



Quarterly Results Pick

Hindustan Copper Ltd.



Nov 26, 2025



Industry	LTP	Recommendation	Base Case Fair Value	Bull Case Fair Value	Time Horizon
Metals	Rs 320	Buy in Rs 315-325 band and add on dips in Rs 280-290 band	Rs 352	Rs 368	2-3 quarters

HDFC Scrip Code	HINCOPEQNR
BSE Code	513599
NSE Code	HINDCOPPER
Bloomberg	HCP:IN
CMP Nov 25, 2025	320
Equity Capital (Rs Cr)	484
Face Value (Rs)	5
Equity Share O/S (Cr)	96.8
Market Cap (Rs Cr)	31,009
Book Value (Rs)	31
Avg. 52 Wk Volumes	7318364
52 Week High	366
52 Week Low	184

Share holding Pattern % (Sep, 2025)	
Promoters	66.1
Institutions	11.1
Non Institutions	22.8
Total	100



* Refer at the end for explanation on Risk Ratings

Fundamental Research Analyst

Ashish Karkera

Ashish.Karkera@hdfcsec.com

Our Take:

Hindustan Copper Limited (HCL) is India's flagship public sector enterprise dedicated to copper production, and it holds a unique position as the country's only fully integrated copper producer. Established in 1967 under the Ministry of Mines, HCL manages the entire copper value chain—from exploration, mining, and ore beneficiation to smelting, refining, and fabrication of finished copper products. Its operations span key mineral belts across Rajasthan, Madhya Pradesh, and Jharkhand, giving it strategic access to some of the nation's richest copper deposits. Over the decades, HCL has played an essential role in supporting India's industrialisation by ensuring a domestic supply of refined copper for sectors like power, infrastructure, transportation, and defence. India's copper demand is projected to increase significantly, reaching 3.24 million tonnes by 2030 across conventional sectors, with construction, industry, and electricity primarily driving copper use. As India's demand for critical minerals grows in the renewable-energy and technology sectors, HCL continues to be central to the country's mineral security and long-term resource planning. The company's ongoing modernisation, expansion of mining capacity, and focus on sustainable extraction position it as a pivotal player in strengthening India's copper ecosystem.

Q2FY26 Result Review:

Consolidated Performance: Hindustan Copper reported revenue of Rs. 718 cr. (39% year on year & 39% rise compared to the previous quarter). EBITDA margins improved from 29% to 39% year on year. Also, the company reported a profit of Rs.184 cr. compared to profit of Rs.102 cr. year on year thus increasing by 37% QoQ and 80% YoY. Earnings per share stood at 1.9 in Q2 FY 2025-26.

Concall takeaways:

- Average cost of production: Malanjkhand at ~\$5,000/ton, Khetri and Jharkhand at ~\$6,000/ton.
- CAPEX outlay estimated at Rs 2,000 crore over the next five years, mainly for Malanjkhand, Khetri, and Jharkhand infrastructure.
- Ambitious expansion plan: Target to ramp up total ore production to 12.2 million tons by FY31 (from ~4 million tons currently).
- Hindustan Copper's mining operations span Rajasthan (Khetri, Kolihan), Madhya Pradesh (Malanjkhand), and Jharkhand (Surda, Kendadih, Rakha).
- Malanjkhand mine aims to reach 5 million tons production by 2031; Khetri complex to be enhanced to 2.9 million tons.
- Jharkhand mines—Surda, Kendadih, Rakha—now have required clearances; Rakha is operated by JSW's Southwest Mining as MDO for 30 years (can be extended by 10 years).
- MIC (metal-in-concentrate) grade averages 0.7–0.8 across mines; expected output 80,000–90,000 tons MIC at full ramp-up.

