential tourism development

Karnataka has emerged as a prominent tourism destination, supported by its diverse portfolio of heritage monuments, hill stations, wildlife sanctuaries, waterfalls, forests, pilgrimage centres, coffee plantations and eco-tourism destinations. The State promotes this diversity through the tourism identity **"One State, Many Worlds"**, with the Karnataka State Tourism Development Corporation (KSTDC) playing an important role in developing tourism infrastructure, hospitality facilities, destination services and investment opportunities across the State. KSTDC has also increasingly adopted Public-Private Partnership (PPP) models to leverage private-sector investment, expertise and innovation in the development and management of tourism assets.

Chikkamagaluru and the Malnad Tourism Landscape

Chikkamagaluru District, located in the **Malnad region of the Western Ghats**, is one of Karnataka's leading nature-based tourism destinations. The district is characterised by coffee plantations, dense forests, hill ranges, wildlife, waterfalls, trekking opportunities and scenic landscapes. Major attractions in the wider tourism region include Bhadra Reservoir, Bhadra Wildlife Sanctuary, Mullayanagiri, Baba Budangiri, Kudremukh National Park and coffee estates. These resources support a diverse tourism base comprising eco-tourism, nature tourism, plantation tourism, adventure tourism and wellness tourism.

The district attracts tourists from major urban centres including **Bengaluru, Mysuru, Mangaluru and Shivamogga**, particularly for weekend and nature-based travel. The proposed project at Ravoor benefits from this established tourism ecosystem and its strategic location along the Bhadra Reservoir. Improved regional connectivity through the State Highway network and the **Rashtrakavi Kuvempu Airport, Shivamogga**, further enhances the accessibility and tourism potential of the region.

Tourism Growth and Emerging Market Trends

Chikkamagaluru has witnessed substantial growth in tourist arrivals over the past decade. Tourist volume increased from **38.0 lakh in 2016 to 45.0 lakh in 2019**, followed by a temporary decline during the COVID-19 pandemic. Tourism subsequently recovered strongly, reaching **49.0 lakh in 2022, 62.0 lakh in 2023 and 69.7 lakh in 2024**, with approximately **71.5 lakh visitors estimated in 2026**. The sustained tourism base demonstrates the importance of Chikkamagaluru within Karnataka's nature-based tourism market.

The tourism market is also evolving towards experiential travel, eco-tourism, wellness tourism and premium nature-immersed

stays. Weekend leisure travellers form a major visitor segment, while families, couples, corporate groups, adventure tourists, wildlife and bird watchers, wellness tourists and international visitors represent additional demand segments.

Existing Hospitality Gaps and Need for a Waterfront Eco-Resort

Chikkamagaluru has a well-established hospitality market comprising luxury resorts, plantation resorts, homestays, boutique hotels and budget accommodation, hospitality infrastructure remains comparatively limited in the **Bhadra Reservoir – Narasimharajapura region**. Existing accommodation in the area is largely concentrated around homestays, small resorts and forest lodges. There is identifies a shortage of organised waterfront recreation, wellness facilities, convention spaces and adventure tourism infrastructure.

Project Development Concept

The proposed Ravoor Eco-Resort is therefore positioned within a **growing tourism market, an established nature-based tourism destination and an under-served waterfront hospitality segment**. The project seeks to utilise the distinctive Bhadra Reservoir setting to create a premium tourism destination, strengthen the Bhadra Reservoir tourism ecosystem, attract private investment and generate local employment and entrepreneurship, while adopting environmentally responsible development practices.

Parameter	Project Details
Project	Development of Resort at Ravoor under PPP Mode
Village	Ravoor
Hobli	Kasaba
Taluk	Narasimharajapura (N.R. Pura)
District	Chikkamagaluru
State	Karnataka
Survey Number	159
Site Area	3.00 Acres
Ownership	Government Land – Karnataka Tourism Department
Waterbody	Bhadra Reservoir
Site Character	Peninsular waterfront parcel
Nearest Town	Narasimharajapura – approximately 5–6 km
Development Mode	Public-Private Partnership (PPP)
Tourism Positioning	Premium Waterfront Eco-Resort
Key Tourism Themes	Eco-tourism, Nature, Wellness, Adventure and Experiential Tourism

Need for the Project

To develop a premium waterfront eco-tourism destination at Ravoor

The Karnataka State Tourism Development Corporation (KSTDC) seeks to develop an Eco-Resort at Ravoor, Chikkamagaluru District, to leverage the scenic setting of the Bhadra Reservoir and strengthen the tourism potential of the Malnad region. The project is envisaged as a sustainable waterfront tourism destination offering premium accommodation, wellness, recreation and nature-based experiences under a suitable Public-Private Partnership (PPP) model.

