Management Discussion

Saloni Nagvikar - Investor Relations, AD Factors PR
Good morning everyone and a warm welcome to Park Medi World Limited's Q2 and H1 FY27 earnings conference call. From the management team, we have with us Dr. Ankit Gupta, Managing Director. Dr. Sanjay Sharma, Full-Time Director and Chief Executive Officer. Mr. Rajesh Sharma, Group Chief Financial Officer. And Mr. Sudesh Sharma, Chief Strategy Officer, NOSB Finance. We will begin with the opening remarks from the management, followed by an operational and financial review, which after, uh, we will open the floor for Q&A session.

Before we begin, I would like to point out that some statements made during today's call may be forward-looking in nature. A detailed disclaimer to this effect has been included in the earnings presentation, which is also available on company's website and stock exchanges. I would now like to invite Dr. Ankit Gupta, Managing Director of Park Medi World Limited, to begin with his opening remarks. Over to you, sir.

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Thank you. Good morning everyone, and thank you for joining us for Park Medi World's Q2 and H1 financial year '27 earnings call. On behalf of the board and management team, I want to thank you for your continued interest in our company. Our board approved the results for the quarter and half year ended 30th September at its meeting yesterday. During the first half of financial year '27, we served a record 5.39 lakh patients and delivered our highest ever half-yearly revenue from operations of Rs 987 crores.

A year-on-year increase of 22%. EBITDA excluding other income stood at Rs 228 crores, a margin of 23.1%, while PAT was Rs 143 crores, a margin of 14.5%. Excluding our newly opened hospitals in Agra, Panchkula, and Rudrapur, our 14 established hospitals delivered an EBITDA margin of 26% and a PAT margin of 17%. In Q2 financial year '27, revenue from operations grew 25% year-on-year to Rs 511 crores. EBITDA excluding other income was Rs 102 crores, a margin of 19.9%, while PAT was Rs 54 crores, a margin of 10.7%.

H1 financial '27 has been a period of consolidation, growth, and continued execution. We remain on track to expand our bed capacity by 40% in FY27 over FY26. So far this year, we have added 680 beds across Panchkula and Rudrapur, and we expect to add further 750 beds across our facilities over the rest of With that, I would like to hand over to Dr. Sanjay Sharma, our Group CEO, to take you through our operational performance in detail. Thank you. Thank you, Dr. Ankit, and very good morning to everyone.

Let me take you through our opening metrics for Q2 and H1 financial year 2027. For Q2, RTD volume for the quarter stood at 31,000 patients. A growth of 31% year on year, while OPD came in at 259,000 patients, up by 29% year on year. RPOV also rose 13% year on year to about 30,646 from 27,007 in Q2 financial year 2026, while ALOS improved 14% to 5.4 days from 6.3 days. For H1 2027, IPD and OPD volumes grew- each grew 23% year on year to 57,000 and 4,82,000 patients respectively. ARPAV rose 13% to 30,548, and ALOS improved 11% to 5.6 days from 6.4 days in H1 financial year 2026.

Also, the number of doctors increased by 232 from 1,168 in March 2027 to 1,400 by September 2027. Our case mix continued to shift towards high-end tertiary and quaternary care. High-end specialties contributed approximately 64% of the revenue In Q2 financial year 2027, up by 730 basis points year on year, and approximately 63% in H1 FY 2027, up by 640 basis points. Our transplant

intervention cardiology and robot-assisted joint replacement programs continue to scale during the quarter, underscoring the growing clinical depth of our network.

Network occupancy was 56% for both Q2 and H1 FY27 and compared to 60- 68% in the corresponding periods of financial year 2026. This was largely due to the step-up in capacity over the past 12 months. 1,040 beds were added across Agra, Pachkula, and Ujjainpur admin units. With this, I will now hand over to Mr. Rajesh Sharma, our Group CFO, to take you through the financial performance. Thank you. Thank you, Dr. Sanjay, and good morning everyone. Our revenue from operations grew 25% to Rs 511 crores in Q2 FY27 as compared to Rs 410 crores in Q2 FY26, and 22% to Rs 987 in H1 FY27 As compared to Rs 809 crores in H1 FY26.

