

## Exclusion of liability agreement Hold Harmless Letter

Zoho Corporation GmbH (Private Limited Company) (hereinafter referred to as "Client") has mandated us, Deloitte GmbH Wirtschaftsprüfungsgesellschaft (hereinafter referred to as "Deloitte"), to conduct a direct audit of GoBD compliance for their Software solution Zoho Finance Suite (Zoho Books, Zoho Expense, and Zoho Invoice) and to report on it.

In connection therewith, Client has requested us to agree to the disclosure of the report on the Audit of the compliance with the principles of proper keeping and storage of books, records and documents in electronic form and data access (GoBD Compliance) [IDW AuPS 9.860.4 (08.2023), as of July 17th, 2023] (hereinafter collectively referred to as "Information") to Third Party and Advisor<sup>1</sup>.

We agree with the request of our Client under the prerequisite that Third Party and Advisors acknowledge and agree to the following conditions, by activating the button at the bottom 'We agree to the disclaimer agreement':

1. The Engagement was performed solely for our Client and not with regard to possible interests of any third parties; the Information is not intended to be disclosed to any third parties.
2. We do not assume any responsibility towards Third Party and Advisor as to the completeness and accuracy of the Information and its suitability and sufficiency for the purposes of Third Party and/or its Advisor. It is solely the responsibility of Third Party and its Advisor to augment or verify the Information through their own examinations. Should Third Party and/or its Advisor decide to rely upon the Information, they do so entirely and solely at their own risk.
3. Our liability towards Third Party and/or its Advisor in connection with the disclosure of the Information is excluded. Third Party and Advisor agree that we are not liable towards them in contract (particular information contract (Auskunftsvertrag)), in quasi-contract, or in any other way obliged to compensate loss, damages or costs of any kind (except for damages arising from the injury of life, body or health) which are caused by the reliance of Third Party and its Advisor on the Information. Our liability for willful misconduct (Vorsatz) remains unaffected.
4. We expressly point out that the Engagement was concluded on the date on which the issuance of auditor's opinions based on IDW AuPS 9.860.4 (08.2023) (as of July 17th, 2023) has been issued. Accordingly, any events which occurred after the respective date are not included or addressed in the Information.
5. Third Party and its Advisor will treat the Information strictly confidential except where Information has to be disclosed by law, regulation or legal or regulatory order. Third Party and Advisor shall use the Information solely for their purposes in connection with their activities described in the first paragraph and shall not make reference to the source of the Information.
6. Any amendments to this agreement must be made in writing. This applies also to any agreement which amends the requirement that all amendments must be made in writing.
7. This Agreement shall be governed by and construed in accordance with the laws of the Federal Republic of Germany, excluding international private law (Internationales Privatrecht). The venue shall be Berlin, Germany.

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<sup>1</sup> The terminology of third party refers to any party that is not a direct principal. This includes all companies outside the Group that are not included in the consolidated financial statements, as well as companies and added equity that do not hold a significant stake in the Group of the Zoho Corporation.

**Zoho Corporation GmbH,  
Duesseldorf  
(Private Limited Company)**

Prüfung der Einhaltung der Grundsätze der Ordnungsmäßigen Führung und Aufbewahrung von Büchern, Aufzeichnungen und Unterlagen in elektronischer Form sowie zum Datenzugriff (GoBD-Compliance)  
[IDW PH 9.860.4 (08.2023), Stand 17. Juli 2023]

Audit of the compliance with the principles of proper keeping and storage of books, records and documents in electronic form and data access (GoBD Compliance)  
[IDW AuPS 9.860.4 (08.2023), as of July 17<sup>th</sup>, 2023]

Engagement type "Direct audit of GoBD compliance" - audit opinion on the audit of appropriateness.



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## Appendix

<b>1</b>	<b>The audit of the GoBD requirements in accordance with IDW AuPS 9.860.4 (08.2023)</b>
<b>2</b>	<b>General Terms and Conditions of Engagement</b>

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/de/UeberUns](http://www.deloitte.com/de/UeberUns) to learn more.

**1 INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE GoBD COMPLIANCE MEASURES**

To the Zoho Corporation GmbH (Private Limited Company), Duesseldorf, Zoho Corporation Private Limited, Chennai and its affiliates.

We have examined with reasonable assurance the appropriateness and implementation of the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) relevant to measures of the IT system of the Zoho Corporation GmbH (Private Limited Company), Duesseldorf (hereinafter referred to as the "Company"), as on September 21<sup>st</sup>, 2023 checked with reasonable certainty. The measures taken by the IT system are appropriate if they meet the risks of non-compliance with the GoBD requirements set out in Annex 1 of IDW Auditing Practice Statement "Audit of the Compliance with the Principles regarding of proper keeping and preservation of books, records and documents in electronic format and of data access (GoBD Compliance)" [IDW AuPS 9.860.4 (08.2023), as of July 17<sup>th</sup>, 2023 "Prüfung der Einhaltung der Grundsätze der ordnungsmäßigen Führung und Aufbewahrung von Büchern, Aufzeichnungen und Unterlagen in elektronischer Form sowie zum Datenzugriff" (GoBD-Compliance)] with sufficient certainty.

