

# MEMORANDUM OF UNDERSTANDING (MoU)

## AGREEMENT BETWEEN

**Dralha Group & Indian Centre for Social Transformation (A Public Charitable Trust (Regd.))**

**EXECUTED AT: Thimphu, Bhutan ON THIS: 19th day of December 2025**

## BY AND BETWEEN

1. ASHI DEKI CHODEN WANGCHUCK, holding Identity Card No. 11410001670, daughter of HRH Ashi Cheoki W. Wangchuck, Managing Director of Dralha Group, with its registered office at Industrial Estate, Phuentsholing, Bhutan, Email ID: [dralhaflourmill@gmail.com](mailto:dralhaflourmill@gmail.com), hereinafter referred to as "the Promoter" or "Dralha Group" (which expression shall, unless repugnant to the context, include its successors and permitted assigns), of the **FIRST PART**;

AND

2. Indian Centre for Social Transformation (Indian CST), a registered public charitable trust (Registration No. HLS-4-00228-2009-10 dated 26/12/2009) and Darpan ID KA/2018/0218715, having its registered office and development center at "Grace Mansion," #25, 1st Floor, Infantry Road, Bengaluru – 560001, Email ID: [rajaseevan@gmail.com](mailto:rajaseevan@gmail.com), represented by Hon. Dr. Raja Seevan, Chairman & Founder Trustee, authorized by the Board of Trustees, hereinafter referred to as "Indian CST" (which expression shall, wherever the context admits, include its successors-in-interest and permitted assigns), of the **SECOND PART**.

(Hereinafter the Promoter/Dralha Group and Indian CST are collectively referred to as "the Parties" and individually as "Party").

## WHEREAS

A. The Promoter has been allotted approximately 3.00 acres of land on lease basis by the Royal Government of Bhutan at Dhamdum Industrial Park, Samtse, Bhutan (more particularly described in Schedule A) for establishment of industrial projects and is entitled to various incentives and facilities (more particularly described in Schedule B).

B. The Promoter has obtained certain statutory approvals and has undertaken to obtain all remaining approvals, permissions, infrastructure facilities, and local guarantees required in Bhutan for the proposed projects.

*Deki Wangchuck*



C. The Promoter operates existing businesses in Bhutan, including the Dralha Flour Mill, Dralha Napkin Factory, and the 3-star Hotel Dralha in Thimphu, and seeks strategic partnerships and funding to relocate, upgrade, and expand these operations, as well as to establish new ventures such as a bamboo products factory.

D. Indian CST and FANA Global specialize in FDI, e-governance solutions, AI technologies, sustainable materials, and collaborative projects, and is interested in partnering with the Promoter to advance mutual objectives in Bhutan and India, including through foreign direct investment (FDI) opportunities.

E. The Parties intend to collaborate on various projects, with an immediate priority on securing urgent funding of approximately INR 100 Crores initially (Potentially expanding to \$100 Million USD) for the Priority Projects (as defined below), which shall remain wholly owned and operated by the Promoter. Subsequent mutual FDI-related ideas and projects may be pursued through a joint venture structure once the Priority Projects are stabilized.

F. This MoU is intended to outline the broad framework for collaboration and is non-binding except for the provisions relating to confidentiality, governing law, dispute resolution, and miscellaneous provisions as expressly set forth herein.

**NOW THEREFORE**, in consideration of the mutual promises and covenants contained herein, the Parties hereto agree as follows:

**1. DEFINITIONS** 1.1 Unless the context otherwise requires, the following terms shall have the meanings ascribed to them below:

- "JV Company" means a private limited company that the Parties may incorporate in the future for undertaking any agreed Future Projects involving FANA Global/OMS fund FDI's.
- "Priority Projects" means the urgent initiatives outlined in Clause 2.1 below, requiring immediate funding and implementation.
- "FDI" means Foreign Direct Investment as per applicable laws in Bhutan and India.
- "Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with a Party.