This is mainly driven by steady patient volume and continued ramp-up, uh, at our newer and recently acquired hospital. Our operating EBITDA excluding other income was Rs 102 crores in Q2 FY27, a margin of 20%. For H1 FY27, operating EBITDA rose 5% year on year to Rs 228 crores, a margin of 23%. PAT was at Rs 54.5 crores for the quarter, a margin of 11%, and Rs 143 crores for H1 FY27 at a PAT margin of 14.5%. We would like to reiterate that excluding our newer open hospital in Nagara, Panchgula, and Rudrapur, our 14 established hospitals delivered an EBITDA margin of 26% and PAT margin of 17% in H1 FY27.

As of 30th September 2026, our term debt excluding lease liabilities stood at Rs 178 crores, while fixed deposits stood at Rs 325 crores. The net worth of the company has also increased from Rs 1,196 crores in H1 FY26 to Rs 261- Rs 2,164 crores in H1 FY27. Government insurance schemes contribute approximately 76% of our revenue in the quarter. With self-pay and private insurance of the TPA contributing 24%, continuing the gradual shift towards the 70-30 split we guided to over the next 12 to 18 months. During the quarter, CapEx and acquisition spend was directly directed largely towards the Rudrapur and Bidapur acquisitions, commissioning costs for Park Platinum and Febris Hospital.

And equipment upgrade across the network. The CapEx per bed was remained at Rs 35 lakhs per bed, which is continued to be the lowest in the listed healthcare players. The company currently has 2,300 beds under execution, which are expected to become operational by December 2028, taking the total bed capacity to 6,590 beds from 4,290 beds as on 30th September 2026. This represents a staggering 54% growth in our bed capacity by December 2028. The CapEx per bed will remain within the range of Rs 30-35 lakh per bed for these 2,300 beds which is to be added by December 2028.

With that, we conclude our opening remarks. Thank you for your time and continued confidence in Park Medi World. We would now be happy to take your questions. Thank you very much.

Questions & Answers

Operator
Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and 1 on the touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we'll wait for a moment while the question queue assembles. Participants who wish to ask questions may press star 1 at this time. Ladies and gentlemen, in order to ask a question, you must press star and 1 now.

The first question is from the line of Anshul Agarwal from MK Global. Please go ahead.

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
Hi, good morning. Thank you for the opportunity. So while I can calculate the EBITDA drag from the new hospitals in the current quarter, could you also help me with the revenue number for these 3 hospitals and quantify the EBITDA drag? I presume around 30-odd crores on these 3 units.

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Anshul, your question is not very- it's just the audio is a certain way. Could you repeat your question, please?

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
Sorry, sorry. Is this better? Should I do?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Uh, it is better, yes.

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
So, uh, would you be able to quantify the revenue and the EBITDA numbers, uh, for the 3 new facilities? I can calculate that the EBITDA drag

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Yeah, sure, I'll give the answer of this question. So as far as addition of 3 units that we started in the, in the calendar year, the revenue in the first half, that is, that is Rs 72 crores

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
That

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Came from these 3 units, and there is an EBITDA of negative 8% because of which, you know, out of the 3 units that we started, 2 are brownfield and 1 is greenfield. So rather, you know, that all our discussion, we are very clear. If you see historically also, yeah, brownfield hospital normally take about 4 to 6 months time to achieve the breakeven. But for greenfield, it takes any time between 12 to 15 months. The first half, because July, we started only from 1st of, uh, 10th, you know, Agra we started in Feb, and Panchkula we started from first week of April 2026.

So we, uh, we have an EBITDA loss of 8% in these 3 units, but it will streamline by end of the, end of the current year. And if you see without these, so our existing 14 hospitals, they delivered, delivered EBITDA of 26%. And if you remove this, you know, figure of 8%, the blended EBITDA came down to 23%. I assume it is, uh, it is, uh, very normal in this business. So these 2 hospitals that we added in H1 has had a runtime of 5.5 months, and in case of roughly 1.5 months only. In addition to this, so which is very less time to expect EBITDA matching the rest of the operating hospitals.

