

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**Letter of Offer**

**From**

**Ray Ban Indian Holdings Inc.**

**Registered Office:** 160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA

pursuant to Clause 8.5 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003  
(the “**Delisting Guidelines**”)

inviting you to tender your fully paid up equity shares of face value Rs. 10/- each to Ray Ban Indian Holdings Inc (“**Acquirer**”) at the Exit Price pursuant to public announcement published on October 23, 2008 in Economic Times, Rajasthan Patrika & Sakal (Mumbai Edition) in accordance with the Delisting Guidelines.

**This Letter of Offer is being sent to you as a public shareholder of**

**RayBan Sun Optics India Limited**

**Registered Office:** SP 810-811, RIICO Industrial Area, Phase-II, Bhiwadi – 301 019, Distt. Alwar, Rajasthan, India.

**ADDENDUM**

**Please note the NEW communication address of the Registrar as under:**

**MAS Services Limited**

T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase - II,

New Delhi - 110 020, INDIA

Tel: +91 11 26387281/82/83

Fax: +91 11 26387384

Email: rayban\_delisting@masserv.com

Contact Person: N K Rastogi

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<b>EXIT PRICE</b>	<b>Rs. 140/- per fully paid up equity share of Rs. 10/- each</b>
<b>EXIT PERIOD OPENS</b>	<b>OCTOBER 23, 2008</b>
<b>EXIT PERIOD CLOSSES</b>	<b>APRIL 22, 2009</b>

Dear Shareholder,

**This is an invitation to tender your Offer Shares (as defined hereinafter) in RayBan Sun Optics India Limited (“the Company”) to the Acquirer at an Exit Price (as defined hereinafter) of Rs. 140/- per Offer Share subject to the terms and conditions below (“Exit Offer”).**

By public announcements dated July 28, 2008 and August 28, 2008 and bid letter dated July 29, 2008, the Acquirer made an offer (“**Delisting Offer**”) to public shareholders of the Company (“**Shareholders**”) holding fully paid up equity shares of the Company (“**Offer Shares**”) to acquire their Offer Shares and consequent delisting of the Company in accordance with the Delisting Guidelines. By public announcement dated August 26, 2008 the Acquirer accepted the price of Rs. 140/- per Offer Share (“**Exit Price**”) determined under the reverse book-building process as per the Delisting Guidelines. On October 23, 2008 the Acquirer, made a public announcement in all editions of Economic Times, Rajasthan Patrika, and Mumbai edition of Sakal informing the Shareholders of the terms and conditions of the Exit Offer. Pursuant to acquisition of the Offer Shares tendered by the Shareholders in the Delisting Offer, the equity shareholding of the Acquirer in the Company currently stands at 88.25% of the fully paid up equity share capital.

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If you require any clarification in connection with this Letter of Offer, you should consult the Registrar to the Exit Offer at:

**MAS Services Limited**

AB-4, Safdarjung Enclave New Delhi - 110 029, INDIA

Tel: +91 11 26104142 / 26104292

Fax: +91 11 26181081

Email: rayban\_delisting@masserv.com

Contact Person: N K Rastogi

Following the close of the Delisting Offer and in accordance with the Delisting Guidelines, on September 26, 2008 the Company applied for delisting to the Bombay Stock Exchange Limited (“**BSE**”), being the only stock exchange on which its equity shares were listed. BSE has informed its trading members vide notice no. 20081008-20 dated October 8, 2008 that trading in the equity shares of the Company will be discontinued with effect from October 15, 2008 and the equity shares of the Company will be delisted from BSE with effect from October 22, 2008. Accordingly, trading in the equity shares of the Company have been discontinued with effect from October 15, 2008 and the Company has been delisted with effect from October 22, 2008.

**Delisting of the equity shares from BSE implies that the equity shares cannot be traded on BSE and a liquid market for trading of the equity shares will no longer be available.**

**We are writing to inform you that, in accordance with Clause 8.5 of the Delisting Guidelines, the Acquirer hereby provides a final exit opportunity to the remaining Shareholders holding Offer Shares in the Company (“Residual Shareholder”), to participate in the acquisition process for a period of six months from the date of delisting of the Company. You will be able to tender your Offer Shares to the Acquirer at the Exit Price at any time from October 23, 2008 till April 22, 2009 (the “Exit Period”), on the terms and subject to the conditions set out in this letter of offer (“Letter of Offer”) and the public announcement of the Acquirer dated October 23, 2008 (“Public Announcement”). This Letter of Offer has been dispatched to all Residual Shareholders of the Company, who were Shareholders of the Company as on October 17, 2008.**

## **1. PROCEDURE FOR TENDERING YOUR OFFER SHARES UNDER THE EXIT OFFER**

Please contact the registrar to the Exit Offer - MAS Services Limited (“**Registrar to the Exit Offer**”), if you require any clarification regarding the procedure for tendering your Offer Shares.

