

Published Date:	Friday 22nd November, 2019	Publication:	Outlook Business [National]
Journalist:	V Keshavdev	Page No:	34, 35
MAV/CCM:	650,000/245.54	Circulation:	200,000

Patu Keswani

Chairman & MD, Lemon Tree Hotels

It all began with a dream to retire early with a corpus of around ₹50 million at the age of 40. Patu Keswani was then 38 years old and working with the Tata Group. Calling it his 'moment of hubris', Keswani staked ₹10 million to trade in stocks on margin money. At the end of a fortnight, his broker ended up richer, while Keswani was left with only ₹300,000! This crash course in getting rich overnight has been etched for life even as Patu Keswani went on to become a successful entrepreneur in the hospitality business. Barring that moment of sheer insanity, Keswani mentions that while working with the Tatas and later with AT Kearney, his objective was to park 75% of his wealth in income yielding assets and the balance in equity mutual funds to cover inflation.

But that changed once Keswani struck gold when he built a small hotel in Gurugram, which soon went on to become a successful mid-market hospitality chain with 59 hotels across 36 cities. "I have invested 98% of my wealth in Lemon Tree Hotels and that has been the best compounding machine that I have ever invested in." Keswani today is worth ₹15 billion, given his family holding of 31.32% stake in the chain. Even at a near-IPO level issue price of ₹56 — the stock is currently trading at ₹62 — Keswani has 300x more than what he was expecting to retire with when he was 38!

Not surprising that a lion's share of Keswani's wealth is tied down to his primary business. "I haven't really looked beyond Lemon Tree. My exposure to real estate would be largely for the three homes that I have for my family, besides some commercial space in a mall in Gurgaon," reveals Keswani. Outside of RE, Keswani has made his maiden investment as an angel investor in the Gurgaon-based Indian School of Hospitality, an institution focused on hospitality management and culinary education. "Being a part of the Indian Angel Network, I keep getting opportunities to invest in new enterprises," says Keswani.

The next big bet that Keswani has placed is in the co-living space. He holds 2% stake in a three-way JV with Warburg Pincus and Lemon Tree that will focus on developing rental housing projects. "I believe there is a strong case for co-living, especially in metros where affordability is in question for those new in the job market," he points out. That being the case, Keswani could well be on his way to hitting yet another jackpot.

—V KESHAVDEV

34

ASSET ALLOCATION

98%
Lemon Tree Hotels

2%
Others

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