So secondly, uh, the process of onboarding insurance companies, both private and government, also takes some time. So typically during this phase, the revenues derived from patients who will pay out of their purse only. So, uh, combined all these reasons, uh, it is very natural for first 6 months to 3 quarters for numbers to be, uh, looking like this. Usually we expect a 12-month period by when EBITDA gets in the positive zone and then gradually rises. In 3 years roughly, it, uh, 3 to 3.5 years, it aligns with uh, console numbers, blended numbers at 26% band that we typically have for operating hospitals.

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
So that's clear. I just want to reconcile this a bit more. Uh, you mentioned in the presentation that these 3 hospitals led to a 300 basis point margin contraction on the overall numbers in H1. If I calculate that 3% on the H1 revenues, that's roughly around 30-odd crores. But here we're saying that the 3 units are at roughly -8% EBITDA margin on a revenue of 70 crores. Uh, would you be able to help me?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
I'll give you the exact number. Uh, the 14 units delivered a revenue of Rs 915 crores. 3 new units, I'm talking about, uh, Udaipur, Agra, and Panchkula, they delivered a revenue of Rs 72 crores. The revenue came at Rs 987 crores. EBITDA for this 14 units is Rs 234 crores, but, uh, we have taken a hit of, uh, Rs 6 crores In EBITDA for these 3 units. That's the reason from Rs 234 crores EBITDA came down to Rs 228 crores in H1 FY26.

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
Got it, sir. Got it. So second question was, is, would we be able to sort of guide as to when this drag would sort of come off, especially since we are adding more units at the end of this financial year? Should we sort of assume the new units to also add to this bag as and when they come in? And so our H2 margins should roughly be very similar to H1 margins or should they improve?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Anshul, you know that as far as our guidance for the current year is concerned, we remain on the number. What we are expecting is close to Rs 2,050 crores in the current year and the PAT margin- PAT will remain You can say close to, you can say close to Rs 540-550 crores. So we remain on those numbers. EBITDA margin, sir.

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
Got it, sir. Just one last question on this drag, sir. There's also a sharp contraction in our gross margin, sir. These drags generally would be reflected in the EBITDA margin. So any particular reason why our gross margins have contracted so sharply?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Yes, sir. Uh, what has happened is that, uh, we have had some of our consumable and medicine costs increase in this quarter. The reason is that in our preparation for future, a lot of expenses have seen a one-time increase, which we believe will be aligned with revenues in the forthcoming 2 quarters. So 2 things to stand out. One, some smaller items, line items like F&B services, for example, food we provide to patients and attendants, that has seen an increase of nearly 50%. What used to be, for example, a meal for Rs 270 is now Rs 400.

So across the 14 hospitals, this cost was about Rs 15 crore. Uh, for 6 months period. So about 50% increase translates to 7.5 increase. Then we have also consistently maintained that we are affecting a shift from, uh, our- in the product mix towards, uh, high-end tertiary care and quaternary care services. On account of this, the cost of medicine that we have used, uh, we have in this quarter taken a hit there in terms of not realizing the same margin on the consumption of these medicines. If you look at this number, which is 40 CR increase in cost of material consumed across the 17 hospitals, 3 of which are new, excluding the F&B cost increase of 7.5 CR, as I said, this translates to about 2 CR per hospital, which in terms of medicine and implants that we have consumed.

Not translating into the same impact on the revenue in terms of margins realized has led to this

increase. But as I said, that in terms of ARPOB increase that we hope to realize going forward, this will get streamlined and reported. All right, sir. So, but this F&B cost revision- Mr.

Operator
Agarwal, may we request you return to the question queue for a follow-up question?

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
I will call back in a bit. Thank you so much.

Operator
Thank you. Participants who wish to ask questions may press star and 1 now. The next question is from the line of Shreehan Balabalkar from Devate Investments. Please go ahead.