**2. OBJECTIVES OF THE MoU** The primary objectives of this MoU are to facilitate collaboration between the Parties for the development and funding of PPP and humanitarian projects in Bhutan, with a focus on sustainable industries, technology integration, and economic growth. The key objectives include:

**2.1 Funding for Bhutan-Based Projects (Priority Projects – Key Objective):**

The Parties acknowledge the following Priority Projects, comprising existing and proposed businesses wholly owned, managed, and operated by the Dralha Group:

a. Relocation and modernization of the existing Dralha Flour Mill to the newly allocated industrial land, including equipment upgrades to enhance efficiency, capacity, and compliance.

b. Upgrading of the existing 3-star Hotel Dralha in Thimphu to maintain and enhance facilities,

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amenities, and operational standards.

c. Establishment of a new bamboo products manufacturing facility.

Indian CST shall use reasonable efforts to assist the Dralha Group in securing funding of approximately INR 100 Crores initially for the Priority Projects on an urgent basis (Potentially expanding to \$100 Million USD), including by introducing potential lenders, investors, or grant providers. The Parties intend to work towards financial closure for the Priority Projects within 4-6 months of execution of this MoU, subject to availability of suitable funding terms. **No equity participation by Indian CST is contemplated in the Priority Projects.**

The Parties agree to prioritize and fulfill the Key Objective within 4-6 months from the date of execution of this MoU. Subsequent objectives outlined below shall be pursued thereafter, subject to mutual agreement and availability of resources.

**2.2 Customization of Platforms:** The Parties intend that Indian CST shall customize its GPMS Transportal Platforms for use in Bhutan and offer Make in India solutions, including e-Governance tools, e-Pashuhaat for Livestock, KisanMitr for Agriculture, India Market Place, Universal Health Coverage (UHC) for Healthcare, Smart City initiatives, MSME ERP, Real-Time AI Diagnostics for all diseases, AI Labs, AI Courses, Passbook printing machines, atm machines, lightweight AAC block plant, health atm, etc.

**2.3 Strategic Investment Opportunities:** Investments in AI Labs for educational institutions across Bhutan.

**2.4 Food Innovation Centers:** Establishment of centers focused on innovation in food products using local ingredients, and value added products.

**2.5 Renewable Energy and Agri-Sustainability Hubs:** Development of hubs across Bhutan and India to promote renewable energy and sustainable agriculture.

**2.6 Collaboration with Tier-1 Partners:** Joint ventures between Indian CST, the Promoter, and Tier-1 partners for projects in Bhutan.

**2.7 PHITONS Collaboration:** Partnership with PHITONS Bioengineering Pvt. Ltd., in collaboration with Indian CST and the Promoter, to pioneer sustainable materials in Bhutan.

**3. FUTURE OBJECTIVES AND JOINT VENTURE STRUCTURE** The Parties intend to explore the following future collaborative projects (the “Future Projects”), subject to separate definitive agreements and only after the Priority Projects have been successfully established and are fully operational:

**3.1 Non-Binding Nature of Future Collaboration** Neither Party shall be under any obligation to pursue any Future Project, form a JV Company, or enter into any definitive agreement in respect of the matters contemplated in this Clause 3. Any decision to proceed with a Future Project shall be subject to mutual agreement in writing and the execution of separate binding agreements.

*S. Chawdhury*



**Project 2: Indian CST & Dralha Group of Industries in Collaboration with Tier-1 for Bhutan** The main areas of collaboration include:

- Partnering with the Promoter to establish facilities for value-added organic food products.
- Setting up a food innovation lab with chefs and food scientists to develop products using locally grown ingredients, targeting domestic and export markets.
- Establishing a full agri-value chain for growing, processing, and exporting spices and herbs into dry blends and value-added extracts for food, flavor, and biotech industries.
- Creating a special brand for exporting high-value organic produce from Bhutan.
- Developing a high-quality fast food chain operated by women entrepreneurs, serving healthy options tailored to local tastes and tourists.
- Assisting in setting up a 5- to 7-star hotel operation in partnership with a renowned brand such as the Oberoi Hotel Group to attract high-end tourists and delegations.
- Establishing a 4-star hotel for value-conscious customers and visitors.
- Designing and implementing a best-in-class sustainable fish farm using Recirculating Aquaculture System (RAS) technology from Scandinavia, with partial investment (up to 75% of the total USD 60 million) sourced through a specialized aquaculture-focused fund.
- Setting up backward-integrated organic farms using Farmer Producer Organizations (FPO) and Self-Help Groups (SHG) concepts, emphasizing women-led initiatives and sustainable packaging.
- Establishing a skill training academy for food service, kitchen training for chefs, housekeeping, and soft skills for retail and service jobs, with recognized certifications.

