

Rane (Madras) Limited to Acquire Friction Business of Hindustan Composites to Create India's Leading Friction Solutions Platform

Chennai, India, June 30, 2026 –

Rane (Madras) Limited (RML), today entered into an agreement with Hindustan Composites Limited (HCL) to acquire the Friction Business, as going concern, on slump sale basis for an enterprise value of INR 370 Crore (Rupees Three hundred and seventy crore), subject to the terms of the Agreement.

HCL's Friction Business is a leading supplier of friction materials, with over six decades of experience across the automotive, railway, farm tractor, and industrial sectors. Its product portfolio includes brake linings, brake pads, brake blocks, clutch facings, and industrial friction products, backed by in-house R&D and a pan-India distribution network. It operates two manufacturing facilities in Paithan and Bhandara, Maharashtra. Based on the latest audited financial results, Friction Business reported revenue of INR 315.04 crore and PBT of INR 40.29 crore in FY26.

As part of the acquisition, RML also acquires the brand "COMPO", which reinforces Rane's leadership position by expanding its reach across segments, distributors, fleet operators and aftermarket channels.

Strategic Rationale:

- **Unrivalled Platform Scale:** Building on RML's established leadership in the friction business—spanning passenger vehicles, two-wheelers, aftermarket and railways, alongside an export business aggregating revenue of over ₹700 crore—this transaction marks a transformative milestone. Upon completion, the acquisition will create a ₹1,000+ crore friction materials business, establishing RML as the market leader across all major segments.
- **Scale & Synergy:** The transaction is expected to unlock substantial operational synergies through manufacturing scale, an expanded distribution network and enhanced R&D capabilities. The expanded footprint is expected to serve as critical launchpad for future business expansion.

Commenting on the acquisition, **Mr. Harish Lakshman, Chairman, Rane Group** said: "This acquisition leverages Rane's ability to create a market-leading friction solutions platform. By integrating these complementary businesses, we are uniquely positioned to address the evolving needs of India's transportation needs while driving operational excellence and long-term value for our stakeholders."

The transaction, executed through a Business Transfer Agreement, remains subject to customary regulatory approvals and closing conditions. It is expected to be completed by the end of the second quarter.

About Rane (Madras) Limited

Rane (Madras) Limited (RML) is part of the Rane Group of Companies, a leading auto component group based out of Chennai. RML is a preferred supplier to major OEMs and Aftermarket in India and abroad. RML manufactures various automotive products, viz. Steering and Suspension systems, Brake components, Engine components and Light Metal Casting components. Its products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and Stationery Engines.

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