**1.1 Responsibility of legal representatives**

The legal representatives are responsible for the business processes present in the applications that are in scope of the compliance audit and relevant measures of the IT system as well as their appropriateness and implementation of these measures (i.e., that the measures counter the risks of non-compliance with the GoBD requirements set out in Annex 1 of IDW AuPS 9.860.4 (08.2023)).

Due to existing inherent limitations of systems, these measures can only counter the risks of non-compliance with the GoBD requirements with sufficient rather than absolute certainty. GoBD compliance for taxpayers can be guaranteed only if they use the features in the software in line with GoBD requirements and also, if the taxpayers ensure their compliance with their obligations under GoBD.

**1.2 Responsibility of the auditor**

Based on our audit, our task is to make a judgment with reasonable certainty as to whether the relevant measures of the IT system are valid in all material respects

- were appropriate and
- were implemented at the time of the audit (September 21<sup>st</sup>, 2023).

Our audit firm applies the Quality Management Standards promulgated by the Institut der Wirtschaftsprüfer (IDW) (IDW QMS 1 (09.2022)). We have fulfilled the professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Code of Conduct for German Public Auditors and Sworn Auditors (BS WP/vBP) including the requirements on independence.

We conducted our audit in compliance with the Standard for IT Audits outside Financial Statements Audits, promulgated by the IDW (IT-Prüfung außerhalb der Abschlussprüfung, IDW PS 860), as well as in compliance with the IDW Auditing Practice Statement for "The Audit of Compliance with the Principles of Proper Keeping and Storage of Books, Records and Documents in Electronic Form and Data Access (GoBD Compliance)" (IDW AuPS 9.860.4 (08.2023)). According to these requirements, we must plan and carry out the audit in such a way that we can give the aforementioned judgment with sufficient certainty. An audit pursuant to IDW PS 860 and IDW AuPS 9.860.4 (08.2023) includes the performance of audit procedures to obtain sufficient appropriate audit evidence to be able to express a corresponding audit opinion.

For the examination of the appropriateness and implementation of the relevant measures of the IT system, the examination must be planned and carried out in such a way that significant deficiencies in the appropriateness of the measures are detected with sufficient certainty.

### **1.3 Audit Procedures and Findings**

#### **1.3.1 Subject of the Audit**

The subject of the audit is the "direct audit of GoBD compliance" and the appropriateness of the measures relevant to the business processes of the underlying IT system Zoho Finance Suite (Zoho Books, Zoho Expense and Zoho Invoice).

#### **1.3.2 Audit Scope**

The scope of this audit includes the verification of GoBD requirements for the following elements of the IT system Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) (IDW AuPS 9.860.4 (08.2023)):

- Basic Element: Process Documentation and General IT controls
- Supplementary Element (1): Incoming Documents
- Supplementary Element (2): Electronic Document Output
- Supplementary Element (3): Electronic Storage
- Supplementary Element (4): Data Access by the Tax Authorities

Only those requirements of the GoBD from the Basic and Supplementary Elements that are applicable to the Zoho Finance Suite application Software and in direct responsibility of Zoho Corporation were examined directly as part of this audit. Therefore, the auditor would not be able to opine on the requirements under GoBD that were not assessed as part of this audit for Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice). The correct and tax-compliant data processing after the interface to the customer or to the user of the software is the sole responsibility of the customer and was not the subject of this audit. For the following GoBD requirements a direct testing is not the subject of the audit, due to the shared responsibility between Zoho Corporation and the taxpayer or user of the software solution. In this context, only the part provided by the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) could be tested. The Zoho software

solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly:

- **Basic Element: General IT Controls**
  - Sl. No. 10 Access protection (physical data security)
  - Sl. No. 11 Access protection (logical data security)
- **Supplementary Element (1): III. Electronic Document Receipt**
  - Sl. No. 29 Document Backup
  - Sl. No. 30 Legibility, pictorial reproduction
  - Sl. No. 33 Content integrity
  - Sl. No. 34 Authenticity of origin
- **Supplementary Element (2): Electronic Document Output**
  - Sl. No. 38 Document backup
  - Sl. No. 42 Legibility (pictorial reproduction), electronic documents in unstructured form
  - Sl. No. 43 Readability, electronic documents in structured form
  - Sl. No. 44 Reproducibility
- **Supplementary Element (4): Data access to financial management**
  - Sl. No. 56 Accessibility (principle)
  - Sl. No. 58 Indirect data access (Z2)

The following GoBD requirement are not applicable to direct testing due to the responsibility of the taxpayer or user of the software solution:

- **Supplementary Element (1): II. Electronic recording of incoming paper documents**
  - Sl. No. 19 Requirements and content of organizational instructions
  - Sl. No. 20 Completeness
  - Sl. No. 21 Document security
  - Sl. No. 22 Measures prior to image capture (preparation)
  - Sl. No. 23 Proper image capture
  - Sl. No. 24 Legibility (pictorial reproduction)
  - Sl. No. 25 Further processing (of paper documents after image capture)
  - Sl. No. 26 OCR processing

- SI. No. 27 Destruction of paper documents

The following GoBD requirement are not applicable to the Zoho software solution:

- **Basic Element: General IT Controls**
  - SI. No. 13 IT Operations (Outsourcing)
- **Supplementary Element (3): Electronic Storage**
  - SI. No. 49 Conversion to an in-house format (Principle)
  - SI. No. 50 Conversion to an in-house format (Substitute Convert)
  - SI. No. 54 Data outsourcing
- **Supplementary Element (4): Data Access by the Tax Authorities**
  - SI. No. 60 Data outsourcing

### **1.3.3 Audit Criteria**

The requirements for the basic and supplementary elements are derived from the relevant GoBD requirements with the corresponding reference to the BMF letter dated November 28<sup>th</sup>, 2019. The "GoBD Requirements" column in Appendix 1 is used to describe the relevant GoBD requirements in relation to the requirements for the basic and supplementary elements to be audited.

