PREMIUM BUSINESS FIELD GUIDE

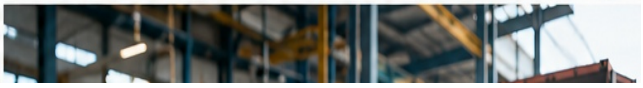
FULL-PAGE EDITION · INDIA 2026

# COPPER SCRAP RECYCLING

A practical business guide covering capital, scrap grades, recovery, machinery, buyers, customer acquisition, GST, licences, risk controls and a 60-day launch plan.





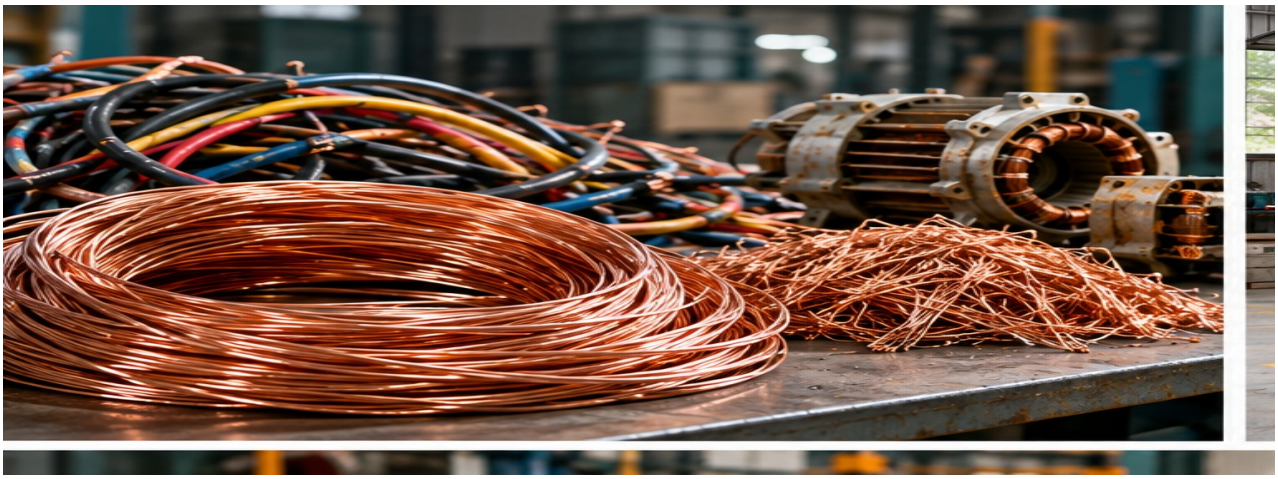


| Rs.4-6L | Rs.6-10L | Rs.12-20L+ |
|---|---|---|
| minimum viable stripping pilot | safer small commercial start | small granulation setup |

Built for education, not hype. Volatile prices are labelled as examples, and compliance depends on the exact process and location.

# 01 Market Opportunity & Capital

**Start with the market - then calculate how much cash the model really needs**



Verified demand
India's copper demand increased 12% year-on-year to about 2,100 KT in FY26 from 1,878 KT in FY25. Infrastructure, automotive and construction were key drivers.

What beginners miss
Strong demand does not guarantee profit. A recycler wins by grading feedstock correctly, buying below recoverable value and rotating inventory quickly.

| Cost head | Minimum viable pilot | Safer small start |
|---|---|---|
| Wire stripper | Rs.50k-Rs.70k | Rs.50k-Rs.80k |
| Scale / tools / PPE / fire | Rs.25k-Rs.45k | Rs.35k-Rs.60k |
| Premises + electrical + deposit | Rs.50k-Rs.90k | Rs.75k-Rs.1.25L |
| Compliance / professional setup | Rs.25k-Rs.50k | Rs.40k-Rs.75k |
| Initial insulated feedstock* | Rs.1.5L-Rs.2.5L | Rs.2.5L-Rs.4.5L |
| Cash buffer | Rs.50k-Rs.1L | Rs.1L-Rs.1.5L |
| Practical total | Rs.4L-Rs.6L | Rs.6L-Rs.10L |

*Feedstock is a planning assumption, not a live quotation. Insulated cable can be worth far less than clean copper because it contains plastic, steel, aluminium and other material.