The project site, located on approximately **3 acres of government-owned waterfront land**, benefits from its proximity to Bhadra Wildlife Sanctuary, Kudremukh National Park, Mullayanagiri, Kemmannugundi, Hebbe Falls and surrounding coffee plantations. However, the Bhadra Reservoir–Narasimharajapura region has limited organised hospitality, waterfront recreation, wellness and adventure tourism infrastructure. The proposed development therefore seeks to bridge these gaps while promoting environmentally responsible tourism and preserving the natural landscape.

Objective

To develop a high-quality, sustainable waterfront eco-resort at Ravoor that strengthens Chikkamagaluru's tourism ecosystem, promotes nature-based and experiential tourism, and generates inclusive local economic opportunities through private-sector participation. The Project will:

- **Leverage the scenic Bhadra Reservoir setting** to establish Ravoor as a distinctive premium waterfront eco-tourism destination.
- **Promote eco-tourism**, experiential tourism and wellness tourism by providing high-quality nature-based visitor experiences.
- **Enhance tourism infrastructure** through integrated accommodation, recreation, wellness, waterfront and adventure tourism facilities.
- **Increase tourist arrivals**, visitor stay duration and tourism expenditure in the Bhadra Reservoir and wider Chikkamagaluru region.
- **Attract private investment and expertise** through an appropriate Public-Private Partnership (PPP) model for efficient development and long-term operation of the tourism asset.
- **Generate direct and indirect employment opportunities** and promote local entrepreneurship, hospitality services, handicrafts and nature-based tourism activities.
- **Promote sustainable development** through low-density planning, conservation of the natural landscape, renewable energy, rainwater harvesting, Zero Liquid Discharge (ZLD) and climate-responsive design.
- **Ensure long-term financial and operational sustainability** through a diversified tourism product mix and an appropriate PPP implementation framework.

Location

The project site is strategically located along the Bhadra Reservoir

The proposed Eco-Resort is located at Ravoor Village, Kasaba Hobli, Narasimharajapura Taluk, Chikkamagaluru District, Karnataka, on approximately 3.00 acres of government-owned land. The site forms a distinctive peninsular waterfront parcel extending into the Bhadra Reservoir, offering panoramic waterfront views and a tranquil natural setting suitable for eco-tourism and premium hospitality development.

The project site is situated **~5–6 km from Narasimharajapura (N.R. Pura)** and is connected through an all-weather approach road linked to **SH-32**. The site is strategically positioned within the Malnad tourism landscape, with proximity to major attractions including **Bhadra Wildlife Sanctuary, Kudremukh National Park, Mullayanagiri, Kemmannugundi and Hebbe Falls**.

Its location between the **Chikkamagaluru and Shivamogga tourism circuits**, combined with proximity to **Rashtrakavi Kuvempu Airport, Shivamogga**, provides strong regional accessibility. The direct Bhadra Reservoir frontage also creates potential for boating, kayaking, floating jetty and other water-based recreational activities, subject to statutory approvals.

The waterfront setting, road connectivity, proximity to major tourism destinations and surrounding Western Ghats landscape make it well suited for the proposed premium eco-resort and nature-based tourism development.