### **1.3.4 Audit Procedures**

The procedures selected depend on the auditor's judgement. Within the scope of our engagement, we performed, amongst others, the following audit procedures primarily based on a selection:

- Assessment of the process documentation
- Inspection of the documentation of the subsequent process-independent control and quality assurance measures described in the process description
- Inquiries of employees, in particular process owners and product developers
- Inspection of control records
- Walkthrough of the processes and controls as part of a walkthrough
- Examination of the implemented controls as part of a "Test of One"

### **1.3.5 Findings and observations**

As part of our audit, we have made the following findings and observations, which we have considered in forming our opinion; we do not express a separate opinion on the matters presented in these findings. The findings listed here are not material and do not lead to any qualifications in the audit opinion.

<b>Sl. No.</b>	<b>Findings &amp; Recommendations</b>	<b>Management Response</b>
55	<b>Data access to financial management: Documents subject to recording and retention requirements and initial qualification.</b> DTTL noted that the backup is separate for transactions and for their supporting document. Therefore, we conclude that the traceability cannot be established for the documents attached to the transactions.	We have included those in our roadmap and the same would be undertaken and rolled out by Q3.
57	<b>Data access to financial management: Direct data access (Recommendation).</b> DTTL noted that the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) has not defined a specific default role which provides access to the financial authority.	There is no default role defined for financial authorities since permission levels may differ based on the use case. But the Software do have a default Accountant role with read only access. Also support provided for user to create such roles and customize the permission level to meet their specific requirement.

We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our opinion.

The detailed presentation of the audited measures and the associated audit procedures and results (audit findings) is provided in Appendix 1 below.

### **1.4 Audit opinion**

In our opinion, the relevant measures regarding GoBD requirements were appropriate in all material respects and had been implemented at the time of the audit. When used correctly, the audited software solution can support the GoBD compliance of the user/taxpayer. For the existing inherent limitations of systems, please refer to section 1.1.

### **1.5 Inherent limitations of the audited IT system**

Due to the inherent limitations of the systems, these measures can only counter the risks of non-compliance with GoBD requirements with sufficient rather than absolute certainty.

Transferring this information to a future date carries the risk of incorrect conclusions being drawn due to changes made to the measures.

**1.6 Criteria used and restriction on use and disclosure**

Without limiting our judgment, we refer to the measures taken in the section "Responsibility of legal representatives" for the relevant measures taken for the purposes of the GoBD compliance of Zoho Finance Suite applications [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice). Consequently, the audit opinion (see section 1.4) is not suitable for any purpose other than the aforementioned.

Accordingly, our audit opinion is addressed to the company, and it can be used by the company in relation to GoBD compliance of Zoho Finance Suite applications [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice), and is authorized to disclose it to third parties in connection with this purpose.

Within the client's company, the report may be distributed to the relevant departments for the purpose of analyzing and rectifying the findings. Our liability towards Third Party and/or its Advisor<sup>1</sup> in connection with the disclosure of the Information is excluded. Third Party and Advisor agree that we are not liable towards them in contract (particular information contract (Auskunftsvertrag)), in quasi-contract, or in any other way obliged to compensate loss, damages or costs of any kind (except for damages arising from the injury of life, body or health) which are caused by the reliance of Third Party and its Advisor on the Information. Our liability for willful misconduct (Vorsatz) remains unaffected.

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<sup>1</sup> The terminology of third party refers to any party that is not a direct principal. This includes all companies outside the Group that are not included in the consolidated financial statements, as well as companies and added equity that do not hold a significant stake in the Group of the Zoho Corporation.

## 1.7 Terms and Conditions of Contract

We issue this auditor's report based on the engagement agreed with the company, which is also based on the General Engagement Terms for German Public Auditors and Public Audit Firms dated January 1<sup>st</sup>, 2017 which are attached to this auditor's report with effect vis-à-vis third parties.

Berlin, March 18<sup>th</sup>, 2024

**Deloitte GmbH**  
Wirtschaftsprüfungsgesellschaft



Heiko Jacob  
(Partner)



Michael Kasten  
(Senior Manager)

**Appendix 1: The audit of the GoBD requirements in accordance with IDW AuPS 9.860.4 (08.2023)**

Our audit focusses on the software solution Zoho Finance Suite [Build 7334338] and the modules Zoho Books, Zoho Expense and Zoho Invoice (with the functional features and version date: September 21<sup>st</sup>, 2023), which are connected for direct functionality. The audit was conducted in accordance with the risks arising from non-compliance with the GoBD Requirements set out in Annex 1 of IDW AuPS 9.860.4 (08.2023).

