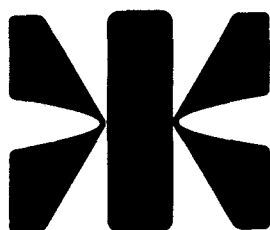




TWENTY SEVENTH
ANNUAL REPORT
2002-2003

KERALA CHEMICALS & PROTEINS LTD.



Board of Directors : T. K. A. Nair
Chairman

A. K. Nair
Managing Director

T. Yamaguchi

N. Muraki

H. Tachibana
Technical Director

S. Fujii

Jiji Thomson

Revi Karuna Karan

K. Ramakrishnan

Secretary : P. D. Vincent

Auditors : Varma and Varma
Ernakulam

Bankers : State Bank of India
Canara Bank
State Bank of Travancore
UTI Bank Ltd.
South Indian Bank Ltd.

Legal Advisor : M. Pathrose Mathai
Advocate, Ernakulam

Registrar & Share
Transfer Agent : Cameo Corporate Services Ltd.
1, Club House Road
Chennai-600 002
Tel: 044-28460390
Fax: 044-28460129
Email: cameo@cameoindia.com

Registered Office : Post Bag No. 4262
50/1002, Panampilly Nagar P.O.
Kochi-682 036

Factory

Ossein Division : Kathikudam P.O., (Via.) Koratty
Trichur District-680 308

Gelatin Division : KINFRA Export Promotion
Industrial Parks Ltd.
P.B. No. 3109, Kusumagiri P.O.
Kakkanad, Kochi-682 030

CONTENTS

Board of Directors, etc.	1
Financial Highlights	2
Notice	3
Directors' Report	5
Balance Sheet	16
Profit and Loss Account	17
Schedules to the Balance Sheet	18
Schedules to the Profit & Loss Account	23
Notes on Accounts	26
Cash Flow Statement	34
Auditors' Report	36
Statement Pursuant to Section 212(1) (e) of the Companies Act, 1956	39
Consolidated Financial Statements	40
Annual Report of Bamni Proteins Ltd.	61

FINANCIAL HIGHLIGHTS (12 Years)

(Rs. in lacs)

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03
Total Income	1757.39	2485.54	2978.75	2820.84	2904.62	4390.99	4755.45	5604.53	6397.79	7397.65	8002.33	7969.16
Sales	1618.88	2290.32	2705.67	2669.70	2424.70	3774.30	4365.03	4963.43	5609.94	6561.04	7161.41	7629.65
Exports	1444.25	2002.92	2387.74	2297.54	1842.55	2733.84	3495.91	3640.04	3702.48	4501.28	4698.63	4684.77
Pre-tax Profit/(Loss)	552.71	635.06	752.07	747.86	1100.37	865.49	853.91	768.38	(370.46)	(170.89)	367.83	(467.02)
Profit/(Loss) after tax	526.14	587.56	680.03	691.84	874.25	688.49	753.91	677.38	(485.42)	(198.22)	441.45	(311.05)
Earnings per share (Rs.)	37.58	27.98	32.34	32.38	41.63	32.79	17.95	8.06	(5.78)	(2.36)	5.26	(3.70)
Divided per share (Rs.)	5.00	5.00	5.00	5.00	6.00	4.50	3.00	2.50	-	-	-	-
Reserves &												
Retained Earnings	1191.37	1603.93	2178.97	2765.81	3514.06	4098.06	4503.91	7731.52	7246.09	7047.87	7373.33	7077.28
Share Capital	140.00	210.00	210.00	210.00	210.00	210.00	420.00	840.00	840.00	840.00	840.00	840.00
Shareholders' Funds	1331.37	1813.93	2388.97	2975.81	3724.06	4308.60	4923.91	8571.52	8086.09	7887.87	8213.33	7917.28
Return on Equity (%)	39.52	32.39	28.47	23.25	23.48	15.98	15.31	7.90	(6.00)	(2.51)	5.37	(3.93)
Book Value/Share (Rs.)	95.10	86.38	113.76	141.71	177.34	205.17	117.24	102.04	96.26	93.90	97.78	94.25
Gross Block	486.28	882.78	903.94	966.50	1019.50	1235.61	1662.48	10152.12	10515.63	10610.15	10746.77	10882.23
Net Block	169.80	498.76	450.75	455.22	451.23	575.60	880.81	9159.12	8761.70	8113.24	7531.66	6955.03