### **1.1 Procedure for Residual Shareholders holding Offer Shares in demat form**

1.1.1 The Residual Shareholders holding Offer Shares in dematerialized form, who are desirous of tendering their Offer Shares in the Exit Offer must submit (a) the enclosed application form (“**Application Form**”) duly filled and signed, and (b) a counterfoil / photocopy of their depository participant instruction evidencing transfer of dematerialized Offer Shares as detailed in paragraph 1.1.2 below, by hand delivery or by registered post or courier (at their own risk and cost) with the envelope marked “**RAYBAN DELISTING – EXIT OFFER**” so as to reach the Registrar to the Exit Offer at the following address: **MAS Services Limited, AB-4, Safdarjung Enclave, New Delhi - 110029, INDIA, Ph: +91 11 26104142 / 26104292.**

1.1.2 The Residual Shareholders must transfer their dematerialised Offer Shares from their respective depository account, **in off-market mode**, to the special depository account opened by the Registrar to the Exit Offer with Integrated Master Securities Pvt. Ltd. (“**Demat Escrow Account**”), the details of which are as follows:

Depository	National Securities Depository Limited (NSDL)
Account Name	RayBan Delisting Escrow Account
Name of the Depository Participant	Integrated Master Securities Pvt. Ltd
Depository Identification Number	IN300724
Client Identification Number	10139727
ISIN Number of the Scrip	INE854A01012

*Please note that all such transfers should be in off-market mode. Failure to credit your dematerialised Offer Shares into the Depository Escrow Account may result in your tender being invalid.*

- 1.1.3 Residual Shareholders who hold their Offer Shares in dematerialized form through Central Depository Services (India) Limited (“CDSL”) will have to execute an inter depository delivery instruction for the purpose of crediting their Offer Shares in favour of the Demat Escrow Account of the Registrar to the Exit Offer. All transfers should be in **off-market mode**. It is the responsibility of the Residual Shareholders to ensure that their Offer Shares are credited in favour of the Demat Escrow Account and their Application Forms reach the Registrar to the Exit Offer on or before the expiry of the Exit Period.
- 1.1.4 The Offer Shares will be held in the Demat Escrow Account until the consideration payable has been dispatched to the eligible Residual Shareholders or the unaccepted Offer Shares are credited back to the Residual Shareholders’ depository account.
- 1.1.5 If you are not resident in India, please also submit along with your Application Form all the documents set out in paragraph 2 and 6 below.

## **1.2 Procedure for Residual Shareholders holding Offer Shares in physical form**

- 1.2.1 All Residual Shareholders holding Offer Shares in the form of physical share certificates (“**Physical Shares**”), who wish to tender their Physical Shares, should complete the Application Form in accordance with the instructions given below (as applicable) and submit the same along with the following documents by hand delivery or by registered post / courier (at their own cost and risk) with the envelope marked “**RAYBAN DELISTING - EXIT OFFER**” so as to reach the Registrar to the Exit Offer at the following address: **MAS Services Limited, AB-4, Safdarjung Enclave, New Delhi - 110 029, INDIA, Ph: +91 11 26104142 / 26104292:**
  - (a) the enclosed Application Form, duly completed and signed by the Residual Shareholder or all Residual Shareholders (in the case of joint holdings) whose name(s) appear on the share certificate(s), in the order in which such names appear on the share certificate(s);
  - (b) a valid share transfer deed enclosed with this Letter of Offer, duly signed by the registered Residual Shareholder or all registered Residual Shareholders (in the case of joint holdings) as transferor(s), in accordance with the specimen signatures registered with the Company and duly witnessed;
  - (c) the original share certificate(s); and
  - (d) if the Residual Shareholder(s) are not resident in India, the relevant documents set out in paragraph 2 and 6 below.
- 1.2.2 The Registrar to the Exit Offer will hold in trust the share certificate(s) and the share transfer deed until the delivery of the consideration payable or the unaccepted share certificates has/have been dispatched to the Residual Shareholder concerned.
- 1.3 The Offer Shares to be acquired under this Exit Offer are to be acquired free from all liens, charges and encumbrances and together with all rights attached thereto.

- 1.4 The Letter of Offer and the Application Form can also be downloaded from the website [www.masserv.com](http://www.masserv.com) or by sending an email request to [rayban\\_delisting@masserv.com](mailto:rayban_delisting@masserv.com).

## 2. NON RESIDENT SHAREHOLDERS

- 2.1 Residual Shareholders who are non-resident Indians, persons resident outside India, overseas corporate bodies, FIIs etc. (“**Non-Resident Residual Shareholders**”) will also need to enclose a copy of the original permission received by them from the Reserve Bank of India (“**RBI**”) in relation to the acquisition of the Offer Shares and:
- (a) If the Non-Resident Residual Shareholder’s Offer Shares in the Company are held on a repatriation basis, the Non-Resident Residual Shareholder must obtain and enclose with the Application Form, a letter from his/her/their authorized dealer/bank confirming that at the time of the acquisition of such Offer Shares, payment for the same was made by the Non-Resident Residual Shareholder from the appropriate account (e.g. NRE a/c) as specified by RBI in its approval.
  - (b) If the Non-Resident Residual Shareholder is not in a position to produce the letter referred to in paragraph 2.1(a) above, his/her/its Offer Shares will be deemed to have been acquired on a non-repatriation basis and in such a case, the Non-Resident Residual Shareholder must submit a consent letter addressed to the Acquirer, allowing the Acquirer to make the payment on a non-repatriation basis in respect of such Offer Shares tendered in the Exit Offer.
  - (c) Non-Resident Residual Shareholders should also enclose copies of any other statutory/ legal/ corporate approvals as may be applicable.
- 2.2 If any of the documents referred to in paragraph 2.1 above are not enclosed along with the Non-Resident Residual Shareholder’s Application Form, such Non-Resident Residual Shareholder’s tender of Offer Shares under the Exit Offer may be treated as invalid.

## 3. SETTLEMENT

- 3.1 Following fulfillment of the conditions mentioned herein and in the Public Announcement and receipt of the requisite regulatory approvals (if any), the applicable consideration will be paid by the Acquirer by way of cheque or demand draft or by means of electronic funds transfer, wherever possible, and cheques or demand drafts will be dispatched to the relevant Residual Shareholders, at their own risk, by way of speed post/registered post/UCP. Upon receipt of duly filled valid Application Forms (together with necessary enclosures, if any) and receipt of the Offer Shares in the Demat Escrow Account mentioned hereinabove/receipt of physical share certificates (along with duly filled in transfer deeds, as applicable) by the Registrar to the Exit Offer, the Registrar to the Exit Offer shall dispatch the payment to Residual Shareholders and the Manager of the Exit Offer shall instruct the bank to make electronic funds transfer to the Residual Shareholders (as the case may be), who have validly tendered their Offer Shares in this Exit Offer, in the immediately subsequent calendar month from (1) the date of receipt by the Registrar to the Exit Offer, of the necessary documentation for tendering the Offer Shares and the receipt of Offer Shares in the Demat Escrow Account; or (2) the date when the relevant regulatory approvals, if any, are obtained, to the relevant Residual Shareholders, at their own risk, by way of speed post / registered post / UCP at the address set out in Box 1 of the enclosed Application Form, or by means of electronic funds transfer, as the case may be. Residual Shareholders to

whom funds have been transferred electronically shall be duly intimated by way of a letter by the Registrar to the Exit Offer.

- 3.2 The cheque/demand draft/electronic payment will be drawn in the name of the sole or first named Residual Shareholder (in case of joint holdings) described in Box 1 of the Application Form along with the bank account number as provided in Box 5 of Application Form. In case bank account details are not provided, then the consideration will be paid to the sole/first named holder (at your own risk) without any such details. Residual Shareholders who wish to receive their payment by means of electronic funds transfer should provide the IFSC code along with their bank account details. Please note that in such case payment would be transferred electronically at your risk based on the account details provided by you.