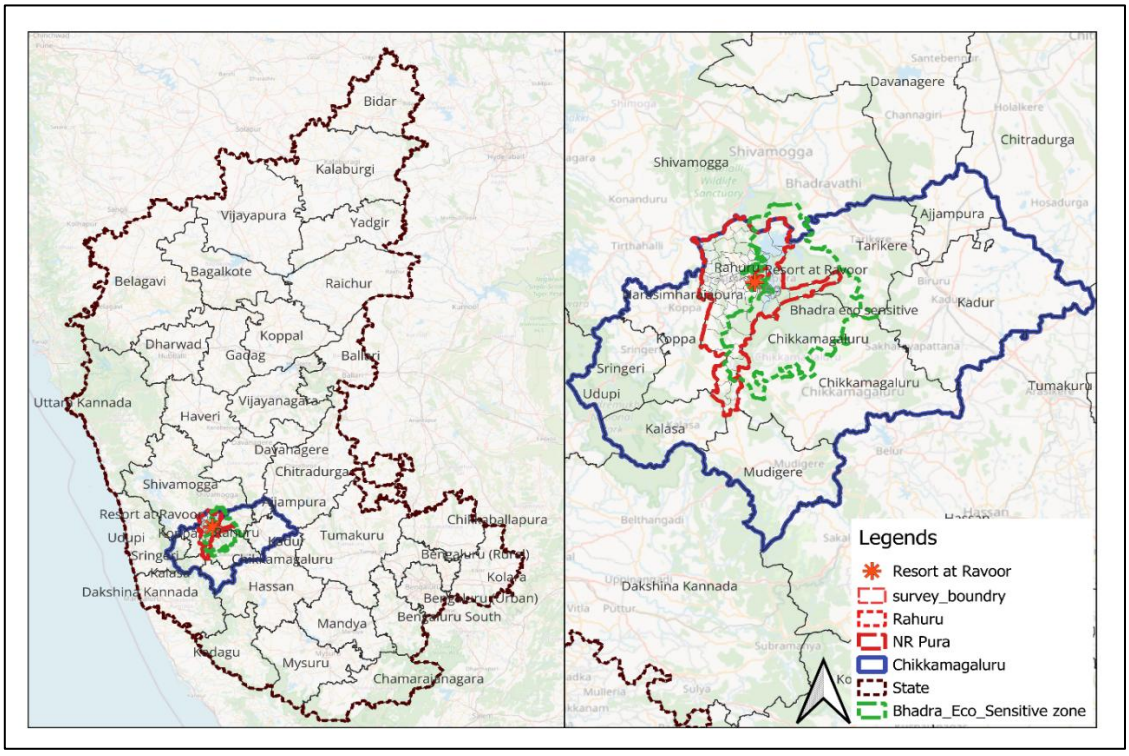


Figure 1: Maps Showing Karnataka and Chikkamagaluru

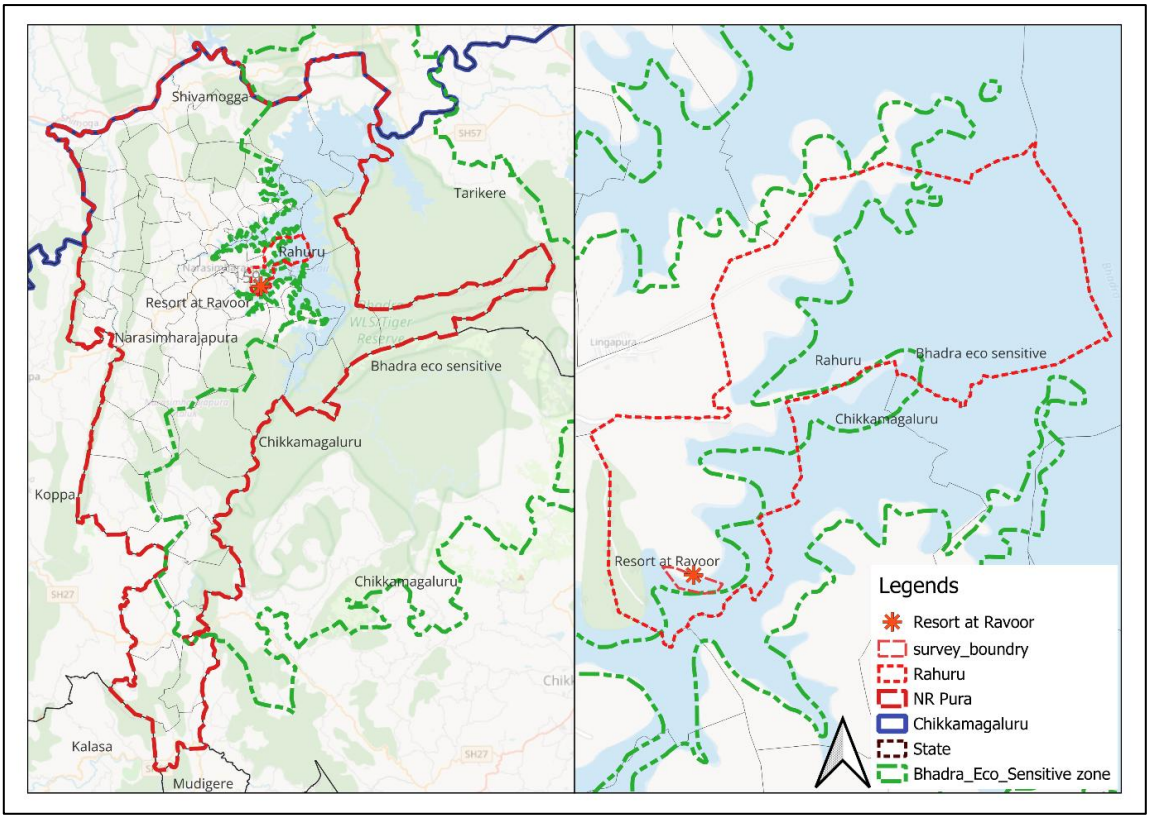


Figure 2: *Map showing NR Pura and Ravoor)*

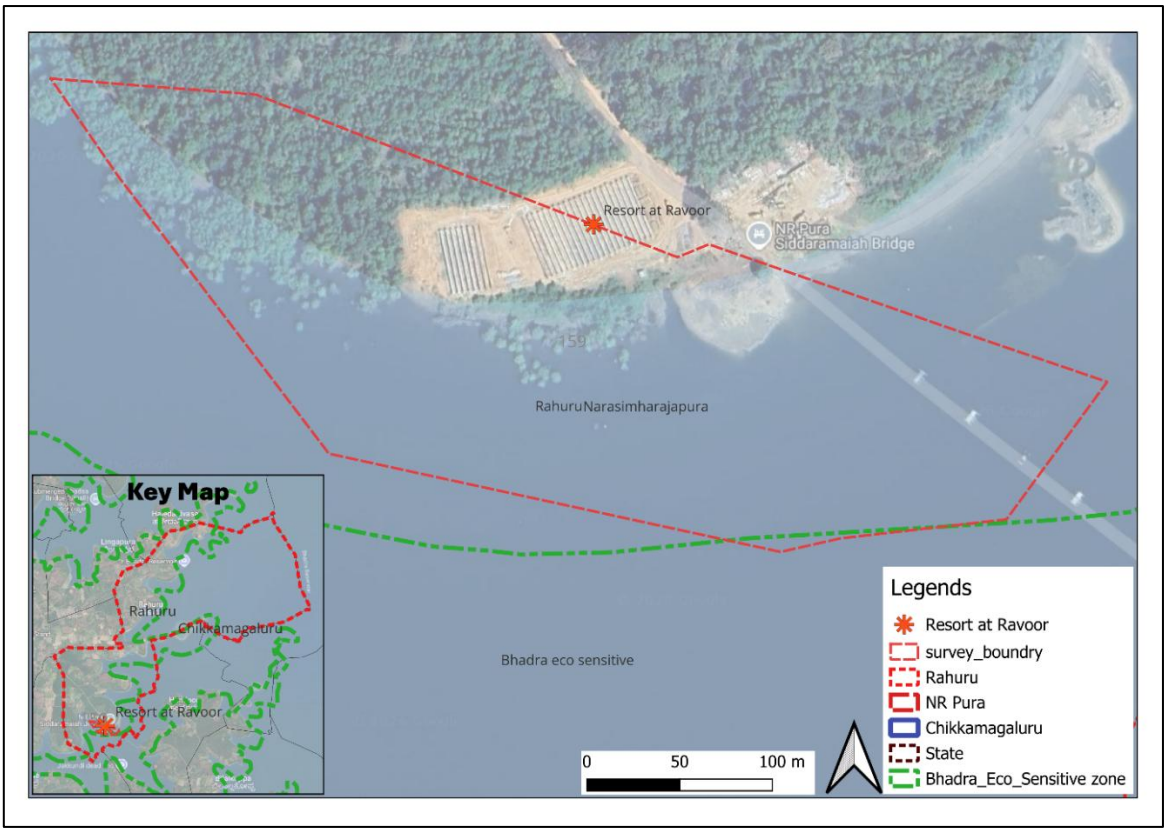


Figure 3*: Satellite Image showing Project Site*

Access

The project is well connected by road, rail and air, with potential for water-based access

The proposed Eco-Resort at Ravoor benefits from good regional connectivity while retaining the tranquillity and exclusivity required for a nature-based tourism destination. N.R. Pura serves as the nearest urban centre, providing essential services including banking, healthcare, retail, fuel stations and public transport.

Road

The project site is located approximately **5.5 km from SH-32** and is connected through an all-weather approach road via Narasimharajapura. Regular road connectivity links the site with N.R. Pura and the wider regional road network. The road connection provides year-round accessibility to the resort, while selective improvements such as road strengthening, signage and drainage can further enhance access.ational Highway (NH 66): The area is directly connected by the National Highway 66 (NH 66), a major highway running along the western coast of India (from Panvel to Kanyakumari). NH 66 runs in close proximity to Bhatkal town and its main roads, providing excellent road access to major cities like Mangaluru (to the south) and Goa (to the north). Local roads like Gandhinagar Road and Bunder Road connect the coast (including Bhatkal Port and Tenginagundi Port) to the main highway network.

Regular **KSRTC and private bus services** are available from Narasimharajapura, connecting the town with Chikkamagaluru, Shivamogga, Tarikere and Bengaluru. The proximity of the project site to N.R. Pura therefore provides access to the regional public transport network.

By Rail

The nearest railway access is available through **Bhadravathi (approximately 55 km), Shivamogga (57 km), Tarikere (70 km) and Chikkamagaluru (90 km)**. These railway stations provide connectivity to the wider regional and state transportation network.

By Air

The nearest airport is **Rashtrakavi Kuvempu Airport, Shivamogga, approximately 45 km from the project site**. The airport provides air connectivity to the region and improves the accessibility of the resort for visitors arriving from outside the district. **Mangaluru International Airport**, located approximately **160 km** away, provides an additional airport option.

By Water

The project has **direct frontage along the Bhadra Reservoir**, creating potential for water-based access and recreational connectivity. Subject to statutory approvals, facilities such as a **floating jetty, boating, water taxis and houseboat operations** may be developed as part of the tourism offering.

The combination of **road, rail, air, bus and potential water connectivity** provides a strong accessibility framework for the proposed Eco-Resort, while the site's proximity to major tourism attractions further enhances its destination potential.