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the 27th Annual General Meeting of Kerala Chemicals & Proteins Limited will be held on 28th June 2003 at 11.00 a.m, at HOTEL AVENUE REGENT, M.G. Road, Ernakulam, Kochi-682 016, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March 2003 and Profit & Loss Account for the year ended on that date and the Auditors' Report thereon.
2. To appoint Auditors and to fix their remuneration and in this connection to pass with or without modification, the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 224A of the Companies Act, 1956, M/s. Varma & Varma, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on a remuneration that may be fixed in this behalf by the Board of Directors".

Note:

The re-appointment of auditors is being proposed as a Special Resolution in accordance with Section 224A of the Companies Act, 1956.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. S. Fujii, be and is hereby appointed as a Director of the Company liable to retire by rotation".

4. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. N. Muraki, be and is hereby appointed as a Director of the Company liable to retire by rotation".

By Order of the Board,

Kochi
09-05-2003

P. D. VINCENT
Company Secretary

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll on his behalf and a proxy need not be a member. The proxy forms duly completed, stamped and signed must be deposited at the registered office of the company not less than forty eight hours before the meeting.
2. The Register of Members and Share Transfer books of the Company will remain closed for five days from 24th June, 2003 to 28th June, 2003 inclusive of both days.
3. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.
4. Company has appointed M/s. Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai-600 002, as the Registrar and Share Transfer Agents of the Company w.e.f. 1st April 2003 to deal with the physical as well as electronic share registry.
5. Members are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agents at their address as given above in the case of physical holdings and to their respective Depository Participant in case of demated shares.
6. Members are requested to furnish details of their nominee in the nomination form which can be obtained from the Company on request.
7. Members desiring any information as regards the accounts are requested to write to the Company so as to reach the Registered Office at least 5 days before the date of the meeting to enable the management to keep the information ready.
8. Pursuant to Section 205A of Companies Act, 1956, and the amendment thereto the amount of dividend unpaid/unclaimed in the dividend account for the year ended 31-3-1996 will be kept with the bankers for a period of 7 years and will thereafter be transferred to Investor Education & Protection Fund. Members who have not encashed their dividend warrants yet are requested to claim such dividend immediately.

KERALA CHEMICALS & PROTEINS LTD.

9. Members are requested to note that trading of company's shares through Stock Exchanges are permitted only in electronic/demat form. The members who have not yet converted their holdings into electronic form may please consider opening an account with an authorised Depository Participant and arrange for dematerialisation.
10. Members attending the Annual General Meeting are requested to bring with them.
- copy of the Annual Report received by post.
 - members holding shares in dematerialised form, their DP ID & Client ID Nos.
 - members holding shares in physical form, their folio no(s).

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to Sec. 173(2) of the Companies Act, 1956.

Item No. 3

Mr. S. Fujii, nominee of M/s. Mitsubishi Corporation, Japan, who was appointed as a Director of the Company in the casual vacancy caused by the resignation of Mr. E. Takanashi holds office upto this Annual General Meeting. Notice has been received from a member

alongwith the deposit as required under Sec. 257 of the Companies Act, 1956 proposing the candidature of Mr. S. Fujii as a Director of the Company. Considering his experience, expertise and valuable contribution on the Board, your Directors recommend that he be appointed as a Director of the Company liable to retire by rotation.

Except Mr. S. Fujii, no other Director is concerned or interested in this resolution.