Shreehan Balabalkar - Analyst, Devate Investments
Hello, am I audible?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Yeah, yeah, please go ahead.

Shreehan Balabalkar - Analyst, Devate Investments
Uh, hi everyone, uh, thank you for taking my question. Uh, my question is, we have seen a sharp increase in other expenses Uh, you're on your end sequentially. If you can just throw some light on those other expenses. And the second question is, what will- what is the occupancy of our existing 14 hospitals and the new 3 units that we've added?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
You know, for the first question, uh, if you compare, I'm talking about the other expense, but if you see in terms of the number, so we remain at 21 In H1, uh, last 12 months, if I talk about FY26, we were at 21%. Now that's grown to 23%. So there is this gap of only 2%, but because we have grown drastically, there is a revenue growth of close to 23-24% in revenue. Therefore, the number has increased, but percentage terms, we have remained more or less on line.

Shreehan Balabalkar - Analyst, Devate Investments
Sir, and sequentially, if we see, it is also slightly higher. The other expenses number.

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
No, no, if you see, I have that data. FY26, the total expense was Rs 360 crores, which was 20% or 21% of the revenue. And this year we have Rs 228 crores, that is 23% of the revenue.

Operator
Right, right, good.

Vivek - Analyst, MK Global
Thank you.

Operator
The next question is from the line of Kashish Thakur from Elara Capital. Please go ahead.

Vivek - Analyst, MK Global
Hi, sir. Thank you for the opportunity. Uh, so 2 questions from my end. So first is, uh, can you

quantify the impact of the onco price capping, or probably what kind of impact we might face? And second is, have we already started seeing the CGHS, uh, impact in our numbers?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
One by one. Uh, your first question was concerning impact of Uh, capping of margin on cancer drugs. So I'm pleased to share with you that we have done a very detailed analysis of this in terms of analyzing what likely impact will be there on our numbers. I'm happy to announce today that implication for PARK is negligible. Uh, it is not just insignificant, it is negligible. We can safely say it has no implication for PARK. The reason for that are Twofold. One, that, uh, for example, patients that we have who are beneficiaries of certain government insurance schemes like ESI, CBHS, they typically, when they seek treatment, medical services from Park, they purchase medicines from the government infrastructure- ESI dispensaries, ESI hospitals, likewise CBHS healthcare centers.

So Park is not selling them medicine at all. So Park is just treating them. That is one thing. Second thing is, uh, in some of the large categories like ECHS, uh, there is for A-grade players significant discount that the contractual arrangement between the hospital and the insurance, uh, uh, company, which is ECHS in this case, applies. So to reach that discount, you know, instead of premium, there is a discount. Instead of premium capping, what you require is to be very, very efficient in your procurement.

So in case of PCSS, I believe the discount required for a hospital to provide is almost 30%. So to be able to derive 26% EBITDA after giving this discount, we have to be operationally and in terms of procurement very, very efficient. We have to actually have efficiency for the expense of nearly 36, 37, 38% discount. So the question of capping of premium does not become applicable to Park business become negligible for our business is insignificant. It is, uh, we can say it has zero implication. Your second question, uh, was concerning CBSS rate hike.

We believe that CBSS rate hike, which was announced in October 2025, we believe, uh, it covered, uh, several line items, maybe 5,500, 6,000. We believe that the largest beneficiary was going to be Park, which has turned out to be correct. We also believe that it was going to be 3-4 quarters before the effect of rate hike was going to be, uh, factored in, in the day-to-day running of hospitals and payment mechanism tied up with the insurance companies, government insurance companies. So we are nearly 4 quarters down since then.

So safe to say that nearly 95-98% of the rate hike has been factored in already. It is in force right now. So in FY27, maybe we can say 7 months will be the applicable period when this 97% will apply. Now what is the true implication of this? We believe that the rate hike on ballpark basis was going to be 10% on the revenue operational income figure of PARK. So if we take our guidance number for FY27, 2,050 thereabout, Uh, we find that, uh, nearly 75% of this revenue will be accounted for by government insurance companies, and 92% of which will be accounted for by, uh, government insurance companies whose rates are benchmarked to CBHS rates.