In a joint engagement between Deloitte India and Deloitte Germany, several audit procedures were performed in the period between September and December 2023 in connection with the GoBD Requirements listed in this section. For this purpose, we performed inquiries of system and control owners to obtain assurance that all listed control activities were in place and implemented. We performed the following types of audit procedures:

Activity	Description
Inquiry	Interviewing employees and those responsible for controls to obtain an overview of the fact that controls were implemented.
Process Walkthrough	Observation of the control implementation at the time of the audit to understand the application of the specific control activity.
Review	Review of documents and reports containing information on the execution of controls, evidence of control implementation, and review of manuals, diagrams, and system documentation.
Test of One	Deliberate or statistical selection of a sample of elements that form the basis of the control activity and verification that the control activity has been demonstrably performed on that sample.

This appendix presents the GoBD requirements and audit procedures performed for the following elements of the IT system Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice):

- Basic Element: Process Documentation and General IT Controls
- Supplementary Element (1): Incoming Documents
- Supplementary Element (2): Electronic Document Output
- Supplementary Element (3): Electronic Storage
- Supplementary Element (4): Data Access by the Tax Authorities

## Presentation of the audit procedures performed and audited measures

### a. Basic Element: Process Documentation

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
1.	Creation and maintenance of process documentation (GoBD, text number. 34, 35, 66, 80, 101, 150, 154)	DTTL noted that Zoho Company maintained a process documentation relevant to the compliance and we also noted that evidence of current and historical changes to the document were documented and retained as part of the process documentation.	None	Effective
2.	Clarity and comprehensibility of the process documentation (GoBD, text number 151, 149)	DTTL noted that content, structure, sub-procedures, and results of the data processing procedure are completely and conclusively apparent in the process documentation.	None	Effective.
3.	Components and contents of the process documentation (general description) (GoBD, text number 153)	DTTL noted that a general description, user documentation, technical system documentation and operational documentation were documented as part of the process documentation.	None	Effective
4.	Components and contents of the process documentation: General description (GoBD, text number 153)	DTTL noted that a general description, as part of the process documentation, included a explanation of the framework conditions, task definitions and application.	None	Effective
5.	Components and contents of the process documentation: User documentation and factual process description (GoBD, text number 153, 152, 66, 79)	DTTL noted that the user documentation for processing of electronic documents was available via the Zoho website.	None	Effective
6.	Components and contents of the process documentation: Technical system documentation (GoBD, text number 160)	DTTL noted that Zoho Company maintains a network diagram describing the IT components, computer systems and the IT infrastructure, which is supporting the operations.	None	Effective

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
7.	Components and contents of the process documentation (operating documentation) (GoBD, text number 160)	DTTL noted that Zoho Company has a description of a network diagram, the Zorro procedure and the IDC-Access procedure defining the IT operations, security and the authorization concept for user access and user administration.	None	Effective
8.	Components and contents of the process documentation (internal control system) (GoBD, text number 102)	DTTL noted that Zoho Company has a description of the IDC-Access procedure, the Zorro procedure, the VPN procedure, a VPN policy and a network diagram. It was noted that the internal control system was documented as part of the process documentation maintained.	None	Effective

b. Basic Element: General IT Controls

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
9.	Change Management (Program and Data Change Procedures) (GoBD, text number 100, 107-112)	DTTL noted that for the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) a Change-Management procedure is defined and in place. Another related procedure for a secure software development cycle defines the process for program and data modification and authorization of program changes.	None	Effective
10.	Access protection (physical data security) (GoBD, text number 100, 103)	DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.  Zoho Company as the operator and provider of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) implemented appropriate security measures and controls to ensure physical data security and protection.  The taxpayer is responsible to set up and configure access authorization controls correctly to secure their computer systems against unauthorized entries and changes.	Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.  Zoho Company has implemented appropriate controls to cover the specific requirement.  The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to	Effective

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
			the GoBD requirements when utilized correctly.	
11.	Access protection (logical data security) (GoBD, text number 100, 103)	DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.  The Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) offers the software-based functionalities to configure the access levels module wise thus offering access protection at the base level.  It is the responsibility of the taxpayer to have a access management concept and to set up the access authorization controls to secure their systems. The taxpayer is responsible to set up the logical access authorization controls to secure their computer systems.	Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.  Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution.  The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.	Effective
12.	IT Operations (Backup and Restore Procedures) (GoBD, text number 100, 103, 104, 106)	DTTL noted that a Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) data backup is conducted regularly. It was also noted that, Zoho Company maintained a backup and restoration procedure document, which defines the general process for backup and restoration of data.  The Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) allows the Taxpayer to create backups of the data directly via the application as on a needed basis.	None	Effective
13.	IT Operations (Outsourcing) (GoBD, text number 21, 100, 103, 106)	DTTL noted that the Zoho Company does not outsource the accounting and record keeping tasks to third parties.	Requirement is not applicable to the Zoho software solution.	Not Applicable

c. Supplementary Element (1): I. General requirements (regardless of the type and form of the incoming order)