Item No. 4

Mr. N. Muraki, nominee of M/s. Nitta Gelatin Inc., Japan, who was appointed as a Director of the Company in the casual vacancy caused by the resignation of Mr. S. Yasugi holds office upto this Annual General Meeting. Notice has been received from a member alongwith the deposit as required under Sec. 257 of the Companies Act, 1956 proposing the candidature of Mr. N. Muraki as a Director of the Company. Considering his experience, expertise and valuable contribution on the Board, your Directors recommend that he be appointed as a Director of the Company liable to retire by rotation.

Mr. N. Muraki, Mr. H. Tachibana and Mr. T. Yamaguchi being nominees of Nitta Gelatin Inc., Japan are concerned or interested in this resolution.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN THE
FORTH COMING ANNUAL GENERAL MEETING**
(in pursuance of Clause 49 of the Listing Agreement with the Stock Exchanges)

Name	N. Muraki	S. Fuji
Age (Years)	56	49
Nationality	Japanese	Japanese
Qualification	Majored in Industrial Chemistry from Toyama University, Japan	M.Sc., Graduate in Chemical Engineering from Waseda University, Japan
Expertise	32 years experience in manufacturing Ossein and Gelatin	24 years experience in Mitsubishi Corporation. Possesses specialised skill in marketing Gelatin and other allied products.
Other Directorships excluding Foreign Companies	Nil	Bamni Proteins Ltd.

KERALA CHEMICALS & PROTEINS LTD.**DIRECTORS' REPORT**

To the Shareholders,

Your Directors present their 27th Annual Report and the Audited Accounts of your Company for the year ended 31st March, 2003.

FINANCIAL HIGHLIGHTS

	(Rs. in lacs)	
	2002-03	2001-02
Profit before depreciation and tax & provision for Excise Duty written back	250.58	763.66
Depreciation	717.60	725.10
(Loss)/Profit before provision for Excise Duty written back	(467.02)	38.56
Provision for Excise Duty no longer required written back	-	329.27
(Loss)/Profit before tax and after provision for Excise Duty written back	(467.02)	367.83
Provision for Income tax	-	26.00
- Current Tax	-	30.00
- Deferred Tax	(146.00)	(129.62)
- Prior years Tax	(9.97)	441.45
Profit/(Loss) after tax	(311.05)	(361.12)
Balance of Profit/(Loss) brought forward	80.33	80.33
Amount available for appropriation	(230.72)	80.33
Balance Profit/(Loss) carried to Balance Sheet	(230.72)	80.33

REVIEW OF OPERATIONS

The Gelatin Industry is still passing through difficult times. The madcow disease in Europe and the phyto sanitary regulations imposed by the export markets, have put a lot of pressure on the raw material front, and have also restricted our market access, resulting in reduction in Ossein and Gelatin off-take from India. The Dicalcium Phosphate market was steady during the year. However, as a result of lesser production of Ossein due to lower demand, we could not take advantage of the situation. The average prices of raw materials, mainly Crushed Bone (CB) and Hydrochloric Acid, increased by 14% and as a result the increase in value of raw material consumption was Rs. 560 lakhs. The price of utilities like power and fuel increased by 16.24% and the increase in loss due to this was Rs. 232 lakhs. The main reason for the increase in CB price was the export of CB to Europe, reduced availability of raw bone and increase in freight. The increase in the price of Hydrochloric

Acid was caused by the reduced production due to price reduction in Caustic Soda. The additional burden during the year on account of all these factors was Rs. 792 lakhs. However, there was no corresponding increase in the price of Gelatin and Ossein due to lower demand and excess production which adversely affected the profitability of your Company.