So if you do this math on a 100% base of revenue, you find that the effective rate hike applying to revenue is about 6%. 6% on- if you take FY26, the payment top line is 1680 approximately, that will be about you know, 85-90 CR. If you do that math for 7 months only, you'll find that the implication for FY27 will be about, you know, basically 60 CR. So that is how we should correctly understand the CBDS rate hike's implication for our numbers.

Vivek - Analyst, MK Global
So thank you so much for the detailed explanation. Thank you. I'll get back into queue.

Operator
Thank you. Before we take the next question, we would like to remind participants that you may press star and 1 to ask a question. The next question is from the line of Mukesh Ashtar from Moonshot Ventures. Please go ahead.

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Hello, sir. I am audible? Yeah, please go ahead. My first question on Q2Q. If I am seeing Q2 financial year '26 to Q2 financial year '27, There is roughly 65% increase in consumables. What was the reason, sir, from Q to Q? Uh, is that your question? Uh, what is this, the difference accounted for by 39 crore increase? Is that the question? Yes, sir. From 70 crore to 116 crore. Cost of material consumed? Uh, yes. So as I shared earlier, in fact, uh, in a different variation of your question, this is answered just a little while ago.

So, uh, we, uh, what we have seen in this, uh, quarter is that one, in terms of upgrading our patient services, we have, uh, upgraded a lot of things. One is, one of which is that our F&B cost during this quarter increased on a one-time basis by nearly 50%. The one meal that was being served to patients which costed us Rs 270, that cost was increased to Rs 400, and this has been in this quarter not a pass-through to us. So we have taken a hit on account of this. In terms of numbers, this has an implication of about Rs 8 crore for this quarter.

In addition to which, so if you subtract this Rs 8 crore, you find that the increase of Rs 31 crore that remains roughly translates about little less than, uh, approximately 2, little less than 2 CR per hospital for 6-month period. That's not sizable. What has also happened during this time to explain the 31 CR increases, that whenever any of us, uh, you know, just, uh, increase the percentage of advanced medical procedures and services that we render in our hospital, so we have, uh, had the medical costs which had a less margin, higher level of medicines, antibiotics, etc., and because of advanced procedures, more number of implanters compared to the comparable period last year.

So the margin on these in this period has been less, but we have aggressively pushed these products, which is evident from the specialty mix revenue mix that we have in this quarter. So this is one time which will get adjusted, but those 39 CR in our judgment was a cost that was thought to be judicious with a long-term view.

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
Okay, okay. My next question is, why our ALOS is so high comparing, comparing to other hospitals? It is going down in coming quarter. What was the budget?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
No, the ALOS, I think, uh, to 5.4 days from 6.3 days. But in some areas where we see 5.6 with regard to H1N7 is also largely because there have been some cases which have been on the internal medicine side and critical side which required higher ALOS or stay in the hospital because of the criticality. Okay, and next, sir, in- we have seen in recently acquisition, our per bed cost is increased around 65 to 70 lakh per bed. Then this cost is going towards higher side, then our IRR is impacted in this- in these cases to ramp up these hospitals, what time they will take.

No, no, no. Our, our CapEx per bed is remain at Rs 35-36 lakhs. Even, uh, what we plan to add another 2,300 beds by December 2028, those are under execution. And for these 2,300 beds, we need about Rs 750 crores. So currently we have- we are- we have a CapEx per bed is about Rs 35-36 lakhs. And going forward also, we will remain in that bracket. So there will be no drastic

change in CapEx per bed going forward also. Sometimes when we look at asset-wise basis, it looks like one or two isolated CapEx hospitals with CapEx per bed basis is an outlier, but on a blended basis, we will adhere to this number all the way till 2028, whenever that capacity will be 5,600.