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
14.	Avoidance of double entry (GoBD, text number 41)	DTTL noted during a walkthrough, that the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) does restricts the possibility of duplication of transaction based on the supporting documents, reference number and customer name.	None	Effective
15.	Correctness (GoBD, text number 44)	DTTL noted during a walkthrough, that accounted transactions were supported by documents, wherever applicable and that transactions were recorded and accounted correctly.	None	Effective
16.	Systematic recording and storage according to certain ordering principles (GoBD, text number 32, 53, 54)	DTTL noted that recorded transactions are kept in accordance with a defined ordering principle. It was also noted that, the supporting documents to a transaction are attached to the relevant transaction and that a tractability to the origin is possible.	None	Effective
17.	Immutability (transaction data) (GoBD, text number 58, 59, 107, 108, 111)	DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution. Zoho Company as the operator and manufacturer of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) provides software-based functionalities that changes made to the transaction data were logged in the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice). It was also noted that changes like adding or removing of information and documents is logged accordingly. Zoho Company allows the functionalities for deleting and cancelling transactions (Delete and Cancelation) and has implemented these in the software. Modifying a transaction (edit, delete, cancel, generating reversal transactions) requires the assignment of a corresponding authorisation. This can be assigned to users and is linked to an authorisation concept (role-based access rights). Modifying actions are recorded in a log by the software and cannot be deleted or changed by any user, including administrators. The view of the change log can also be regulated via an assignment of authorisations. The taxpayer is responsible for assigning authorisations in accordance with the principle of "least privilege". Every user who is allowed to process documents and works with financial data in terms of their position's scope of activity must be able	Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution. Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution. The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.	Effective

		<p>to view the audit log of a transaction at any time. The taxpayer has to ensure this by granting separate access to Activity logs. Also, the taxpayer has to ensure this authorisation for any new auditor role or when using the default accountant role available in Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) with the purpose of providing an access for financial authorities. In addition, a regular assessment of the access rights and the audit log must be carried out by the taxpayer.</p>		
18.	Immutability (business process-related master data) (GoBD, text number 111)	<p>DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company as the operator and manufacturer of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) provides software-based functionalities that logs any changes made to the master data within the application. It was also noted that no user can delete or modify the logs.</p> <p>Zoho Company allows the functionalities for deleting and cancelling transactions (Delete and Cancellation) and has implemented these in the software. Modifying a transaction (edit, delete, cancel, generating reversal transactions) requires the assignment of a corresponding authorisation. This can be assigned to users and is linked to an authorisation concept (role-based access rights). Modifying actions are recorded in a log by the software and cannot be deleted or changed by any user, including administrators. The view of the change log can also be regulated via an assignment of authorisations.</p> <p>The taxpayer is responsible for assigning authorisations in accordance with the principle of "least privilege". Every user who is allowed to process documents and works with financial data in terms of their position's scope of activity must be able to view the audit log of a transaction at any time. The taxpayer has to ensure this by granting separate access to Activity logs. Also, the taxpayer has to ensure this authorisation for any new auditor role or when using the default accountant role available in Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) with the purpose of providing an access for financial authorities. In addition, a regular assessment of the access rights and the audit log must be carried out by the taxpayer.</p>	<p>Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution.</p> <p>The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.</p>	Effective

d. Supplementary Element (1): II. Electronic recording of incoming paper documents

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
19.	Requirements and content of organisational instructions (GoBD, text number 136)	DTTL noted that the requirement in scope is in responsibility of the taxpayer or user of the software solution.  The taxpayer is responsible for the definition of requirements and the content of organisational instructions.	Taxpayer responsibility to achieve compliance to the GoBD requirement.  This is not a software requirement.	Not Applicable
20.	Completeness (GoBD, text number 36,40, 88)	DTTL noted that the requirement in scope is in responsibility of the taxpayer or user of the software solution.  The taxpayer is responsible for ensuring that business transactions are fully and completely recorded.	Taxpayer responsibility to achieve compliance to the GoBD requirement.  This is not a software requirement.	Not Applicable
21.	Document entry (GoBD, text number 46, 50, 67, 76)	DTTL noted that the requirement in scope is in responsibility of the taxpayer or user of the software solution.  The taxpayer is responsible for recording business transactions in a tax record or tax register as soon as they occur.	Taxpayer responsibility to achieve compliance to the GoBD requirement.  This is not a software requirement.	Not Applicable
22.	Measures prior to image capture (preparation) (GoBD, text number 75)	DTTL noted that the requirement in scope is in responsibility of the taxpayer or user of the software solution.  The taxpayer is responsible for ensuring that the accounting documents are prepared correctly.	Taxpayer responsibility to achieve compliance to the GoBD requirement.  This is not a software requirement.	Not Applicable
23.	Proper pictorial recording (GoBD, text number 75, 136, 137)	DTTL noted that the requirement in scope is in responsibility of the taxpayer or user of the software solution.  The taxpayer is responsible for conducting a quality check for readability and completeness after image capture in an electronic document.	Taxpayer responsibility to achieve compliance to the GoBD requirement.  This is not a software requirement.	Not Applicable
24.	Readability (pictorial reproduction) (GoBD, text number 130)	DTTL noted that the requirement in scope is in responsibility of the taxpayer or user of the software solution.  The taxpayer is responsible for retaining the scanned document so that the reproduction is visually identical to the original when it is made readable.	Taxpayer responsibility to achieve compliance to the GoBD requirement.	Not Applicable

