February 26, 2007

Office of the Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington D.C. 20549-1090

Re: Management Report on Internal Control over Financial Reporting: File Number S7-11-06

Dear Sir or Madam:

The purpose of this letter is to provide commentary regarding the proposed interpretative guidance for management regarding its evaluation of internal control over financial reporting and related rule amendments. Management's Report on Internal Control Over Financial Reporting (Release Nos. 33-8762; 34-54976; File No. S7-24-06; December 20, 2006).

As management we welcome and find the majority of the proposed interpretative guidance beneficial and useful in complying with the requirements of section 404, and there are some areas within the proposed guidance where we would appreciate further clarification or explanation.

The proposed guidance suggests that management's assessment of internal control over financial reporting is based on a top down risk based approach and includes a high level of judgment in determining which the high risk areas are to be addressed for internal control over financial reporting purposes. We are concerned that the possibility and probability exists that the assessment and scope of management could differ to that of the external auditors. In these instances differences could result in varying opinions of management and the auditors over the effectiveness of internal control over financial reporting. We would appreciate further guidance from the U.S. Securities and Exchange Commission (SEC) in this regard as well as practices that can be applied in the event that there is disagreement between management and the external auditors as a result of this "de-coupling" process.

- The proposed guidance currently does not prescribe the use of a risk assessment methodology to support the risk based approach, could the prescribed use of a risk assessment methodology not be considered as an option to reduce any potential gaps between management's assessment and that of the external auditors?

- In the event that no risk assessment methodology is required by the final SEC guidance, would the external auditors be required to assess the judgment that has been applied by management and consequently could disagreements result in potential scope limitations?

- In the application of a top down approach for purposes of scoping compliance, should management first consider the impact of other locations and only thereafter apply the top down approach or should management apply the top down approach in determining which locations should be included within the scope of compliance?

- Should management adopt the top down approach would they be required to document and assess additional controls over and above those which were already included in the past assessments based on the COSO (Committee of Sponsoring Organizations) framework?

As management we firmly believe that the intention of the proposed guidance and related proposed replacement of the auditing standard by the Public Company Accounting Oversight Board (PCAOB) was to reduce the burden of management and the external auditors in complying and attesting to the requirements of section 404 of the Sarbanes-Oxley Act and in doing so reduce the cost of compliance. Management however has the ability and scope to apply its own judgment in a number of areas including but not limited to the scoping and testing performed by management.

Management is concerned a significant increase in the audit fees could realize as the external auditors could motivate that their scope and required level of work is more than that which management has addressed. In order to realize the full benefits of the new guidance some limitation should be placed on the auditor's ability to prescribe to management the extent of their compliance.

The potential cost savings generated from the performance of an integrated audit by the external auditor are welcomed by management, however without the appropriate mechanisms in place management is not assured of realizing these benefits in future. In most instances external auditors apply a compliance audit approach for financial statement audits (controls based), yet the increase in audit fees does not suggest that integrated audits are being applied.

The proposed replacement auditing standard by the PCAOB indicates that the external auditor will no longer be required to attest to management's evaluation of internal controls over financial reporting.

- In instances where no reliance is placed on the work performed by management by the external auditors would management still have a requirement to furnish them with the evidential matter they have accumulated to support their opinion or would management only be required to furnish them with the documentation surrounding the identification of risks and related mitigating controls?

General information technology controls remain one of the highest cost intensive areas as it requires specialist resources to assess the design and operating effectiveness of the documented controls.

- Whilst the proposed guidance does make reference to the assessment of the general information technology controls in the areas where management places reliance on automated controls it would be appreciated if the proposed guidance could be extended to provide further detail on the level of detail required to be documented and assessed by management for purposes of compliance.

Considering the comments and challenges set out above, a high level guidance framework, to be used by both management and external audit, is suggested in order to pro-actively avoid any potential disagreement on scope and resulting auditor attestation.

We appreciate the opportunity to provide comment on the proposed guidance and would be happy to respond if you have any additional questions related to the above comments.

Sincerely,

Kaushik Patel
Chief Financial Officer