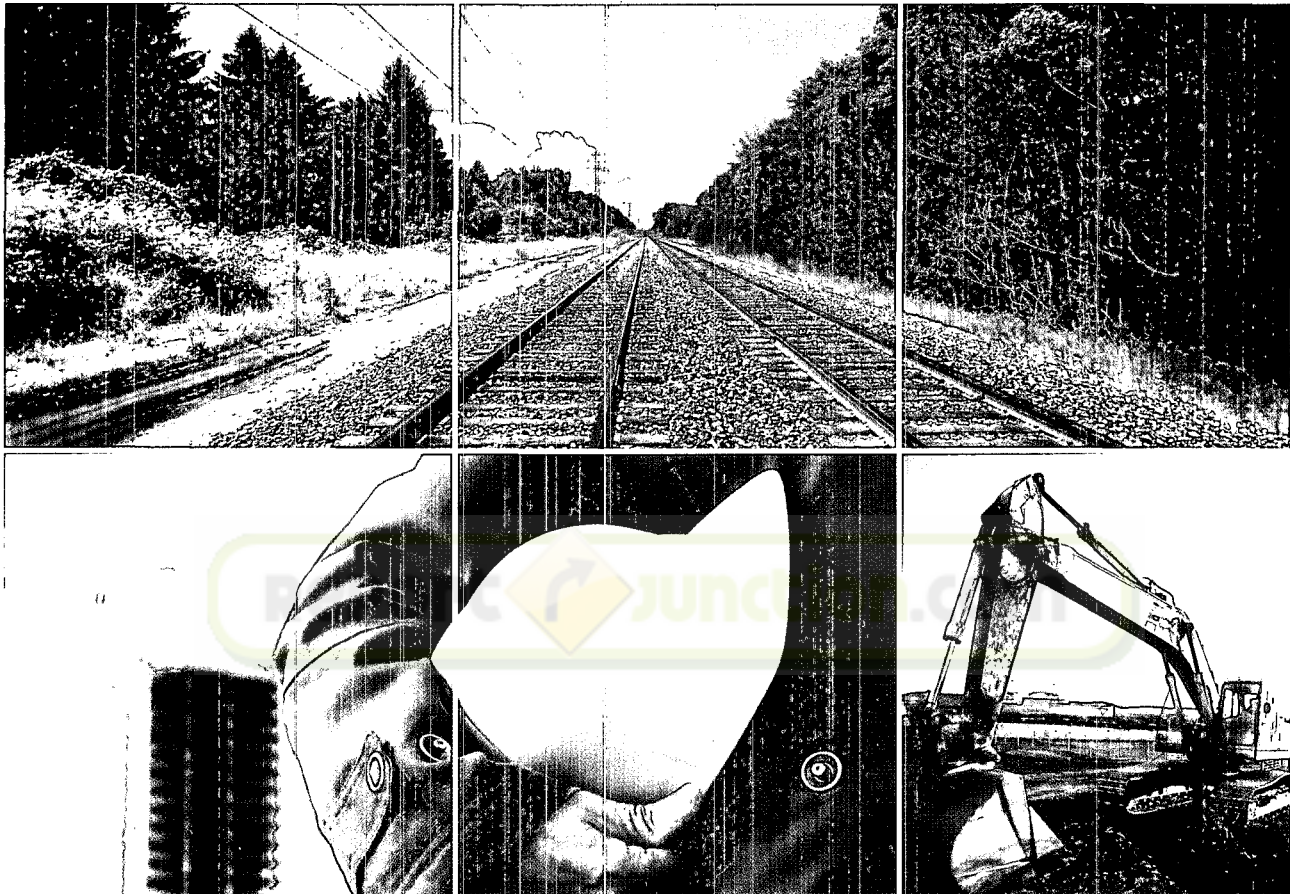


Building a better tomorrow, today.