With the active support of the Management Support Team deputed by the Collaborators, your Company could improve the yield of Gelatin towards the latter half of the year and could reduce consumption of utilities like Furnace Oil, one of the main inputs for Gelatin and power, which substantially reduced the loss. The savings on account of increase in yield was Rs. 151 lakhs whereas the savings on account of reduction in utilities cost was Rs. 137 lakhs. The results of increase in yield and reduction in utilities started only from November 2002 and we will get the full advantage of it only from this year onwards. The Management Support Team of our collaborators have done an indepth exercise for further improving the performance parameters of the Gelatin Plant, which will result in further reduction in the cost of production. For making these improvements it has been estimated that an investment of Rs. 500 lakhs will be required. Your Company is exploring ways and means of raising the requisite funds to its maximum advantage including sourcing from Foreign Banks/Institutions. This investment is expected to get reflected favourably in the operations of the Company in the near future. Our collaborators are also extending their help to produce photographic grade Gelatin, a value added product which will help your Company in getting an assured market for Gelatin in the coming years. Your Company is thus making all out efforts to improve its performance.

Your Company sold 1047 MT of Gelatin in the export market and 584 MT in the domestic market as against 1074 MT and 372 MT during last year. Your Company received orders for Gelatin from Turkey, Jordan, Egypt, USA, Australia, Dubai, Oman, Singapore and Sri Lanka during this year also. Altogether, the turnover increased by 6.54%. The financial results of the year's operations vis-a-vis that of the previous year are given elsewhere in the report.

BAMNI PROTEINS LTD.

Production at Bamni Proteins Ltd., was consistent during the year mainly on account of processing of crushed bone on contract basis. Production during the year was 77% of installed capacity which helped the Company to reduce the loss considerably.

The Directors' Report, Balance Sheet and Profit & Loss Account of Bamni Proteins Ltd. showing a loss of Rs.11.54 lakhs for the year 2002-03 is attached as required under Section 212 of the Companies Act, 1956.

AUDITORS' REPORT

Observation under item No. 8 of the Annexure to the report is self explanatory.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed.

HUMAN RESOURCE DEVELOPMENT

For the year 2003 we are continuing with the training programme with the contents being updated periodically.

PARTICULARS OF EMPLOYEES

None of the employees of the Company is coming under the purview of Section 217(2A) of the Companies Act, 1956. Details of managerial remuneration under Section 198 of the Act, are furnished under Note No.B, 2 of Schedule 21 forming part of the Accounts.

RESPONSIBILITY STATEMENT OF DIRECTORS

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your directors confirm:

- i) That in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii) That they have 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 as at 31st March 2003 and of the profit or loss of the Company for the year ended 31st March 2003.
- iii) That they have taken proper and sufficient care for the maintenance of adequate accounting records in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That they have got prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Report on Management Discussion and Analysis is annexed.

CORPORATE GOVERNANCE

A report on Corporate Governance alongwith Certificate of Compliance from the Auditors is Annexed.

ADDITIONAL DISCLOSURES

In line with the requirements of the Listing Agreements and the Accounting Standards of the Institute of Chartered Accountants of India, your Company has made additional disclosures in respect of Consolidated Financial Statements, Related Party Transactions and Segmental Reporting.

DIRECTORS

Mr. S. Yasugi resigned from the Board with effect from 30-5-2002 and in the casual vacancy the Board appointed Mr. N. Muraki as Director of the Company with effect from 24-7-2002. Your Directors place on record their appreciation of the valuable services rendered by Mr. S. Yasugi during his tenure on Board.

Under the provisions of the Articles of Association of the Company and the Companies Act, 1956, Mr. S. Fuji and Mr. N. Muraki retire by rotation and are eligible for re-election. Necessary resolutions in this behalf have been proposed for consideration of the members.

AUDITORS

M/s. Varma & Varma, the retiring auditors are eligible for re-appointment and a Special Resolution is being proposed for their re-appointment.

ACKNOWLEDGEMENT

Yours Directors place on record their gratitude to the State and Central Governments, The Kerala State Industrial Development Corporation Limited, Nitta Gelatin Inc., Mitsubishi Corporation, the Company's Bankers, Customers, Suppliers and Shareholders for their continued co-operation and support. They also acknowledge and appreciate the valuable contributions of the Executives and employees of the Company at all levels.