A case in point is our newest addition has been Allahabad asset, 550 beds, for which CapEx provision is Rs 210 crore, of which Rs 85 crore will be reimbursed by government. Just imagine that this hospital will be commissioned in October-November 2028. We will have a 550-bed hospital commissioned. Land is also being provided by government. 550-bed hospital which will be commissioned in November 2028 with capital CapEx of only about Rs 125-130 crore. That's like Rs 25 lakh per bed. So on a blended basis, we will stick to Rs 36-38 lakhs of operating bed pack.

Vivek - Analyst, MK Global
Okay, sir.

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
And sir, one request, in presentation

Vivek - Analyst, MK Global
Please give this peer mix and ARPOB also.

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Okay, I think for your information, peer mix, if I talk about F1, F5, 20-

Vivek - Analyst, MK Global
Yeah, 76, 23, not 23, 24, 76, 24.

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Yes, sir.

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
Okay, thank you.

Operator
Thank you. The next question is from the line of Vivek from MK Global. Please go ahead.

Vivek - Analyst, MK Global
Yeah, thank you for the opportunity. Uh, good morning everyone. So, uh, a few, uh, bookkeeping questions. So just wanted to understand the reasons for, you know, the increase in the working capital, uh, for the- for 1HF FY27. Uh, what, what I can see is, you know, the receivable days has also increased for 1HF. If you see for the past 3 to 4 years, our working capital days has been on an improving trend, but this, uh, for this year it has sort of increased again. So any reasons for that? And, uh, yeah, firstly that, then I'll move on to the next questions.

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
The question, you know, that as far as receivable days are concerned, so we currently, we are at 160 days. And what we have done, because the addition that we have done in this calendar year, there are 2 acquisitions that we have made. One is Agra and Rudrapur. And they have the outstanding debtors, which is close to Rs 45 crores. And if I reduce that, the total debtors, you know, we have in books as of 30th September is Rs 871 crores. If I reduce that Rs 40-45 crores, that comes to close to Rs 815 crores.

And now, because there is a small- we have a seasonality also in recovery, so we have a very handsome recovery in October. So some payment that we were expecting in September, but they came in October. And in fact, if someone can see my outstanding as of 31st October 2026, we are at the 135-136 days. So at console level, if you talk about yearly basis, annualized, if I talk about, we will be remaining 125-130 days if, if we talk about as of 31st March 2027. So in October month, we have seen this number, you know, as I said, that for us, while we keep a granular track of receivable days Uh, what we have known from experiences that there is a trending to our collection, and this number gets streamlined by end of the financial year.

If we include, uh, October data, then from September to October, there's a number of receivable days reduces by nearly 30-35 days. So that trending is there. But what we are seeing is just end of September data, but we know that we are keeping track of this, and this remains exactly in line with how We want it to look like. So it will year-end be in the band of 125, 128. And that's something we are very, very sure it will come down to less than 130 days by close of this financial year.

Vivek - Analyst, MK Global
So have you received the payment, uh, from the Agra and Rohtakpur accounts?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Is this mostly related to the government

Vivek - Analyst, MK Global
Schemes or is there something else?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
No, these are all, you know, related to the government scheme and the TPA because when we closed the transaction There are some amount of receivable because when we sign SPA, we clearly mentioned that any receivable which pertained to last, uh, during the, during their period, that will be realized on actual basis. So whenever, because they have outstanding, when the payment will come, we have to pass on that payment to them. But we take when concerned, that has to reflect in our books.

Vivek - Analyst, MK Global
Got it. Uh, just a few more questions. So just wanted to understand, as you can see, the other expenses I has increased considerably in the second quarter. So if you could provide the number for the claims disallowed amount for 1H or for 2Q, whatever that might be.

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
So claims disallowed, you know, that we, uh, again, there are some seasonality in this. And, uh, you know, currently we are at 13.5% as compared to 11% in the same period last year. But if you see again, by end of the, end of the current financial year, we will come down to that level. And if we- even if you need more details, we are more than happy to provide separately.

Vivek - Analyst, MK Global
Sure. Uh, just another thing, I mean, what we can see is, you know, the deferred tax benefit has sort of reversed. So could you explain what was the deferred tax benefit for earlier and, uh, what is the deferred tax charge now? Or, you know, what we can see in the 2Q numbers? Because what I can see is, you know, the tax rate has doubled primarily because of that deferred tax reversal, uh, in this quarter. If you could explain, uh, something on that.