ANNUAL REPORT  
2007-2008

 **SUPREME**  
THE POWER OF EXCELLENCE

  
*Silver Jubilee*

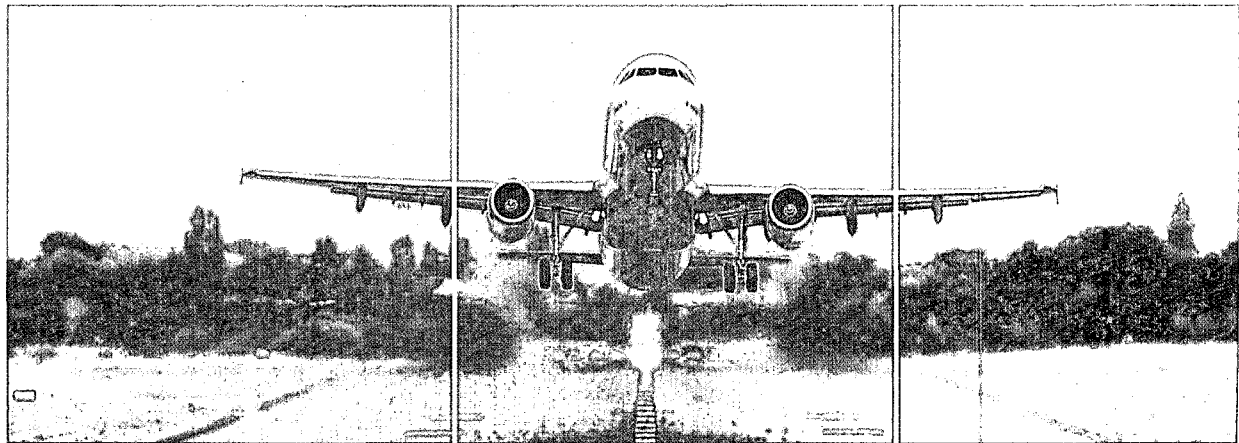
SUPREME INFRASTRUCTURE INDIA LTD.

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India has been gaining momentum, both economically and infrastructurally. With a GDP growth of 9% in 2007-08, India is set to be the third largest economy in the world by 2020. The country's breathtaking economic growth has put a strain on the existing infrastructure, and in turn led to a massive rise in demand for infrastructure development. With infrastructure spending accounting for a mere 4% of GDP currently, the opportunity is massive.

Infrastructure is the foundation of tomorrow's growth. Over the next decade, an investment of over Rs 42,00,000 crores is expected in this sector.

### **Enter Supreme.**

It is our business to think tomorrow, today. Invest now for a better tomorrow. Over the last 25 years we have been preparing for the next 25. At Supreme we are silently building a very, very strong foundation to make the most of this opportunity. We have invested heavily for the future. And we will make the most of it. By going public. By moving from a road company to a complete infrastructure provider. By broadening the offerings - bridges, railways, residential and commercial buildings. By servicing the industrial sector.

We have invested in very high quality talent, superior quality management systems, equipment and technology and are strategically poised to participate in the infrastructure opportunity in India.

**By moving fast on the road ahead. And building a new India. Supremely.**



# Roads

Think today, for a  
better tomorrow





Roads are not just meant for carrying passengers and goods. Roads are a critical social necessity. More so in India. Better roads mean lesser poverty!

Think!

According to a World Bank study, physical isolation is a strong contributor to poverty. Populations without reliable access to social and economic services are typically among the poorer. India has the largest number of people in the world who do not have easy access to paved roads.

Besides, India has the highest congestion, inadequate road width, poor riding quality and low speeds and all that adds to the need for more roads, better roads. Over Rs 2,52,000 crores are expected to be lost because of this.

According to the World Bank, it will become difficult to sustain the present rate of economic growth unless immediate action is taken to provide a good quality road network throughout the country. And this despite the fact, that roads have been one of the best performers within the infrastructure spends. This is also evident from the sharp increase in the length of National Highways during the 9<sup>th</sup> and 10<sup>th</sup> plan periods and the work on Golden Quadrilateral and North-South-East-West corridors.

There is a definite rise in the spending on roads with 2.9% being allocated in the 7<sup>th</sup> plan, 4.5% in the 9<sup>th</sup> plan, 12% in the 10<sup>th</sup> plan and almost 15% in the 11<sup>th</sup> plan.

The Planning Commission estimates infrastructure spend of over Rs 3,19,200 crores in roads during the 11<sup>th</sup> plan, up from estimated spend of Rs 1,47,000 crores in the 10<sup>th</sup> plan.

