

## ARTICLE VI

INDIA shall ensure that any contribution provided under any subsidiary arrangement is not used to pay any taxes, fees, customs duties or any other levies and charges imposed directly or indirectly by the Republic of India, on any goods, materials, equipment, vehicles and services purchased or acquired for, or related to, the execution of any project being carried out in the Republic of India pursuant to a subsidiary arrangement. Any such taxes, should they become payable in the Republic of India shall be paid by the Indian beneficiaries of the proceeds of the contribution or by the Canadian firm, Canadian personnel and their dependants, out of the payments, other than the proceeds of the contribution, made by the Indian beneficiaries of the contribution.

## ARTICLE VII

Canadian firms and Canadian personnel and their dependants shall not utilize the proceeds of a contribution made available to INDIA pursuant to a subsidiary arrangement for the payment of any taxes levied in the Republic of India on account of income arising to them outside or inside the Republic of India. Any such taxes, should they become payable in the Republic of India shall be paid by the Indian beneficiaries of the proceeds of the contribution or by the Canadian firm, Canadian personnel and their dependants, out of the payments, other than the proceeds of the contribution, made by the Indian beneficiaries of the contribution. Canadian personnel shall be exempt from Indian taxes imposed on income provided such income arises from Canadian Aid Funds in pursuance of any subsidiary arrangement or from outside the Republic of India and is not deemed to arise in the Republic of India. Dependants of Canadian Personnel shall also be exempt from such Indian taxes provided the income arises outside of the Republic of India. Should any such taxes be considered payable or deemed to be payable by INDIA, such taxes will be paid by the said Indian beneficiaries.

## ARTICLE VIII

Canadian firms and Canadian personnel shall not be required to pay the costs of customs and excise duties, sales taxes, charges, levies and fees, on all goods, materials, equipment, vehicles and services and on any other goods or services acquired in or imported into the Republic of India for, or related to, the execution of projects established under any subsidiary arrangement, subject to the condition that such customs and excise duties, sales taxes, charges, levies and fees, if any, which may be leviable on the aforesaid goods, materials, equipment, vehicles and services will be payable and paid by the respective Indian project authorities, administrative ministry or other Indian Counterpart.

## ARTICLE IX

Canadian personnel and their dependants upon their arrival in the Republic of India, shall be entitled to the