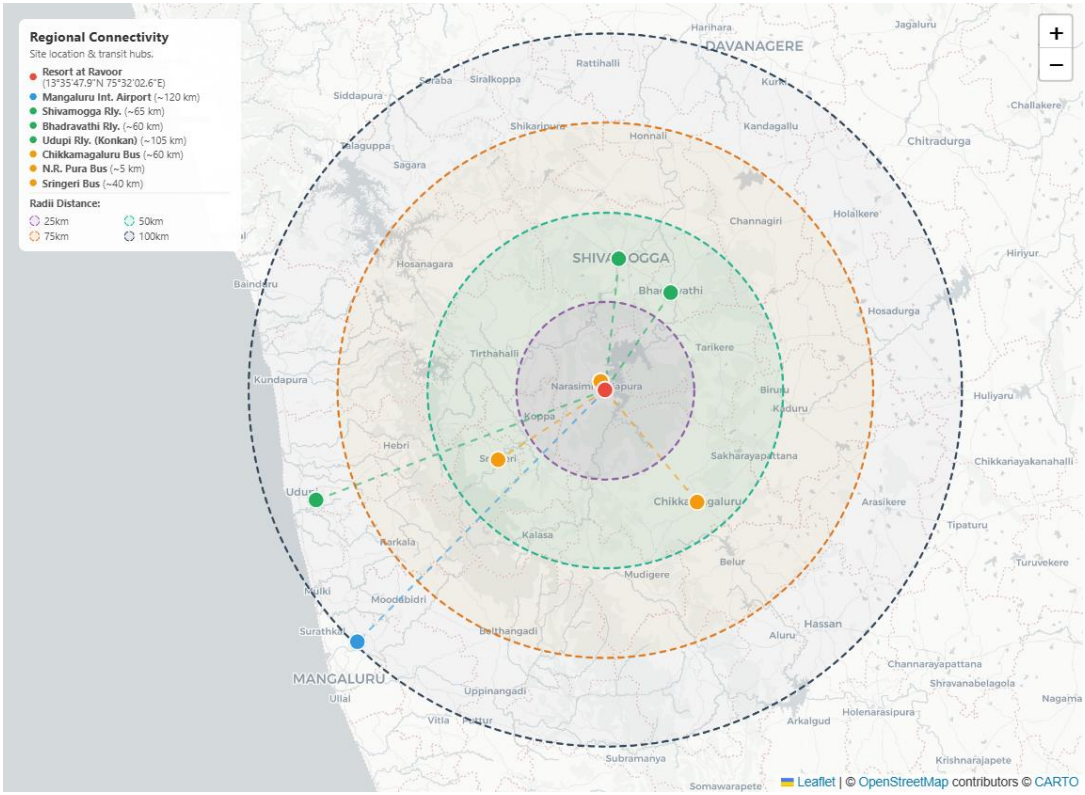


Figure 4: *Multi-Modal Connectivity Map showing road, rail, airport, and reservoir access to the project site.*

Existing Tourism Activities

Bhadra Reservoir, Bhadra Wildlife Sanctuary and Kudremukh are key tourism destinations in the regional influence area

The project site at Ravoor is located within the **Malnad tourism landscape of Chikkamagaluru**, a region characterised by forests, coffee plantations, hills, waterfalls, wildlife and reservoir landscapes. The surrounding tourism ecosystem supports a range of nature-based and experiential activities, including wildlife safaris, trekking, bird watching, boating, plantation tours and wellness experiences. The proposed resort can complement these existing activities by providing premium accommodation and organised waterfront recreation.

Destinations/ Activity	Distance from Site	Major Tourism Activity / Significance
Bhadra Reservoir	Adjacent	Waterfront recreation including boating, kayaking, bird watching and scenic leisure. Potential for floating jetty, waterfront experiences and wellness activities, subject to approvals.
Narasimharajapura	5–6 km	Nearest urban/service centre providing access to local markets, transport and essential visitor services. Supports the project as a convenient gateway and support destination.
Bhadra Wildlife Sanctuary	25–30 km	Important eco-tourism destination offering wildlife viewing, safari experiences and biodiversity-based recreation. Complements the reservoir by strengthening the region's nature-tourism circuit.
Kudremukh National Park	60–70 km	Western Ghats biodiversity destination offering trekking, nature trails and wildlife experiences. Attracts adventure, eco-tourism and nature-oriented visitors to the wider region.
Kemmannugundi	~80 km	Scenic hill station known for mountain landscapes, gardens, viewpoints and waterfalls. Provides opportunities for sightseeing, trekking and nature-based day excursions.
Mullayanagiri	~90 km	Karnataka's highest peak and a major destination for trekking, hill tourism and panoramic views. Appeals strongly to adventure travellers, nature enthusiasts and outdoor recreation visitors.
Chikkamagaluru	~90 km	Major regional tourism gateway known for coffee plantations, hills, waterfalls and nature experiences. Provides access to established hospitality, sightseeing and experiential tourism offerings.