For and on behalf of the Board,

Kochi
9th May 2003

T. K. A. NAIR
Chairman

KERALA CHEMICALS & PROTEINS LTD.**ANNEXURE TO THE DIRECTORS' REPORT****(A) CONSERVATION OF ENERGY**

- (a) During the year energy conservation measures were continued.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

Replacement of existing boiler

by smoke tube boiler : Rs. 60.00 lacs

Steam savings in the
evaporators by thermo

compressor : Rs. 25.00 lacs

Pre-diluted - HCL storage &
feeding system : Rs. 16.50 lacs

Other modifications made
for conservation of energy : Rs. 35.35 lacs

- (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

It is expected that the above measures will result in energy savings of Rs. 139.50 lakhs and consequently reduce cost of production.

- (d) Total energy consumption and energy consumption per unit of production.

As per Form 'A' attached.

(B) TECHNOLOGY ABSORPTION

The technology for Ossein, Dicalcium Phosphate, Compound Glue & Limed Ossein obtained from the foreign collaborators has been fully absorbed and improved upon. The Collaborators have now given technology for manufacture of Gelatin and Photographic Gelatin. With the active support of the collaborators the yield of Gelatin improved and the consumption of utilities like Furnace Oil, one of the main inputs for Gelatin and power could be reduced. The company is making continuous efforts towards technology absorption, adaptation and innovation in respect of Gelatin.

RESEARCH & DEVELOPMENT

The in-house R&D efforts towards improvement of product quality, effluent discharge systems and value addition to effluent sludge have been continued. The trial run to produce bio-gas from effluent sludge was successful. The process conditions are now being standardised for the production of bio-gas. The Company proposes to undertake the following studies during the year.

1. Degreasing of slaughtered bones by standardising the degreasing time and temperature to get crushed bone with optimum grease and Ossein with optimum Accelerated Liming Loss.
2. Production of gelatin from bone grist by standardising acidulation process time and acid concentration for Ossein production and liming days for limed Ossein production.

The benefits from these activities will manifest in due course through cost reduction, product improvement and miscellaneous revenue.

Expenditure on R&D

(Rs. in lacs)

	Current Year	Previous Year
a. Capital	1.60	7.99
b. Development Expenses	2.05	2.06
c. Recurring Expenses	4.84	3.45
Total	<u>8.49</u>	<u>13.50</u>
Percentage to turnover	0.11	0.19

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lacs)

	Current Year	Previous Year
a. Earnings	4711.19	4926.75
b. Outgo	94.18	163.25

KERALA CHEMICALS & PROTEINS LTD.

FORM 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT
TO CONSERVATION OF ENERGY

	Current Year (2002-03)	Previous Year (2001-02)
A. POWER & FUEL CONSUMPTION:		
1. Electricity		
(a) Purchased		
Units (KWH in lacs)	148.18	152.84
Total amount (Rs.in Lacs)	527.01	461.88
Rate/Unit (Rs.)	3.56	3.02
(b) Own generation		
(i) Through Diesel Generator Unit (KWH in lacs)	7.70	3.83
Unit per litre of diesel oil	3.07	2.85
Cost/Unit (Rs.)	6.58	6.49
(ii) Through steam turbine/* generator Unit (KWH in Lacs)	2.27	0.02
2. Coal	Nil	Nil
3. Furnace Oil		
Quantity (in KL.)	6966	7150
Total amount (Rs.in Lacs)	866.77	738.81
Average rate (Rs. per KL.)	12442.92	10333.02
4. Others/Internal generation	Nil	Nil
B. CONSUMPTION PER UNIT OF PRODUCTION:		
Product - Ossein		
1. Electricity (KWH) per MT	1457.21	1442.24
2. LSHS/Furnace Oil (KL) per MT	0.224	0.225
Product - Gelatin		
1. Electricity (KWH) per MT	4466.39	5434.14
2. LSHS/Furnace Oil (KL) per MT	3.11	3.76