**Project 3: PHITONS in Collaboration with Indian CST & Dralha Group of Industries for Bhutan – Pioneering the Future of Sustainable Materials**

PHITONS Bioengineering Pvt. Ltd., headquartered in Bangalore with facilities in Hunsur, Karnataka, aims to revolutionize sustainability by providing advanced compostable solutions to eliminate microplastics and promote a circular economy.

- Science, Sustainability, Scalability: Backed by STEER Engineering and Potential Health Development (PHD), PHITONS offers proprietary compostable polymer blends reinforced with soil-based multi-mineral fillers, delivering performance comparable to conventional plastics while being fully compostable and microplastic-free.
- The Earthen Series: Includes Earthen Kraft (compostable carry bags, pouches, bin liners, biohazard bags); Earthen Agri (mulch sheets and nursery bags); Earthen DuraPack (high-strength packaging replacing LDPE/HDPE); and Earthen Fresh (shelf-life-extending films with antimicrobial oils to reduce food waste).
- Global Collaboration: PHITONS, in partnership with the Business Developer, seeks to collaborate with the Royal Government of Bhutan to advance sustainable material adoption and reduce plastic dependency.
- Product Range: Bin liners, biohazard bags, takeaway bags, pouches.
- Pricing: INR 1,70,000 per ton + GST + Transportation.
- MOQ: 20 tons.

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- Sustainability & Manufacturing Excellence: Operating from a 110,000 sq. ft. facility on 36 acres in Hunsur, PHITONS combines environmental responsibility with economic viability.
- Philosophy: Inspired by the golden ratio (Phi), PHITONS symbolizes harmony between nature and technology, enabling businesses to achieve profitability alongside responsibility.

**Project 4: Indian CST Projects (as Proposed in Letter Dated May 5, 2025, Reference No: Dralha Bhutan/IndianCST/01/2025)**

1. Customization of GPMS Transportal Platforms for Bhutan, including Make in India solutions: e-Governance, e-Pashuhaar for Livestock, KisanMitr for Agriculture, India Market Place, UHC for Healthcare, Smart City, MSME ERP, Real-Time AI Diagnostics for all diseases, AI Labs, and AI Courses.
2. GPMS for e-Governance.
3. GPMS for Universal Health Care (UHC) under the National Health Mission.
4. GPMS for SDG 3.0.
5. GPMS for Tuberculosis management.
6. GPMS for Diabetes Registry.
7. GPMS for AI Diagnostics.
8. GPMS for School Dropout Survey.
9. GPMS for India Market Place.
10. GPMS for Smart City.
11. GPMS for Fana Global.

For any Future Project involving FANA Global/OMS FDI's that the Parties mutually agree to pursue jointly:

3.2 The Parties intend to cause the incorporation of a private limited company (the JV Company) under the Companies Act of the Kingdom of Bhutan, 2016 (as amended), in such name as may be mutually agreed and approved by the relevant authorities.

3.3 The intended shareholding ratio in the JV Company be maintained as follows:

- Promoter (or its nominees): 70%
- Indian CST (or its nominees): 30%

This shareholding ratio is applicable only to any future FANA Global/OMS FDI joint ventures that the Parties agree to pursue and shall not apply to existing Dralha businesses or the Priority Projects. The shareholding ratio shall remain subject to change depending on future agreements and investments.

3.4 The main objects of the JV Company shall include, inter alia, such objects as required for the agreed Future Projects (including but not limited to production and marketing of organic value-added food products, development of an agri-value chain for spices and herbs involving women entrepreneurs, establishment of 4-star to 7-star hotels, and development of sustainable fish farming).