Destinations/ Activity	Distance from Site	Major Tourism Activity / Significance
Baba Budangiri	~95 km	Prominent hill and pilgrimage destination associated with scenic landscapes, trekking an religious tourism. Component of Chikkamagaluru hill-tourism circuit.
Coffee Estates	Regional	Plantation tourism offering estate walks, coffee experiences, plantation stays and farm-based activities. Enhances experiential tourism by connecting visitors with the region's distinctive coffee landscape and heritage.
Water-based Activities	Bhadra Reservoir	Boating, kayaking, bird watching, waterfront leisure and guided reservoir experiences can form key resort activities. Potential for a floating jetty, non-motorised recreation and curated waterfront experiences.

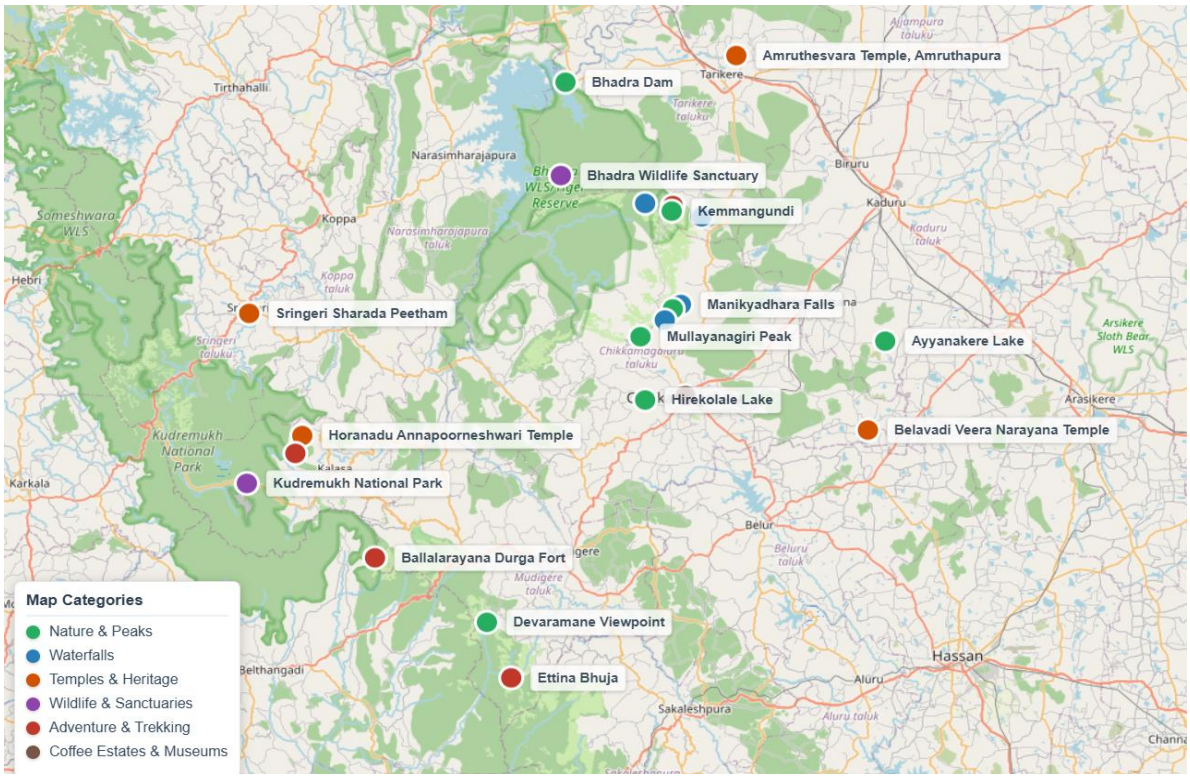


Figure 5: *Tourism Map of Chikmagalur District showing the project location and major tourism attractions.*

The proposed facilities are intended to create a diversified tourism product that integrates accommodation, waterfront recreation, wellness, adventure, food and beverage, events and nature-based experiences. This integrated approach will help differentiate the Ravoor Eco-Resort from the existing homestay and resort market and support year-round visitation and long-term commercial sustainability.

Project Components & Facilities

Integrated accommodation, recreation, wellness and nature-based facilities

The proposed Eco-Resort at Ravoor is envisioned as an integrated waterfront tourism destination rather than merely an accommodation facility. The development will combine premium hospitality with nature-based recreation, wellness, adventure activities, food and beverage services, MICE facilities and visitor amenities. The product mix has been designed to cater to leisure travellers, families, couples, corporate groups, wellness tourists, nature enthusiasts and adventure visitors, while encouraging longer visitor stays and diversified revenue generation.