And roads are our core.

We intend to continue bidding aggressively for the road related infrastructural projects. We will leverage and build upon the specialization and prequalification and thereby participate in more states and regions. Gain access to more complex projects. We have gained this expertise by successfully completing projects awarded by prestigious bodies such as the Mumbai Port Trust and the Airport Authority of India. We now have the confidence to bid for similar projects which require special skills that have been acquired during implementation of the aforementioned projects.

We have also invested in modern machinery that will enhance our capacity and technical ability to bid better.

To build better roads today, for a great tomorrow.

Your Company just completed 25 years of focus on roads. We, today, have a strong foundation in place to utilise our strengths to enter complimentary areas- railways and real estate.

Railways is India's backbone given its ability to reach every corner of the country. The total rail network covers 63,000 km of route length and 84,000 km of track length. During the 10<sup>th</sup> plan, freight and passenger traffic grew by over 40%, twice the estimated growth rate. This has put a tremendous strain on the rail network. Most of the above growth was achieved through increased utilisation (over-utilisation in most cases) of existing assets. We believe the room for increased capacity utilisation has largely been exploited. Time to invest today.

The 11<sup>th</sup> plan earmarks Rs 2,64,600 crores of railway capex to augment the carrying capacity of railway network and to improve the average speed of trains. With railways improving its financial position significantly, this is very possible.

This year your Company plans to foray into railways. Rs 3,500-5,000 crores is expected to be invested every year to provide rail based connectivity and development of corridors to hinterland including

construction of major bridges for railways. Indian Railways has around 127,000 bridges, of which 44% are more than 100 years old.

Supreme has the technical as well as the financial capabilities to procure and execute large size railway projects.

Similarly, the Indian Real Estate market is fast expanding and is likely to grow between 40- 45% in 2008. It is also estimated that Rs 42,000 crores are expected to flow into the domestic realty sector.

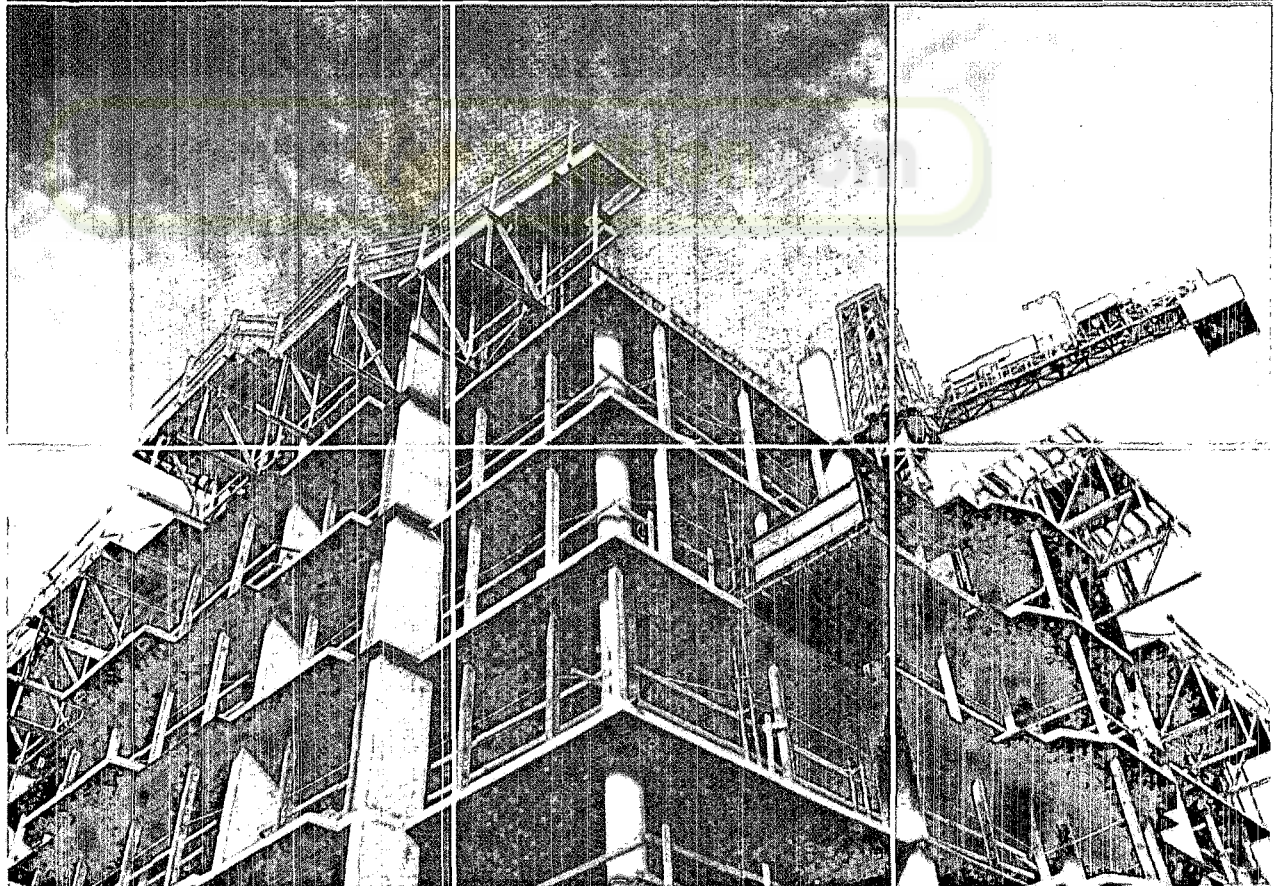
Supreme is participating aggressively. Very recently Supreme has got an order for the construction of an IT Park in Mumbai and an order to build service apartments, residential towers and high end villas is in the pipeline. The execution work has started in January 2008 and accelerated to achieve the target completion date.