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
			This is not a software requirement.	
25.	Further processing (of paper documents after pictorial recording) (GoBD, text number 139)	DTTL noted that the requirement in scope is in responsibility of the taxpayer or user of the software solution.  The taxpayer is responsible for ensuring that further processing after the capture process only takes place with the electronic document.	Taxpayer responsibility to achieve compliance to the GoBD requirement.  This is not a software requirement.	Not Applicable
26.	OCR processing (GoBD, text number 131)	DTTL noted that the requirement in scope is in responsibility of the taxpayer or user of the software solution.  The taxpayer is responsible for retaining the information obtained by enriching the image information using OCR after verification and correction of incoming paper documents.	Taxpayer responsibility to achieve compliance to the GoBD requirement.  This is not a software requirement.	Not Applicable
27.	Disposal of paper documents (GoBD, text number 160)	DTTL noted that the requirement in scope is in responsibility of the taxpayer or user of the software solution.  The taxpayer is responsible for ensuring that paper documents are destroyed after image capture, unless they have to be kept in the original in accordance with non-tax or tax regulations.	Taxpayer responsibility to achieve compliance to the GoBD requirement.  This is not a software requirement.	Not Applicable

e. Supplementary Element (1): III. Electronic Document Receipts (Incoming Documents)

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
28.	Completeness Receipt of original electronic documents (GoBD, text number 36, 40, 88)	DTTL noted that the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) enables a complete and gapless recording of transactions by implementing compulsory fields and checks with supporting documents attached. It was also noted that changes made to a completed transaction requires an approval for release.	None	Effective
29.	Document Backup of Receipts (Incoming) (GoBD, text number 46, 50, 67, 82)	DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.  Zoho Company as the provider of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) offers the software-based functionalities to	Shared responsibility between Zoho Corporation and the	Effective

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
		<p>configure a backup for incoming receipts documents and to fulfil the requirement examined.</p> <p>The taxpayer is responsible to record the paper documents converted into electronic documents and they are responsible for safely securing the registers and the paper documents.</p>	<p>taxpayer or user of the software solution.</p> <p>Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution.</p> <p>The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.</p>	
30.	Legibility, pictorial reproduction (GoBD, text number 118)	<p>DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company as the provider of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) offers the software-based functionalities to enable and configure pictorial reproduction to make documents legible and to fulfil the requirement examined.</p> <p>The taxpayer is responsible for the content correct pictorial reproduction of the supporting documents, invoices, or business documents legibly.</p>	<p>Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution.</p> <p>The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.</p>	Effective

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
31.	OCR processing (GoBD, text number 131)	DTTL noted that any document information processed by OCR, is retained as part of the transaction after the technical processing in the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice). It was noted that there is an OCR processing functionality in the Zoho Expense Application. When a receipt is uploaded to the application, all the relevant details are captured through the OCR processing and entered to the relevant columns (product name, price, vendor name, Tax identity number, place, etc.)	None	Effective
32.	Legibility (GoBD, text number 118)	DTTL noted that any document information reproduced matched in content, regarding to the original document received and the accounting documents when they are created.  The process was reviewed based on a sample document inspection in the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice).	None	Effective

f. Supplementary Element (1): IV. Invoice Receipt Check

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
33.	Integrity of the content (GoBD, text number 78)	DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.  The Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) offers the software-based functionalities to fulfil the requirements examined.  Zoho Company as the provider of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) offers the software-based functionalities to assure content integrity and to fulfil the requirement examined. Controls (Invoice Receipt Checks) are available to ensure that all mandatory VAT information has been provided.  The taxpayer is responsible for recording correct information required for VAT purposes.	Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.  Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution.  The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to	Effective

			the GoBD requirements when utilized correctly.	
34.	Authenticity of origin (GoBD, text number 78)	<p>DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company as the provider of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) offers the software-based functionalities to configure authenticity of origin and to fulfil the requirement examined.</p> <p>Controls (Invoice Receipt Checks) are in place to ensure that a substantive audit of incoming invoices can be carried out in accordance with the four-eyes principle, including an audit trail.</p> <p>The taxpayer is responsible for recording correct information required for VAT purposes.</p>	<p>Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution.</p> <p>The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.</p>	Effective

g. Supplementary Element (2): Electronic Document Receipts (Outgoing Documents)

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
35.	Completeness (technical/organizational controls) (GoBD, text number 36, 40, 88)	DTTL noted that the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) enables the complete and gapless recording of transactions by implementing compulsory fields and checks with supporting documents attached. It was also noted that changes made to a completed transaction requires an approval for release and are logged as part of an audit trial.	None	Effective
36.	Avoidance of double entry (GoBD, text number 41)	DTTL noted during a walkthrough, that the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) restricts the possibility of duplication of transaction based on the supporting documents, reference number and customer name.	None	Effective

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
37.	Correctness (GoBD, text number 44)	DTTL noted during a walkthrough, that accounted transactions were supported by documents, wherever applicable and that transactions were recorded and accounted correctly.	None	Effective
38.	Document Backup of Receipts (Outgoing) (GoBD, text number 46, 50, 76, 82)	DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.  Zoho Company as the provider of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) offers the software-based functionalities to configure a backup for outgoing receipts documents and to fulfil the requirement examined.  The taxpayer is responsible to record the paper documents converted into electronic documents and they are responsible for safely securing the registers and the paper documents.	Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.  Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution.  The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.	Effective
39.	Systematic recording and storage according to certain ordering principles (GoBD, text number 32, 53, 54)	DTTL noted that recorded transactions are kept in accordance with a defined ordering principle. It was also noted that, the supporting documents to a transaction are attached to the relevant transaction and that a tractability to the origin is possible.	None	Effective
40.	Immutability (transaction data) (GoBD, text number 58, 59, 107, 108, 111)	DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.  Zoho Company as the operator and manufacturer of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) provides software-based functionalities that changes made to the transaction data were logged. It was also noted that changes like adding or removing of information and documents is logged accordingly.	Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.  Zoho Company has implemented appropriate functionalities to cover	Effective