*Seal/Signature*



3.5 The Parties intend that detailed terms on capital contribution, project implementation, financing, board of directors (with Promoter nominees holding majority), management, assets, security, and share transfer shall be negotiated in good faith and included in definitive agreements.

#### 4. CONFIDENTIALITY

4.1 Each Party undertakes to keep strictly confidential all information received under or in connection with this MoU and not to disclose the same to any third party without prior written consent of the other Party, even after termination/expiry of this MoU. This obligation shall survive for a period of five (5) years post-termination.

4.2 Confidential information shall not include information that is publicly available (other than through breach of this MoU), independently developed, or required to be disclosed by law.

#### 5. TRANSFER OF SHARES

5.1 No shareholder shall transfer, sell, pledge, or otherwise dispose of its shares in the JV Company without the prior written consent of the other shareholder, except in accordance with a right of first refusal and other provisions to be incorporated in the Articles of Association or a separate Shareholders' Agreement.

#### 6. DURATION AND TERMINATION

6.1 This MoU shall come into effect on the date of execution and remain valid for ten (10) years, provided that any agreed shareholding pattern in a JV Company is maintained.

6.2 Either Party may terminate this MoU by giving six (6) months' prior written notice in case of material breach by the other Party that remains unremedied within thirty (30) days of receipt of such notice.

6.3 Upon termination, the Parties shall wind down joint activities in an orderly manner, and confidentiality obligations shall survive.

#### 7. FORCE MAJEURE

7.1 Neither Party shall be liable for any failure or delay in performance due to events beyond its reasonable control, including acts of God, war, riots, embargoes, strikes, or governmental actions ("Force Majeure"). The affected Party shall notify the other promptly and resume performance as soon as practicable.

#### 8. NOTICES

8.1 All notices under this MoU shall be in writing and delivered by hand, registered post, or email to the addresses specified above (or as updated in writing). Notices shall be deemed effective upon receipt.

*Darshayachik.*



## 9. GOVERNING LAW AND DISPUTE RESOLUTION

9.1 This MoU shall be governed by the laws of the Kingdom of Bhutan.

9.2 Any dispute arising out of or in connection with this MoU that cannot be amicably resolved within thirty (30) days shall be referred to arbitration in accordance with the Alternative Dispute Resolution Act of Bhutan, 2013. The arbitral tribunal shall comprise three arbitrators (one appointed by each Party and the third by the two appointed arbitrators). The seat of arbitration shall be Thimphu, Bhutan, and the language shall be English. The award shall be final and binding.

## 10. MISCELLANEOUS

10.1 Notices – All notices shall be in writing and sent to the addresses mentioned above by registered post, courier, or email with receipt acknowledgement.

10.2 Entire Agreement – This MoU constitutes the entire understanding between the Parties and supersedes all prior agreements/understandings (if any).

10.3 Amendments – No amendment shall be valid unless reduced to writing and signed by both Parties.

10.4 Severability – If any provision is held invalid, the remainder shall continue in full force.

10.5 Counterparts – This MoU may be executed in counterparts, each of which shall be deemed an original.

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**For and on behalf of the Promoter**

Ms. Ashi Deki Choden Wangchuck (Promoter)

**Witnesses:**

1. Name: Meyo RABSEL NAMGYEL Signature 
2. Name: RICKSEL NAMGYEL Signature 

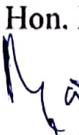
**For and on behalf of Indian CST**

Hon. Dr. Raja Seevan (Chairman & Founder Trustee)

**Witnesses:**

1. Name: T. S. GIRIJA Signature 
2. Name: ANJU MENON Signature 

IN WITNESS WHERE OF the parties hereto have set their hands and seals  
the day, month and year first above written

SIGNED AND DELIVERED BY PROMOTER	For Indian Centre for Social Transformation
BY: Ashi Deki C. Wangchuck <i>Seechangchuk.</i>	Name: Hon. Dr. Raja Seevan  
Title: Managing Director of Dralha Group	Title: Chairman & Founder Trustee Indian CST
Date: 19.12.2025	Date: 19.12.2025
Witness:	Witness: