

FORTIS

FORTIS ANNUAL REPORT 2003-2004

FORTIS

BOARD OF DIRECTORS : Mr. Harpal Singh Chairman
 Mr. Vinay Kumar Kaul
 Mr. Malvinder Mohan Singh
 Mr. Shivinder Mohan Singh
 Mr. Umesh Kumar Khaitan
 Mr. V. M. Bhutani
 Mr. Sunil Godhwani Managing Director

COMPANY SECRETARY : Mr. Sunil Kumar Garg

REGISTERED OFFICE : 55, Hanuman Road
 Connaught Place
 New Delhi-110 001.

CORPORATE OFFICE : 210, Taj Building,
 Dr. D. N. Road, Fort,
 Mumbai-400 001.

BRANCHES : **Calcutta** :
 24, R.N. Mukherjee Road,
 Calcutta 700 001.

Chennai :
 8D, Century Plaza,
 Anna Salai, Teynampet,
 Chennai 600 018.

BANKERS : ABN Amro Bank
 HDFC Bank Limited

AUDITORS : R.V. Shah & Co., Mumbai

ANNUAL GENERAL MEETING : Venue : Shah Auditorium
 2, Raj Niwas Marg,
 New Delhi - 110 054
 Date : September 22nd, 2004
 Day : Wednesday
 Time : 10.00 A.M.

NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of Fortis Financial Services Limited will be held on Wednesday, the 22nd September 2004 at 10.00 a.m. at Shah Auditorium, 2-Raj Niwas Marg, Delhi-110 054 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended March 31, 2004 along with the Reports of Directors and Auditors.
2. To appoint a Director in place of Mr. V K Kaul, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Malvinder Mohan Singh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Umesh Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of ninth Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s R V Shah & Co, Chartered Accountants, the retiring Auditors are eligible for appointment.

SPECIAL BUSINESS

6. De-listing from Delhi Stock Exchange

To consider and if thought fit, to pass the following resolution, with or without modification(s) the following resolution as a **Special Resolution** :-

"RESOLVED that pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003 (hereinafter referred to as the "Delisting Guidelines") (including any statutory modifications(s) or re-enactments thereof for the time being in force), the Companies Act 1956, Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder, Listing Agreement(s) and all other applicable laws, rules, regulations, and guidelines and subject to approval(s), consent(s), permission(s) or sanction(s), of the Securities and Exchange Board of India, Stock Exchange(s) where the shares of the Company are listed and other appropriate authorities, institutions, or regulators as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any authority while granting such approval(s), permission(s) and sanction(s), which may be agreed to by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the Board of Directors to delist the equity shares of the Company from The Delhi Stock Exchange.

RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorized to sign and submit all applications, forms, papers and other documents and to comply with all other formalities/procedures and to do all such acts, deeds and things as may be required by the above Stock Exchange, SEBI, and/or by any other statutory/regulatory authorit(ies), in connection with

de-listing of the equity shares of the Company from the Stock Exchange, Delhi.

By Order of the Board

Sunil Kumar Garg
Company Secretary

Dated : 18th August, 2004

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and Transfer Books of the Company will remain close from 18th September, 2004 to 22nd September 2004 (both days inclusive).
3. Members desiring any information as regards accounts are requested to write to the Company atleast 10 days before the meeting at 55, Hanuman Road, Connaught Place, New Delhi-110 001 for the kind attention of Mr. Sunil Garg, Company Secretary.
4. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
5. Members are requested, if desired, to avail the benefits of Nomination facility for the shares held by them.
6. Members/proxies are requested to bring the Annual Report along with duly filled attendance slips sent herewith for attending the meeting.
7. Members/proxies attending the Annual General Meeting are hereby informed that the management of the Company has decided that no gifts/coupons shall be distributed.
8. Members are requested to note that M/s. Intime Spectrum Registry Limited A-31, 3rd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110028, as a common agency for share registry work.
9. Members are requested to address all their correspondence including change of address, transfer of shares etc. to the registered office or corporate office of the Company.
10. The shares of the Company are under Compulsory Demat for trading since June 28, 2001. The members are requested to convert their holding from physical shares into Demat form and send all DRF to our registrar or our Mumbai/New Delhi office through your depository participants. For any query do write to our Company Secretary. The ISIN No. of the Company is INE991C01018.
11. Members of erstwhile The Empire Finance Company Limited (EFCL), who have not surrendered their Share Certificates of EFCL are requested to surrender the same to the Company and get Share Certificates of Fortis Financial Services Limited in exchange in accordance with the approved exchange ratio.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO 6

The equity shares of the Company are at present listed in India at Delhi Stock Exchange (DSE) and The Stock Exchange Mumbai (BSE). The shares of the Company are being traded in the Stock Exchanges compulsory in de-mat mode with effect from June 28, 2001.

As per the 'Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003' it is open for the company to get securities from stock Exchange(s) voluntarily delisted, provided its securities continue to be listed in the Stock Exchange having nationwide trading terminals.

The shares of the Company are already listed and continue to be listed/traded at BSE, which do have trading terminals in various cities affording the investors access to trade and deal in the Company's Shares across the country, as stipulated by the aforesaid guidelines.

Your Directors are of the view that no particular benefit is available to the shareholders of the Company by continuing the listing of shares at Delhi Stock Exchange. Therefore, it is proposed to get the equity shares of the company delisted from the said stock exchange, as it will hardly cause any inconvenience to the investors.

The resolution under this item is intended to obtain the approval of members for the proposed delisting of the equity shares of the Company from Delhi Stock Exchange (DSE).

Yours Directors are commending the said resolution for approval of members.

None of the Directors are interested or concerned in the above resolution.

By Order of the Board

Sunil Kumar Garg
Company Secretary

Dated : 18th August, 2004

1. Details of the directors seeking re-appointment at the forthcoming Annual General Meeting (in Pursuance of Clause 49(1) (A) of the Listing Agreement)

Name of Director	V K Kaul	Malvinder Mohan Singh	Umesh Khaitan
Date of Birth	06th April, 1944	27th November, 1972	20th December, 1948
Date of Appointment	23rd March, 1994	28th June, 1999	13th February, 1996
Expertise in Specific Functional area	Mr V K Kaul has over 39 years of experience in the fields of Finance, banking, Taxation and Capital Markets. He was working as Executive Vice-President Finance & Corporate Services and Whole Time Director in M/s. Ranbaxy Laboratories Limited prior to his retirement in December, 2003.	Mr Malvinder Mohan Singh is presently working with Ranbaxy Laboratories Limited as President-Pharmaceuticals and Whole-time Director.	Mr Umesh Khaitan is Managing Partner of M/s. Khaitan & Jayakar Sud Budhiraja & Vohra, one of the leading law firms in India. He has been practicing as Solicitor & Advocate for 31 years.
Qualification	BSc, CA	BA (Hons), MBA	*LLB
Directorship held in other Companies (Excluding Foreign Companies)	Ranbaxy Laboratories Ltd Fortis Securities Ltd Fortis Healthcare Ltd Oscar Investments Ltd. Fortis Healthcare Holdings Ltd Fortis Medical Centre Holdings Ltd. SRL Ranbaxy Ltd.	Ranbaxy Laboratories Ltd. Rexcel Pharmaceuticals Ltd Solus Pharmaceuticals Ltd Gulf Pharma Ltd. Oscar Investments Ltd. Fortis Securities Ltd. Fortis Comdex Ltd. DCM Benetton Ltd. SRL Ranbaxy Ltd. Fortis Healthcare Holdings Ltd Fortis Medical Centre Holdings Ltd. Shimal Research Laboratories Ltd. Fortis Healthcare Ltd.	Sutlej Industries Ltd. Amrit Agro Industries Ltd Indo-Continental Hotels & Resorts Ltd. Aiyer Manis Ruber Estate Ltd Nehru Place Hotels Ltd Indo Rama Synthetics (I) Ltd Hindustan Everest Tools Ltd Birla Financial Corporation Ltd Orient Abrasives Ltd Geepee Ceval Proteins & Investment Ltd
Committee position Held in other Companies	Ranbaxy Laboratories Ltd -Shareholders/Investor Grievance and Share Transfer Committee -ESOP Allotment Committee Fortis Healthcare Ltd. - Audit Committee - Management Committee Fortis Financial Services Ltd. - Audit Committee Oscar Investments Limited -Shareholders/Investor Grievance and Share Transfer Committee - Audit Committee Fortis Securities Limited - Audit Committee SRL Ranbaxy Limited -Remuneration Committee -Chairman	Fortis Healthcare Ltd. -Audit Committee - Chairman - Management Committee Fortis Financial Services Ltd. -Audit Committee -Shareholders/Investor Grievance and Share Transfer Committee Oscar Investments Limited -Shareholders/Investor Grievance and Share Transfer Committee - Audit Committee SRL Ranbaxy Limited -Remuneration Committee - Audit Committee	NA

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Ninth Annual Report of your Company with Audited Accounts for the year ended March 31, 2004.

FINANCIAL RESULTS

The summarized financial results are as under:

Particulars	Rs. In Lacs	
	Current Year	Previous Year
Gross Income	2399.81	2302.14
Profit/(Loss) before write off, Provisions, & Tax	1241.73	155.35
Amounts written off	650.45	308.83
Provisions for Tax	64.00	0
Profit/(Loss) after Tax	527.28	(153.48)
Reversal of earlier provisions for Non performing Assets	3788.52	1557.81
Appropriations		
Balance brought forward from last year	(7266.01)	(8594.03)
Balance Carried forward	(2975.68)	(7266.01)

DIVIDEND

In view of the accumulated losses the Directors do not recommend any dividend for the year.

CONSOLIDATED FINANCIAL STATEMENTS

As required under Clause 32 of the listing Agreements with the Stock Exchanges, Audited consolidated financial statements form part of the Annual Report.

OPERATIONAL REVIEW

The year under review was of significant achievements for the Company during which the Company was able to record a net profit (before tax) of Rs. 5.91 Crores against loss of Rs. 1.53 Crore incurred in previous year. This has been primarily on account of fee based incomes & reduction in finance costs.

FIXED DEPOSITS

The Company has not invited/received any fixed deposits during the year under review as per Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975. The Matured and unclaimed deposits aggregating to 0.88 lacs representing 15 deposit holders have been transferred to an escrow account with designated Bank as specified by Reserve Bank of India.

MANAGEMENT DISCUSSION AND ANALYSIS**(i) Industry Overview:**

The Non-Banking Financial Companies Sector continues to witness stiff competition from banks having large volume of low cost

funds. Reserve Bank of India has also been continually strengthening the supervisory frame work for NBFC's in order to ensure sound and healthy functioning and avoid excessive risk taking. The NBFC sector in India is fragmented into few larger companies with nation wide presence and number of small and medium sized companies providing a wide variety of financial services. The NBFC Sector plays an important role in providing credit to unorganized sector and to small borrowers.

(ii) Company's Performance:

Over the last two years, the Company has been focusing and strengthening non fund based business which has yielded positive results. The Company has been able to record a Net Profit of Rs. 5.27 Crores due to efforts made on reducing costs and earning fee based income.

(iii) Outlook for the Company:

The Company plans to continue its thrust on fee based activities and minimize the cost of debt and operating/administrative costs.

(iv) Opportunities & Threats:

In the current scenario, it is very difficult to raise low cost funds and therefore there is hardly any opportunity for any fund based activities in the near future. The stringent measures imposed by Reserve Bank of India are hampering the growth of NBFC's. The growth of the service sector presents new opportunities for the financial service industry in India.

(v) Risks & Concerns:

The Company is exposed to specific risks that are particular to its business and environments within which it operates, including competitions from other NBFC's. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

(vi) Internal Control Systems and their Adequacy:

The Company has proper and adequate system of internal control looking to its size and business. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory authorities.

The Company has an Audit Committee of the Board of Directors which meets regularly to review, inter-alia, risk management policies, adequacy of internal controls and audit findings on the various aspects of the business.

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(vii) Financial Performance:

During the year under review, the Company earned a total income of Rs.2399.81 Lacs as compared to Rs.2302.14 Lacs in the previous year. The Company recorded a Net Profit of Rs.5.91 crore during the year as against loss of Rs. 1.53 Crores in previous year.

(viii) Human Resources:

The Company is deriving maximum output from the existing employees through motivation and in order to conserve costs, no recruitments have been made. The total number of employees in our organization was 10 on 31st March, 2004.

SUBSIDIARY COMPANY

The audited statement of accounts of Fortis Securities Limited (FSL) and Fortis Comdex Limited, the wholly owned subsidiaries of the Company together with the Reports of Directors' and Auditors' for the year ended March 31, 2004 as required under Section 212 of the Companies Act are annexed.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956 your directors confirm as under:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period ;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. V K Kaul, Mr. Malvinder Mohan Singh and Mr Umesh Khaitan retire by rotation at the ensuing Annual General

Meeting and being eligible offers themselves for re-appointment.

STOCK EXCHANGE LISTING

The Equity Shares of the company are listed on the Stock Exchanges at Delhi and Mumbai. The Company confirms that it has paid annual listing fees due to the Stock Exchanges at Delhi and Mumbai for the year 2004- 2005.

The Company proposed to delist the Equity Shares from the Stock Exchange at Delhi, requisite approval is being sought from the Shareholders at the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from the Company's Auditors regarding compliance of conditions of Corporate Governance is annexed to the said Report.

AUDITORS

M/s R V Shah & Company, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offers themselves for re- appointment.

PARTICULAR WITH RESPECT OF CONSERVATION OF ENERGY/ TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

There are no particulars relevant to be furnished pertaining to conservation of energy/ technology absorption. Foreign exchange earning and outgo was nil.

PARTICULARS OF EMPLOYEES

None of the employees is in receipt of remuneration for the year, which in aggregate was more than the limit prescribed under Section 217(2A) of the Companies Act, 1956, and rules made thereunder.

ACKNOWLEDGEMENTS

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from Financial Institutions, Banks, Government Authorities and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Executives and Staff of the Company.

On behalf of the Board of Directors

Place : New Delhi
Date : August 13, 2004

Harpal Singh
Chairman

REPORT ON CORPORATE GOVERNANCE

1. The Company's Philosophy on code of Corporate Governance

Your Company has always kept the objectives of good corporate governance and its commitment towards its investors above everything else. The Company has constantly laid emphasis on the value of transparency, efficiency and fair dealing. These values have aided the company to carry on its business smoothly even during the trouble times that NBFCs have had to face.

2. Board of Directors : Meeting and Attendance

The Board of directors comprises seven Directors. The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships/Chairmanships held by them in Indian public companies as on March 31, 2004 are given below :-

During the year ended 31st March, 2004, Four Board Meetings were held on the following dates: (i) June 30 (ii) July 31 (iii) October 29 and (iv) January 30, 2004.

Name of the Director	Category of Directorship	Attendance at		No. of Directorship held in other companies	No of Board Committee membership held in other companies	
		Board Meeting	last AGM		Member	Chairman
Mr Harpal Singh Chairman *	Non-Executive Independent	2	Yes	5	2	1
Mr Sunil Godhwani Managing Director	Executive	4	Yes	1	Nil	Nil
Mr V K Kaul	Non-Executive Independent	4	No	7	5	Nil
Mr Malvinder Mohan Singh	Non-Executive Promoter	2	Yes	13	2	1
Mr Shivinder Mohan Singh	Non-Executive Promoter	4	Yes	6	Nil	Nil
Mr U K Khaitan	Non-Executive Independent	None	No	10	Nil	Nil
Mr V M Bhutani	Non-Executive Independent	4	Yes	6	1	2

* Related to Promoters

Dates of Board Meetings are fixed in advance and agenda papers are circulated to Directors seven days before the meeting.

3. COMMITTEES OF THE BOARD

1. AUDIT COMMITTEE

Terms of Reference:

The Audit Committee consists of 3 Directors Mr V K Kaul, Mr Malvinder Mohan Singh and Mr V M Bhutani.

The Chairman of the Committee is Mr V M Bhutani, an independent Director.

The role of the Audit Committee is to review the accounting practices/standards followed by the Company; any changes in accounting policies; compliance with accounting standards; adequacy of internal control/audit systems; any related party transactions and functions and unaudited quarterly/half yearly financial statements including quarterly Limited Reviews.

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board kept apprised.

Composition & Meetings :

During the year ended 2004 four meetings of the Audit Committee were held :- June 30, July 31, October 29 and January 30. The attendance of the members at the meetings were as follows:

Name of the member	Status	No. of Meetings	attended
Mr. V. M. Bhutani -- Chairman	Independent		4
Mr. V. K. Kaul	Independent		4
Mr. Malvinder Mohan Singh	Promoter		2

2. Remuneration of Directors/Remuneration Committee

No remuneration has been paid to any of the Director of the Company. Accordingly the need for remuneration committee has not arisen.

3. Shareholder's/Investor's Grievance Committee

i) Terms of reference

This committee looks into redressing of Shareholders' complaints like delay in transfer/demat of shares, non receipt of Annual Reports etc..

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ii) Composition & Attendance of Meetings:-

During the year ended 31st March, 2004, Five Meetings of the committee were held :

Name of the Member	No of meetings attended
1. Mr. Harpal Singh-Chairman	5
2. Mr. Malvinder Mohan Singh	4
3. Mr. V.M. Bhutani	5
4. Mr. Shivinder Mohan Singh	2

The Company attends the investors grievances/correspondence expeditiously and usually reply is sent within a period of 15 days of receipt, except in cases that are constrained by disputes or legal impediments.

The Shareholders/Investors Grievance and Share Transfer Committee reviews the complaints received and the action taken by the Company.

The Company has received 2 complaints from Stock Exchanges during the year ended 31st March, 2004 and all the complaints were resolved to the satisfaction of the shareholders. There was no share transfer request pending with the Company as on 31st March, 2004.

Mr. Sunil Kumar Garg, Company Secretary is the Compliance Officer of the Company.

4. General Body Meeting

The last three Annual General Meetings of the Company were held at Shah Auditorium, Raj Niwas Marg, Delhi 110 054 as under :-

Year	Date	Day	Time
2002-2003	22.09.2003	Monday	3.00 p.m.
2001-2002	27.09.2002	Friday	3.00 p.m.
2000-2001	27.09.2001	Thursday	3.00 p.m.

No special resolution was put through postal ballot last year nor it is proposed to put any special resolution to vote through postal ballot this year.

5. Disclosures

A. Related Party Transactions

The Company has not entered into any transaction of material nature with the promoters, the Directors or the Management, their subsidiaries or relatives etc that may have any potential conflict with the interest of the Company.

Compliance by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to Capital Markets during the last three years; no penalties or stricture have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above.

6. Means of Communication

(a) In compliance with the requirements of Listing Agreement, the Company regularly intimates unaudited as well as audited financial results to the Stock Exchanges immediately after they are taken on record by the Board. These financial results are normally published in the Pioneer (English newspaper) and Veer Arjun (Hindi newspaper). The results are not sent individually to the shareholders.

(b) Management Discussion and Analysis report forms part of the Report of the Directors.

7. Shareholder's Information:

(a) **9th Annual General Meeting Day** : Wednesday, Date : 22nd September, 2004, Time 10.00 a.m. Venue Shah Auditorium, 2 Raj Niwas Marg, Delhi-110 054.

(b) **Financial Calendar** :

Financial Reporting for the quarter ending June 30, 2004	End July 2004
Financial Reporting for the quarter ending September 30, 2004	End October 2004
Financial Reporting for the quarter ending December 31, 2004	End January 2005
Financial Reporting for the quarter ending March 31, 2005	End June 2005
Annual General Meeting for the year ended March 31, 2005	End September 2005

(c) **Dates of Book Closure** : September 18, 2004 to September 22, 2004 (both days inclusive)

(d) **Listing on Stock Exchanges**

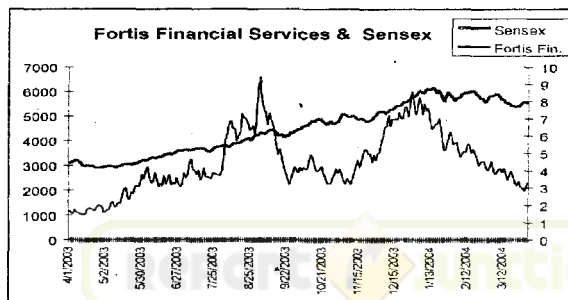
The Equity Shares of the Company are listed on the Stock Exchanges at - Delhi and Mumbai. The Company confirms that it has paid annual listing fees due to both the above Stock Exchanges for the year 2004-2005.

(e) **Stock Code**

1. The Stock Exchange, Mumbai	526927
2. The Delhi Stock Exchange Association Ltd	06041

(f) Stock Market price for the year

MONTH	High (Rs.)	BSE	Low (Rs.)
April	2.00		1.50
May	3.75		1.65
June	4.25		3.05
July	4.65		3.20
August	8.63		4.83
September	9.45		3.17
October	4.95		3.25
November	5.20		3.21
December	8.60		5.00
January	8.23		5.15
February	5.65		3.99
March	4.50		2.80

(g) Performance of FFSL share to broad based index (BSE Sensex)**(h) Registrar and Transfer Agents**

The Company has appointed Intime Spectrum Registry Limited, A-31, 3rd Floor, Naraina Industrial Area, Phase I, Near PVR Naraina, New Delhi - 110 028, as its Registrar's and Share Transfer Agents for physical and Dematerialized shares.

However, keeping in view convenience of the shareholders, documents relating to shares will continue to be received by the Company at 210, Taj Building, 1st Floor, D.N. Road, Fort, Mumbai - 400 001. Telephone Number - 022- 2207 3191. Email ID No. secretarial.mumbai @fortisindia.com.

(i) Share Transfer System

- Share transfer requests are acted upon within 15-20 days from the date of their receipt at the share department. In case no response is received from the Company within 35 days of lodgement of transfer request, the lodgor should immediately write to the Company with full details so that necessary action could be taken to safeguard interest of the concerned against any possible loss/interception during postal transit.
- Dematerialisation requests duly completed in all respect are normally processed within 7-10 days from the date of their receipt at the share department.

(j) Distribution of Shareholding**a) Class-wise Distribution of Equity Shares as on 31st March, 2004 :**

No. of Shares (In Rs.)	No. of Shareholders	No. of Shareholding (In Rs.)	Percentage (%)
Upto 2500	16990	1,67,84,240	6.49
2,501-5,000	1,396	53,98,490	2.09
5,001-10,000	556	44,07,600	1.70
10,001-20,000	230	33,58,790	1.30
20,001-30,000	72	18,35,110	0.71
30,001-40,000	24	8,26,270	0.32
40,001-50,000	26	12,07,640	0.47
50,001-1,00,000	41	27,64,460	1.07
1,00,001 and Above	33	22,20,21,140	85.85
TOTAL	20,614	25,86,03,750	100.00

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(b) Pattern of Shareholding as on March 31, 2004

Sr. No.	Category	No. of Shares	Percentage (%)
I.	Promoters		
a.	Indian Promoters	1,26,56,250	48.94
b.	Companies acting in concert	68,30,275	26.41
c.	Directors & Relatives	9,02,600	3.50
	Total (a)	2,03,89,125	78.85
II.	Others		
a.	Private Corporate Bodies	6,30,874	2.44
b.	Indian Public	37,70,226	14.58
c.	NRI/ OCB'S	10,70,150	4.14
d.	Banks, Financial Institutions, Insurance companies (Central/ State Government, Institutions/Non government Institutions)	Nil	Nil
	Total (b)	54,70,350	21.15
	Grand Total (a + b)	2,58,60,375	100.00

There are no outstanding warrants or any convertible instruments.

(k) Dematerialization of Shares

The shares of the Company are in compulsory demat segment. The Company's shares are available, for trading in the depository systems, of both the National Securities Depository Limited and the Central Depository Services (India) Limited as on March 31, 2003, 2,38,63,137 Equity Shares of the Company, forming 92.28% of the Share Capital of the Company, stand dematerialized. International Securities Identification Number - INE 991C01018 (with NSDL and CDSL).

(l) Liquidity of Shares

The Equity Shares of the Company are traded in the B-2 group at Bombay Stock Exchange.

(m) Address for Correspondence

The Company's Registered Office is situated at 55-Hanuman Road, Connaught Place, New Delhi -110 001.

The Shareholders may address their communication/suggestions/grievances/queries to:

Fortis Financial Services Limited

Share Department

210, Taj Building, Dr. D. N. Road, Fort, Mumbai 400 001.

Tel. No. (022) 2207 31 91. Fax No. : (022) 2207 31 90.

Contact Person: Mr. Sunil Garg, Company Secretary

OR

55-Hanuman Road, Connaught Place, New Delhi-110 001

Tel. No. (011) 23346875 Fax No. : (011) 23346876

Certificate of Compliance from Auditors' as stipulated under Clause 49 of the Listing Agreement of the Stock Exchange in India.

To the Members of Fortis Financial Services Limited

We have examined the compliance of conditions of corporate governance by Fortis Financial Services Limited for the year ended March 31, 2004 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month except where disputed or sub-judice, as per the records maintained by the Shareholders'/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company for the efficiency/effectiveness with which the management has conducted the affairs of the Company.

For R. V. Shah & Co.
Chartered Accountant

Place : Mumbai
Dated : July 30, 2004

(R. V. Shah)
Proprietor