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
In fact, this also you have to allow us to separately explain separately.

Vivek - Analyst, MK Global
Sure. Uh, could you provide me, uh, some of the- okay, you have provided. So can you provide me the number for the operational bad debt? For the quarter operations bad days

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
For Q2 FY27, it is 1,66,742 lost days.

Vivek - Analyst, MK Global
Got it,

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Thank you.

Vivek - Analyst, MK Global
Uh, just one more question if I can- Sorry to interrupt,

Operator
Mr. Mehve. Maybe request to return to the question queue for a follow-up.

Vivek - Analyst, MK Global
Sure.

Operator
Thank you. Before we take the next question, we would like to remind participants that you may press star and 1 to ask a question. The next question is from the line of Janel Parker from Avia Advisors. Please go ahead.

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
Hello, am I audible to you?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Yeah, please.

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
Yeah, so my first question is, how much CapEx you are planning for, you know, next 2-3 years, and where do we plan to utilize those CapEx funds?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
You know, as far as our expansion plan is concerned, December- till December 2028, we are- these are the projects, those are under execution as of now. The total CapEx that we plan is Rs 750 crores, and that will add Rs 2,300 crores.

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
How much, guys?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Rs 750 crores, and that will add Rs 2,300 crores. That again, we will remain on a CapEx per bed, this will be close to Rs 33.5 lakhs per bed.

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
Okay, okay, okay, fine, sir, fine. And by when we will be achieving our breakeven point for our newly commissioned hospitals, sir?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Can you just repeat again?

Anshul Agrawal - Analyst, Emkay Global Financial Services Limited
So by when we will be achieving our breakeven point for our, you know, newly commissioned hospitals?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
You know that historically we have seen- I just, you know, we have just answered that question as well. Historically, what we have seen that brownfield, the acquired asset, normally give us- we achieve operating breakeven within 4 to 5 months or 4 to 6 months. But for greenfield, it takes about 12 to 15 months' time. And as I know, couple of- we started Bathinda in July 2025, wherein we were PAT positive in the first month. Durgapur, we were more or less EBITDA positive in the, in the first month itself.

But historically we have seen that is between 4 to 6 months for brownfield. Okay, okay, okay. Thank you, thank you. I'll join, uh, join back with you.

Operator
Thank you. The next question is from the line of Shreya Patel from SCI. Please go ahead.

Shreya Patel - Analyst, SCI
Hi sir, good morning. Um, so I have only 2 questions. The first one being that how does the management plan to, you know, strategically balance your further capacity expansion and improving your occupancy level as well as restoring the margins all across your existing hospital network?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
See, the expansion which we are talking about, 2,300 beds by December 2028, is all identified expansion which we have in the pipeline, and the significant amount of project has taken place and work has happened. Which has been done largely from which we have accounted for Rs 750 crore. But a lot of capacity expansion has happened, like land, the building, and other things. The second thing is which you are talking about, how the occupancy would rise. See, in these hospitals which have, uh, you know, life cycle which is about more than 3 years, where we see the occupancy rise going above 60-65% or 70%, there we will be increasing the tertiary and quaternary product mix.

So which will definitely decrease the loss also, increase the ARPAV also, and obviously impact the margins also. So this is a continuous process that as hospitals are maturing, the occupancy is increasing, but we are also on exponential rise and capacity expansion. So that is creating a little drag on the hospital.

Shreya Patel - Analyst, SCI
Okay, sir. Um, so my second question is that, you know, what would be like the key expansion milestones, the operational priorities, and the execution strategies that you all are looking at in order to achieve your targeted capacity of 5,040 beds by March 27th?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
See, uh, this fiscal year we are having an incremental bed capacity by 40%, which will be, uh, 1,430 beds, out of which 680 beds have already been commissioned. Next fiscal year we are looking at a 1,000-bed expansion across 4 hospitals. Besides this, as my colleagues mentioned, 550 public-private partnership beds are also being added to Prayagraj project, which will be commissioned by December 2028. So in total, 6,590-bed capacity will be added by December 2028, which is in the pipeline, and significant progress in the work has taken place on this.