* We have not assigned any cost for production of power using the Turbine Generator Set because the steam is primarily meant for the process.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

THE STRUCTURE AND DEVELOPMENTS IN THE GELATIN/OSSEIN INDUSTRY**Export**

The global market for Gelatin has not shown any signs of recovery. The total demand for Indian Ossein from Japanese Gelatin manufacturers has come down during 2002-03. However, with the active support of NGI/MC, your company could achieve an export turnover of Rs.4684 lakhs. The export turnover of Ossein increased by Rs. 139.27 lakhs. However, export turnover of DCP and Gelatin decreased by Rs. 74.42 lakhs and Rs. 78.76 lakhs respectively. The decrease in the export turnover of DCP was mainly on account of our concentrating in domestic market due to higher realisation.

During the recent past scientists in Europe have presented conclusive evidence that the Gelatin manufacturing process ensures the safety of Gelatin from Bovine Spongiform Encephalopathy (BSE). Once this evidence is accepted by the international regulatory agencies, some of the stringent restrictions on the import of Gelatin are likely to be removed in different parts of the world. This can in turn revive the global Gelatin market and consequently export from India.

Domestic

The market situation for Gelatin in the country continues to be highly competitive. Due to the excess installed capacity of Gelatin in India, there has been intense price competition in the market resulting in a further drop in the price of Gelatin. As a result, the Indian Gelatin industry has been actively targeting the export market and companies have been making improvements in product quality to meet international standards. The DCP market continued to be steady during the year.

OPPORTUNITIES AND THREATS**Opportunities**

With the support of Nitta Gelatin Inc., KCPL has started manufacture and sale of Photographic Grade Gelatin. Moreover, with the Certificate of Suitability from the European Directorate for the Quality of Medicines (EDQM), ISO 9001:2000 and Hazard Analysis Critical Control Point (HACCP) certification for the Gelatin plant, we could open new markets in the exports front.

We expect that our market share and prices will further improve. We have a strong presence in the Middle East Asian markets and we expect to further increase our market share in the near future.

Threats

Developmental activities on the alternative uses of Gelatin are still being actively pursued. Pharmaceutical companies are reluctant to introduce new products in Capsule form due to the BSE problem and the consequent consumer mindset on the safety of Gelatin. The introduction of digital photography has to a certain extent affected the demand of Gelatin for the photographic industry. However, experts in this field are of the opinion that Gelatin is a product that has outlived many such threats in the past and its unique properties make it the only viable product for its present applications.

PRODUCT-WISE PERFORMANCE

The Ossein Division of the Company produced 4920 MT of Ossein and 10849 MT of Dicalcium Phosphate and the Gelatin Division produced 1742 MT of Gelatin during the year 2002-03. During the year, the Company exported 3927 MT of Ossein, 387 MT of Dicalcium Phosphate and 1047 MT of Gelatin and realised Rs. 2693 lacs, Rs. 53 lacs and Rs. 1938 lacs respectively. Domestic realisation of Dicalcium Phosphate, Gelatin and Compound Glue are Rs.1986 lacs, Rs. 943 lacs and Rs. 16 lacs respectively.

OUTLOOK

KCPL expects to meet all the international regulatory requirements for the Food and Pharmaceutical industry and attain stringent quality standards of the photographic industry. We have dedicated SRM free crushed bone suppliers and are in a position to meet international standard. This will help KCPL in having a diverse customer base and a truly global perspective.

INTERNAL CONTROL SYSTEM

KCPL has evolved a system of internal controls to ensure that assets are safeguarded, transactions are authorised, recorded and correctly reported. The internal control system is supported by management reviews. Planned periodic reviews are carried out for identification of control deficiencies, bridging gaps with best