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
		<p>Zoho Company allows the functionalities for deleting and cancelling transactions (Delete and Cancellation) and has implemented these in the software. Modifying a transaction (edit, delete, cancel, generating reversal transactions) requires the assignment of a corresponding authorisation. This can be assigned to users and is linked to an authorisation concept (role-based access rights). Modifying actions are recorded in a log by the software and cannot be deleted or changed by any user, including administrators. The view of the change log can also be regulated via an assignment of authorisations.</p> <p>The taxpayer is responsible for assigning authorisations in accordance with the principle of "least privilege". Every user who is allowed to process documents and works with financial data in terms of their position's scope of activity must be able to view the audit log of a transaction at any time. The taxpayer has to ensure this by granting separate access to Activity logs. Also, the taxpayer has to ensure this authorisation for any new auditor role or when using the default accountant role available in Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) with the purpose of providing an access for financial authorities. In addition, a regular assessment of the access rights and the audit log must be carried out by the taxpayer.</p>	<p>the specific requirement, on the part of the audited software solution.</p> <p>The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.</p>	
41.	Immutability (process-related master data) (GoBD, text number 111)	<p>DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company as the operator and manufacturer of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) provides software-based functionalities that logs any changes made to the master data within the application. It was also noted that no user can delete or modify the logs.</p> <p>Zoho Company allows the functionalities for deleting and cancelling transactions (Delete and Cancellation) and has implemented these in the software. Modifying a transaction (edit, delete, cancel, generating reversal transactions) requires the assignment of a corresponding authorisation. This can be assigned to users and is linked to an authorisation concept (role-based access rights). Modifying actions are recorded in a log by the software and cannot be deleted or changed by any user, including administrators. The view of the change log can also be regulated via an assignment of authorisations.</p>	<p>Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution.</p> <p>The Zoho software solution provides the basic functionality and enables taxpayers to</p>	Effective

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
		<p>The taxpayer is responsible for assigning authorisations in accordance with the principle of "least privilege". Every user who is allowed to process documents and works with financial data in terms of their position's scope of activity must be able to view the audit log of a transaction at any time. The taxpayer has to ensure this by granting separate access to Activity logs. Also, the taxpayer has to ensure this authorisation for any new auditor role or when using the default accountant role available in Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) with the purpose of providing an access for financial authorities. In addition, a regular assessment of the access rights and the audit log must be carried out by the taxpayer.</p>	achieve compliance to the GoBD requirements when utilized correctly.	
42.	Legibility (pictorial reproduction), electronic documents in unstructured form (GoBD, text number 118)	<p>DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company as the provider of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) offers the software-based functionalities to enable and configure pictorial reproduction to make documents (electronic documents in unstructured form) legible and to fulfil the requirement examined.</p> <p>The taxpayer is responsible for the legible pictorial reproduction of the supporting documents, invoices, or business documents ensuring the correctness of the content.</p>	<p>Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution.</p> <p>The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.</p>	Effective
43.	Legibility, electronic documents in structured form (GoBD, text number 118)	<p>DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company as the provider of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) offers the software-based functionalities to enable</p>	<p>Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p>	Effective

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
		<p>and configure pictorial reproduction to make documents (electronic documents in structured form) legible and to fulfil the requirement examined.</p> <p>The taxpayer is responsible for the legible pictorial reproduction of the supporting documents, invoices, or business documents ensuring the correctness of the content.</p>	<p>Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution.</p> <p>The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.</p>	
44.	Reproducibility (GoBD, text number 76)	<p>DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company as the provider of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) offers the software-based functionalities to configure and enable the reproducibility of original invoices and to fulfil the requirement examined.</p> <p>The taxpayer is responsible for storage and creation of any duplicate invoice.</p>	<p>Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution.</p> <p>The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.</p>	Effective

h. Supplementary Element (3): Electronic Storage

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
45.	Ordered filing and indexing (GoBD, text number 117, 122)	DTTL noted that all electronic documents attached to a transaction are identified by a transaction number. The process was reviewed based on a sample document inspection in the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice).	None	Effective
46.	Immutability (GoBD, text number 110)	<p>DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company as the operator and manufacturer of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) provides software-based functionalities that logging is enabled per default for the Zoho Finance Suite applications [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice), thereby guaranteeing the immutability of data and electronic records in the application. The hardware and other related infrastructure guaranteed of immutability through existing logging features, access restrictions to the IDC machines and Data centers.</p> <p>Zoho Company allows the functionalities for deleting and cancelling transactions (Delete and Cancellation) and has implemented these in the software. Modifying a transaction (edit, delete, cancel, generating reversal transactions) requires the assignment of a corresponding authorisation. This can be assigned to users and is linked to an authorisation concept (role-based access rights). Modifying actions are recorded in a log by the software and cannot be deleted or changed by any user, including administrators. The view of the change log can also be regulated via an assignment of authorisations.</p> <p>The taxpayer is responsible for assigning authorisations in accordance with the principle of "least privilege". Every user who is allowed to process documents and works with financial data in terms of their position's scope of activity must be able to view the audit log of a transaction at any time. The taxpayer has to ensure this by granting separate access to Activity logs. Also, the taxpayer has to ensure this authorisation for any new auditor role or when using the default accountant role available in Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) with the purpose of providing an access for financial authorities. In addition, a regular assessment of the access rights and the audit log must be carried out by the taxpayer.</p>	<p>Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.</p> <p>Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution.</p> <p>The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.</p>	Effective