Operator
Okay, sir. Thank you. Thank you. The next question is from the line of Shravan Modi from Syndicate Family Office. Please go ahead.

Vivek - Analyst, MK Global
Good

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Morning, sir. Yeah, please go ahead.

Vivek - Analyst, MK Global
Yeah, sir. So my first question is, firstly, thank you so much for the opportunity. So what, uh, my question is, what revenue and EBITDA contribution is management anticipating from our planned addition of 1,430 beds in FY27. And, uh, can you explain to me what is the expected timeline for these facilities to reach the optimal operating capacity, if you can please?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
I'll, I'll answer the second question first. The unit that we asked, because current, current calendar year we added 3 units there. As I just answered that question, historically we have seen that take about Bronze will take about 4 to 6 months' time to achieve operating breakeven. Uh, when I say operating breakeven, if you operate on a capacity which is 30-35%, you normally achieve operating breakeven. And 3rd year is the time where we normally reach about 70% of the total capacity. So this we have seen historically.

But for a greenfield, that takes- instead of 3 years, that takes about 4 years' time to achieve that occupancy which is close to 70%. And what is the first question was?

Vivek - Analyst, MK Global
Yeah, so the first question was regarding the revenue and EBITDA contribution which management is anticipating from our planned addition of 1,400-odd beds in FY27.

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Uh, here we talked about, you know, for the next year we are expecting a top line of, uh, I'm talking about FY28, we are expecting a top line of close to Rs 2,550 crores. Wherein we are expecting 20% of the number will come from these hospitals. Because right now that we just started and some of the hospitals yet to be started, they will start contributing drastically in next maybe couple of years. But FY28, that will contribute close to 20% of the revenue. And again, you know, you can say about 10-12% of the EBITDA.

Vivek - Analyst, MK Global
Got it, sir. So, uh, also I wanted to ask you about this, uh, so we have an 80% stake in, uh, V3

Healthcare, which operates University Hospital in Rudrapur. Could, could you please provide an update on the hospital's operational performance and the progress we have made into integrating company's existing operations?

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
What we have done is, as far as operational performance is concerned, we started from 1st August And we are already EBITDA positive. So currently we have a run rate which is close to Rs 5 crores per month, and for December we are expecting that will touch Rs 7.5 crores. And for April 2027, that we were- we are expecting it will go more than Rs 10 crores per month. And for this 80%, yes, we have taken 80% now with a clear-cut understanding and, and a commitment that 20% there will be bought within a specific period of time, but we plan to buy, I think, by close of this financial year, or maximum in the first quarter of next year.

So that will remain- it will not 80%, then by end of this year, or maybe first quarter of next year, we will be owning the complete 100%.

Vivek - Analyst, MK Global
Got it, sir. Got it, sir. That answers my question, sir. Thanks so much for your inputs, and I wish you all the very best.

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Thank you.

Operator
Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.

Rajesh Sharma - Group Chief Financial Officer, Park Medi World Limited
Uh, thank you everyone for sparing time today, for your attention and your very, very high-quality inquisitive questions. I would like to just restate that the most extraordinary standout feature of H1 has been how smoothly, quickly, seamlessly, efficiently we are able to execute our expansion plan without diminishing our performance while maintaining health and integrity of our balance sheet, and at the same time maintaining a strong control on administrative issues. We are confident that the road that lies ahead will translate into a lot of value creation for all of our stakeholders, namely patient communities that we serve, all of our stakeholders, investors, shareholders, existing and prospective.

On that note, I thank you again for your time today. I wish you a wonderful weekend. Take care. Thank you so much. If there should be follow-up queries, through contact us or directly kindly reach out. Your queries will be promptly clarified. Thank you so much. Thank you. Thank you very much. Thank you.

Operator
Thank you. On behalf of Park Medi World Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.