**“The machine is not the moat. Your grading, procurement and recovery discipline are.”**

# 02 Scrap Grades & Sourcing

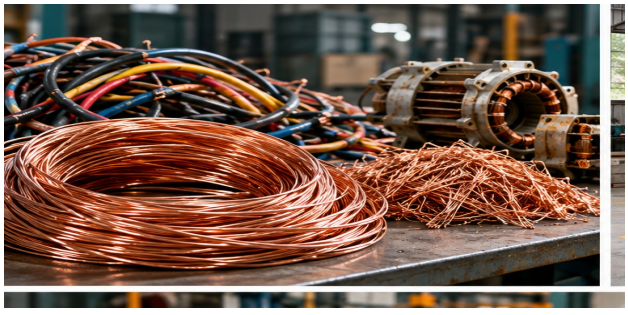
## Know what you are buying before you negotiate the price

| Material type | Typical reality | Buying approach |
|---|---|---|
| Bare bright / clean wire | Very high copper content | Highest-value scrap; priced near clean-copper benchmark. |
| Motor winding / armature | High copper; varnish or attachments may remain | Separate carefully; expect deductions for contamination. |
| PVC house wire | Often medium copper recovery | Sample-strip and value from tested recovery. |
| Thick power cable | Heavy insulation or armour may reduce copper % | Do not judge by size; test recovery. |
| Whole motors | Large iron share; copper is only part of weight | Buy from tested recovery, not total motor weight. |
| Mixed electrical scrap | May contain copper, aluminium, plastic and steel | Sort first; then value recoverable fractions. |

| Source | Typical material | Commercial advantage |
|---|---|---|
| Electricians / contractors | Cable offcuts, replaced wire | Frequent smaller lots |
| Motor rewinding shops | Windings / motor copper | Repeat local source |
| Cable manufacturers | Offcuts / rejected cable | More consistent grade |
| Factories / maintenance teams | Cables, motors, busbars | Larger formal lots |
| Construction / demolition | Building wire | Project-based volume |
| Scrap aggregators | Mixed cable grades | Easy access, lower margin |
| Industrial auctions | Bulk lots | Scale, but inspection risk |

Market benchmark
A recent Delhi copper-wire scrap reference showed roughly Rs.1,300+/kg for cleaner copper-wire scrap. It is not an insulated-cable buying price.

Buying rule
Cut sample → strip sample → weigh copper → calculate recovery % → estimate buyer realization → subtract costs → set maximum buying price.

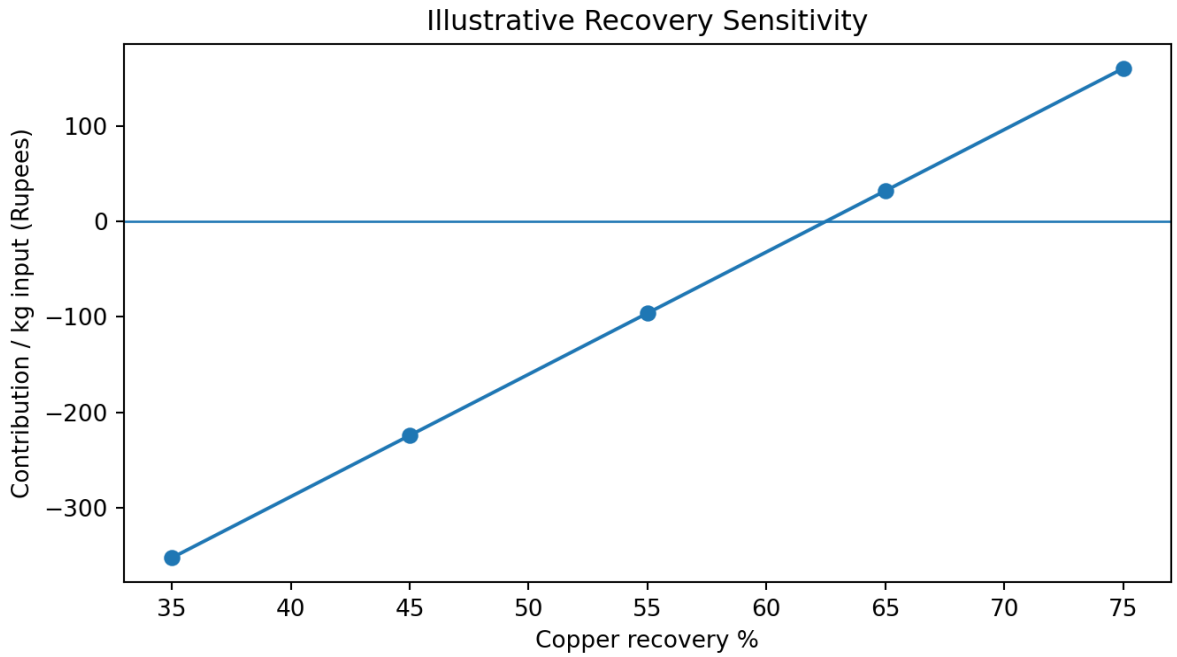


### Practical rule

Never buy mixed scrap from appearance alone. Test a small sample, record recovery, then decide your maximum buying price.