#### **4. PERIOD**

The Residual Shareholders may tender their application to the Registrar to the Exit Offer at the Exit Price at any time during the Exit Period. The Residual Shareholders are required to ensure that their Application Form, together with the necessary enclosures, is received by the Registrar to the Exit Offer on or before April 22, 2009.

#### **5. STATUTORY AND OTHER APPROVALS**

- 5.1 The RBI vide its letters no. FE.CO.FID No. 2189/10.21.121/2008-09 dated July 22, 2008 and FE.COD.FID 5347/10.21.121/2008-09 dated August 22, 2008 has granted its approval to the Acquirer to acquire upto 72,10,554 fully paid up equity shares of the Company from the public shareholders of the Company, including non-resident Indians (“NRI”) under the Delisting Offer in accordance with the Delisting Guidelines. However, in case of Offer Shares tendered by overseas corporate bodies (“OCB”), the Acquirer would be required to take specific prior approval of the RBI prior to acquisition of the Offer Shares tendered by such OCBs. To the best of the Acquirer’s knowledge, as on date, there are no other statutory or regulatory approvals required to acquire the Offer Shares. If any other statutory or regulatory approvals need to be obtained, the acquisition of Offer Shares by the Acquirer will be subject to such statutory or regulatory approvals.
- 5.2 The Acquirer reserves the right not to proceed with the acquisition of the Offer Shares in the event the approval(s), if any, is/are not obtained, or conditions which the Acquirer considers in its sole discretion to be onerous are imposed in respect of such approval(s).
- 5.3 It shall be the responsibility of the Residual Shareholders tendering in the Exit Offer to obtain all requisite approvals (including corporate, statutory or regulatory approvals), if any, prior to tendering in the Exit Offer, and the Acquirer shall take no responsibility for the same. The Residual Shareholders should attach a copy of any such approval to the Application Form, wherever applicable.

#### **6. TAX TO BE DEDUCTED AT SOURCE**

- 6.1 As per the provisions of Section 195(1) of the Income Tax Act, 1961 (“IT Act”), any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess, as applicable). Since the consideration payable under the Exit Offer would be chargeable to capital gains under Section 45 of the IT Act or as business profits as the case may be, Acquirer will need to deduct tax at source (including

surcharge and education cess) at the applicable tax rate on the gross consideration payable to the following categories of Residual Shareholders, as given below:

- *NRIs*: The Acquirer will deduct tax at source at the rate of 30% on the amount payable to the Residual Shareholder (“**Shareholder Consideration**”) in case of short-term capital gains or business profits, and at the rate of 20% in case of long-term capital gains. However, where the Offer Shares have been acquired/purchased with or subscribed to in convertible foreign exchange and the Residual Shareholder produces necessary evidence to this effect, then the tax will be deducted at the rate of 10% on the Shareholder Consideration in case of long-term capital gains. In the event that the aforesaid amount of Shareholder Consideration exceeds Rs.10,00,000/- the aforesaid rate will be increased by a surcharge of 10% of the tax sum.

The aforesaid amount of tax inclusive of surcharge where applicable, will be further increased by an education cess of 3%.

- *OCBs / Non-domestic companies*: The Acquirer will deduct tax at source at the rate of 40% on the Shareholder Consideration in the case of short-term capital gains or business profits, and at the rate of 20% on the Shareholder Consideration in the case of long-term capital gains. In the event that the aforesaid amount of Shareholder Consideration exceeds Rs.1,00,00,000/- the aforesaid rate will be increased by a surcharge of 2.5% of the tax sum.

The aforesaid amount of tax inclusive of surcharge where applicable, will be further increased by an education cess of 3%.

- *Foreign Institutional Investors (“FII”)*: As per the provisions of Section 196D(2) of the IT Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of shares, payable to a FII.

FII should certify their residential status with appropriate evidence in the Application Form along with the fact whether the Offer Shares are held by them on investment / capital account or on trade account.

FII should also enclose their SEBI registration Certificate.