Valuation & Recommendation:

Hindustan Copper presents a highly attractive long-term investment proposition, underpinned by its ambitious plans to triple mining capacity from 4 million tonnes per annum in FY25 to 12.2 million tonnes by FY31 through strategic capital investment and resource acquisition. The company is actively expanding its mining footprint across key assets and also collaborating internationally, notably with Chile's CODELCO, to boost its technical expertise and global reach. These growth plans align with multi-year sectoral tailwinds as global copper demand surges on the back of electrification, data center expansion, green energy, infrastructure initiatives, and the rapid adoption of electric vehicles in India and abroad. Despite potential volatility from tariffs and macro factors, Hindustan Copper is well positioned to benefit, thanks to its cost-competitive integrated operations and secure reserves.

The company's steady improvement in financials, capacity to fund expansion primarily through internal accruals, and position as India's sole integrated copper miner further amplify its appeal in a strong commodity cycle. With supply constraints and demand growth expected to persist, Hindustan Copper's strategic roadmap, sector alignment, and exposure to firm copper prices make it a compelling choice for investors seeking long-term returns within the metals sector. **We think the base case fair value of the stock is Rs.352 (12x FY28E EV/EBITDA) and the bull case fair value is Rs.368 (12.7x FY28E EV/EBITDA) over the next 2-3 quarters. Investors can buy the stock in the band of Rs 315-325 (10.9x FY28E EV/EBITDA) and add more on dips to the band of Rs. 285-295 (9.7x FY28E EV/EBITDA).**

Key Risks:

Exposure to the commodity cycle: HCL remains exposed to movements in global copper prices, leading to volatility in profitability and cash flows. In the past, HCL's profitability was impacted by a decline in copper prices.

Large, planned capital expenditure: HCL has lined up a large capital expenditure plan of Rs. 2,000 crore over the next 4-5 years to expand its mines. The phasing of the balance capex and the exact funding pattern would remain the key rating sensitivities. However, the capital structure is likely to remain comfortable due to regular accruals from the business and the equity infusion in FY2022, which would limit the long-term debt requirement.

Adverse cost structure in smelting and refining operations-HCL has an adverse cost structure at its copper smelter and refinery at Ghatsila because of the vintage of the plant and lack of economies of scale. Thus, HCL is now focusing on producing and selling MIC only, and production at its smelting and refinery facilities remains suspended.

Financial Summary:

(Rs cr)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Operating Income	718.0	518.2	38.6	516.4	39.1	1,677	1,717	2,071	2,692	4,173	6,468
EBITDA	282.1	151.8	85.8	212.0	33.1	491	547	738	915	1,562	2,586
APAT	183.8	101.7	80.8	134.3	36.9	295	295	467	533	1,026	1,805
Diluted EPS (Rs)	1.9	1.1	83.0	1.4	38.5	3.1	3.1	4.8	5.5	10.6	18.7
RoE-%						14.8	13.5	18.9	18.7	29.4	37.8
P/E (x)						104.7	104.8	66.2	58.0	30.2	17.1
EV/EBITDA (x)						62.8	56.8	42.1	33.5	19.1	10.9

One Year Price Chart



(Source: Company, HDFC sec)

HDFC Sec Prime Research Rating description

Green Rating stocks

This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. These stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

Yellow Rating stocks

This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

Red Rating stocks

This rating is given to emerging companies which are riskier than their established peers. Their share price tends to be volatile though they offer high growth potential. They are susceptible to severe downturn in their industry or in overall economy. Management of these companies need to prove their mettle in handling cyclicity of their business. If they are successful in navigating challenges, the market rewards their shareholders with handsome gains; otherwise their stock prices can take a severe beating. Overall these stocks offer high risk high return opportunities.

Rating Criteria

Buy - > 15%+ return potential

Add - +5% to +15% return potential

Reduce - -10% to +5% return potential

Sell - >10% downside return potential

Disclosure:

I, **(Ashish Karkera)**, Research Analyst, **(CA)**, author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. 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.

Research Analyst or his/her relative or HDFC Securities Ltd. **does not have** any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate **does not have** any material conflict of interest.

Any holding in stock – No

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. "This report may have been refined using AI tools to enhance clarity and readability." Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy,

completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.

This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. As regards the associates of HSL please refer the website.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

Please note that HDFC Securities has a proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

For grievance redressal contact Customer Care Team Email: customercare@hdfcsec.com Phone: (022) 3901 9400

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.