Infrastructure spend is increasing. And expanding. And so are we. A road construction Company yesterday, a road, railways and real estate construction Company today, and a complete infrastructure construction Company tomorrow.

This is just the beginning.

# Railways & Real Estate

A better tomorrow, today





Turnover:

Rs 156.30  
crores

Net profit:

Rs 19.18  
crores

Stronger balance sheet today,  
better returns tomorrow

IPO oversubscribed:

52  
times

Order book:

Rs 469.58  
crores



Infrastructure is an interesting business. Large infrastructure projects involve larger execution. Infrastructure builders are conscious of the fact that their ability to start in time and finish within cost is a function of the ability of infrastructure executors like us. And they are very conscious of the nature of the financial strength of the executors. A pre-condition in every infrastructure execution project is not just the executor's experience but the balance sheet size as well.

Cash, in our business is king.

A stronger balance sheet today ensures that we execute our projects faster and build further cash tomorrow. A strong network helps us bid for larger projects that add to the cashflow and stronger network. For even bigger projects. It's a virtuous circle. And that's why we have focused on our numbers.

To build a better balance sheet. Stronger. Powerful. Credible.

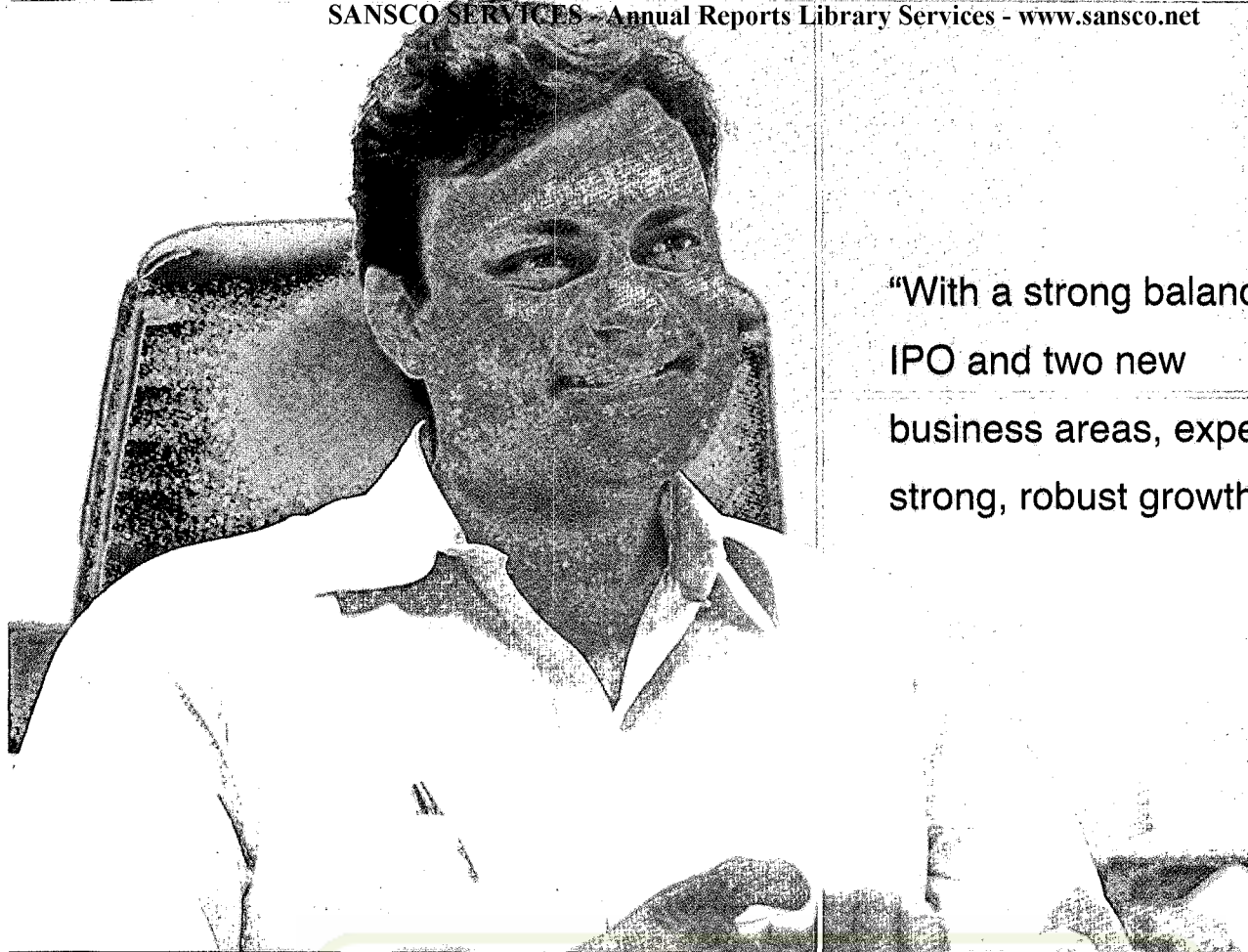
- ▣ Our net income from operations is Rs 156.30 crores, as against Rs 78.03 crores for the FY 2007, an increase of 100.30%.
- ▣ Our net profit for the year has been Rs 19.18 crores, compared to Rs 12.75 crores recorded in the corresponding period of the previous year, posting a rise of 50.43%.
