

News monitored for: Lemon Tree Hotels

POWER LIST 2016

## PATU KESWANI CMD, The Lemon Tree Hotels Company

By his own admission, Patu (Patanjali) Keswani never planned to be an hotelier lest alone an entrepreneur owning a group of hotels - but "somehow stumbled" into becoming one. But it was boredom and the zeal to earn more money that saw him turn into a hotel owner. "It was the only way I knew how to," the man behind the fastest growing mid-segment brand reveals. What made him rise so high, so soon? A thorough understanding of the market and industry notwithstanding, it was one more factor, reveals Keswani, "I always factor the bottom of cycle earnings when planning a debt."

His feels that the industry is highly volatile due to the extreme variations in earnings across the business cycle. "In India, the returns vary across bottom, middle and top of the cycle in the ratio of 1:3:6 respectively. A prudent hotelier should therefore factor bottom of cycle earnings when planning for debt," he says. The advancement of technology in the last decade has increased internet and mobile penetration and created new challenges and opportunities. Also, understanding changing customer expectations, as the Indian hotel industry evolves into mature and branded market is a new challenge, he adds. To tackle these, "Successful companies will need to learn how to meet the full service, value-for-money aspirations of the mid-market Indian consumer, at a profit," he observes. The brand plans to expand its asset portfolio to 6,000 rooms by 2019, and introduce an upper-upscale brand with three hotels in Mumbai, Udaipur and New Delhi along with a mid-sized, 140-room property in Kolkata.



“We will operate business hotels, leisure properties and service apartments, with a national footprint.”