Premium Eco-Accommodation: The resort will comprise **eco-cottages, waterfront villas, family suites and glamping units**, offering premium nature-based accommodation with views of the Bhadra Reservoir.

Waterfront Recreation & Adventure: Facilities will include boating, kayaking, nature trails, bird watching and outdoor adventure activities, subject to applicable approvals.

Wellness & Nature Experiences: The project will provide spa, yoga and meditation facilities, complemented by landscaped areas and nature-based experiences.

Food & Beverage Facilities: The resort will include restaurants, cafés and waterfront dining facilities, catering to both resort guests and day visitors.

MICE, Events & Retreat Facilities: Conference halls, banquet spaces and meeting facilities will support corporate retreats, destination events, weddings and private functions.

Retail & Local Tourism Services: The project will provide souvenir shops, local handicrafts, coffee and spice outlets, supporting local producers and artisans.

Visitor & Support Infrastructure: Essential facilities will include reception, parking, utilities, security, housekeeping and staff facilities, ensuring efficient resort operations.

Sustainable Infrastructure: The resort will incorporate renewable energy, rainwater harvesting, ZLD, native landscaping and climate-responsive design to minimise environmental impacts.

The project will follow a **“development in harmony with nature”** approach, incorporating renewable energy, rainwater harvesting, Zero Liquid Discharge through an on-site STP, solid waste management, native landscaping and climate-responsive design. These measures are intended to reduce the environmental footprint of the resort while maintaining the ecological character of the Bhadra Reservoir landscape.




Figure 6: *Low-Density Eco-Accommodation: Premium waterfront cottages, luxury villas, family suites, and glamping unit*




Figure 7: *Diverse Dining Options: multi-cuisine restaurant, café, lakeside dining area, and snack kiosks*

Project Structuring and Role of Authority & Private Operator

Project structure is based on Design Build Finance Operate Transfer Basis

The proposed Development of Resort at Ravoor, Chikkamagaluru District is structured as a Public-Private Partnership (PPP) under the Design-Build-FinanceOperate-Transfer (DBFOT) model. Karnataka State Tourism Development Corporation (KSTDC) will act as the Concessioning Authority and Implementing Agency, while the selected private concessionaire will be responsible for financing, designing, constructing, operating, maintaining, marketing and managing the resort during the concession period. The project is proposed on approximately 3.0 acres of governmentowned waterfront land along the Bhadra Reservoir.

The recommended concession period is 2 years for construction and 28 years for operations. The project will follow an Annual Concession Fee with the highest revenue share, with the bidding parameter being the Highest Revenue Shared Offered.

The following Table summarizes the project structuring recommendation in brief:

Parameters	Key Aspects
Implementation Structure	• PPP under **DBFOT (Design-Build-Finance-Operate Transfer)** model. • Government-owned land to be handed over to the Concessionaire for project development and operation. • Concessionaire responsible for financing, design, construction, operation, maintenance and transfer.
Eligible Bidders	• Hoteliers/ Investors/ Developers; as Individually (Single Entity) or Consortium
Flexibility to Bidder	• Design the project • Undertake business operations • Decide, levy, and collect service charges for the services it plans to offer
Bidding Parameter	• Highest Revenue Shared offered

The salient features of the project under the PPP Model are summarized as follows:

Particular	Details
Concessioning Authority	Karnataka State Tourism Development Corporation (KSTDC), the "Concessioning Authority", and the Successful Bidder, the "Concessionaire"
Concessioning Period	12months Conditions Precedent + 30 years (Construction and operations)
Annual Payment (Bid Parameter)	The **Fixed Annual Concession Fee (ACF) Plus Gross revenue share** With bidders competing on the Highest Revenue Share