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
47.	Logging of activities (GoBD, text number 117)	DTTL noted that all transactions, records, and electronic documents are covered within the audit logging feature. It is enabled per default in the Zoho Finance Suite applications [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice). It is also noted that, users are restricted from modifying or deleting the logs.	None	Effective
48.	Storage of electronic documents in the original format (GoBD, text number 119, 131, 132, 133)	DTTL noted that all electronic documents stored in the Zoho Finance Suite applications [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) are retained in their original format.	None	Effective
49.	Conversion to an in-house format (principle) (GoBD, text number 135)	DTTL noted that the requirement is not applicable, as the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) does not convert the documents to any in house format.	Requirement is not applicable to the Zoho software solution.	Not Applicable
50.	Conversion to an in-house format (Substitute Convert) (GoBD, text number 135, 122)	DTTL noted that the requirement is not applicable, as the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) does not convert the documents to any in house format.	Requirement is not applicable to the Zoho software solution.	Not Applicable
51.	Cryptography techniques (GoBD, text number 134)	DTTL noted that cryptography as feature for document security is available. Cryptography is not available on the document level in the Zoho Finance Suite applications [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice). The feature is enabled at the database levels for all the data and electronic documents.	None	Effective
52.	Retention of structural information (GoBD, text number 128)	DTTL noted that information from documents as part of a transaction are retained in the original format. Thereby, enabling the machine evaliability of the data.	None	Effective
53.	Machine evaluation (GoBD, text number 126, 128, 129)	DTTL noted that machine evaluation was enabled for documents. It was also noted that information like text, numbers and other relevant details were evaluable by the Zoho Finance Suite applications [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice).	None	Effective
54.	Data outsourcing (GoBD, text number 142)	DTTL noted that the requirement is not applicable, as the Zoho does not outsource any data to a third party.	Requirement is not applicable to the Zoho software solution.	Not Applicable

i. Supplementary Element (4): Data Access by the Tax Authorities

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
55.	Documents subject to recording and retention requirements/initial qualification (GoBD, text number 159, 161)	DTTL noted that the Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) generally allows the taxpayer to extract the backup on a as needed basis. It was also noted that, once a taxpayer creates a link for backup, only data with expiry of 30 days is provided to the taxpayer.	DTTL noted that the backup is separate for transactions and for their supporting document. Therefore, we conclude that the traceability cannot be established for the documents attached to the transactions.	Ineffective (Management Response provided in section 1.3.5)
56.	Accessibility (principle) (GoBD, text number 163, 165, 170)	DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution. The Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) offers the software-based functionalities to fulfil the requirements examined. It enables the taxpayer to create a role based on their use case. The taxpayer is responsible to define the role as required to the tax authorities.	Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution. The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.	Not Applicable
57.	Direct data access (Z1) (GoBD, text number 151, 174)	DTTL noted that the Zoho Finance Suite applications [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) enabled the taxpayer to create a role based on their use case. Therefore, it is the responsibility of the taxpayer to define the role as required by any auditor.	We noted that Zoho Finance Suite [Build 7334338] has not defined a default role which provides direct access to the financial authority. A workaround is available for this purpose in the analysed system. An "accountant role" is	Effective (Recommendation) (Management Response provided in section 1.3.5)

Sl. No.	GoBD Requirements	Audit Procedures performed	Audit findings	Conclusion
			available in the system by default and offers read-only access. This can also be allocated to users as an auditor role.	
58.	Indirect data access (Z2) (GoBD, text number 154, 175)	DTTL noted that the requirement in scope is in shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.  Zoho Company as the provider of Zoho Finance Suite [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice) offers the software-based functionalities to configure an indirect data access to the IT system via the taxpayer or an authorised third party and to fulfil the requirement examined.  It enables the taxpayer to create a role based on their use case. The taxpayer is responsible to provide necessary permissions to a designated third party.	Shared responsibility between Zoho Corporation and the taxpayer or user of the software solution.  Zoho Company has implemented appropriate functionalities to cover the specific requirement, on the part of the audited software solution.  The Zoho software solution provides the basic functionality and enables taxpayers to achieve compliance to the GoBD requirements when utilized correctly.	Effective
59.	Data carrier transfer (Z3) (GoBD, text number 167, 168, 169, 176, 177, 178)	DTTL noted that machine evaluation was enabled for documents. It was also noted that information like text, numbers and other relevant details were evaluable by the Zoho Finance Suite applications [Build 7334338] (Zoho Books, Zoho Expense and Zoho Invoice).	None	Effective
60.	Data outsourcing (GoBD, text number 142, 164)	DTTL noted that the requirement is not applicable, as the Zoho does not outsource any data to a third party.	Requirement is not applicable to the Zoho software solution.	Not applicable

**General Terms and Conditions of Engagement**

# General Engagement Terms

for

## Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2017

### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

### 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obliged to refer the engaging party to changes or any consequences resulting therefrom.

### 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

### 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

### 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

### 6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: The German term "Textform" means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

## 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

## 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

## 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

## 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

## 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

## 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.