If the Offer Shares are held on trade account or if the FII fails to certify in the Application Form that the Offer Shares are held by it on investment / capital account, then the Acquirer will deduct tax at source from the Shareholder Consideration at the rate of 42.23% (tax rate of 40% plus surcharge of 2.5% and education cess of 3% on tax and surcharge) in case of a corporate FII Residual Shareholder to whom payment to be made exceeds Rs. 1,00,00,000/-; 41.2% (tax rate of 40% plus education cess of 3% thereon) in case of corporate FII Residual Shareholder to whom payment to be made does not exceed Rs. 1,00,00,000/-; 33.99% (tax rate of 30% plus surcharge of 10% and education cess of 3 % on tax and surcharge) in case of individual or trust FII Residual Shareholder to whom the payment to be made exceeds Rs. 10,00,000; or 30.90% (tax rate of 30% plus education cess of 3% thereon) in case of individual or trust FII Residual Shareholder to whom the payment to be made does not exceed Rs 10,00,000.

- *Non-Resident Shareholders other than, NRIs, FIIs, non-domestic companies and OCBs (“Other NR Persons”)*: The Acquirer will deduct tax at source at the rate of 30% on the Shareholder Consideration in the case of short-term capital gains or business profits, and at the rate of 20% on the Shareholder Consideration in the case of long-term capital gains. In the event that the aforesaid amount exceeds Rs.10,00,000/- the aforesaid rate will be increased by a surcharge of 10% of the tax sum.

The aforesaid amount of tax inclusive of surcharge where applicable, will be further increased by an education cess of 3% of the tax sum.

NRI / OCB / Non-domestic companies / Other NR Persons should certify their residential status in the Application Form along with the fact whether the Offer Shares are held by them on investment / capital account or on trade account and whether the investment are held as long-term capital asset or short-term capital asset (with appropriate evidences). If the NRI / OCB / Non-domestic companies / Other NR Persons fail to certify the details as required in the Application Form, then the Acquirer will deduct tax at the rate applicable to business income.

- *Resident Shareholders:* No tax will be deducted at source on payment of Shareholder Consideration to Indian Residual Shareholders.

6.2 In the event the aforementioned categories of Residual Shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain an order from the income tax authorities either under Section 195(3) or under Section 197 of the IT Act as applicable, and submit the same to the Acquirer while submitting the Application Form. In the absence of any such certificate from the income tax authorities, the Acquirer will deduct tax as aforesaid.

6.3 For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Acquirer shall take the following actions based on the information obtained from the Company/ Residual Shareholders:

- In case of Offer Shares held in physical form that are registered with the Company, the date of registration of the Offer Shares with the Company shall be taken as the date of acquisition.
- In case of Offer Shares held in physical form which are not registered with the Company, the capital gain shall be assumed to be short-term in nature.
- In case of dematerialized Offer Shares, the date of credit of Offer Shares to the Residual Shareholder's demat account shall be taken as the date of acquisition.
- In case of unavailability of information with the Company / Acquirer or any ambiguous, incomplete or conflicting information, the capital gain shall be assumed to be short-term in nature.

**Residual Shareholders are advised to consult their tax advisors in this regard, and the appropriate course of action that they should take. The Acquirer, the Manager to the Exit Offer and the Registrar to the Exit Offer do not accept any responsibility for the accuracy or otherwise of such advice.**

## **7. COMPLIANCE OFFICER**

Mr. Harvinder Singh,  
Company Secretary  
RayBan Sun Optics India Limited,  
404, Tower A, Signature Towers, South City I, Gurgaon 122001, Haryana, INDIA  
Tel: + 91 124 4545600  
Fax: + 91 124 4545607  
Email: harvindersingh@in.luxottica.com

**8. HELPLINE**

For any assistance or information in relation to the Exit Offer or this Letter of Offer, Residual Shareholders may contact 1800-22-5910 (toll-free).

**9. GENERAL**

Every Residual Shareholder who desires to avail of the Exit Offer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Acquirer, the Registrar to the Exit Offer or the Manager to the Exit Offer or the Company whatsoever by reason of any loss which may be suffered by such Residual Shareholder consequent to or in connection with this Letter of Offer or the Exit Offer.

Yours faithfully,  
Signed on behalf of the Acquirers  
**For RayBan Indian Holdings Inc.**

Sd/-  
Date: October 23, 2008

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If you require any clarification in connection with this Letter of Offer, you should consult the Registrar to the Exit Offer at:

**MAS Services Limited**  
AB-4, Safdarjung Enclave New Delhi - 110 029, INDIA  
Tel: +91 11 26104142 / 26104292  
Fax: +91 11 26181081  
Email: rayban\_delisting@masserv.com  
Contact Person: N K Rastogi

Or you can call the following telephone number (toll free):  
**1800-22-5910**