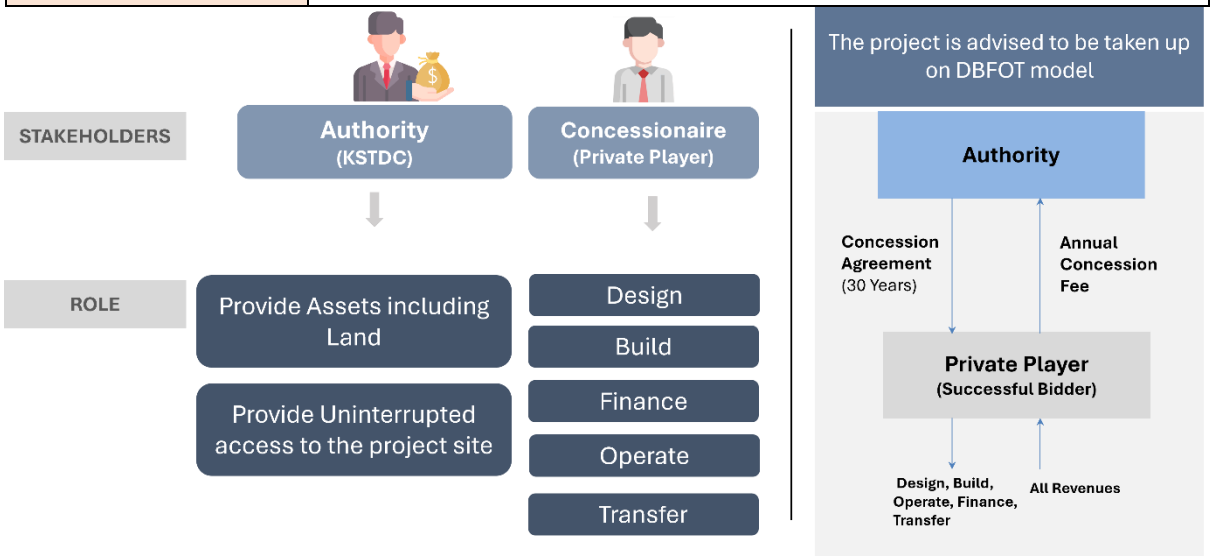


Figure 8: Pictorial Representation of Project Structuring

Project Cost

The estimated CAPEX for the project

The proposed Eco-Resort at Ravoor requires an estimated **capital investment of ₹64.00 Crore** for its development. The CAPEX covers site development and internal infrastructure, premium accommodation, hospitality and commercial facilities, recreation and wellness facilities, waterfront infrastructure, utilities, renewable energy systems, landscaping, statutory provisions and contingencies. The project is proposed to be implemented in **two phases over a two-year construction period**, with the first phase focusing on core infrastructure and revenue-generating facilities and the subsequent phase covering additional tourism amenities.

The major development components include premium cottages, reception and waiting areas, restaurant, outdoor café, clubhouse, banquet hall, gym and spa, swimming pool, floating jetty and houseboat facilities, together with parking, gardens, staff accommodation, toilet facilities and retail spaces.

Description	Unit	Quantity	Total Amount
Entrance Arch	LS		₹ 25,00,000
Parking	LS		₹ 30,00,000
Play Area	LS		₹ 30,00,000
Park/Garden	LS		₹ 25,00,000
Staff Dormitory	sqm	120	₹ 1,12,50,000
Toilet Block	sqm	90	₹ 28,12,500
Shops	Sqm	200	₹ 62,50,000
Restaurant Block	Sqm	795	₹ 2,48,43,750
Reception/Waiting Area	sqm	125	₹ 39,06,250
Club House	Sqm	645	₹ 2,01,56,250
Outdoor Café	Sqm	870	₹ 2,71,87,500
Banquet Hall	Sqm	415	₹ 1,29,68,750
Gym and Spa area	Sqm	645	₹ 2,01,56,250
Changing Room	Sqm	270	₹ 84,37,500
Swimming Pool	Ls	0	₹ 1,00,00,000
Houseboat	Ls	0	₹ 1,00,00,000
Floating Jetty	Sqm	40	₹ 2,00,00,000
Cottages -45 Nos (750 sqm)	sqft	45	₹ 45,00,00,000
Grand Total			₹ **63,89,68,750**
Final CAPEX (Misc + Rounded-up)			₹ **64,00,00,000**

Estimated Project Value

The financial indicators will estimate the feasibility of the project

The financial feasibility assessment indicates that the proposed **Eco-Resort is capable of generating sustainable longterm returns** under the proposed PPP framework. Based on the revised financial model, the project records a **Project IRR of 15.28%**, **Equity IRR of 18.28%**, and **Project NPV of ₹23.53 Crore**, indicating positive value creation and financial viability over the concession period. The project's NPV, IRR and Equity IRR are given below for assessing the project feasibility.

The project is proposed to be financed through a **70:30 debt-equity structure**, resulting in approximately **₹44.80 Crore of debt and ₹19.20 Crore of equity** against the total project cost of **₹64.00 Crore**. The positive Project NPV and Project IRR, together with the Equity IRR of 18.28%, indicate the project's potential to recover the investment and generate reasonable returns for the private concessionaire over the concession period.

Financial Indicator	Value
Estimated Project Cost / CAPEX	₹64.00 Crore
Project NPV	₹23.53 Crore
Project IRR / FIRR	15.28%
Equity IRR	18.28%
Debt–Equity Ratio	70:30
Debt	₹44.80 Crore
Equity	₹19.20 Crore
WACC	11.70%

The proposed **Ravoor Eco-Resort** is considered technically, commercially and financially feasible under the proposed PPP framework, with its waterfront setting, strong tourism potential and diversified product mix providing a strong basis for development. With an estimated investment of **₹64 crore**, positive financial returns, phased development, and a low-impact approach incorporating sustainable infrastructure and environmental safeguards, the project can strengthen the Malnad tourism circuit, generate local economic opportunities and create a sustainable, commercially viable tourism asset for KSTDC.

Thank you

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