- ▣ Our order book position as on 31<sup>st</sup> March is Rs 469.58 crores.

At Supreme the IPO was an inflection point. It added to the strength of the already strong balance sheet. We covered a long distance of a strong balance sheet in a short time, thanks to the IPO. Besides, it opens up our ability to raise further funds, if needed.

Post IPO, our net worth increased by 128.71% to Rs 90.57 crores. A strong balance sheet today, for a better growth, tomorrow.

Our time is now.





“With a strong balance sheet, IPO and two new business areas, expect fast, strong, robust growth hereon.”

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## View from the top

Dear Shareholders,

Welcome to Supreme Infrastructure India Limited (SIIL).

At the outset I would like to thank every shareholder and applicant for their response to the IPO, which got oversubscribed 52 times. Your encouragement has put a lot of responsibility on us and let me assure you, my team and I will give our best to deliver a strong and sustainable growth. Since this is my first communication to you, I want to spend some time on why we are so excited about the future.

We live in a paradoxically growing India. The challenge is the opportunity called infrastructure. That infrastructure is the bedrock for any country is a given. That it gains significantly higher proportions in India needs to be well understood. The strength of a chain is the strength of the weakest link. In India's emergence as the second fastest economy, infrastructure has grown robustly and yet remains the weakest link. Infrastructure development is essential to sustain high growth rates in the future. In fact, the infrastructure deficiencies have become more visible because of the high growth. That's the paradox.