

Stock Idea Note - Hindustan Copper Ltd.

Company Overview

Hindustan Copper Limited (HCL), established in 1967, is a public sector enterprise under the Ministry of Mines, Government of India. Headquartered in Kolkata, HCL is India's only integrated producer of copper from mining to refining. The company operates copper mines, smelting, and refining plants in several regions, including Malanjkhand (Madhya Pradesh), Khetri (Rajasthan), and Kolihan (Rajasthan). HCL's primary products are copper cathodes, which are used in various industries, including electrical, automotive, construction, and telecommunications. It also produces by-products, such as sulfuric acid and precious metals. With a vision to become a leading player in the copper industry globally, HCL is expanding its production capacity and modernizing existing facilities. The company has significant mining and smelting capacities, with plans to increase output through various ongoing projects, including the Malanjkhand Copper Project and the expansion of the Khetri Copper Complex. It also focuses on environmental sustainability, with advanced technology for waste management and minimizing carbon emissions. In addition to its domestic presence, HCL aims to cater to global copper demand and contribute to India's growing need for raw materials, making it a key player in the country's mining and metallurgy sector.

Investment Rationale

The only company mining copper ore in India

The demand for copper in India's electrical and infrastructure sectors is surging, driven by rapid urbanization and key government initiatives. Affordable housing schemes, rural electrification, the expansion of renewable energy, and the increasing adoption of electric vehicles are collectively driving up copper consumption nationwide. Flagship programs such as Make in India, 100 Smart Cities, Metro and Rail network upgrades, Aatmanirbhar Bharat in defence, and the ambitious 500 GW renewable energy target by 2030 are expected to boost copper-intensive industries significantly. Hindustan Copper Limited (HCL), the only public sector enterprise with fully integrated copper operations—from mining through refining and casting—is strategically positioned to capitalize on these growth opportunities. Holding leases for more than 45% of the country's copper reserves, HCL benefits from unmatched access to raw material resources. Its operations span five major plants located in Taloja (Maharashtra), Jhagadia (Gujarat), Ghatsila (Jharkhand), Malanjkhand (Madhya Pradesh), and Khetrinagar (Rajasthan), offering robust infrastructure and a wide geographic reach. With vertically integrated production facilities, an extensive distribution network, and a loyal customer base, HCL is well-positioned to support India's growing copper demand across the industrial, electrical, and infrastructure sectors, which will drive long-term growth visibility.

Strategic lever on India's copper self-reliance

Hindustan Copper (HCL), India's only integrated copper miner, is executing a multi-year volume expansion to ramp up ore production from 3.47m tonnes in FY25 to 12.2m tonnes by FY30-31, leveraging its access to ~45% of the country's copper reserves. It has unlocked stalled assets through regulatory clearances and adopted an innovative mine-developer (MDO) model, enabling large-scale capex with limited balance sheet risk. Backed by a robust RoE of 18.9% and expanding EBITDA margins (35.6% in FY25), HCL is well-placed to benefit from strong domestic copper demand led by power, EVs, and infrastructure. Unlike global smelters facing pressure from collapsing TC/RCs, HCL enjoys upstream margin stability, selling to buyers like Hindalco and Adani's Kutch Copper. Its strategic collaboration with CODELCO (Chile) further enhances its technological edge—making HCL a differentiated play on India's critical mineral security and global copper tightness. Additionally, the global copper market is structurally tightening, with a projected deficit of 3.6m

Stock Rating

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

Sector Outlook

Positive

Stock

CMP (INR)	263
Target Price (INR)	309
NSE Symbol	HINDCOPPER
BSE Code	513599
Bloomberg	HCP IN
Reuters	HCPR.BO

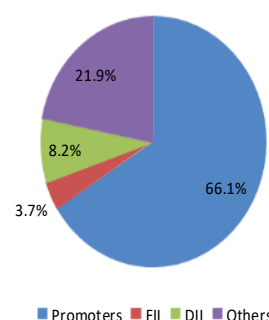
Key Data

Nifty	25,150
52WeekH/L(INR)	353/184
O/s Shares (Mn)	967
Market Cap (INR bn)	254
Face Value (INR)	5