# 03 Recovery Economics

**The number that decides whether a scrap lot makes money**




| Formula | Meaning |
|---|---|
| Expected value / kg input | (Copper recovery % × buyer copper price) + by-product value |
| Contribution / kg | Expected value - feedstock cost - processing - transport - buyer deductions |
| Maximum buying price | Expected value - desired contribution - direct costs |

Illustrative example
Rs.800/kg insulated feedstock, Rs.1,300/kg recovered copper, Rs.20/kg by-product and Rs.20/kg processing. Replace every number with real quotations.

Best KPI
Real contribution per kg input. Track purchase rate, input kg, copper output kg, recovery %, processing cost, buyer rate, deductions and days to payment.

Margin improves with consistent grades, higher recovery, lower transport, fast stock rotation.

Margin collapses with overpaying, hidden aluminium/steel, moisture, contamination and slow collections.

Control
Build your own grade-wise recovery library from real batches.

# 04 Machinery & Operating Setup

**Start simple. Add capacity only when feedstock volume justifies it**



| Machine / tool | Use | Indicative market range |
|---|---|---|
| Wire stripping machine | Strip thicker insulated cable | Approx. Rs.45k-Rs.85k; varies by capacity. |
| Granulator + separator | Process mixed small wire | Several lakh; small commercial units often start around Rs.7L+ |
| Platform scale | Inward / outward control | Approx. Rs.10k-Rs.30k |
| Cutters / shear | Pre-cutting and sorting | Approx. Rs.10k-Rs.40k+ |
| Dust control / ventilation | Cleaner, safer process | Depends on machine and premises |
| PPE + fire safety | Worker and site protection | Essential |

| Phase 1 | Phase 2 | Phase 3 |
|---|---|---|
| Stripping + manual sorting. Learn grades and recovery. | Add granulation when small-wire feedstock becomes regular. | Add automation, dust control, larger storage and formal contracts. |

# 05 Buyers & Customer Acquisition

## Find the buyer before you buy the scrap



| Buyer type | What they may buy | How to find them |
|---|---|---|
| Wire & cable manufacturers | Clean copper scrap, nodules, consistent grades | IndiaMART, TradeIndia, Google Maps, industrial visits |
| Copper rod / secondary metal units | High-purity segregated copper | Search by city; use industrial associations and directories |
| Motor / transformer ecosystem | Winding-grade copper | Motor rewinding clusters and transformer manufacturers |
| Foundries / alloy makers | Known grade with controlled contamination | Industrial estates, foundry directories, Google Maps |
| Large scrap aggregators | Liquid grades with market demand | Local non-ferrous scrap markets and dealer networks |
| Registered recyclers / refiners | Material needing further refining | CPCB/SPCB recycler lists and industry referrals |

| Step | What to do |
|---|---|
| Build target list | Search IndiaMART, TradeIndia and Google Maps for copper scrap buyers, granules buyers, cable makers, rod units and foundries. |
| Qualify buyer | Ask grade, minimum quantity, contamination tolerance, payment cycle, GST requirement and location. |
| Send sample | Share photos/video, grade, quantity, location, GST invoice status and expected rate. |
| Trial lot | Start small so the buyer can test purity and deductions. |
| Maintain 2-3 buyers | Avoid dependence on one buyer or one pricing formula. |

Sample outreach
“We supply sorted recycled copper from cable/motor scrap. Available quantity: __ kg. Grade: __. Location: __. GST invoice available. Can I send photos/sample for your quote?”

Questions to ask
What grade do you buy? Minimum lot? Current rate? Deductions? Same-day or credit payment? Granules, stripped wire or another form?