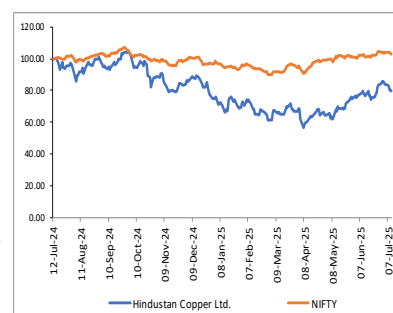
Average volume

3 months	69,97,990
6 months	63,24,070
1 year	63,69,730

Share Holding Pattern (%)



Relative Price Chart



Stock Idea Note - Hindustan Copper Ltd.

tonnes by 2035, and low treatment/refining charges (TC/RC) reflect strong miner pricing power. Domestically, rising demand from power, EVs, and infrastructure segments adds a favorable macro backdrop. These tailwinds, along with favorable long-term copper pricing, position HCL as a high-conviction play on India's resource self-sufficiency and the global energy transition theme.

Valuation and Outlook

Hindustan Copper Ltd. (HCL), India's only integrated copper producer, controls ~45% of the country's copper ore reserves and is expanding ore output from 3.5 Mt in FY25 to 12 Mt by FY30–31. Its financials for FY25 show revenue of Rs. 2,071 cr, EBITDA margin of ~36%, and PAT of Rs. 467 cr, with high operating leverage from upcoming capacity additions. Valuation hinges on copper price trends, mine ramp-up execution, and sustaining healthy margins amid ongoing capex of Rs. 2,000 – Rs. 2,700 cr. With copper being a core critical mineral for energy transition, electrification, and defense, HCL is increasingly well-placed to benefit from government incentives and policy support—especially under schemes like Aatmanirbhar Bharat and PLI for electronics and renewables. Its ore production set to grow at a ~23% CAGR over FY25–31 and margins expanding meaningfully, forward earnings are likely to accelerate sharply, compressing valuation multiples. Furthermore, the stock embeds strategic optionality from brownfield mine restarts, MDO-led expansion, and exposure to structurally rising copper prices due to global deficits. As volumes scale and visibility improves, HCL's valuations could normalize closer to global copper peers, offering re-rating potential over the medium term. Consequently, we assign a "Buy" rating based on these factors. **On the valuation front, we base the company's value on 55x of FY26e earnings, arriving at a target price of Rs. 309 (17% upside from CMP) with a 12-month investment horizon.**

Key Financials						
YE March (INR. Mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
Revenue	18,220	16,770	17,170	20,710	24,438	29,325
Revenue Growth (Y-o-Y)	2.0%	(8.0%)	2.4%	20.6%	18.0%	20.0%
EBIDTA	5,120	4,920	5,470	7,380	8,553	10,557
EBIDTA Growth (Y-o-Y)	24.6%	(3.9%)	11.2%	34.9%	15.9%	23.4%
Net Profit	3,740	2,950	2,950	4,650	5,425	6,745
Net Profit Growth (Y-o-Y)	240.0%	(21.1%)	0.0%	57.6%	16.7%	24.3%
Diluted EPS	3.9	3.1	3.1	4.8	5.6	7.0
Key Ratios						
EBIDTA margin (%)	28.1%	29.3%	31.9%	35.6%	35.0%	36.0%
NPM (%)	20.5%	17.6%	17.2%	22.5%	22.2%	23.0%
RoE (%)	19.6%	14.2%	12.9%	17.5%	16.9%	17.4%
RoCE (%)	22.1%	22.0%	21.8%	26.1%	25.8%	26.3%
Valuation Ratios						
P/E (x)	67.9x	85.8x	86.1x	54.6x	46.8x	37.7x
EV/EBITDA	49.7x	51.3x	46.7x	34.5x	29.7x	24.1x
P/BV (x)	13.3x	12.2x	11.1x	9.5x	7.9x	6.5x
Market Cap. / Sales (x)	13.9x	15.1x	14.8x	12.3x	10.4x	8.7x

Source: Bloomberg, BP Equities Research



BP WEALTH

Tel: +91 22 61596138

Research Desk

Institutional Sales Desk

Tel: +91 22 61596403/04/05

Disclaimer Appendix**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Week Gone**Corporate Office:**

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392