# 06 GST, Licences & Documentation

## Do the compliance work before the first serious lot

Verified tax point: copper waste and scrap under HSN 7404 attracts 18% GST (9% CGST + 9% SGST, or 18% IGST). Metal scrap also has specific RCM/TDS rules introduced from 10 October 2024.

| Rule | Practical meaning |
|---|---|
| GST - HSN 7404 | Copper waste and scrap: 18% GST |
| RCM on metal scrap | When an unregistered person supplies metal scrap to a registered person, the registered recipient pays GST under reverse charge. |
| 2% TDS framework | Metal-scrap B2B supplies have a notified 2% TDS mechanism; get CA setup before purchase/sale flows begin. |
| E-waste rules | If you recycle covered electrical/electronic waste, CPCB registration and portal obligations apply. |

| Document / approval | Why it matters |
|---|---|
| Business entity + PAN + bank account | Formal buying, selling and accounting |
| GST registration / CA setup | Scrap-specific GST, RCM and TDS compliance |
| Udyam registration | Optional but useful MSME formalisation |
| Trade / municipal licence | Local establishment requirement |
| Industrial zoning check | Do not sign a site until recycling activity is permitted |
| CTE / CTO | May apply depending on process and state pollution-control classification |
| E-waste recycler registration | Required if your operation falls under E-Waste (Management) Rules, 2022 |
| Supplier / stock records | KYC, invoices, receipts, weighment, stock and lot trail |

Delhi note
DPCC's published restriction specifically addresses e-waste dismantling/recycling in NCT Delhi. For clean cable-scrap stripping/trading, confirm exact activity classification and zoning separately in writing.

Documentation discipline
Maintain supplier KYC, purchase invoices/receipts, vehicle details, weighment, lot photos, stock registers and buyer invoices.



### Before signing a lease

Confirm zoning, pollution-control pathway, power load, fire requirements and whether your feedstock is ordinary scrap or e-waste.

# 07 KPIs, Risks & 60-Day Launch

**Run the business from numbers, not from copper-price excitement**

| KPI | Why it matters |
|---|---|
| Average purchase cost / kg input | Shows procurement discipline |
| Copper recovery % by grade | Core value driver |
| Contribution / kg input | Best profitability measure |
| Inventory days | Commodity-price and cash-flow risk |
| Buyer deduction % | Quality or contamination issue |
| Supplier concentration | Dependency risk |
| Days to collect payment | Cash-flow risk |
| Processing loss / variance | Possible theft, weighing or process problem |

| Days | Action |
|---|---|
| 1-7 | Choose stripping-only vs granulation. Define accepted grades. |
| 8-15 | Meet 15-20 suppliers and 5-10 buyers. Collect real formulas. |
| 16-22 | Test 10 sample lots. Build a grade-wise recovery table. |
| 23-30 | Check site zoning, pollution path and GST setup. |
| 31-38 | Install essential machinery, weighing, CCTV, fire safety, bins and SOPs. |
| 39-50 | Run small commercial batches. Measure real contribution / kg. |
| 51-60 | Scale only after 3 profitable batches and reliable collections. |

Price risk
Rotate inventory fast. Do not speculate on copper prices with borrowed money.

Theft risk
CCTV, controlled weighment, supplier KYC and daily stock reconciliation.

Compliance risk
Do not mix ordinary cable scrap with e-waste or hazardous streams without understanding the legal impact.

**“In this business, the smartest purchase is often the lot you decide not to buy.”**



### Weekly review

Purchase cost, recovery %, contribution/kg, inventory days, buyer deductions and payment collection days.

# 08 Verification & Decision Checklist

**What to confirm before putting serious money into the business**

### GO if

2+ legal feedstock sources, 2+ buyers, tested recovery data, positive contribution and a compliance-clear premises.

### NO-GO if

profit depends on one buyer/supplier, untested recovery, undocumented scrap, borrowed cash or copper-price speculation.

## Sources checked before publication

- IBEF (23 Oct 2026): India copper demand reached about 2,100 KT in FY26, up 12% YoY.
- CBIC GST rate schedule: HSN 7404 copper waste and scrap attracts 18% GST.
- Notification 06/2024-Central Tax (Rate): RCM on notified metal-scrap supplies from 10 Oct 2024.
- Notified GST framework: 2% TDS applies to notified B2B metal-scrap transactions.
- CPCB E-Waste Rules 2022: covered recyclers must register and maintain prescribed records.
- DPCC guidance: e-waste dismantling/recycling is restricted in NCT Delhi under the cited framework.
- TradeIndia listings: wire-stripping machines start in the tens of thousands; granulators cost several lakh.
- RecycleInMe Delhi reference: cleaner copper-wire scrap has traded around Rs.1,300+/kg; this is not an insulated-feedstock price.



**Use this guide to**

understand the model, numbers, buyers, compliance and risks.

**Before investing**

get real quotes, test recovery, and confirm site compliance.